

# NEW PARTNERS, NEW VALUE PROPOSITIONS

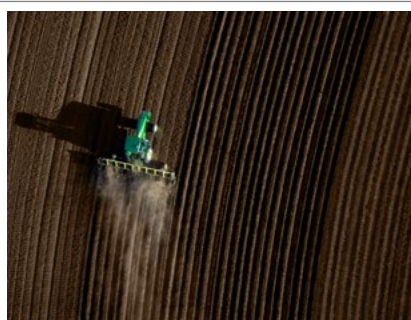
Keep abreast of current short-term insurance and risk mitigation trends with our team of experts, as they share their deep sector knowledge and experience in the latest issue of Bryte Edition.



CEO Foreword  
A toast to new partners and  
new value propositions

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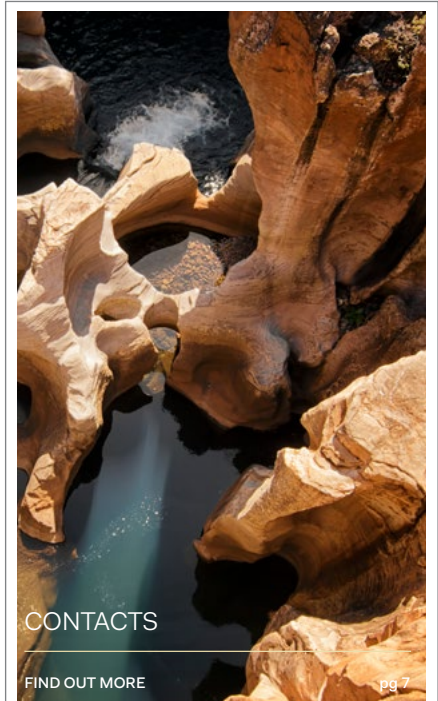


New iMPAC Crop Revenue  
Product aimed at supporting  
agriculture sector growth

Identified as a key sector with the potential  
to drive economic inclusivity, the agricultural  
sector's commercial viability is critical for food  
security and economic growth.

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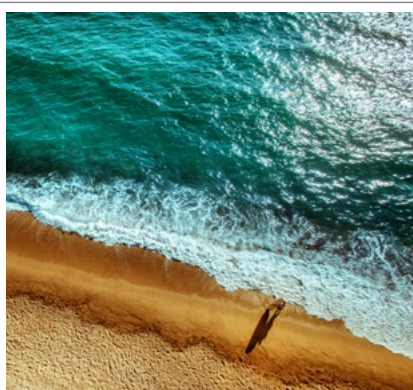
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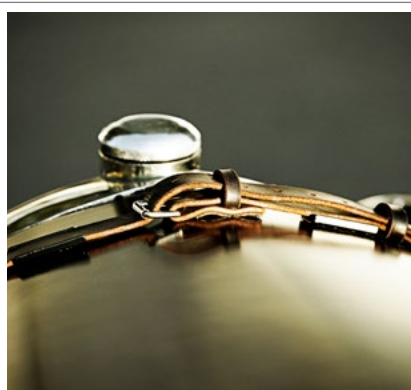
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A dynamic fit for the on-demand  
generations

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Tax Risk Insurance aimed at  
safeguarding customers against  
tax audits

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# A TOAST TO NEW PARTNERS AND NEW VALUE PROPOSITIONS

**Edwyn O'Neill**  
CEO Bryte Insurance

## CEO Foreword

### Dear Broker Partner

Welcome to Bryte Edition. As I write this, I am astounded by how quickly the year has passed by but also delighted by the achievements that have underscored 2018. From a socio-economic perspective, this has been a challenging year for all South Africans, largely characterised by exacerbated petrol prices, an increase in the unemployment rate and frequent currency fluctuations that continue to aggravate economic volatility. That said, it is encouraging to note the growing level of confidence and optimism across the country given government's ambition to attract \$100 billion<sup>1</sup> worth of investment to eradicate financial disparities and drive economic recovery.

Among these exciting developments has been the expansion of the Bryte family through the great partnerships we have undertaken. We are immensely proud of these and have no doubt they will deliver deep value to our business as well as that of yours and your customers.

On that note, we have themed our last issue for the year around partnerships with the aim of introducing you to our new partners – Granadilla and Tax Risk Underwriting Managers – and provide them with an opportunity to share more on their innovative propositions. We have also featured a new offering by existing partner, iMPAC Underwriting Managers.

### iMPAC Underwriting Managers

The impact of extreme weather conditions on the economy, insurance industry and agriculture sector, at large, has been a key area of concern throughout 2018. With food security and the sustainability of the agriculture sector remaining under the spotlight, it is critical for every business to find better ways in which to help secure the profitability of the sector. Given South Africa's immense dependency on maize, iMPAC has introduced an innovative Crop Revenue Product and its Managing Director, Hennie van Staden, elaborates on the offering and speaks to how farmers can better cover against the negative effects of sizeable price movements on such critical produce.

### Granadilla

With bespoke solutions a central focus to our business, this year marked the launch of our partnership with the "new kid" on the InsurTech block, Granadilla. Granadilla's value proposition is very unusual and hugely innovative providing "on-demand" cover for gadgets such as mobile phones, laptops, tablets, cameras, smartwatches, etc. In this issue, the company's Founder and CEO, Jonathan Walker, talks about the integration of technology as a key component of customer service and how the insurance industry can use it to pioneer affordable, tailored risk solutions that serve the interests of all South Africans.

### Tax Risk Underwriting Managers

As a premier, proactive business risk specialist, we collaborate with like-minded businesses and have found a great partner in Tax Risk Underwriting Managers. Willem Lombaard, Managing Director at Tax Risk Underwriting Managers, talks to how the company's offering has been designed to support individuals and businesses that may be subjected to a tax audit/dispute, financially and through access to experts. In 2017 alone, more than 1.8-million tax audits were conducted by SARS – most of which were performed randomly hence, the odds of being selected are much higher than most realise.

To our partners, thank you for trusting our expertise and choosing to journey with us through this rapidly changing risk environment.

To our broker partners, I hope you find these new solutions that are now accessible to your customers to be of value. We encourage your feedback on the information contained herein as well as our expanding portfolio of risk mitigation solutions. Should you have any recommendations or questions, please feel free to contact a member of our [Insurance Partnerships](#) team.

Wishing you and your loved ones a blessed festive season and a wonderful New Year. If you are travelling, keep safe.

### Best wishes



# A DYNAMIC FIT FOR THE ON-DEMAND GENERATIONS

By Jonathan Walker, Founder and CEO of Granadilla

**The risk landscape is evolving more rapidly than ever before, and insurance providers need to be at the forefront of change to support customers, ahead of need. Customers are demanding innovative solutions, more inclusive advisory and “instant” support from insurers while insurers are consistently looking at novel ways in which to meet customer demands, enhance their value and solidify customer relationships.**

Millennials and Gen Z are particularly complex generations in many ways and their insurance needs are equally complex. Many prioritise ownership of high-value items and often find it challenging to effectively insure these. Traditionally, gadgets such as mobile phones, laptops, tablets, cameras, smartwatches, etc. are included on the household contents policy – often that of parents thus impacting the policyholder's risk profile and accordingly, premiums – which is a far from ideal solution.

**Speaking of gadgets, smartphone usage in South Africa has grown considerably and is expected to reach 25 million<sup>1</sup> by 2022. The price of smartphones, along with other gadgets, has also risen sharply together with incidents of theft, leaving so many severely out of pocket when an incident occurs.**

## Technology a key component of next level customer service

Responding to this gap in the market is Granadilla's insurance proposition which provides simple, flexible and easily accessible cover for valuable gadgets – individually – at an affordable rate. In partnership with Bryte, Granadilla is providing customers with access to a unique range of insurance solutions made available via a mobile app and online platform. Customers are also assured of seamless, secure and simple claims processing.

Our insurance model works on a self-service basis. Customers require no counsel to purchase, update or cancel as they can easily access information, make informed decisions, implement policy adjustments and submit claims at their convenience, although we do have a team to assist if required. Our model makes use of an array of the latest technologies including bots, artificial intelligence and machine learning which enables better identification and a more accurate understanding of market trends, in real time. Further to this, we are better positioned to respond to market needs swiftly and price our products more competitively, making insurance more affordable for the customer.

**The use of advanced technology and innovation remains a key facet of our business and we are excited to partner with Bryte to collaboratively protect our customers' valuables and pioneer affordable, tailored risk solutions that serve the interests of all South Africans. This partnership has allowed us access to the experience, knowledge and expertise of seasoned risk specialists with deep market insights to better comprehend evolving customer exposures and explore new value propositions.**

Staying connected to customers is a key priority for Granadilla. Our ambition is to continue to evolve with our customers and proactively address their changing needs. Our business model is highly dependent on maintaining a close relationship with customers in order to forecast behavioural/lifestyle changes and proactively develop products that mitigate risks to avoid customers dealing with the inconvenience of a loss. The flexibility of our offering enables us to evolve with ease and we are incredibly proud of that.

As Bryte's broker partners, we believe that you are ideally placed to advise on the unique range of solutions accessible to customers, which can complement their existing risk management solutions, thus further entrenching the value you are able to deliver to your customers. If there are any opportunities for us to assist you/your customers or should you have any questions, please feel free to contact – [marketing@granadilla.ai](mailto:marketing@granadilla.ai). More information is available here – <https://granadilla.ai/>

Sources: <sup>1</sup>[Statista](#)

# NEW iMPAC CROP REVENUE PRODUCT AIMED AT SUPPORTING AGRICULTURE SECTOR GROWTH

By Hennie van Staden, Managing Director at iMPAC Underwriting Managers

Identified as a key sector with the potential to drive economic inclusivity, the agricultural sector's commercial viability is critical for food security and economic growth. However, with production falling by more than 29%<sup>1</sup> in the second quarter of 2018, the sector continues to experience several challenges exasperated by extreme weather events such as droughts and floods, economic and political uncertainty and the rand-dollar fluctuation.

## Proactively addressing market challenges

The role of maize, which is an integral part of the staple diet of most South Africans and regularly used as feed for livestock, is probably the most critical. Maize farmers are under increasing pressure to continue delivering quality products to approximately 83%<sup>2</sup> of South Africans who rely on their produce. The pressure is anticipated to intensify compounded by uncertainty around land expropriation, skyrocketing input cost for farmers and the weakening of the rand against the dollar are adding to the volatility of maize prices.

Understanding the growing strain maize farmers and the agricultural sector face, iMPAC in partnership with Bryte, has developed the *Crop Revenue Product* which is aimed at safeguarding the interest of farmers by helping mitigate against the level of losses experienced by the declining state of the industry. Our product also covers sunflowers, which are primarily used for sunflower oil production and animal feed, as well as soybeans which are increasingly used in an array of retail food products.

## A new insurance model

Traditional insurance policies are yield-based and can prove to be very expensive during seasons where environmental conditions negatively impact output. Responding to this challenge, the *Crop Revenue Product* has been designed using a revenue-based insurance model, where farmers are insured according to the rand value of their produce. This helps hedge farmers against the negative effects of sizeable price movements.

Another consideration is that conventional crop insurance policies only cover 65% of sums insured, leaving farmers to carry up to 35% excess. The *Crop Revenue Product* has been designed to provide farmers with up to 80% cover, sustainably reducing the excess applicable. The higher insurance cover enables farmers to obtain higher input finance and opens up opportunities for crop diversification.

***“At Bryte, we believe in proactively addressing sector challenges by providing customers with innovative solutions to existing and emerging risks. The opportunity to offer appropriate and flexible insurance cover to producers of approximately eight million tons of maize in South Africa will bring us one step closer to enabling sector resilience, driving market competitiveness and ensuring the sustainability and profitability of our customers’ businesses,” commented Wim Morland, Executive Head of Insurance Partnerships at Bryte.***

For more information about this offering, please contact Willie Du Plooy via email – [willie@impacuma.co.za](mailto:willie@impacuma.co.za).

Sources: <sup>1</sup>[Stats SA](#) | <sup>2</sup>[Grain SA](#)

# TAX RISK INSURANCE AIMED AT SAFEGUARDING CUSTOMERS AGAINST TAX AUDITS

*By Willem Lombaard, Managing Director at Tax Risk Underwriting Managers*

Tax season can be a daunting time, especially for business owners in South Africa. Given the country's continued low growth environment and rising tax collections shortfall, the pressure on government to ensure due taxes are being collected, has intensified. Business owners, particularly, have been warned to expect stricter tax compliance and collection processes which could result in more audits by SARS. This process can be rather complicated and incredibly time-consuming, leaving businesses exposed to substantial legal and accounting costs and susceptible to business interruption.

Understanding the challenges facing businesses (and individuals), we at Tax Risk Underwriting Managers have developed a unique solution, underwritten by Bryte Insurance. Known as Tax Risk Insurance, the solution is designed to support customers by providing access to the financial means and expertise necessary (legal representation, tax professionals, accountants, auditors, etc.) to navigate SARS tax audits and related disputes.



For only R270 per month, big businesses enjoy cover of up to R300,000 per annum.

Small, medium-sized and microenterprises (SMMEs) can benefit from cover of up to R110,000 per annum for a mere R100 per month.

## Risk to SMMEs

SMMEs are the lifeblood of our economy but face a myriad of hurdles that challenge growth. From a tax perspective, SMMEs have the highest rate of SARS tax audits, often due to the misconception that their businesses are too small to warrant a tax audit. The value and importance of having tax risk insurance cover can be the difference between the business shutting its doors or remaining buoyant.

## Everyone is fair game

In the 2017/18 financial year, SARS conducted approximately 1.6 million<sup>1</sup> tax audits, and with selection often being done randomly, everyone is subject to being selected for tax assessment. Even if one employs the best accountant in the world and perceives their tax affairs to be in order, this doesn't exempt them/their business from an audit. With this cover, customers can be assured of expert level tax defence in the event of an audit-related dispute.

## We provide cover for:

- Income Tax Audits
- VAT
- Employee Tax Audits
- Capital Gains Tax Audits
- Dispute resolution hearings and appeals to the Tax Board and Tax Court

Tax Risk Underwriting Managers remains committed to helping customers navigate the highly regulated tax environment by providing them with valuable, pragmatic and cost-effective risk management solutions that are tailored to their needs. While it is our objective to protect customers and their businesses by mitigating against tax-related risk, we are equally uncompromising about adhering to all tax legislation. Where evidence of tax fraud exists, the policy will be cancelled immediately, and the policyholder will become liable for all costs incurred.

**We encourage every broker to engage customers on the risks around tax, the critical need to comply and the repercussions of non-compliance, which can have an irrevocable impact on a business' financial stability/profitability and reputation. As tax revenue collection targets rise, Tax Risk Insurance offers customers peace of mind, knowing that they will be effectively represented by some of South Africa's leading tax experts to ensure the efficient and ethical management of their tax audit processes, and the best chance of achieving a fair outcome.**

Terms and conditions apply. For more information about this offering, please visit <http://www.taxrisk.co.za/>, click [here](#) to view our brochure or send an email to [info@taxrisk.co.za](mailto:info@taxrisk.co.za).

Sources: <sup>1</sup>[SARS 2017/18 Annual Report](#)

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