



THE INSURANCE CRIME BUREAU

INTELLIGENCE THAT WORKS

SELF DRIVING

ANNUAL REPORT 2019

LEADING THE FIGHT AGAINST
INSURANCE FRAUD & RELATED CRIMES!

TABLE OF CONTENTS

	<u>Page</u>
Introduction & Mandate	1
Our Company Values	2
Our Vision & Mission	3
Chairman's Report	5
View from The CEO	6
View from The COO	7
Board of Directors	9
Operations Report	11
Case Corner	13
State of The Nation	17
Key Financial Indicators	18
Operational Success Indicators	19
Strategy Moving Forward	20
Corporate Governance Report	21
Artificial Intelligence & Human Intuition	22
Members Lists	23
Events	25
Key Stakeholders	28

The Insurance Crime Bureau now enters its **ELEVENTH YEAR** of successful operations, and has grown in both reputation and stature into a formidable organisation fighting **INSURANCE FRAUD AND RELATED CRIME.**



INTRODUCTION & MANDATE

The Insurance Crime Bureau was formed to address the rise of organised crime syndicates who use insurance fraud as a way of making money. Created in 2008 to combat Insurance Fraud and Organised Crime in South Africa, The Insurance Crime Bureau advocates a set of values and responsibilities, geared towards the benefit of both the Insured and Uninsured public. These principles guide and inform the way in which we manage and conduct our affairs, and they also serve as the standard against which we measure our performance.

The Insurance Crime Bureau is a non-profit company dedicated to fighting organised insurance crimes and fraud. Since our inception in 2008, The Insurance Crime Bureau has made a significant impact on both the Short and Long Term insurance industries and society as a whole. We do this by bringing together the collective resources of insurance companies, Law Enforcement agencies and other Stakeholders to facilitate the detection, prevention and mitigation of insurance crimes as well as assist in the prosecution of fraudsters through ongoing insurance fraud investigations.



OUR COMPANY VALUES



Ensure that the Insurance industry **STANDS TOGETHER** as a community to fight organised crime syndicates.



To reduce the **FINANCIAL EFFECTS** of syndicate behaviour in the industry by decreasing organised crime.



To continue to demonstrate that we are **COLLABORATIVELY** and actively addressing crime and fraud in the industry.



To demonstrate to **STAKEHOLDERS, PARTNERS & MEMBERS** that the industry is standing together to fight organised crime, thereby increasing "The Force".





OUR VISION

The Insurance Crime Bureau was established in 2008, to be the intelligence hub and leading authority on organised crime, operating within the Insurance Industry.

OUR MISSION

The Insurance Crime Bureau aims to achieve its vision through the consolidation of multiple data sources, the deployment of relevant and specialised skills along with unique technology, all to promote collaboration and provide intelligence to detect and prevent insurance related fraud and crime, with the end goal of obtaining convictions and recoveries.

“Hollard is proud to be part of an organisation that makes a difference in fighting syndicated insurance crime in South Africa. As a founding member of The Insurance Crime Bureau, we remain committed to its success by ensuring our ongoing support. The Hollard purpose, to enable more people to create and secure a better future, enables us to work hand-in-hand with The Insurance Crime Bureau to mitigate risks for our policyholders. By working with the Government and Law Enforcement Departments, we are also able to protect the uninsured public to retrieve their vehicles from the police pounds.”

Michele Peach
Hollard Insure



CHAIRMANS REPORT



Ronnie Napier
The Insurance Crime Bureau - Chairman

Last year I reported that the Board had developed and approved a five year strategy for the organisation in 2017 and that Management were busy with implementing the various phases of that plan. These phases included the development of the brand, the growth of membership to include the life insurance industry, cementing relationships with existing Members and Stakeholders, as well as developing new memberships to grow our capital base. I am happy to report that all of these areas have grown and developed and The Insurance Crime Bureau has had a highly successful growth phase over the last year.

“ I do not think that there is anyone in South Africa who is not aware of the increase in the Crime Statistics in the country over the last few years. If we are to continue our success in fighting organised crime then the insurance industry has to be in partnership with Government to fully utilise all of the available resources in the most effective way. The ICB has continued to be successful in a number of important projects with the SAPS and Government over the last year and we are developing new relationships on the Regulatory side in order to concentrate on this collaborative effort. ”

We have concentrated on our Governance and Transformation targets and again have made good progress in both areas. The Board and stakeholders are therefore satisfied that the organisation has done extremely well in achieving the goals that were set two years ago.

As a result of the growth, Management are now concentrating on the expansion that has taken place on the Life side which has involved increasing our capacity to deal with this new business and expansion. With these increased resources and expenses, we will also need to build adequate reserves to ensure the sustainability of the organisation going forward.

As an organisation we always strive to achieve a meaningful Return on Investment (ROI) evaluation for the information and benefit of our stakeholders. This is to demonstrate the real value they get from being members. I am happy to report that the ROI result for last year was the best ever achieved and Management continue to "bust a gut" to keep these exceptional figures going, which obviously ensures the wholehearted support of our stakeholders and members.

The ROI to our members is obviously important to them but I must again mention the decision we took some years ago to return stolen vehicles to the uninsured public of South Africa at no cost to them. During the year under review the organisation recovered a further R117 million worth of vehicles for the uninsured public and we have received some truly inspiring messages of support from the public for this service.

I must again applaud Management and staff for their continued commitment and dedication to the cause of fighting organised crime in the insurance industry. Thank you to all our Members and Associate Member companies that continue to support us in our cause.

VIEW FROM THE CEO



Garth de Klerk
The Insurance Crime Bureau - CEO

It is with great pride that we present this, our third Annual Report, to you our Members and Stakeholders. You will see in the various sections of this report that all areas of the organisation have performed well, and as planned we have continued to expand our presence in the Insurance Industry. The period from June 2018 to July 2019 feels like it has literally evaporated, however once again the year has yielded fantastic results through spectacular efforts from the broader Insurance Industry.

We have seen significant improvements with regards to both returns to our members and financial stability, as well as being able to add broader value to the community in which we serve.

Financial Returns Life To Date	
Members:	R 734 Million
Non Members:	R 222 Million
Un-Insured Public:	R 250 Million
Total:	R 1,2 Billion

Key Financial Figures as at the 30 th June 2019	
Total Revenue:	R 36 612 793
Expenses:	R 33 929 306
Surplus:	R 2 683 487
Retained Surplus:	R 8 447 804

RETURN ON INVESTMENT (ROI) FOR MEMBERS	
426%	As a Life to Date average. Up 112 percentage points from 2018.

LIFE INDUSTRY SAVINGS	
R 211.2 MILLION	Over last Four years.

Through working together with partners like SAIA we have been involved in bedding down key industry projects such as the Vehicle Salvage Data Base (VSD), the continual improvement of the Insurance Data System (IDS), as well as launching "LPR 4 SA". All of these projects, while in different stages of maturity, will be crucial in combatting fraud and physical crime in South Africa.

As a sneak preview into the 2020 year, we aim to continue growing our footprint and brand awareness in the broader Financial Services Sector.

Operationally we will be looking at opportunities for a bit of a "tech" refresh, while also allocating significant time in developing our human resources to ensure sensible capacity and succession planning within the organisation.

We request that as you peruse the content of this report, you will join us in feeling the pride we feel in providing a quality, relevant and community based solution to the Insurance Industry of South Africa.

We would like to thank all of our Members and Stakeholders for your continued support & commitment to The Insurance Crime Bureau.

2020 is going to be a year that takes us into spaces we have not yet conquered, and you will see that as a common cause community there is nothing that cannot be achieved with good friends and the right attitude.

VIEW FROM THE COO



Hugo van Zyl
The Insurance Crime Bureau - COO

The Insurance Crime Bureau has entered its 11th year of successful operations and has without a doubt become the nodal point and the “place to go to” in the fight against organised insurance fraud and related crimes in the Industry. We have achieved this by bringing together the collective resources of insurance companies, Law Enforcement Agencies and other stakeholders to facilitate the detection, prevention and mitigation of insurance crimes as well as assist in the prosecution of repeat offenders and fraudsters through ongoing insurance fraud investigations.

Over the years, various initiatives have been implemented by The Insurance Crime Bureau to address organised crime in the industry as well as a number of educational efforts aimed at the public to create awareness of insurance fraud scams. This allows our members to benefit from collaborative capabilities driven by data sharing, which is fundamental to identifying and curbing cross carrier and syndicated fraud.

The high incidents of insurance fraud and related crimes in both the Short and Long Term industries are of serious concern to both the insurance sector and law abiding citizens of the country. These offences adversely affect the sector and pose a negative impact on the growth and development of Insurance companies, and premiums paid by customers.

Whilst both government and business continue to optimise their individual and joint responses to counter crime in general, it has become clear that these efforts have become insufficient to deal adequately with some of the problems. A new Memorandum of Understanding (MOU) with the Gauteng Department of Roads and Transport (GPDRT) has been agreed upon. The MOU has enhanced how we share information that is relevant to vehicle related fraud, crime and corruption between both parties and other fraud and crime prevention bodies to reduce, detect, prosecute criminals.

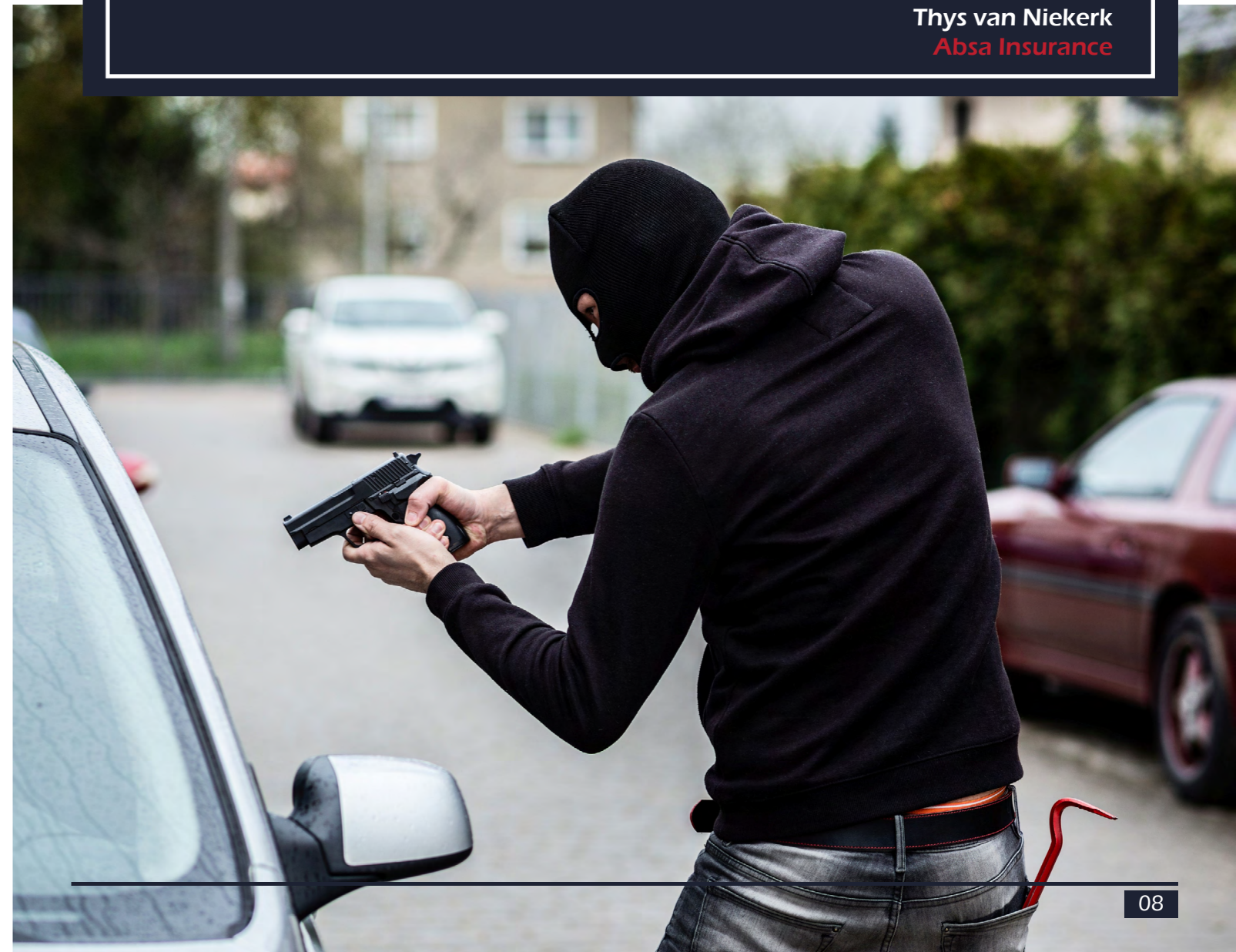
The Insurance Crime Bureau also plays a leading role in the fight against Organised Cross-Border Vehicle Crime. An agreement has also been reached with SAPS that we continue our support and have subsequently been included in the newly drafted National Implementation Plan to Reduce Vehicle Crime.

Despite the strong internal processes that organisations implement individually to combat fraud, it is imperative that we develop an industry level view / approach to truly be successful in disrupting criminal syndicates.

“ Once again, The Insurance Crime Bureau saved the Uninsured public Millions through the identification and recovery of vehicles in SAPS Vehicle Pounds, as well as the recovery of cloned vehicles. **1073 vehicles to the value of R117 million were recovered** and handed back to their legal owners. During the same period, **1464 vehicles to the value of R195 Million were recovered for our members.** I am proud to be associated with The Insurance Crime Bureau and I am in awe at the success achieved by our team through their dedication and commitment ”

“ According to STATS SA, there was an estimated 83,000 incidences of motor vehicle thefts in 2018/2019. An estimated 63,000 households that experienced theft of motor vehicles, reported this to the police. Considering this, the active network in which The Insurance Crime Bureau operates both nationally and internationally, and the opportunities that come to Insurance Companies and the insured public as a result, in assisting to recover these vehicles, adds immense value to the wider economy. The further benefit of recovering and identifying uninsured vehicles and handing them back to their owners, is an excellent example of good corporate citizenship. One which we as an organisation and me personally, are extremely proud to be associated with. ”

Thys van Niekerk
Absa Insurance



THE INSURANCE CRIME BUREAU

BOARD OF DIRECTORS

The Insurance Crime Bureau's core values and the determination of all its employees are vital to our continued success. We rely on the support of our Members, the collective resources of insurance companies, Law Enforcement Agencies and other Stakeholders with whom we work with on a daily basis to facilitate the detection, prevention and mitigation of insurance crimes, as well as assist in the prosecution of fraudsters through ongoing insurance fraud investigations.

MESSAGE FROM THE BOARD OF DIRECTORS

“ We are so much stronger as a team, and the fight against insurance related crime requires a collaborative effort if we wish to make a difference. The Insurance Crime Bureau has helped to facilitate this collaboration not only amongst insurance companies but with various other stakeholders including Government. With the intelligent use of data, we have been able to deter and detect criminal activities thereby minimising the negative impact on society. The activities of The Insurance Crime Bureau further help us as a Country to eradicate criminal and fraudulent behavior by focusing on the insurance sector and influencing other industries to do the same. We are looking forward to another year of partnership and collaboration with The Insurance Crime Bureau. ”

Burton Naicker
Deputy Chairman of the Board

We're all working together. That's the secret...

OUR BOARD MEMBERS



Ronnie Napier
The Insurance Crime Bureau



Garth de Klerk
The Insurance Crime Bureau



Hugo van Zyl
The Insurance Crime Bureau



Themba Baloyi
Discovery Insure



Helen du Toit
Santam



Cloud Saungweme
Bryte



Burton Naicker
Outsurance



Thys van Niekerk
Absa Insurance Company



JP Human
Telesure



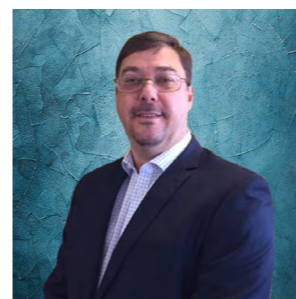
Edwin Naicker
Standard Insurance Limited



Michele Peach
Hollard



Nico Esterhuizen
SAIA



Gary Slater
Old Mutual Insure



Yugeshree Mankum
The Insurance Crime Bureau

“ With the expansion that has taken place at The Insurance Crime Bureau and in order to cope with the additional work, we have focused on the education of our staff. We are conscious that this is vital in order to deliver continued exceptional service to our existing and new members. ”

Ronnie Napier
Chairman of the Board

SHORT TERM OPERATIONS



Louwrens Liebenberg
HEAD: Short Term Insurance

This year, our main focus was to effectively address criminal syndicates targeting the insurance industry. Not only did we increase our capacity in the area of vehicle crime, but also increased our capacity to deal with the ever increasing threat of service provider and staff dishonesty in the insurance industry. Syndicates have become even more brazen in their attempts to defraud the financial industry. The Insurance Crime Bureau continues to adapt to the varying new Modus Operandi, and we are committed, ready and prepared to undertake investigations spanning across the financial sectors where our members are at risk.

During 2019, great strides were made to strengthen the Public Private Partnership (PPP) between The Insurance Crime Bureau, SA Police Service Division Detective Service, Tracker, Zonke Unicode and IAATI. Through these very important relationships, we presented day workshops based on our best practices training material to better the quality of arrest statements by first responders. Due to its success this training will be rolled out throughout South Africa, with special emphasis on Ports of Entry in 2020.



LONG TERM (LIFE) OPERATIONS



Johan Steyn
HEAD: Long Term (Life) Insurance

Life insurance fraud is once again on the rise and insurance companies are being forced to be extra vigilant as there has been a significant increase in fraudulent death claims in South Africa. Some experts are saying that fraud costs the combined insurance industry Billions of Rand per year. However, the true impact and cost of fraud is not quantifiable as it extends far beyond payments of inappropriate claims, especially in cases where lives are lost for insurance policy payouts.

The biggest problem in South Africa is that crime tends to involve a level of physical violence in both the Short Term Industry as well as the Life and Funeral Industry where we continue to see a large number of "murder for money" syndicates. In these events there is a large societal impact for which, as the insurance industry we have to take responsibility.



LEADING
THE **FIGHT**
AGAINST
INSURANCE
FRAUD AND
RELATED
CRIMES!

“ The Insurance Crime Bureau is a vital strategic stakeholder for The South African Insurance Association (SAIA) in contributing towards the sustainability of the non-life insurance industry. For SAIA the combatting of insurance fraud is a key priority and the Bureau remains our main partner in executing on our mandate. ”

Nico Esterhuizen
The South African Insurance Association



CASE CORNER

**COLLECTIVELY
PUTTING A STOP TO
INSURANCE FRAUD
&
ORGANISED CRIME
IN SOUTH AFRICA.**

FRAUD AND POTENTIAL RISK

The Insurance Crime Bureau is currently conducting investigations into the false financing of assets with the aim to ultimately defraud the financial industry. The Modus Operandi of the suspects is to create credible business profiles, over a prolonged period, and to then acquire assets or credit facilities based on such profiles.

The Insurance Crime Bureau Project Manager in Vehicle Crime Investigations gathered intelligence regarding the activities of a syndicate who created a false, but credible, Shelf Company. The syndicate through misrepresentation acquired three new vehicles from a dealership in Johannesburg.

The syndicate then obtained insurance on the three vehicles through a broker with a member company, with the intent of committing various incident staging claims. The Insurance Crime Bureau initiated a Law Enforcement operation, and with information available to the investigators all three vehicles were recovered. In addition the investigations conducted by the investigators could prove that the profiles created were fraudulent.

Three suspects were arrested. In addition, phone recordings were found during the arrest clearly indicating that the syndicate was in the process of selling the vehicles to a foreign buyer at a total price of **USD 560 000.00**. The vehicles would then be claimed as losses with our member company over a period of four months.

Through this investigation it was clear that syndicates target the broader financial services sector and that vehicle crime cannot be addressed in isolation by the insurance industry. To date one suspect has already pled guilty and was sentenced to four years imprisonment, with his co-accused being denied bail pending trial in the Johannesburg Commercial Crimes Court.

PROJECT LOSKOP

This investigation was generated by a SAS network alert, and an employee at a brokerage was identified as a suspect. The investigation revealed that the individual submitted various false claims by impersonating clients of the broker and the member company. The individual was arrested and appeared in the Groblersdal Regional Court, where after a lengthy court process she was found guilty on all charges and was subsequently sentenced to five years imprisonment of which two years were suspended for three years. She was also declared unfit to possess a firearm



PROJECT NEMESIS

This investigation addressed a broker who had submitted numerous claims on the policies of his clients. He submitted fraudulent supporting documents and requested that claims be settled cash-in-lieu, with the payments being made into the broker's account. After a lengthy investigation and court process the broker was found guilty on all charges in the Durban Commercial Crime Court with pre-sentencing procedures to commence November 2019.



“Fighting fraud, crime and corruption in partnership with The Insurance Crime Bureau results in a positive impact for South Africa, by protecting our customers from the criminals who take advantage of the innocent. We are proud to be part of this continuing fight for truth and justice”

Edwin Naicker
Standard Insurance Limited

FUNERAL POLICY FRAUD

During a recent investigation by the Life Investigation Team, following a request submitted by one of our Members, numerous “Red Flags” were identified on a Life Insurance Claims Pack resulting in a R7 Million saving.

The policy inceptioned in April 2019 and the natural death of the insured occurred in June 2019. There were numerous discrepancies between the information provided on the application form and the information taken when the physical medical examination was done. The claimant was an “alleged” brother, but with different surnames, and the insured’s occupation was given as an “Entrepreneur” for a logistic company however his ITC profile did not correspond.

An investigation was conducted by The Insurance Crime Bureau and the following “Red Flags” were identified:

The company registration number belonged to a different company as stated on the “Notice of Death” (DHA1663), and the Funeral Parlour utilised was not in operation and deregistered. The contact numbers and addresses of the informant, Funeral Parlour and person collecting the body did not exist.

Our team managed to trace the suspect and an interview was conducted. To ensure that we were interviewing the correct individual, our investigators made use of a personal identification device that matches ID numbers to fingerprints with data from The Department of Home Affairs. The fingerprints of the suspect and ID number were loaded onto the system, which came back as a negative match to that of the suspect.



SERVICE PROVIDER & FUNERAL POLICY FRAUD

The Insurance Crime Bureau received a request from Directorate for Priority Crime Investigation (DPCI), Eastern Cape in respect to a case of syndicated fraud around the Port Elizabeth area.

The investigating officer identified that the modus operandi of the suspects was to defraud insurance companies on funeral policies, by claiming on persons that were still alive. An enquiry was sent to the Life insurance industry, and we received positive feedback that the syndicate was definitely targeting the industry, with more than seven Member companies affected. The Insurance Crime Bureau identified numerous roll players in the syndicate where claims that had been submitted to other companies. A broker was then identified as one of the key players in the syndicate.

She would sell the policies to the other members of the syndicate and receive commission on the sales, as well as making herself a beneficiary on the policies. After the waiting period had lapsed, she would claim on the policies and in some cases she would be the informant, identifying the deceased as a family member.

Finally eight members of the syndicate were identified where more than 20 claims were submitted to different insurance companies. The case is ongoing and our investigators are assisting SAPS with voice comparisons, obtaining additional statements from the companies at risk and to link the members of the syndicate to one and other.

MURDER FOR MONEY

We are currently involved with the Port Elizabeth Organised Crime Unit (OCU) investigating matters where murders have been committed in the Eastern Cape area specifically for insurance purposes.

The OCU has since identified possible “Hitmen for Hire” that are being touted in the underworld. These Hitmen are tasked and paid following successful hits of individuals not only whom are in vulnerable positions and affected by their socio-economic status, but anyone who needs someone killed for their personal reasons.

Prior to the murders, Insurance policies are taken out either by persuasion, coercion or impersonation on the Life Assureds. In most incidences, the inception of the policy would be legal, and meet all the insurer’s requirements, thus ensuring the Insurance policies are accepted by the Insurers. The nominated beneficiaries would then pay the premiums without default or delay, ensuring that no questions or suspicions are raised at claim stage.

The murders are then carefully planned by luring the victims into a place of comfort where the murder would take place. Insurance claims are then submitted in terms of Unnatural deaths. The verification and validation of the incident by insurers and the police will in turn confirm everything to be above board, and the victim is the life assured. The police would not have any suspects or witnesses to the murder, making the claims process easier for payment.

The investigation is still at a sensitive stage with various other units from SAPS coming on board to assist. The Insurance Crime Bureau’s role is to obtain, collate and link insurance data from the industry as evidence. These types of murders are a growing concern, and if not contained and addressed, could easily spill over into other provinces.

STATE OF THE NATION

The South African Police Service together with Stats SA recently published the Country's Crime Statistics for 2018/19, showing which types of criminal activity has increased and decreased in the past year. According to the crime stats report, a total of 2.01million crimes were recorded between 1 April 2018 and 30 March 2019. These crimes were segmented across 21 categories, 17 of which were reported by the public while the other four were the result of police activity.

FACTS IN NUMBERS

These statistics highlight the continuing need for Government and Businesses to build on their crime fighting initiatives in partnership with Law Enforcement Agencies to protect South Africa. Below is a summary of 6 crimes of public interest. Fighting crime in South Africa is not a commercial endeavor, it is a calling which needs to be strategically implemented to be properly effective and sustainable.

MURDER

▲ 21 022

The number of murders **INCREASED**.
An average of 58 murders per day.

SEXUAL OFFENCES

▲ 52 420

The number of reported sexual offences **INCREASED**.
Most of these were cases of rape.

ASSAULT

▲ 156 243

Common assaults were recorded.
On average, **444** people were victims of assault per day.

ROBBERY

▲ 50 730

The number of common robberies **INCREASED**.
An average of 142 reported per day.

RESIDENTIAL ROBBERIES & BURGLARIES

▲ 220 865

House burglaries reported to SAPS.
An average of **605** houses were burgled per day.

CARJACKING

▼ 16 026

DECREASE in hijacked cars.
On average, **44** cars were hijacked per day.



KEY FINANCIAL INDICATORS

The Insurance Crime Bureau is a "Not for Profit Company", and is largely dependent on fees derived from its Insurance Members and Associate Members.

- In the 2019 period we were able to further expand our Membership numbers from 26 to 29 by increasing membership to include companies in the Life and Funeral Industry which is a targeted and strategic growth focus.
- The Associate Member category has also increased from 6 to 7 industry related companies who have joined The Insurance Crime Bureau to offer support to the Insurance Industry in its fight against fraud and crime.

The Insurance Crime Bureau has always been very tightly managed, and has achieved a stable financial situation. Over the past few years it has been able to capitalise on this stability to improve its financial performance.

KEY FINANCIAL FIGURES AS AT THE 30TH JUNE 2019

Total Revenue:.....	R 36 612 793
Expenses:.....	R 33 929 306
Surplus:.....	R 2 683 487
Retained Surplus:.....	R 8 447 804

- **Revenue** increased by approximately 21% from 2018 due to both the additional Members and the continued diversification of revenue.
- **Fee increases to existing Insurance Members** were restricted to inflation.
- **Expenses** continue to be conservatively managed and are focused around delivery of key objectives to support the strategic operations of the company.
- **Technology and Human Resources** remains our largest investment of 81.8% of total expenses.
- **Diversified Revenues streams** such as the Annual Conference, Vehicle Salvage Data Base, Associate Memberships and Training are now contributing in excess of R1.2 million per annum. This is a welcome addition to the bottom line removing some pressure from Members.
- **Interest Earnings** increased 53% from 2018, through tight cash management.
- **Retained Surplus** has increased by a further 47%, continuing to build towards a desired retained surplus equal to approximately 6 months expense cover.

Please note that financial figures contained in this report are extracted from The Insurance Crime Bureau's Annual Financial Statements, prepared in accordance with International Financial Reporting Standards. Full copies are available to relevant parties on request to info@saicb.co.za. The Annual Financial Statements are audited by AFCA & Partners.

OPERATIONAL SUCCESS INDICATORS

As is obvious in the Operational Indicators provided we do not always only work for the members of the organisation but we target a wider net of criminals operating in South Africa with the view to mitigating risk impacting the industry and our country.

- **The Fraudline** since inception has contributed **R25.3 Million** in savings to the Industry.
- **General Enquiries from Members** resulted in saving of **R36.3 Million** for the Short Term Industry.

FINANCIAL RETURNS LIFE TO DATE

Members:	R 734 Million
Non Members:	R 222 Million
Un-Insured Public:	R 250 Million
Total:	R 1,2 Billion

RETURN ON INVESTMENT (ROI) FOR MEMBERS

426%

As a Life to Date average.
Up 112 percentage points from 2018.

TOTAL MEMBER RETURNS

R 734.8 MILLION

As at the end of June 2019.

VEHICLES RETURNED TO UN-INSURED INDIVIDUALS

R 117.2 MILLION

In 2019.
(at approximately 40% of MM value).

VEHICLES RETURNED TO MEMBERS FROM POUNDS

R 195.5 MILLION

In 2019.
(at approximately 40% of MM value).

CLOINED VEHICLES RETURNED TO MEMBERS

R 8.8 MILLION

In 2019
(at approximately 40% of MM value).

LIFE INDUSTRY SAVINGS

R 211.2 MILLION

Over last 4 years.



“ Old Mutual Insure fully supports the Insurance Crime Bureau’s passion to eradicate insurance fraud and related crimes in the industry. As a responsible business, we also capitalise on the insights we are exposed to through our partnership; the industry information, trends, potential risks and legislative changes we’re kept abreast of allows us to mitigate the relevant risks sooner, ultimately resulting in value for our overall customer base. As much as we are involved in combating crime, we are also proud to be giving back to the community by helping the un-insured market to recover their vehicles through police pound clean ups, cross border recoveries and the identification of cloned vehicles. With a goal to do great things every day, we are also excited to have gone as far as providing training and assistance to law enforcement to enable the earlier detection of syndicates. These efforts not only boost the industry, but also align well to our purpose of championing the communities we serve to enable positive futures for all South Africans. ”

Gary Slater
Old Mutual Insure

STRATEGY FEEDBACK

As per our existing Strategic Plan, in 2019 the focus was on:

- **Growing and targeting the Life Insurance Industry**
- Defining **Human & Social benefits** wider than the Operational Return on Investment
- Increasing the **Brand Awareness & Visibility** of the Organisation
- **The Board Composition & Corporate Governance**
- **Retaining & Increasing Memberships**
- **Strengthening** relationships with **External Stakeholders**
- Increase **Capacity & Capability** around **Training**
- **Organisational transformation**
- Maintaining our position as the **credible “go-to”** organisation in fighting Insurance fraud & crime as a **crucial part** in the **ecosystem**

Building on these successes in 2020 we will be:

- Strengthening our relationships, and operations, with **Government Institutions**
- **We aim to align** the Organisation with the broader concepts of the N.D.P for a **safer SA** with **less corruption**
- We are looking at creating stronger **Financial Reserves** overtime by striving for higher levels of Financial Independence, and alternate funding.

In brief both the Management and Board are very satisfied with the strategic objectives achieved and we feel that the Horizon 3 of our original plan is now ready for implementation.

2019





ARTIFICIAL INTELLIGENCE & HUMAN INTUITION

There is a rapid acceleration to adopt **Artificial Intelligence (AI)** in the Insurance Industry and as we do so we are, in some circumstances, losing out on **Human Intuition (HI)**.

The simple definition of AI is the theory and development of computer systems, which are able to perform tasks normally requiring human intelligence.

So it becomes important to remember the importance of HI which is simply the direct access to unconscious knowledge, unconscious cognition, inner sensing, inner insight to unconscious pattern-recognition and the ability to understand something instinctively, without the need for conscious reasoning.

So to develop relevant AI you need human input, and whilst our HI is not always perfect, we can continuously develop our human resource skills to increase the usefulness & relevance of technology.

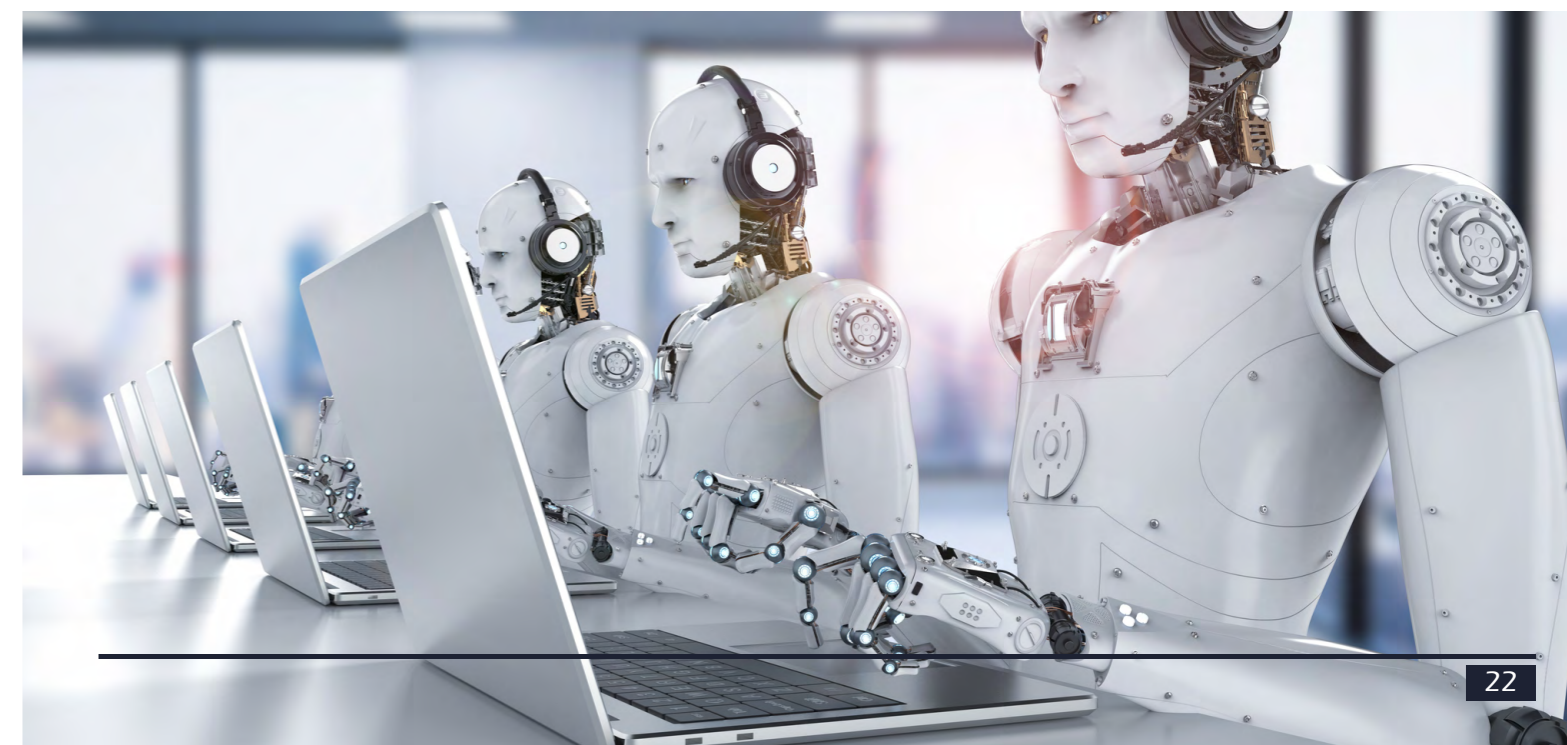
Within the Insurance Crime Bureau we use in excess of 30 unique data sets, with large amounts of data resident in each. It would be impossible to work through and match all this data manually, thus AI is required to properly compile, store, clean and interpret the data ultimately directing the efforts of our human assets.

On our journey from DATA to WISDOM, AI is important in order to do the job quickly and efficiently, however you still need the human to correctly interpret and apply the learned wisdom, to ensure a successful end result to fully mitigate risk.

The challenge currently facing corporates is how to achieve the balance in growing human resources, at the same fast pace in which we are developing AI.

“The development of full artificial intelligence could spell the end of the human race.... It would take off on its own, and re-design itself at an ever increasing rate. Humans, who are limited by slow biological evolution, couldn’t compete, and would be superseded.”

– Stephen Hawking



CORPORATE GOVERNANCE REPORT

The Board has identified the improvement of risk management and governance practices as a strategic pillar. We started implementing governance structures to ensure financial disciplines and stability in the early days of the organisation and now governance structures have evolved and the Board has become the focal point of governance. It is important for the Board to ensure we remain prudent while expanding our membership and implementing new strategic projects.

The board has received training on their fiduciary duties and provides effective leadership based on an ethical foundation. Formal processes are in place to evaluate the board’s performance and to manage conflict of interests.

The Board continues with their two subcommittees namely REMCO and the Corporate Governance and Compliance Committee. Our independent non-executive director continues to serve on the REMCO. The REMCO maintains their responsibility for the appointment of directors; and the governance of the HR practices and processes to include fair and sustainable remuneration practices.

The Corporate Governance and Compliance Committee continues to provide oversight with regards to financial reporting, the independence and performance of the external auditors, as well as any strategic and compliance risks. This subcommittee is also responsible for the alignment of governance processes with investment risks, to support the company’s growth strategy and increase financial surpluses by having oversight of the company’s investment practices.

The Board is fully committed to transformation and have started a journey of implementing the FSC charter, even though it is a non-for profit company.

This year the focal point of the board was on skills and social economic development. During the year The Insurance Crime Bureau appointed four graduates and donated R32 000 towards NICRO. NICRO is a NGO that is committed to rewriting youngsters’ stories that were involved in crime.

The industry is facing huge skills shortage and many skilled professions are nearing retirement; making it imperative that we formalise training and coaching interventions that will ensure that the next generations are equipped to deal with the increasing level of sophisticated crimes. The fourth industrial revolution will bring interesting new opportunities and threats, and the insurance industry needs to balance the objectives of financial stability, financial integrity, fair market conduct and financial inclusion. This can really only be achieved if we foster Public-Private-Partnerships across all industries, businesses and government.

The Board is heartened by the increase in members and associated members in the year under review, all sharing the mission of The Insurance Crime Bureau. Various MOU’s were also revisited with government organisations.

The organisation is tightly governed and will continue to evolve and strengthen governance as required.

Helen du Toit

Chairman of the Governance & Audit Committee

THE INSURANCE CRIME BUREAU INSURER MEMBERS

When battling insurance crimes, we strongly believe that the insurance industry needs to work together rather than acting in isolation as individual companies. The Insurance Crime Bureau is, and always has been a membership-based organisation that relies on the support, trust and partnership of insurance companies, Law Enforcement Agencies and related stakeholders nationwide. In turn, we offer extensive resources as well as comprehensive insurance fraud detection and investigation services to our members to help them enhance their fraud-fighting capabilities.



ASSOCIATE MEMBERS



**LEADING A UNITED EFFORT
AGAINST **INSURANCE FRAUD**
AND RELATED CRIMES.**

**STRENGTH IN NUMBERS,
FIGHTING CRIME TOGETHER!**

THE INSURANCE CRIME BUREAU ANNUAL CONFERENCE

One of the key roles of The Insurance Crime Bureau is to encourage industry networking, education and intelligence sharing. To achieve this goal we conduct regular tailored training sessions for specific members, as well as for various segments of the Government and Private Sector. Two of our events have now become a feature of the industry's annual calendar, these being our Annual Conference and our Industry Breakfast with the aim to create networks, share ideas and looking to design future opportunities as a community.

2019 ANNUAL CONFERENCE



“ I am really proud to be part of an industry and organisation that consider the economy in which they operate and society when determining their strategies and focus areas.

The insurance industry understands that they can only prosper if South Africa prospers and I am proud of the initiatives we are doing in the funeral and motor industry to reduce and investigate associated crimes. ”

Helen du Toit
Santam

“ Partnering with The Insurance Crime Bureau means that we collaborate with a team that is making a social difference in South Africa. As an industry we are playing a significant role in fighting crime by sharing information to crack down on syndicates. Crime is a social problem that needs involvement from every citizen as well as Government and Law Enforcement Agencies. Educating the public about crime, implementing measures to mitigate against it and returning recovered vehicles to those who are uninsured are areas that also require attention. With criminals and syndicates getting more sophisticated daily, the use of technology and artificial intelligence is the next area of focus for businesses as well as insurers. ”

Cloud Saungweme
Bryte





KEY STAKEHOLDERS

Communities are formed around common causes – the word is derived from the Latin “communitas” - this also refers to large group affiliations, at either national or international level, and may also include virtual communities.

The Insurance Crime Bureau is part of a community with a common cause of combatting crime in South Africa, and we recognise all of our Stakeholders and Partners for their valued assistance and efforts.

- Asset Forfeiture Unit
- Business Against Crime South Africa
- Credit Bureaus
- Cross Border Police Forces
- Directorate of Priority Crime Investigation
- Financial Intelligence Centre
- Financial Services Conduct Authority
- Gauteng Department of Roads and Transport
- IAATI
- IASIU
- Micro Dotting Companies
- National Association of Automobile Manufacturers
- National Department of Health
- National Prosecuting Authorities
- Road Traffic Management Corporation
- SABRIC
- Salvage Dealers
- South African Banking Risk Industry Council
- South African Fraud Prevention Services
- South African Insurance Association
- South African Police Service
- South African Revenue Services
- The Road Accident Fund
- Tracking Companies
- Vehicle Rental Companies
- Zonke Unicode
and many others.....

“My organisation values the services, collaboration and learning provided by the Insurance Crime Bureau, and we view our partnership as a key enabler to our success. Through our partnership with The Insurance Crime Bureau, the industry is much stronger and more capable as a collective in the fight against crime. It makes us proud to be part of an organisation which not only makes a difference in the insurance industry, but also makes a meaningful difference in the lives of the uninsured public on a daily basis. Through this partnership we are able to engage with Government and Law Enforcement and thereby contribute to making South Africa a better and safer country for all.”

JP Human
Telesure





THE INSURANCE CRIME BUREAU
INTELLIGENCE THAT WORKS.

Tel: +27 (0) 11 021 1432/3/4/5

Web: www.saicb.co.za

Email: info@saicb.co.za

PO Box 2522, Halfway House, Midrand 1685

Insurance Fraudline: 0860 002526

Registration No. 2008/017960/08

