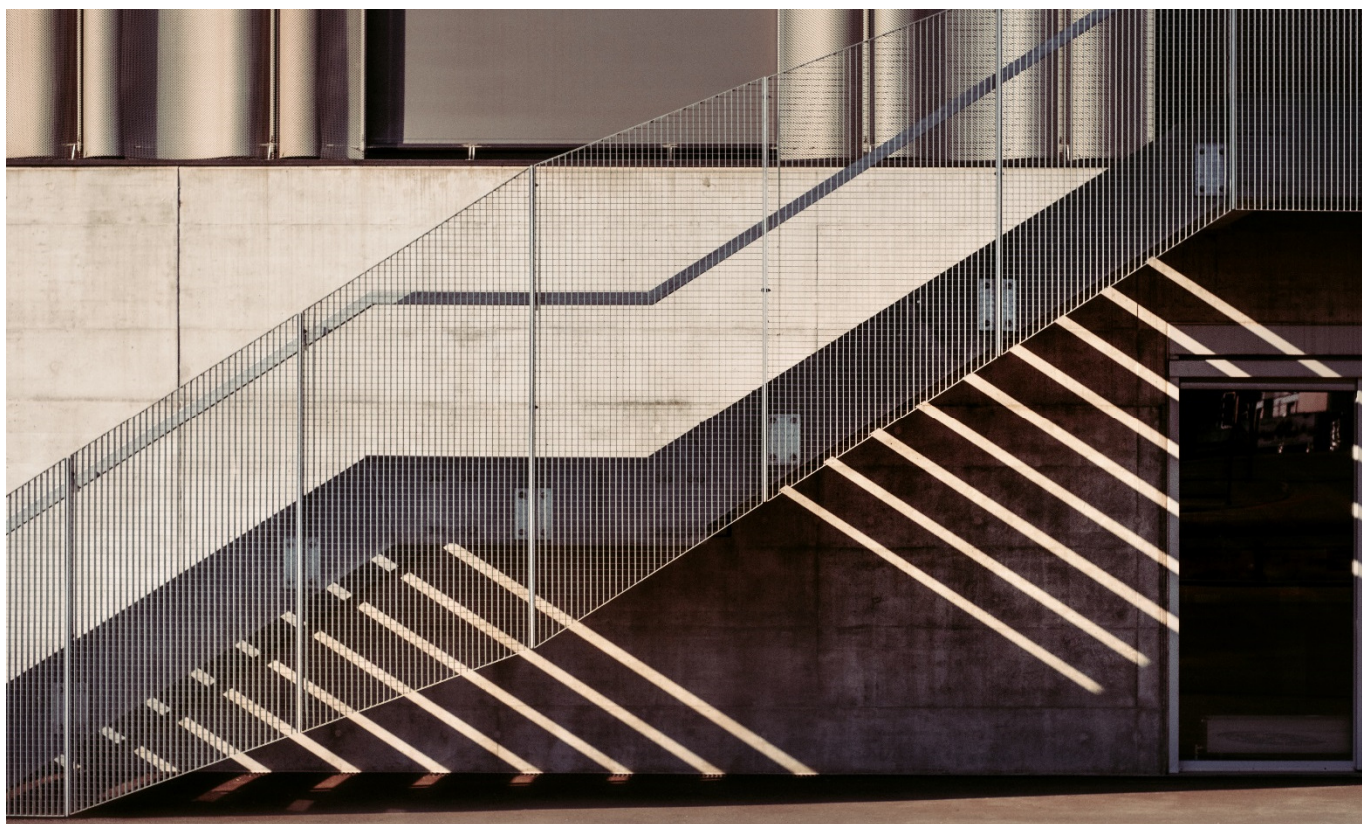


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Bryte Insurance is the premier, proactive business risk specialist. Our core purpose is to protect our customers' business.

## Specialist Claims Philosophy

### Culture

Building on an open and transparent culture, the Bryte Specialist Claims Team partners with customers and supports them when it matters most.

### Our Customers Come First

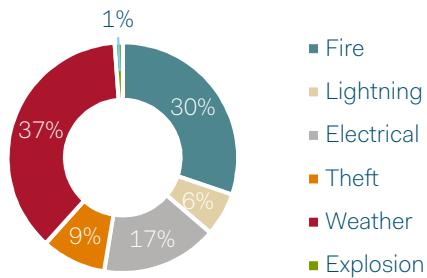
We continually challenge processes and ourselves to drive customer centric, effective and efficient execution. The team takes ownership of the customer journey and facilitates ongoing communication with customers and brokers.

The team takes accountability for customer experience at key touch points and commit to effective coordination of external experts and consultants impacting the customer.

## Statistical Information

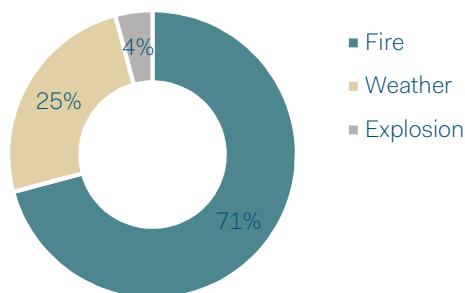
1. Weather related events are the main cause of BI claims followed by fire and power surge or failure related events.

Causes of BI Claims: Attrition



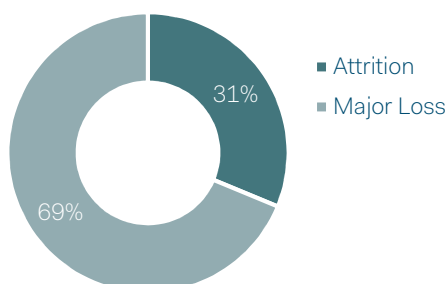
2. Major loss BI claims are mostly caused as a result of fire followed by weather and explosion related events.

Causes of BI Claims: Major Loss



3. In terms of the total claims paid for business interruption, 69% represent major loss claims and 31% to claims below R 1 million.

Split of Total BI Claims Incurred



## Claims Management Trends

### Discrepancies regarding financial information

Calculating business interruption claims involves making projections of the performance of the business had no loss have occurred. Historical data needs to be supplied to test the rationale of the projections.

We have noticed that most of the claims presented are inflated. Also, anomalies such as differences between company financials and VAT returns. The availability and accuracy of historical financial information plays a major role in the adjustment of the claim.

### Understatement of indemnity period

Cover for BI is limited by a sum insured and the specified indemnity period. The indemnity period is the period during which the performance and results of the business could be impacted by the damage. The insured often underestimates the length of time it would take to recover following a loss. We have noticed that indemnity periods are understated resulting in underinsurance.

Understanding the insureds business operations and resilience measures is critical in establishing a suitable indemnity period. The purpose of BI cover is to help the insured return to the position they were in before the loss. It is prudent to consider worst-case scenarios which affect circumstances thus increasing the duration of the recovery period and to continuously update and improve business continuity plans to determine a suitable indemnity period.

## Bryte's response to major property loss and BI claims

Building on an open and transparent culture, the Specialist and Major Loss Claims Team partners with the broker and customers and supports them when it matters most.

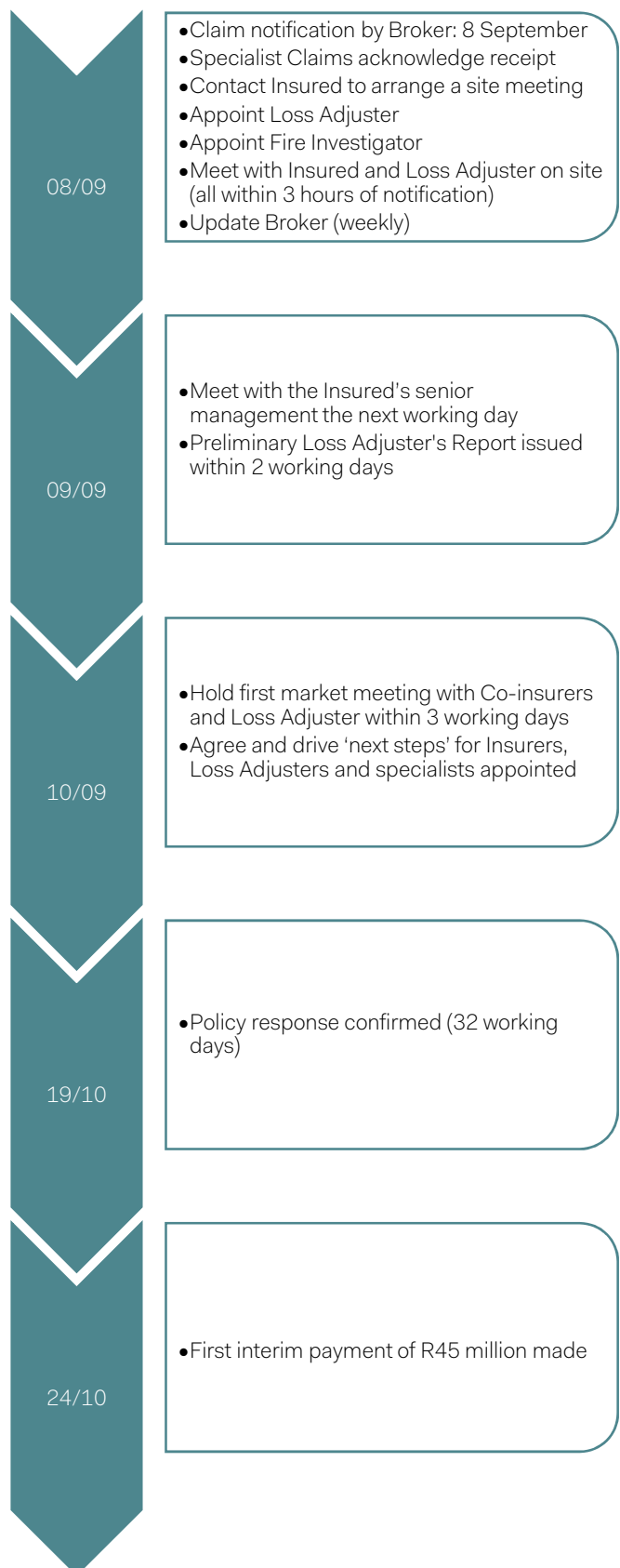
Utilising technical expertise, evidence-based decision-making and a project management approach we help customers with mitigation, reorganisation and setting in motion business continuity plans after suffering a loss.

The Specialist Claims Team takes ownership of the customer journey from initial contact through to resolution and facilitates ongoing communication with brokers and customers. The team takes accountability for the customer experience at key touchpoints and commits to effective coordination of external experts and consultants that impacts customer experience.

Overview of our services:

- Project management approach to major loss and specialist claims
- Assisting customers with pre-loss mitigation planning and business continuation strategies
- Conducting loss-scenario workshops
- Assisting partners and customers in designing customised claims handling protocols
- In-house adjuster services

## Claims experience – based on actual claim





## BI claim trends

### 1. Can you provide us with two examples of extreme BI cases that occurred?

- The 2017 Gauteng and Durban storms were the most severe that the country has experienced for decades and affected the insurance market as a whole.
- The Tianjin factory explosions in 2015 affected the manufacturing supply chain as most products are imported from China. The estimated costs run into billions of US dollars.

### 2. Which of the sectors in SA are most affected by BI and in which regard? Can you also elaborate on tourism?

BI is not sector specific. A small corner shop and even large multi-national companies may suffer a loss. What is key is that when a loss occurs, the Insured is prepared and has a sound business continuity plan.

The Knysna fires caused widespread damage which resulted in cancellations. This, therefore, impacted the tourism industry in general.

### 3. Can you provide information on the region's most susceptible to incidents that result in large BI claims?

Recently, Gauteng experienced an upsurge in BI claims due to floods and hail storms. Durban and the Western Cape are also impacted, however, it's important to note that BI is not a localised issue. It transcends territorial boundaries. This is clearly illustrated by the 2015 Tianjin factory explosions in China.

### 4. Can you elaborate on three key trends anticipated from a BI perspective over the coming year?

The increase in socio-political risks (strikes, protests, etc.) which will result in prevention of access to business premises.

Business continuity plans are going to be critical in any enterprise risk management approach as a result of extreme weather events.

Increased public utilities claims exacerbated by the deterioration in water and electricity supply infrastructure.

## Example of how we protect our customers' business



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