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**Title:** INNOVATE, ADAPT, THRIVE IN AN  
EVOLVING INSURANCE LANDSCAPE

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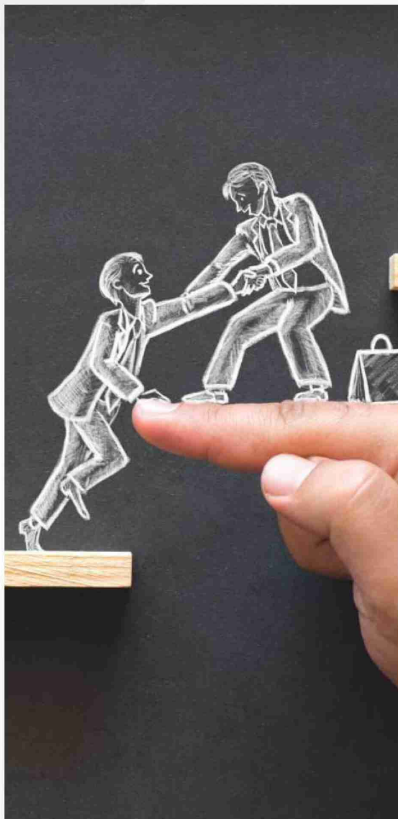
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Short Term

As an industry, we like to argue that insurance is a protective shield our clients can take 'cover' behind – knowing they are protected in case the unexpected (or the inevitable) arises – but how do we cover ourselves? As the South African insurance industry, we've had our fair share of unique struggles to deal with over the years, but from a global perspective – economic headwinds, inflationary pressures, supply chain disruptions, and the ever-looming threat of climate change are reshaping the terrain, demanding nimble strategies and innovative solutions from insurers.

In the middle of all this turbulence and change, the insurance industry has to emerge as a beacon of hope, resilience and adaptability that helps chart a course towards a brighter and more sustainable future. So, what does the picture look like if we take a step back and analyse the industry as it currently stands?



### Understanding some industry trends and challenges

The current operating environment presents a variety of obstacles for insurers. Margins are razor-thin, squeezed by a weak economic backdrop and escalating costs. Reinsurance rates have undergone a structural reset, necessitating higher risk retention and premiums. Inflationary pressures further compound the predicament, increasing claims cost and stretching resources thin. Adding to that picture the impact of changing weather patterns, exacerbated by the deterioration of critical infrastructure, one can easily be demoralised.

Despite significant industry efforts to enhance the situation in recent years, we anticipate that additional corrective measures will be necessary. Improved risk management will play a crucial role in enhancing underwriting outcomes. Simultaneously, digitalisation remains pivotal for unlocking efficiencies and reducing costs in a period of limited growth prospects. None of the above will be possible without the invaluable role financial advisers play for their clients.

In the ever-evolving landscape of financial advice, the role of financial advisers is however undergoing a transformation. Financial advisers of the future will be less transactional, focused on proactive risk management, being tech-savvy, but still deeply committed to their clients' financial well-being. The need for proper advice has never been greater. While technology will continue to reshape the industry, the human element of trust, empathy, and personalised guidance will remain crucial in helping clients navigate their financial journey.

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Short Term

"From a Momentum Insure perspective, we will remain steadfast in our commitment to putting our clients at the centre of everything we do, to make them feel safe and help them to emerge stronger and more resilient in the face of adversity."

#### Momentum Insure's response

As we consider this complex future, we have to adopt a proactive stance, leveraging innovation and resilience to navigate what lies ahead. At the heart of Momentum Insure, is our Safety value proposition. It represents a comprehensive collection of practical solutions to assist our clients to better understand, manage and improve their safety.

In a country like South Africa, we believe that this safety-driven purpose, enables us to make a difference beyond our traditional insurance offering and give our clients the value and peace of mind they deserve.

Recognising the pivotal role of technology, we are prioritising back-office digitalisation and embracing big data and artificial intelligence to drive risk prediction and prevention. But what about the most important component of our success – our financial advisers and clients? We know that financial advisers demand the highest level of service and tools to enable them to play their role as effectively as possible.

Much of our focus will be aimed at improving ease of doing business, and better supporting intermediaries. As a business, Momentum Insure remains attuned to evolving client behaviours, embracing digital adoption, and championing personalised solutions that tailor to specific individual needs.

We also appreciate the importance of delivering excellent service, and showing up in a way that makes our clients feel safe. We know that we are a business with heart and we understand that behind every transaction, every decision and every claim, there is a human being with hopes, fears, dreams and aspirations.

#### A message of resilience

As Mike Tyson famously quipped, "Everybody has a plan, until they get punched in the mouth." Although he said this in the run-up to his infamous fight with Evander Holyfield, where he could anticipate an upcoming 'natural disaster' in the clash of two giants, this quip still fits perfectly into our world. As an industry, we have taken a few punches, and we have had to make new plans and change old plans. But we have also been there for millions of South Africans, in their time of need.

We have delivered hope when all was thought to be lost. This is something we can collectively be very proud of. In an environment filled with uncertainty, we must know that our resilience, adaptability and our ability to provide hope, are our greatest assets.

***From a Momentum Insure perspective, we will remain steadfast in our commitment to putting our clients at the centre of everything we do, to make them feel safe and help them to emerge stronger and more resilient in the face of adversity.***

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