



INSURANCE CRIME BUREAU

2021 ANNUAL REPORT

LEADING THE FIGHT AGAINST **LIFE AND NON-LIFE**
INSURANCE FRAUD & RELATED CRIMES.

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“The various Lockdown levels triggered changes in human movement and behaviour, as well as the threats facing the insurance industry continued to increase in size and complexity due to the tough economic conditions brought about by the Pandemic. I am honoured to have lead our dynamic organisation and proud of the firm determination of our team through the challenges of the past year.”

Hugo van Zyl
Chief Operating Officer

TABLE OF CONTENTS

| | |
|---|----|
| Introduction & Mandate | 01 |
| Our Company Values | 02 |
| Our Vision & Mission | 03 |
| Chairman's Report | 05 |
| Key Financial Results | 06 |
| CEO's Report | 07 |
| COO's Report | 08 |
| Key Operational Success Indicators | 09 |
| Operations Report | 11 |
| Investigations Hub | 13 |
| The Extent of Crime in South Africa | 17 |
| Board Opinion | 21 |
| Strategy Moving Forward | 22 |
| Corporate Governance Report | 23 |
| Combating Insurance Fraud in a Remote Environment | 24 |
| Members Lists | 25 |
| Networking & Public Relations | 27 |
| Key Stakeholders | 30 |

INTRODUCTION & MANDATE

In 2020, we undoubtedly proved that the whole is greater than the sum of its parts. Together with our Members, Law Enforcement Agencies and other Stakeholders, we remained focused, dedicated and determined in our fight against Life and Non-Life insurance fraud and the related crimes. Through responsible data sharing, advanced analytics, investigations and training, we continued to offer our Members a range of fraud detection services and solutions. The organisation remains fully operational and relevant under a completely new set of rules and restrictions, as well as managing the impact of insurance fraud on our Members and the expectations from all our Stakeholders. The resilience of our team continues to ensure that our organisation remains on solid footing and that the evolving threats to our industry are adequately investigated and prosecuted!



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.

WE STAND BY OUR **VALUES**

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

CORE VALUES

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

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

Demonstrate to **STAKEHOLDERS, PARTNERS & MEMBERS** that the industry is standing together to fight organised crime, thereby increasing **"THE FORCE"**.



LEADING THE FIGHT AGAINST INSURANCE FRAUD & RELATED CRIMES

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.

COMMITTED TO ADVANCING A UNITED FRAUD COMBATING INDUSTRY SOLUTION

“Fraudsters adapt quickly, but luckily so do we. The use of technology has enabled us to continue to connect, even now more frequently, as physical distance between us is not that relevant anymore. This has enabled us to share information more effectively with a wider audience and to continue with important cross carrier investigations during this disruptive period.”

Helen du Toit
Santam

“We have again achieved exceptional return on our investment with the ICB over the last year, notwithstanding the fact that it has been challenging on all fronts. The leadership team did a fantastic job to remain focussed on key strategic and operational areas to make this happen, and have played a pivotal thought-leadership role. We are looking forward to another year of successful collaboration.”

JP Human
Telesure Group

“Decriminalising critical elements affecting the insurance industry requires a collaborative stance by the non-life insurance industry with the ICB, and this work has not stopped even during the COVID Pandemic lockdown periods.”

Pamela Ramagaga
SAIA



Ronnie Napier
Chairman of the Board

“To achieve what we have managed to do during this year, the team must be congratulated on an outstanding effort in dealing with the difficulties that the strict lockdown had on us and it has been a tremendous effort to continue our forward growth. As a result, we have continued to deliver an exceptional return on investment for our Members which has obviously been very important to them in these difficult times for the industry.”



I reported last year that when the Pandemic hit us, we were uncertain whether we would manage to avoid any disruption because of the unprecedented nature of COVID-19 and the serious potential effect of the lockdown on our operations. Notwithstanding the severest lockdown restrictions, we were able to continue our operations without major disruption and in fact managed to achieve our goals and even exceeded our expectations for the period under review.

As I have reported in the past, we continue to provide a free benefit for the uninsured public by recovering Millions of Rand worth of vehicles for them at no cost to the owners, which we believe to be a great service. The organisation is extremely proud of this contribution that we continue to make and we receive a great number of unsolicited testimonials thanking us for this work.

Going into the new financial year, we will continue to strengthen the organisational structure and it is our intention to grow the platform that we have established to recover vehicles through LPR4SA. We also continue to grow our footprint in the life insurance industry together with the financial sector as a whole and have made substantial inroads into the effects of organised crime which is impacting these sectors.

We will continue to deliver on the Horizon Strategic Plan, but for the coming year we will focus in particular on the development of an effective data strategy using the best technology available.

The team at the Insurance Crime Bureau is committed to going forward from the considerable platform that has been established in fighting organised crime in the Non-Life and Life insurance sectors and I must pay tribute to our team for their dedicated efforts in the past year and for their commitment to growing the organisation into the future.

Once again, I would like to thank the Board for their active engagement and commitment to the agreed strategic direction of the organisation and their valuable input remains important for our continued growth and success.

GROWING IN VALUE

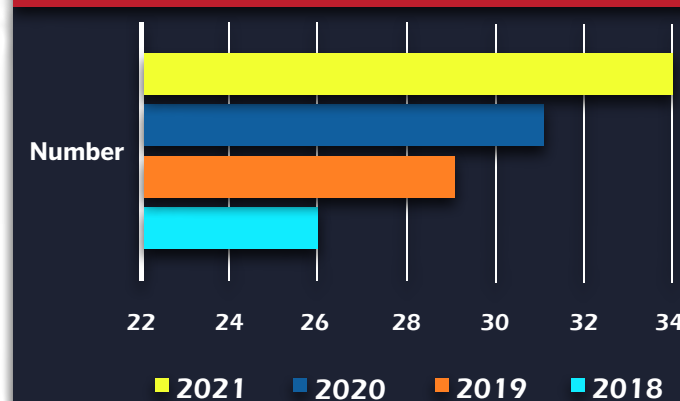
KEY FINANCIAL RESULTS

For the year ended 30 June 2021, the ICB has delivered a strong and stable set of results which are aligned to the company's strategy. The company is committed to adhering to the strong financial policies in place with focus on a tight expense management process.

FINANCIAL FIGURES AS AT 30TH JUNE 2021

| | 2021 | 2020 | 2019 | 2018 |
|------------------|--------------|--------------|--------------|--------------|
| TOTAL REVENUE | R 44 221 159 | R 46 944 014 | R 36 612 793 | R 30 217 410 |
| EXPENSES | R 39 620 936 | R 40 519 627 | R 33 929 306 | R 28 399 650 |
| SURPLUS | R 4 600 223 | R 6 424 387 | R 2 683 487 | R 1 817 760 |
| RETAINED SURPLUS | R 19 472 417 | R 14 872 191 | R 8 447 804 | R 5 764 317 |

NON-LIFE & LIFE MEMBER GROWTH



REVENUES: **6%**

INTEREST EARNINGS: **57%**

RETAINED SURPLUS: **31%**

- **Technology and Human Resources remains our largest investment of 83.6% of total expenses.**
- **Diversified Revenues amounts to R935K**

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@icb.co.za. The Annual Financial Statements are audited by AFCA & Partners.

“The last 18 months has seen a myriad of challenges as a result of restrictions and changes in the way we work. In addition, the Pandemic has brought about an increase in fraud and we have seen a number of creative trends evolving. The consequence of this was a stronger working relationship with our industry partners like the ICB, and the deployment of innovative solutions and initiatives to detect and prevent fraud as a response to the trends and the new ways of working. The challenges posed by the Pandemic certainly taught us that more can be achieved in fighting crime when collaborating with our industry Stakeholders. Many of these initiatives would not have been possible had it not been for the support we received from the ICB.”

Gary Slater
Old Mutual Insure



Garth de Klerk
Chief Executive Officer

“ Human nature demands that to survive we continuously strive to evolve despite extreme circumstances. COVID-19 has continued to present a variety of challenges ranging from economic instability to changes in market behaviour along with service provider and staff challenges from hybrid working systems, these further complicated by erratic Government policies & support. ”

CEO's REPORT

Previously accepted best practice principles and policies regarding human management, workflows and technologies have all been stretched. Rapid adoption; determination; forced change; strategic pivots; with a fair amount of luck, have all been key elements of our daily life over the last two years. Undiscouraged by the Pandemic, our team continued to collaborate safely with our Stakeholders to assist our members.

COVID has accelerated the implementation of digital strategies like never seen before. We realise that to remain relevant requires our own renewed business strategies, thus our strategy centres around the availability of quality data through useful technology, expanding both our services and influence.

Organisations that adapted have survived, those who have intelligently strategised continue to excell. Our strategy has been, and remains purpose-driven while maintaining our core of a people focussed ethos and thus our objective of the development of quality human capacity continues.

Possibly the toughest future leadership test for business will be how to bring “normality” back without having a proper definition of the word.

Financially, despite no increase in costs to Members in the 2021 period, we are proud to present a solid financial performance and increasing our financial reserves whilst also continuing to grow the **ROI** and **ROE** to our investor community.

Moving into 2022 and beyond, the organisation aims to increase its relevance by continuing to add increasing value into the broader stakeholder and public environment.

Finally, I would like to express my gratitude to all our Members, Stakeholders, Board and Staff for their support, guidance and patience through the past twelve months, which have been some of the most challenging and successful months in our history.

We look forward to creating continued successes as a fraud combatting community!



Hugo van Zyl
Chief Operating Officer

“ The Insurance Crime Bureau together with our Members, Stakeholders, Law Enforcement Agencies are involved in over **95** syndicate related investigations valued at over **R 300 000 000.**

15 Syndicated Projects are registered at SAPS valued at **R 90 000 000.**

A further **145** cases are still under investigation where it is suspected that syndicates are involved. ”

COO's REPORT

In my 14 years at the Insurance Crime Bureau, 2020 was a year like no other. The global Pandemic forced us all to adapt in ways that were unimaginable when the year began. Through it all, the health and safety of our team has remained our **TOP PRIORITY**. The Operations team has set new records in fighting organised insurance fraud and the related crimes in South Africa and they are commended for their sterling work.

The Operations teams was forced to find new and innovative ways to collaborate with our Members, Law Enforcement Agencies and various other Stakeholders to carry out our tasks, while simultaneously evolving our investigative approach to strengthen our longstanding position as the nodal point for fighting insurance fraud and the related crimes in our Country.

Our Life and Non-Life Insurance Members, together with numerous other Stakeholders such as **Tracking and Micro-dotting Companies, Salvage Dealers and various other Government Departments such as Interpol, RAF, RTMC, DOT, DOH, SIU, FIC, SAPS, Hawks, and Cross Border Police Forces,** continue to work closely to achieve our objectives. The fight against insurance crimes requires integrated and coordinated investigations from the entire

industry. Through various intelligence-driven operations, we continue to make use of a wide range of Data Sets and Artificial intelligence to achieve two primary objectives. Assisting our Members in identifying syndicated fraud and to support Law Enforcement Agencies and the NPA in identifying fraudsters and bringing them to justice.

As our strategy to combating insurance fraud and the related crimes continues to evolve, we remain committed to building on our solid foundation. We have made a big impact in assisting Law Enforcement on “Blue Light Robberies”, Accident Staging, Life and Funeral insurance fraud and the tracing, recovering and arresting of suspects where high-end European luxury vehicles are hijacked or stolen and used for cash in transit heists and other serious and violent crimes. I am proud of the team’s spirit and commitment of their duties, to our industry.

KEY OPERATIONAL SUCCESS INDICATORS

INSURANCE INDUSTRY SAVINGS

621%

RETURN ON INVESTMENT
(ROI) FOR MEMBERS
(NON-LIFE & LIFE)

As a Life to Date average.

R 1.58 BILLION

TOTAL INSURANCE
MEMBER RETURNS

As at the end of June 2021

R 345 MILLION

VEHICLES RETURNED TO
UN-INSURED INDIVIDUALS
IN 2021

(at approximately 40% of MM value)

R 822 MILLION

VEHICLES RETURNED TO
MEMBERS FROM POUNDS
IN 2021

(at approximately 40% of MM value)

R 52 MILLION

CLOINED VEHICLES
RETURNED TO MEMBERS
IN 2020

(at approximately 40% of MM value)

R 371 MILLION

LIFE INSURANCE
INDUSTRY SAVINGS

Over last 6 years

“

I would like to thank the Board of the Insurance Crime Bureau for their active engagement and commitment to the agreed strategic direction of the organisation and their valuable input remains important for our continued **GROWTH** and **SUCCESS**.”

- Chairman -

OUR BOARD



Ronnie Napier



Garth de Klerk
Insurance Crime Bureau



Hugo van Zyl
Insurance Crime Bureau



Burton Naicker
Outsurance



Helen du Toit
Santam



Cloud Saungweme
Bryte



JP Human
Telesure



Selvan Naidu
Standard Insurance Limited



Michele Peach
Hollard



Gary Slater
Old Mutual Insure



Pamela Ramagaga
SAIA



Francois Theron
Discovery Insure



Rishilla Govender
Insurance Crime Bureau

FINANCIAL RETURNS LIFE TO DATE

| | |
|--------------------|-----------------------|
| Members: | R 1.58 Billion |
| Non Members: | R 315 Million |
| Un-Insured Public: | R 348 Million |
| Total: | R 2,25 Billion |



NON-LIFE & LIFE INVESTIGATIONS

OPERATIONS REPORT

COLLECTIVELY PUTTING A STOP TO INSURANCE FRAUD & THE RELATED CRIMES!

NON-LIFE OPERATIONS

Short Term Insurance Operations

The Insurance Crime Bureau's Short Term Insurance Operations team continued their assistance to our members and went all out in their goal to fight organised crime impacting the industry. Despite many challenges with movement, passing of witnesses and close associates who worked with the team, we still managed to raise the bar on excellence. Organised Crime has become ever more prevalent in the daily lives of South Africans, and we are all impacted by it. It is very unfortunate that the capacity of Law Enforcement Agencies was eroded to a point where it is barely providing a challenge to organised crime.

Louwrens Liebenberg

Head of Non-Life Insurance Operations

LIFE OPERATIONS

Life Insurance Operations

Life Insurance fraud is a global phenomenon. Perhaps unsurprisingly, the life insurance industry reported a rise in fraudulent claims during 2020, with other more sinister Pandemic related schemes likely to emerge in the near future. 2020 was a landmark year in many ways – mostly negative, as the Covid-19 Pandemic and its financial fallout devastated South Africa and the world. This includes the life insurance industry, who say that they saw a significant rise in fraudulent claims during 2020, no doubt due to the year's widespread financial hardship for many.

Johan Steyn

Head of Life Insurance Operations



621%

Non-Life and Life
Operations ROI
combined!

As a Life to Date average.



Vehicle Crime Portfolio

The emergence and increase in organised crime hijackings where the suspects are either members of Law Enforcement or pretending to be, poses a serious threat to the insurance industry. The Insurance Crime Bureau has embarked on an aggressive, hands-on approach to tackling this problem by gathering information, analysis and investigation into the occurrence of the “**Blue Light hijackings**”, where Members information is turned into workable intelligence for specific target driven investigations with our partners in Law Enforcement.

Syndicates are constantly evolving to gain financially from vehicle crime. Our investigations prove time and time again that the vehicle crime threat affects the vehicle finance sector and the insurance industry as the two industries historically have not shared information. Operationally, the Insurance Crime Bureau has filled this void and has effectively addressed cases where both industries were at risk.

The investment made by the organisation in the training of Law Enforcement Officials at first responder investigator and expert level, as well as the involvement of prosecutors in these training sessions has this year proven its worth. Suspects that were previously regarded as “untouchable” have met more than their match, especially in KZN, with previously unheard of successes and convictions.

The Insurance Crime Bureau is the leading entity in addressing vehicle cloning, not only for the purpose of tracing cloned vehicles, but by addressing the root factors contributing to this threat for the industry. The investigations into projects Malahleni and Mhala have effectively addressed corrupt officials in the registration environment with prosecutions in progress against those officials.

Fraud Portfolio

Technologically the insurance industry is constantly evolving with faster turnaround times, competitive client service and fast settlement of claims, which has become the competitive edge in the industry. The fast-track environment suits syndicates and habitual claimants, bombarding the industry with fraudulent claims.

To detect and prevent the use of money mules, identity theft in a cross-carrier environment requires claims personnel and managers who constantly interact with us. Training in the form of 1 hour awareness sessions has proven vital in exposing several suspects and syndicates operating in the fast-track environment. It was found that in several cases under investigation, what appears to be syndicates involved are individuals either working alone, or with close relatives and friends, but making use of numerous identities that they obtain dishonestly.

Accident staging is a serious threat to the industry. We are actively addressing this threat by making use of all systems that over the years have been tailored to uncover cross carrier and organised accident staging groupings. Again, training on this issue has had a positive impact with staged accident being uncovered before claims settlement.

NON-LIFE INSURANCE PROJECTS

| | |
|-------------------|--------------|
| CLONED VEHICLES | 44 |
| GENERAL ENQUIRIES | 9160 |
| LPR4SA | 14451 |
| POUND INITIATIVES | 1011 |
| SANRAL | 1 |
| VSD | 287 |
| TOTAL | 24954 |



Service Provider and Staff Dishonesty

Corruption and fraud are not limited to the public sector and events unfolding in the media for the public to see, has made them more aware of brands associated with corrupt behavior. On the one hand, the Insurance Crime Bureau is doing its utmost to have corruption addressed within the vehicle safeguarding space where parts are stripped and stolen. On the other, certain service providers are bribing the very same suspects in order to have work done and to illegally obtain information from the very same personnel suspected of being involved in causing the industry financial harm. This has led to the public sector accusing the private sector of fueling the culture of corruption at public institutions. Together with Law Enforcement, we are actively investigating these corruption allegations.

Service providers and staff have intimate knowledge of the industry and make use of this knowledge to defraud the industry. Personnel using the identities of friends, family and clients to incept false policies and submit cross carrier claims remain ongoing investigations and have become the norm. Despite awareness training and personnel realising that this type of behavior is uncovered by us, ever so often personnel will give it a go and get caught.



INVESTIGATIONS HUB

LIFE OPERATIONS

Life Insurance Operations

Despite many challenges that Covid-19 brought, the Insurance Crime Bureau's Life Operations had many successes in Court. Some of our cases made National headlines and grabbed the attention of many South Africans, with countless individuals contacting us and sending requests to see if someone had cover on them.

All this happened after a news story broke of the SAPS official that was allegedly involved in the murder of her family members to obtain pay-outs from life insurance policies. The pastor in George, his fiancée and another family member that were found guilty on 27 charges from murder, attempted murder, fraud and defeating the ends of justice and others all relating to murder for money.

A trial had commenced in the Bloemfontein High Court where 7 accused are standing trial for 7 murders, 1 of Attempted Murder, 1 of Kidnapping, 1 of Attempted Rape, 6 of Identity Theft, 1 of Robbery, 22 of Fraud and 1 of Money Laundering. A total of 40 counts with all the charges being related to life insurance claims.

One of the more horrific cases is the trial in the Nelspruit High Court where two sisters and their boyfriends are standing trial for rape, murder and fraud. The sisters obtained policies from the life insurance industry on their mother and assisted the two boyfriends to rape and murder her to obtain pay-outs.

The operational successes that the teams have had and continue to achieve is only possible through the working relationships that our investigators have with our Member companies, Law Enforcement Agencies and other Stakeholders that work together to remove these criminals from our streets.



Project PE

Project PE originated from a request by the **Directorate for Priority Crime Investigation (DPCI)** Mount Road, to assist with several cases pertaining to suspected murder for money.

The investigation started when a spike in unnatural deaths occurred in the Port Elizabeth area and following investigation it was established that the life assureds were killed while they were at home with no signs of burglary or house robbery. The different cases were analysed, and no links could be identified between the different claimants.

Our investigators intervened and had meetings with high-ranking SAPS officials where a task team was established to investigate the cases, consisting of Commercial Crime as well as Serious and Violent Crime Investigators.

All the murder dockets were centralised, accessible and investigated by the task team and all the bullet caps and bullet points were to be re-analysed by the SAPS Forensic Lab. The investigation led to a syndicate of females operating in the Eastern Cape who took out policies covering their to be victims.

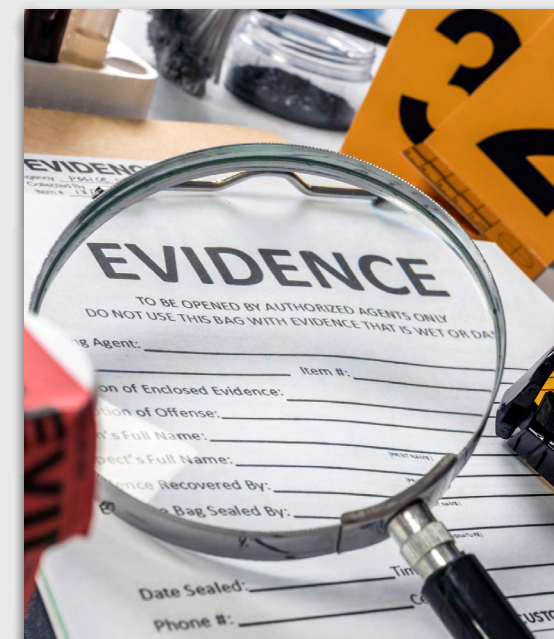
“Our investigators provided training to the Task Team on how to approach their murder cases if insurance fraud is suspected. It was noted that several members work in silos hence the reason that some of the cases are not linked quicker. We will also be engaging with the Head of the NPA in the Eastern Cape to assign Prosecutors to deal with murder for money cases and once assigned, together with SAPS investigators, we will also provide training to the NPA team. These type of operations are not only limited to the Eastern Cape as our investigators are involved in such cases all over the Country.

Our team is actively visiting and communicating with SAPS stations in all regions and bringing to their attention that the motive for some of their unsolved murder cases could be attributed to syndicated insurance fraud.”

Johan Steyn
Head of Life Operations

THE INVESTIGATION REVEALED THE FOLLOWING FACTS PERTAINING TO THE MURDERS.

- A few monthly premiums were paid before the life assured are killed by Hitmen being paid between R3 000 and R30 000.
- The hitmen would surveil the area of the life assured to make a positive ID of the individual. Once identified they would either kill them on the same day or return at a later date.
- Once the life assured is killed and the claims paid, the syndicate would split the pay-out.
- SAPS Ballistics report obtained for one murder case indicated that the same firearm was used in several other cases.



POLICE RECORDED CRIME STATISTICS

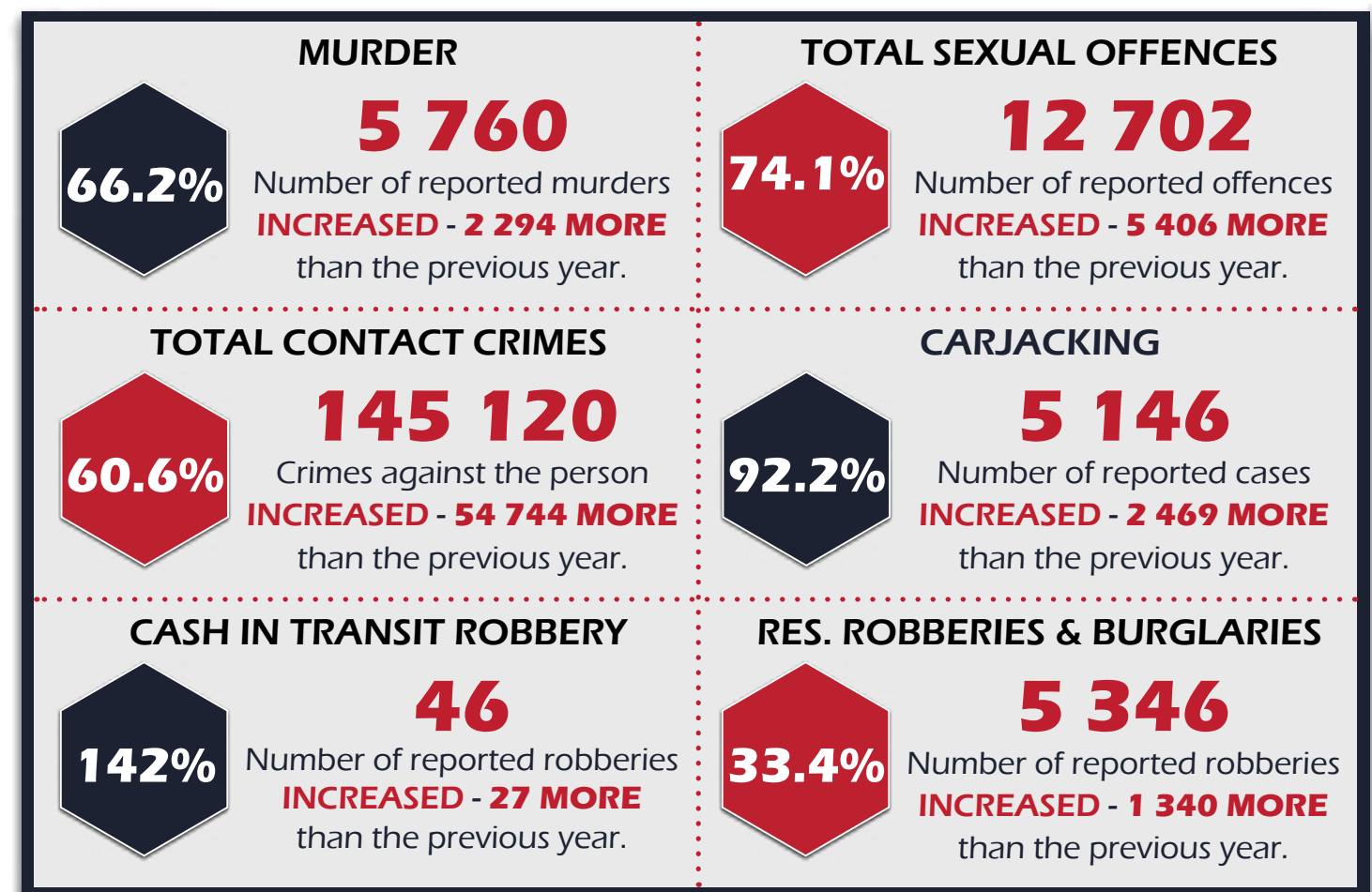
First Quarter of 2021/2022 Financial Year (April To June 2021)

SAPS has accepted a new and challenging objective of ensuring that its crime statistics are in line with international best practice. This will be achieved through a Memorandum of Understanding with StatsSA, aimed at further enhancing the quality and integrity of the South African crime statistics.

The crime statistics generated by SAPS are an important link in the value chain as they influence policy development and planning in the criminal justice system and to ensure that policymakers have quality data to assist them with making crucial decisions for the safety of all South Africans. Police Minister Bheki Cele said that the double-digit increase in most crime categories were attributed to the impact of the adjusted lockdown levels and distorted crime trends.

THE EXTENT OF CRIME IN SOUTH AFRICA

COVID-19, in conjunction with the implementation of the Disaster Management Act had a significant impact on the **17 Community Reported Serious Crimes** in South Africa. While some decreased, others increased as criminals exploited COVID-19 for their own gain. The various Lockdown levels triggered changes in human movement and behaviour which resulted in the following statistics presented by The South African Police Service (SAPS) and Statistics South Africa (Stats SA) covering the **First Quarter of the 2021/22 Financial Year (April to June 2021)**.



Source: SAPS



17 COMMUNITY REPORTED SERIOUS CRIMES

The double-digit increases in South Africa’s recently released crime statistics are troublesome, but they do not mean crime is spinning out of control or “soaring”. They need to be put in context. It was expected that there would be more crimes recorded between **April and June 2021** than between **April and June 2020**, when the stay-at-home order and alcohol ban due to the Pandemic resulted in an exceptional reduction in movement and crime. To put them into perspective, we have also included the same period: **April to June 2019**.

| CRIME CATEGORY | 2019 | 2020 | 2021 | Count Difference | % Change |
|---|--------|--------|--------|------------------|----------|
| CONTACT CRIME (Crimes Against The Person) | | | | | |
| 1. Murder | 5 398 | 3 466 | 5 760 | 2 294 | 66.2% |
| 2. Attempted murder | 4 575 | 3 487 | 5145 | 1658 | 47.5% |
| 3. Assault (Grievous Bodily Harm) | 37 425 | 22 064 | 37 350 | 15 466 | 70.1% |
| 4. Common assault | 36 185 | 25 995 | 39 406 | 13 411 | 51.6% |
| 5. Aggravated robbery | 35 705 | 21 599 | 33 876 | 12 277 | 56.8% |
| 6. Common robbery | 12 885 | 6 469 | 10 701 | 4 232 | 65.4% |
| 7. Total Sexual offences | 12 094 | 7 296 | 12 702 | 5 406 | 74.1% |
| CONTACT RELATED CRIMES | | | | | |
| 8. Arson | 943 | 633 | 978 | 345 | 54.5% |
| 9. Malicious damage to prop. | 26 224 | 18 558 | 26 326 | 7 768 | 41.9% |
| PROPERTY RELATED CRIMES | | | | | |
| 10. Burglary - residential | 53 433 | 37 128 | 39 477 | 2 349 | 6.3% |
| 11. Burglary - non residential | 17 274 | 18 840 | 14 627 | - 4213 | - 22.4% |
| 12. Theft of MV & motorcycle | 11 835 | 5 564 | 9 433 | 3 869 | 69.5% |
| 13. Theft from motor vehicle | 31 467 | 17 533 | 21 310 | 3 777 | 21.5% |
| 14. Stock theft | 7 813 | 7 345 | 6 757 | - 588 | - 8.0% |
| OTHER SERIOUS CRIMES | | | | | |
| 15. Theft other (not mentioned elsewhere) | 71 704 | 45 455 | 60 056 | 14 601 | 32.1% |
| 16. Commercial crime | 21 316 | 15 431 | 24 030 | 8 599 | 55.7% |
| 17. Shoplifting | 15 747 | 9 632 | 11 281 | 1 649 | 17.1% |

Source: SAPS

STRENGTH IN NUMBERS

AS A COMMITTED INDUSTRY

FIGHTING CRIME TOGETHER

“The recent increase in the Annual Crime Statistics highlights the increased need for Public Private Partnerships, as a Country we cannot afford to allow this escalation in serious crime events to continue unabated.

As an involved business community we need to invest in meaningful developmental programs which are designed to reduce economic pressure thereby resulting in long term, meaningful employment and education.”

Garth de Klerk
Insurance Crime Bureau - CEO



BOARD OPINION

“As the years go by we realise the power of collaboration and the success it brings. Whether it is to stand together as a community to protect ourselves and property or to fight against crime, it works. It is a form of togetherness and more importantly it is the core of our South African culture.

The Insurance Crime Bureau continues to drive collaboration and has successfully leveraged of these relationships to identify networks of concern in order to reduce insurance fraud and other criminal activities as a result. The use of data and technology remains the core focus to eradicate and narrow the opportunities available to perpetrate crime.

The benefit to the insurance industry and society in the last year has still been significant despite our worldwide challenges. The organisation is well positioned to offer more protection and support as we face some tough economic times that is usually associated with an increase in fraudulent behaviour.

We are looking forward to the continued value add in the year to come.”

Burton Naicker
Deputy Chairman of the Board



STRATEGY FEEDBACK

Our strategy focuses on key components such as organisational strength, our digital capabilities intertwined with online offerings, while looking to maximise the value we realise from our data assets. In synopsis the aim of the Insurance Crime Bureau Board is the “future proofing” of the organisation exploring all possible opportunities, while also being able to embrace our imperfections as we cannot wait for everything to be “right” before we evolve.



OUR CURRENT OBJECTIVES

- Strengthen the organisational structure
- Expand the footprint and influence of LPR4SA
- Growth into the Life; VAF & Financial Sectors
- Improvement on our Returns to Members on both the investment & efforts expended
- Advising on industry projects such as the Vehicle Salvage Database; Insurance Data System & Natis along with our partners in these projects SAIA and RTMC.
- Development of an effective Data Strategy utilising leading technologies and AI
- Assist the industry in developing a Cyber Crime framework
- Increase our influence within RSA & ROA
- Look to expand our experience and learnings through relevant Networks

CORPORATE GOVERNANCE REPORT

Governance & Audit Committee

The governance practices of the organisation continue to strengthen and significant focus has been placed on the implementation of POPIA. This year also saw the review of the company's short to medium strategic and operational objectives through an in-depth SWOT analysis. The organisation continues to focus on investment revenues through a subcommittee of the Governance and Compliance Committee, which saw positive results and investment revenues amounting to R1.598m for the period under review.

Governance of data and technology will continue to be a focus in alignment with the need of the industry and the organisation to digitally transform, whilst providing relevant data to the industry both legally and effectively and managing the downside risks of cyber related crimes.

Risks related to the organisations were tightly managed during the period under review and regularly re-assessed given the dynamic nature of the world in which we operate. The diversity and skills of the Board is currently being assessed to ensure it reflects the growth that has been experienced by the organisation in the life industry.

A "Return on Efforts" methodology has been finalised allowing the organisation to showcase and communicate the impact it has made to the fight against crime and the broader society. The Board is fully committed to transformation and continues with the implementation of the FSC charter, even though it is a non-profit organisation. The board continues its focus on skills development and social economic development. The company is committed to the mentoring and coaching of junior employees and graduates. The company also donated R50 000 towards NICRO who is an NGO that has committed to rewriting the stories of youngsters' that were involved in crime.

Considering its size, the organisation is tightly governed and will continue to evolve and strengthen governance as required. The company is of strategical importance to the insurance industry and well-placed to assist the industry with the myriad of risks related to cybercrime, corruption and fraud.

Helen du Toit

Chairman of the Governance & Audit Committee



R50k
Donated towards
NICRO



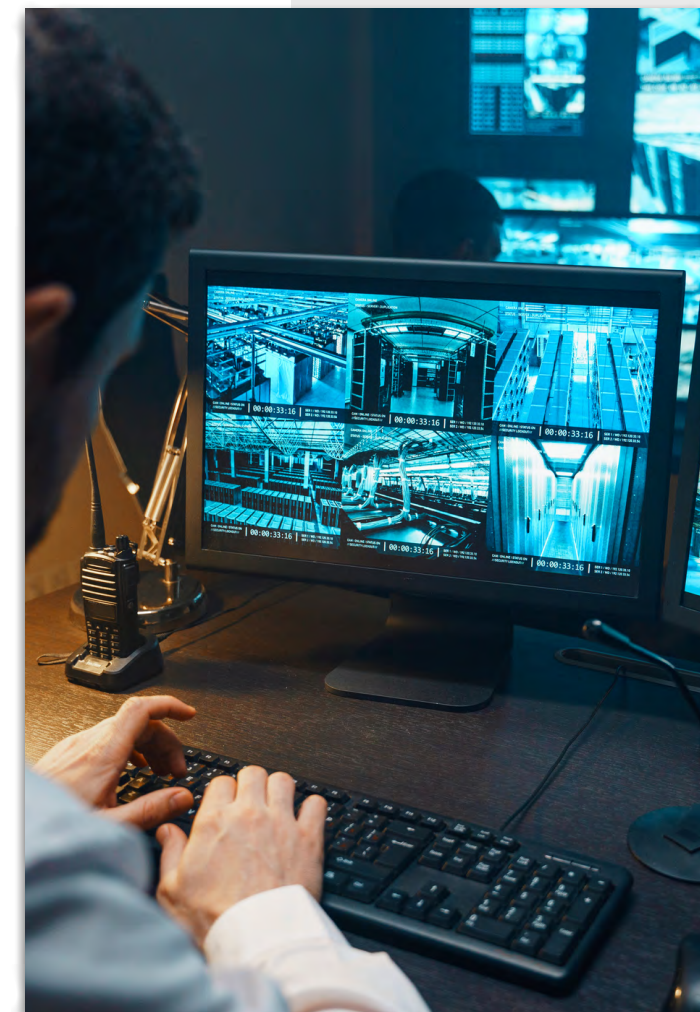
COMBATING INSURANCE FRAUD IN A REMOTE ENVIRONMENT!

Investigations that were in progress at the beginning of the Pandemic did not grind to a halt, although in many cases the tempo reduced a bit due to the changes of human movement and behaviour. The entire industry was forced to shift and to adapt their investigative procedures to combating insurance fraud in a remote environment, which brought about its own challenges. Unquestionably, it is always better to conduct investigations and interviews "in-person", particularly when taking statements of someone who is suspected of being complicit in a crime or is the subject of the investigation. The industry came together and found new ways of sharing, reviewing, discussing and interpreting information from different sources utilising various telecommunication platforms, compared to what would normally have happened during traditional on-site investigations.

The key fundamentals and our approach in conducting investigations will and has not changed. We continue to work closely with all our Members, Law Enforcement Agencies and industry Stakeholders to investigate matters based on the facts of the cases. The industry has remained successful in conducting operations responsibly, collecting relevant information and evidence, data analytics utilising AI with human intervention, as well as reporting and opening SAPS cases of suspected syndicates targeting the Life and Non-Life insurance industries.

COVID-19 has undoubtedly accelerated numerous business trends. This is particularly true about the increasing focus on data and analytics and the use of technology and Artificial Intelligence in investigations. The industry has been astounded by the successes achieved without going "on-site", but at the same time it has also highlighted the value of being on location, having access to information and being able to evaluate the local environment, all of which are crucial to a thorough investigation. Investigations are ultimately about people and interaction is essential.

Due to the fact that more time is needed for planning during remote investigations and ensuring that clear communication channels are in place, the Insurance Crime Bureau would like to commend the industry for the successes achieved over the past year and encourage the industry to continue adopting a hybrid approach (remote / in-person) for future investigations.



OUR MEMBERS & ASSOCIATE MEMBERS

LIFE & NON-LIFE INSURANCE MEMBERS

“Beyond our Membership, our organisation works with Law Enforcement Agencies, Government Departments, Prosecutors, International Crime-fighting Organisations, Technology Experts, and the public to lead a united effort to prevent and combat insurance fraud and the related crimes.”



SHARING INDUSTRY EXPERIENCES & INCUBATING INTELLIGENT SOLUTIONS

With most in-person events being restricted or limited, the organisation was able to seamlessly adapt to the unique and challenging operating environment to ensure that we continued to engage with our Stakeholders through various online platforms. We participated, sponsored, and presented at various industry discussion forums reaching large audiences internationally, with the focus being on crime detection and prevention.

Tough economic conditions invariably mean an uptick in insurance fraud and the related crimes. The organisation successfully hosted a series of Fraud Exchange Webinars, Training Sessions as well as the Industry SPOC Meetings to bring together the collective resources of insurance companies, Law Enforcement Agencies and other Stakeholders. These virtual events have become the industry norm to continue the discussions around the industry's ability to facilitate the detection, prevention and mitigation of insurance fraud and the related crimes.

Aligned with the organisation's strategy, we will continue to partner with thought leaders to address significant industry topics and to share the latest trends and MO's seen by the Insurance Crime Bureau.

“The Insurance Crime Bureau has played a critical role in supporting Discovery in identifying and fighting crime. It performs a vital function in the early detection of crime through sophisticated data analysis and the collaboration and networking of insurance players.

It's a key asset not only to the industry but to the country as a whole. The positive impact to society is something to be proud of.”

Francois Theron
Discovery

INSURANCE CRIME BUREAU IN THE MEDIA

The Insurance Crime Bureau prides itself on being an integral industry intelligence hub to host “Big Data” that allows us to sweat the data using advanced analytics and AI to identify, investigate and to responsibly share information on the latest Modus Operandi and organised syndicates targeting the life and non-life insurance industries. The organisation continues to showcase our efforts on behalf of our Members and the larger insurance industry within the media space by creating, shaping, and sharing information on the latest trends and raising public awareness around insurance fraud in non-life and murder for money in the life industry.

We would like to thank all of our media partners for your continued support. We will continue to partner with like-minded organisations and industry thought leaders to amplify our message, share resources with our partners and most importantly raising awareness in the public as to the serious implications and consequences for committing insurance fraud and the related crimes plaguing our Country.

THE STORY THAT GRIPPED NATIONAL HEADLINES OVER THE PASSED YEAR:

[The Deadly Side Of Life Insurance Fraud:](#)

[Ex-cop slapped with 6 Life Terms for killing six people, including five relatives for insurance pay-outs.](#)



STRENGTH IN NUMBERS

COMBATING

INSURANCE FRAUD

TOGETHER!

“I believe that the best accolades received should be from your customers. This is what the various Hollard Life & Non-Life teams had to say on the relationship with the Insurance Crime Bureau:

“In the face of uncertainty, new challenges and evolving risks with remote working, Hollard has continued to collaborate with the ICB to respond quickly and innovatively, adapting at every step to mitigate our fraud risks. This partnership with the ICB and Industry role-players enhanced our internal teams to have greater insights required to effectively manage our claims risks through the enhanced use of technology and on the ground presence.”

“As Hollard we are fortunate to work with the ICB. Our relationship goes back many years, we share data responsibly and work together in fraud detection, prevention, and the recovery of stolen and hijacked vehicles. Despite the new way of “work from home”, it did not impair our ability to maintain and grow our relationship with the ICB, and our return on investment through the ICB is testimony of our mutual and ongoing successes.”

“The combatting of fraud and financial crime in the insurance industry cannot be successful when attempted by a single entity. The Hollard, ICB partnership enhances our ability to expand on our proactive fraud mitigation strategies by incorporating industry wide trends. Our “online” interaction has ensured that remote working does not detract or hamper our anti-fraud initiatives.”

This is true testament to the value that the Insurance Crime Bureau brings to the insurance industry and society as a whole. Thanks to Garth, Hugo, and the teams at the ICB who make this all possible.

”

Michele Peach.
Hollard Insure



KEY

STAKEHOLDERS

- 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.....

Successful collaboration is birthed in the concept of splitting up the work and then getting it done. The Insurance Crime Bureau is a hub responsible for the gathering of information and resources, creating collaboration opportunities thus mitigating risk. Collaborating Stakeholders could include Law Enforcement, Members, industry experts and suppliers. When Stakeholders collaborate on shared goals, you co-labour, you brainstorm, you create solutions by simply labouring together. In the absence of invested Stakeholders our organisation would cease to exist, thus all of our Stakeholders are of crucial importance and share in the celebration of the successful results in this report. We are grateful to each of you for your continued support, efforts and valued partnerships.



INSURANCE CRIME BUREAU

INTELLIGENCE THAT WORKS



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