

JUNE 2011

INFORMATION UPDATE:

The following information reflects the lists handled for June 2011:

DRÄGER

Lists: 2
Records: 604
Hits: 295

TRACKER:

Lists: 2
Records: 284
Hits: 113

SAPS13

Lists: 27
Records: 714
Hits: 178

ENQUIRIES:

Enquiries: 47
Replies: 313

INSIDE THIS ISSUE...

SAICB UPDATE	1
FRAUDLINE	1
INFORMATION UPDATE	1
ARTICLE: SERVAMUS	2
ARTICLE: SAICB	7
CONTACT	8

SAICB UPDATE

SAICB UPDATE

With the SAICB financial year end drawing to a close we are preparing for the new year and its challenges. The office expansion has been completed and the applications process for the two new positions is now being finalized, with appointments expected in the new month.

In terms of the operations and cases, a follow up on last months feedback will be updated quarterly in the Newsletter with the next report due in August 2011.

The SAICB has encountered several issues during its investigations and operations that are of particular concern to the SAICB, its members and the country at large. Two of these issues are addressed in this months Newsletter.

With the Dräger breathalyzer unit still under review in the Cape High court, the implications of the outcome of this case is sobering to say the least. The first article in this newsletter covers the very topical subject of alcohol abuse as a contributing factor to illegal activities. Thank you to Servamus for allowing us to use this very relevant article.

The other issue of concern that has been in the media over the last few months, which is very pertinent to the SAICB and our members, is the topic of cyber attacks on data, and the whole issue of data security. Marc Nicholson from the SAICB puts the issue in perspective for the insurance industry and financial industry at large, and the need for our industry in particular to urgently address this issue.

The SAICB always welcomes feedback on our activities and the Newsletter for us to be able to develop and address any issues arising, so if you have any feedback, suggestions or criticisms, please feel free to contact me with your input — melaniep@saicb.co.za . 📧

FRAUDLINE

In May 2011, **19** reports were received of which **16** reports were for the short term insurance industry, **0** reports were received for Brokers and **3** reports for the life industry.

Since 2002, **27160** reports have been received of which **919** reports were for the short term industry **136** reports for the brokers and **369** reports were for the life industry.

For further information on the statistics, please contact Melanie Pillay on melaniep@saicb.co.za 📧



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ARTICLE— SERVAMUS

ALCOHOL - A LEGAL DRUG CONTRIBUTING TO ILLEGAL ACTIONS

Very few people want to hear it, and some don't believe it, but the fact is that alcohol is a drug. However, the fact that its use is legalised means that many people believe that they have carte blanche to use it anytime, any place, and in excessive amounts. Sadly, too many people don't know where or how to draw the line.

Drugs are classified in four categories, namely stimulants (such as Ecstasy), narcotics (heroin), hallucinogens (LSD) and depressants. Alcohol falls in the latter category. When used in moderation, alcohol is legal, but excessive consumption may lead to a person breaking the law by committing a crime such as driving under the influence, or even contact crimes such as assault, rape or murder.

What is the extent of alcohol abuse?

The following shocking statistics, as presented by www.alcohol.co.za, give an indication of the impact of alcohol abuse in the South African society.

- Six out of ten drivers who die in accidents have dangerously high alcohol levels in their blood.
- In an investigation into substance abuse, 50% of truck drivers and 30% of taxi drivers have been found to be under the influence of alcohol and marijuana while driving.
- When you take a single drink, your chances of causing an accident on the road doubles.
- Alcohol abuse is the third leading cause of death in the USA.

According to the Automobile Association:

- One in every 15 drivers on the road in the evenings is over the limit.
- More than half of all pedestrians killed in 2008 had been drinking.
- Morning rush hour bumper-bashings are likely a result of the previous night's drinking.
- The cost of car accidents to the South African economy in 2009 has been calculated at **R116 billion**.

According to research conducted by Unisa and the Medical Research Council, almost half of people who had died in Gauteng in violence-related incidents or in road accidents, and whose blood was tested, tested positive for alcohol. In a youth survey that was conducted in South Africa in 2008 among 10 000 learners, it was revealed that half of them had used alcohol previously: 11.9% had consumed alcohol before age 13, while 28.5% had been intoxicated more than once in the month before the survey (*Beeld*, 9 May 2011).

A special week to focus on abuse

Each year, towards the end of June, South Africa hosts a drug awareness week. Such a week can be seen as increasingly necessary when looking at statistics which indicate that drug and alcohol abuse had increased by 200% over the previous four years. An excerpt from the South African Government's website, which provides information relating to these types of events, states that a survey of persons aged between 14 and 22 years revealed that 60% were drug users, with the youngest heroin addict being only eight years old. However, the incidence of children younger than ten years using drugs (according to 2004 statistics) is

ARTICLE— SERVAMUS *CONT...*

less than 1%. This jumps up to 2-4% for the ten to 14 years age group. The study also revealed that alcohol, tobacco and dagga were the typical drugs used by these youngsters.

This drug awareness week culminates on 26 June, when the International Day Against Drug Abuse and Illicit Trafficking is celebrated. This is an expression of our determination to strengthen action and cooperation to achieve the goal of an international society free of drug abuse.

Why do South Africans love their drink so much?

When looking at the statistics quoted supra, one cannot help to wonder why South Africa has such a serious problem with alcohol consumption, and what government and society are going to do about it.

South Africans use any occasion to celebrate or socialise, and during these occasions, alcohol is usually available. Sadly, few people can draw the line after having consumed one or two drinks, even if they know that they still have to drive home. Alcohol marketing plays a significant role in contributing to increased consumption and by glamourising it, it aims to increase its marketing even further. Its advertisements regularly portray situations depicting fun, femininity, patriotism, sophistication, masculinity and prosperity - factors many young people aspire to. But does that mean that all alcohol advertising should be banned, as was done with cigarette advertising a few years ago?

The Soul City Institute, an NGO for health and development communication, conducted research into the role of alcohol advertising on alcohol use in South Africa and whether a ban on alcohol advertising would influence its control.

Advertising is the key tool used by industry to expand its markets and to address new generations of drinkers. "Industry representatives claim that drinking alcohol is not unhealthy, and attempt to redefine the negative health impact as a problem related to the behaviour of a small minority of drinkers who 'do not know how to drink responsibly'." On the other hand, public health advocates focus on the health and social harm caused by alcohol consumption including violence, accidents, injuries and deaths and a range of illnesses such as cancer, liver and heart disease. The concern is that "the alcohol industry, while promoting a product that is legal, purports to be on the side of public health in reducing the harm associated with alcohol consumption, but at the same time their advertising is driven by the need to increase consumption, not simply to affect brand choice, as the industry contends".

Effects of alcohol

Those people who are honest after having consumed alcohol, will confirm that it has affected their vision, judgment, balance and reaction time in one way or another. However, those who are either not used to drinking, who have a small build or who have consumed large quantities, will be more seriously affected, than a person who only had one drink.

A fact sheet on alcohol use in South Africa, prepared by the Alcohol and Drug Abuse Research Group of the Medical Research Council revealed the following with regard to the effect of acute alcohol intoxication in South Africa:

- Alcohol misuse is causally implicated in a range of chronic health problems (such as cirrhosis of the liver). However, many of the primary effects of alcohol misuse occur from episodes of acute alcohol intoxication.
- Acute alcohol intoxication is associated with increased mortality and morbidity arising from intentional and non-intentional injuries.
- Acute alcohol intoxication is also associated with unsafe sexual practices and increased risk of contracting a sexually transmitted disease.
- Alcohol misuse, combined with poor nutritional status, increases susceptibility to opportunistic diseases by compromising the immune system.

ARTICLE— SERVAMUS *CONT...*

- The misuse of alcohol during pregnancy has been linked to foetal alcohol syndrome in infants.
- Alcohol misuse also impacts on the criminal justice system, with evidence of associations between drinking at risky levels, committing crime, or being a victim of crime.

Addressing alcohol abuse

It is becoming increasingly important that government, in cooperation with society, should find appropriate measures to address alcohol abuse. During the second Biennial Substance Abuse Summit, which was held from 15 to 17 March 2011 at the Durban International Convention Centre, Minister of Social Development, Ms Bathabedi Dlamini, said: "There is consensus in our country that for us to successfully fight alcohol and substance abuse our efforts must involve more than government action. We need a strategy that is balanced and comprehensive in three key areas: demand reduction, law enforcement, and supply reduction."

Some of the suggestions that have been made, not only at this summit, but also by other role-players, include:

Increasing the age limit

The old adage of "prevention is better than cure" cannot be more true when it comes to alcohol abuse, and one of the best places to start is with the youth. The current legal age to buy alcohol is 18, but recent calls have been made that this age limit should be set as 21, as it is in countries such as the United States of America. Many youngsters start drinking during their student years, but if the age limit is eventually raised, it would mean that those younger than 21 will not be permitted to legally buy alcohol. This was one of the action steps included in the Ethekwini Resolution on Second Biennial Substance Abuse Summit, namely: "Reducing accessibility of alcohol through raising the legal age for the purchasing and public consumption of alcohol from the age of 18 to the age 21."

Prof Willie Pienaar from the Department of Psychiatry at the University of Stellenbosch said, during a symposium of the SA Association of Psychiatrists, that alcohol dependence can be genetically transmitted. Dr Lize Weich said at the same symposium that the brain processes that control the emotions, inhibitions and judgment in teenagers develop late and that the brain only reaches adulthood at the age of 21.

Limiting alcohol advertising

According to Alcohol marketing in South Africa: A resource guide for journalists, published by Soul City, "the increasing sophistication of marketing messaging has led to the creation of drinking cultures that are driven by structural and cultural norms that posit alcohol as a way to establish one's identity. Common marketers for this include the significance attached to, among others, norms of strength and masculinity attached to what one drinks and ideas of 'modern' women and femininity. In short, advertising associates alcohol brands with cosmopolitan values, which are often divorced from the real context". It further states that South Africans are participating in a globalised drinking culture where alcohol is naturalised as an integral part of having fun, relaxing, socialising and impressing one's peers.

Another action step included in the Ethekwini Resolution is: "Banning all sponsorship by the alcohol industry for sports, recreation, arts and cultural and related events."

Increasing public awareness

Soul City has launched the Phuza Wize - drink safe, live safe campaign which is aimed at preventing alcohol-related violence, by encouraging safer social and drinking spaces. It aims to:

ARTICLE—SERVAMUS *CONT...*

- Reduce violent behaviour by men.
- Highlight the link between alcohol and violence.
- Promote and monitor safe drinking and social spaces and alcohol free zones such as schools.
- Increase community participation in the regulation and the monitoring of the alcohol trade.
- Lobby for legislative change that supports safer communities.

In addition to these aims, the campaign encourages drinking places to adhere to the ten-point safer social spaces criteria:

1. Don't sell liquor to intoxicated people.
2. Don't sell liquor to children younger than 18.
3. Don't sell liquor to visibly pregnant women.
4. Sell food and non-alcoholic drinks and make water available.
5. Have good lighting, clean toilets and adequate security.
6. Don't have more than three people per square metre.
7. Mark clearly and adhere to inside and outside serving areas.
8. Display safe sex messages and condoms.
9. Discourage drinkers from driving when drunk.
10. Adapt the following recommended operating times
 - Mondays - Thursdays: 13:00 - 20:00
 - Friday and Saturdays: 13:00 - 00:00
 - Sundays: 14:00 - 20:00.

Intensifying campaigns that seek to inform and educate people (in particular young people) about the dangers of alcohol and drug abuse, was another action step included in the Ethekwini Resolution.

During the launch of the Decade of Action for Road Safety 2011-2020 on 11 May 2011, Minister of Transport, Mr S'bu Ndebele gave a progress report of the government's road safety plan, introduced in October 2010, which included the arrest of 13 877 drunk drivers. The Department of Transport also announced at this occasion that it was in discussions regarding proposals calling for a total ban on consuming alcohol before driving, or lowering the current legal alcohol limit.

The fact sheet on alcohol use in South Africa as referred to supra, suggests the following strategies to address alcohol abuse in South Africa, based on international experience:

Regulating physical availability

- Liquor outlets must be strictly and effectively controlled in terms of access (as also suggested by Soul City's Phuzza Wize campaign). Restrictions should also include the supply of liquor to employees, the sale/supply of harmful alcohol or packaging, and restrictions on outlet locations (especially at/near educational institutions, petrol stations, residences, multi-dwelling housing units, and places of worship). In addition it is suggested that the types of liquor sold in supermarkets, grocery and convenience stores should be regulated and the sale of alcohol through vending machines should be prohibited.
- The public and specifically people who own or manage liquor outlets or serve alcohol should undergo thorough training about the impact of alcohol use.
- The community should be involved in the process of allocating liquor licences and dealing with complaints, and ensuring stricter regulations on those liquor outlets in residential areas that are not located in business nodes or along corridors.
- A programme should be implemented to encourage existing unlicensed outlets to become licensed and to move to business nodes or corridors.
- Tax on different alcohol products should be increased towards international levels.

ARTICLE—SERVAMUS *CONT...*

- More effective drink-driving counter-measures should be implemented.
- Roadblocks where breath testing of drivers (both professional and ordinary drivers) is performed should be increased in number. In addition, this strategy suggests that the driving licence of a driver who is caught with alcohol levels above the allowed limit as mentioned, *infra*, should be suspended.
- “New” drivers’ alcohol restriction.
 - When a person obtains his/her driving licence for the first time s/he should not be allowed to drive after having consumed any amount of alcohol for the first three years after obtaining his/her licence. This was also another action step included in the Ethekwini Resolution.
- Traffic officials should be allowed to test the alcohol levels of pedestrians.
- Interventions for high-risk drinkers.
- Interventions should consist of counselling and education sessions during which high-risk drinkers are motivated to moderate their alcohol intake.
- Effective treatment programmes.
- Different treatment models are available in both out or in patient settings. Following treatment the person should become actively involved with a recovery support group and develop family and peer relationships that are supportive of recovery.
- Improving label information.
 - Label information should be more detailed revealing information such as the number of standard drinks per container, the amount of alcohol in a standard serving, and ingredients so that consumers can compare beverages in terms of food allergies, and the number of calories per serving. The South African Food Based Dietary Guidelines on sensible drinking suggest no more than two standard drinks per day for women or three drinks per day for men.

Some people claim that consuming red wine or whiskey in moderation is good for one's heart. Others have no regard for their own health and the safety of others and consume excessive amounts of alcohol, often leading to the destruction of their families, the committing of a crime either by becoming involved in fights or driving under the influence and posing a serious threat to their own, their passengers' and their fellow road users' safety. In poor communities, some people abuse alcohol to forget about the hopelessness of their circumstances, often spending more of their income on alcohol than on education, health or entertainment (Banerjee and Duflo, 2006).

Alcohol abuse is a serious problem in our country which needs to be more strictly regulated, as suggested *supra*. But don't wait for government to force you to adhere to the rules - take a few moments to consider the impact your alcohol consumption has on your own health, your work and your family. If you recognise that you have a problem, seek help today ... before you lose one of your loved ones because you didn't know where to draw the line. 🐾

Sources:

- Alcohol Marketing in South Africa: A resource guide for journalists. Soul City 2011.
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- BuaNews. 2011. “SA launches Decade of Action for Road Safety.” 11 May.
- “Drunk drivers and bad driving becoming major contributors to road fatalities.” - accessed on www.aa.co.za on 14 May 2011.
- “Ethekwini resolution on second biennial substance abuse summit.” - accessed on http://www.dsd.gov.za/index.php?option=com_content&task=view&id=307&Itemid=106 on 14 May 2011.
- Lewis-Balden, C. 2011. “Drank dalk erger as dagga.” *Beeld*. 9 May, p 9.
- www.aa.co.za/live/content.php?Item_ID=710&Revision=en/2&Start=0 - accessed on 12 May 2011.
- www.alcohol.co.za/statistics.htm#Summary - accessed on 9 May 2011.
- www.gov.za - accessed on 9 May 2011.

ARTICLE—SERVAMUS CONT...

www.sadd.org.za/images/stories/what_is_a_unit_poster_large.jpg - accessed on 13 May 2011.

www.sahealthinfo.org/admodule/alcohol.htm - accessed on 13 May 2011.

SERVAMUS advisory:

What is sensible drinking?

One unit equals:

25 ml of vodka / whiskey / tequila / brandy / gin

75 ml of wine (14% alcohol content)

One beer = 1.5 - 1.7 units

It is vital that all licensed drivers know that it is illegal to drive under the influence of alcohol or narcotic drugs and that the maximum blood alcohol limit is **0.05 mg/100 ml blood or 0.24 mg/1000 ml of breath**. The limits imposed on professional drivers (such as truck, bus or taxi drivers) are **0.02 mg/100 ml blood or 0.10 mg/1000 ml of breath**. Guilty parties will only be charged when they are sober. The sentence for drinking and driving could be a fine in excess of R120 000 and/or six years' imprisonment. A guilty person will get a criminal record, which will count against him/her for the rest of his/her life. The guilty party's driving licence can also be suspended.

Where to get help:

Sanca : www.sancanational.org.za
: (012) 542 1121

Alcoholics Anonymous : www.aasouthafrica.org.za
: 0861 HELP AA (435 722)

Famsa : (011) 975 2000

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ARTICLE—SAICB

WHY IS DATA SECURITY IMPORTANT TO THE INSURANCE INDUSTRY!

Data security is the hot topic on all news sites these days with Citigroup Inc, Sony Corp, Sega, Google Inc. and the IMF being targeted by cyber criminals. Data relating to everything from gaming accounts to bank accounts and identity information is being stolen. But what is the reason for these attacks being perpetrated across such a broad spectrum of seemingly unrelated data sources? To understand the WHY one would need to understand the WHAT.

Personal Information

The common denominator in these attacks is personal information. Everything from names and contact details to financial information, such as bank and credit card details, is being targeted. It may be pretty obvious that the first prize for the attackers would be the financial information. With your credit card and bank account information, attackers could likely have

ARTICLE— SAICB *cont...*

maxed/cleaned out your accounts/ facilities in no time. And should they not have immediate use for the bank and credit card details, there is a broad market out there where individuals or groups exist that can and are willing to purchase and use this information. But that is not the only information of value.

Social Engineering

Personal information such as names and contact numbers are also valuable. As well as the individuals and groups purchasing financial information, there are those that seek this type of personal detail for social engineering – con games designed to deceive with the intent of breaching personal/professional security. The more common uses of this information include direct marketing (the unsolicited kind) and 419 scams. People often wonder why they are getting so much spam or how strangers contact them by name. This is not to say this is always the case, but information is distributed more freely than perhaps we are all aware. So if we just ignore or decline to associate with these solicitors, then surely we are safe?

Personal Identification

On an almost daily basis we are using personal information to prove that we are who we say we are. Be it when in communication with our banks, cell phone providers, medical aids and even our insurance companies. If someone has access to enough of your personal information, any number of changes to your accounts could be effected in their favour. This information may seem to be irrelevant or considered public knowledge yet it can be equivalent to giving away your pin number. Then there are the active attempts using this information to break into social media sites and email accounts. Not to mention the process of actively utilizing this information to create new accounts elsewhere, thus impersonating individuals and potentially damaging their financial reputation—identity theft.

So, why is data security important to the insurance industry?

Insurers and their staff are the purveyors and custodians of vast amounts of personal information, the most basic of which can be put to nefarious uses. All the information discussed above from contact numbers, names and ID numbers, to credit and banking information are a part of the insurance process. This means that everything one could want to defraud or impersonate someone or a company is sitting in one place, effectively making insurance companies desirable targets. Should this information be allowed to be stolen because of lack of controls or a lack of data security awareness within the organisation,

the reputational damage alone can cost the company millions. The impact on your clients immeasurable.

South Africa has already been identified as an easy target because of its relative infancy as far as data security is concerned and the lack of understanding because of it. It is therefore imperative that the insurance industry and financial industry at large take this new threat to its business seriously and treat it with the requisite respect.

The insurance and financial industry must proactively look at its current data security status and begin to research and enforce measures to address this issue before it suffers a serious attack. 🐞

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