

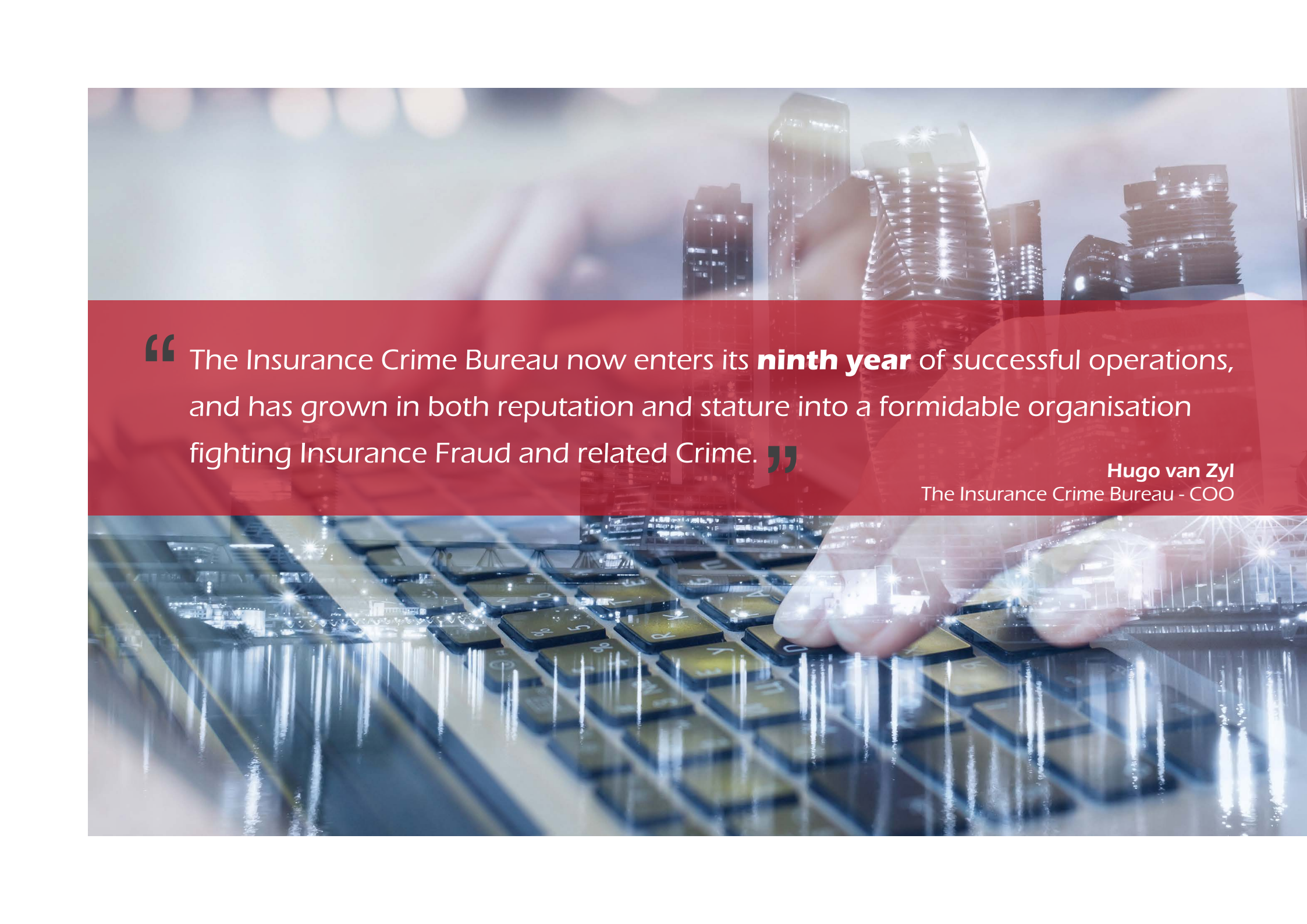


**2017**

**“ INTELLIGENCE  
THAT WORKS ”**

**ANNUAL REPORT**





“ The Insurance Crime Bureau now enters its **ninth year** of successful operations, and has grown in both reputation and stature into a formidable organisation fighting Insurance Fraud and related Crime. ”

Hugo van Zyl  
The Insurance Crime Bureau - COO

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## INTRODUCTION & MANDATE

**C**reated 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.



As a Member of The Insurance Crime Bureau you show your commitment to our inherent belief of Ubuntu, which being deeply rooted in African ideology is vested in the advancement of public interest and shared community responsibility. This notion of humanity has forged a national consciousness towards Nation building and Transformation.

In the pages that follow you will see that although the financial returns are significant this is not our only measure of success, and that together through **Organised Disruption** we can make a difference in tomorrow's South Africa.



# ABOUT THE INSURANCE CRIME BUREAU

In South Africa, annual short term insurance claim spend is estimated at R45 billion. If 12% of submitted claims are considered to be fraudulent, this equates to in excess of R5.5 billion lost per annum.

Insurance fraud specialists, the South African Police Service (SAPS) and other related agencies agree that a significant percentage of crime, including insurance fraud and insurance related crimes, is highly organised and perpetrated by syndicates.

Working with our partners in  
fighting Insurance Fraud &  
Organised Crime in South Africa

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The Insurance Crime Bureau was formed to address the rise of organised fraudsters who use insurance as a way of making money, by detecting and preventing such crimes from occurring as well as acting as the mediator for all insurance companies to work together in dealing with the problem.

The Insurance Crime Bureau does this through multiple hands-on operational initiatives which include cloned vehicles, local and cross border vehicle recovery, training as well as Automatic Number Plate Recognition.



## 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.

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## 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.



**Ronnie Napier**

The Insurance Crime Bureau - Chairman

## CHAIRMAN'S REPORT

The South African Insurance Crime Bureau was originally identified as a need, and then developed as a concept, by the Short Term Insurance Industry, towards the end of 2008. The initial focus was mainly operational and the mandate was to detect and act in regards to insurance fraud in the Short Term Insurance industry.

When I was asked to take over as Chairman, after a few years of operations, my role was to guide and mentor the key individuals involved in the day to day running of the business, as well as creating opportunities and networks for them in which to succeed. Early successes were met with early teething challenges, as would be expected in any fledgling concept. The acceptance of this centralised approach to crime combatting and essential data gathering took a while to sell to the Short Term Insurance Industry as a long term strategy. Thus it took a few years before the operation really gained traction.

A measure of the organisations success, aptly named "Return on Investment" or simply "ROI" was developed in the early years, and soon became central to demonstrating the company's true value add, as you will see demonstrated in this report. Once Insurance companies saw a tangible, and attractive, return they were then eager to participate in the SAICB. To build on these early successes investment in systems and technology was identified as a key strategy, and in 2013 \ 2014 additional funds were introduced by members to invest in SAS – a sophisticated fraud framework and analytical tool. This Investment would allow the organisation to mine the Industries data and more effectively identify criminal syndicates.

The company has continued to be successful operationally, and has become central to the industries fight against syndicates perpetrating fraud in the industry. Based on these strong operational successes it was agreed by the board that we needed to focus more on the longer term future of the company, and look for sustainable growth strategies. To achieve this objective it was decided in early 2015 to look for an experienced CEO, who would be tasked to create and give life to a longer term strategic focus for the organisation.

In June 2015 Garth de Klerk was appointed as CEO, and has held the position since. Garth, by gaining the Boards trust and support, has been able to build on the foundation established and over the last two years has been able to strategically increase the results, exposure and footprint of the company. To clarify the organisations positioning, it was re-branded as "The Insurance Crime Bureau" in early 2017, when we as a board committed to a detailed 5 year strategic plan. I am happy to see considerable success under this plan as regards to profitable and structured growth, as well as expanding the scope of influence of the organisation.

2017 has been a very successful year, as you will see illustrated in this report, and for this I congratulate and thank the team involved. I personally look forward to building on this success both into 2018, and the future.

“ The company has continued to be successful operationally, and has become central to the industries fight against syndicates perpetrating fraud in the industry. ”



**Garth de Klerk**  
The Insurance Crime Bureau - CEO

“ In this, the first Annual Report of The Insurance Crime Bureau, you will be given the opportunity to sample the world experienced by our teams. ”

## VIEW FROM THE CEO

Over the past two years it has been my privilege to be part of a team committed to fighting insurance fraud and related crimes in South Africa. I say privilege not only because it is a fantastic team of committed experts, but also because it is an organisation that really does make a difference on a daily basis.

One of the serious challenges that we face in South Africa is that fraud can very quickly become a contact crime, with a serious impact on not only the economy but also society as a whole. I am proud of the fact that the Short Term Insurance Industry has created, and funded, a centralised strategy to aggressively tackle the problem.

Since inception, in late 2008, the organisation has been extremely successful. On joining I was immediately blown away by the value created by The Insurance Crime Bureau. The obvious challenge was to “tell the story” in the industry in order to gain wider exposure, support and ultimately investment. Over the last few years we have made positive gains in terms of increased memberships, Return on Investment to our Members, exposure and influence in the Life and Funeral Industry, as well as being able to more effectively position ourselves as thought leaders through our 1st Annual Insurance Crime Bureau Conference.

In this, the first Annual Report of The Insurance Crime Bureau, you will be given the opportunity to sample the world experienced by our teams. You will see some of our successes, as well as some of the challenges we face.

In the report we list all of our members and stakeholders who invest either financially or avail us with expertise; IT systems; industry related intelligence; or allow us access to their networks of human resources. We thank each of them for this investment and support.

Our hope is that you will see more clearly our future Strategy, and how we as the larger Insurance Industry can really make a significant difference in South Africa, as regards the billions of Rands lost to fraud. While at the same time reducing the social impact of these sometimes horrendous crimes. As South Africans we have the responsibility, as well as the ability, to make a difference and we ask that you support us on this journey so that together we can improve tomorrow.

I would finally like to take this opportunity to extend my sincere gratitude to our Chairman for his guidance and support, our Board Members for giving of their expertise and influence, and lastly the team of dedicated individuals in The Insurance Crime Bureau. Through your efforts we have already made a significant difference in the fight against crime in South Africa.

**YOU ARE ALL LEGENDS!**



**Hugo van Zyl**

The Insurance Crime Bureau - COO

“ Over the years, The Insurance Crime Bureau has built a strong brand of trust, integrity and co-operation with all of our stakeholders and partners. ”

## VIEW FROM THE COO

I was fortunate enough to be one of the key individuals responsible for the design of the original concept establishing the South African Insurance Crime Bureau. When we started with this venture back in July 2008, I was for a period the only employee of the organisation, and I was responsible for establishing the offices in Midrand.

The appointment of technically qualified and experienced key individuals, along with the implementation and customisation of the analytical and case management tools were foremost on my priority list. These goals were only successfully achieved and implemented after many months of long hours and my energy was spent on the design, finalisation and implementation of the principal organisational objectives.

Challenges experienced during the incubator period of the analytical tool were circumvented by refocusing our efforts to secure savings and pursue return on investment for the industry we served. To augment the technology in place, emphasis was placed on the recruitment of high calibre operational individuals. This was to ensure that the organisation's objective of absolute financial returns was achieved. These high-level employees, to this day continue to add value to the organisation.

Relationships with external stakeholders such as Government Agencies, as well as many other private entities were of utmost importance. Over the years I spent dedicated time, together with the operational staff, forging strong relations with these partners in the fight against crime in South Africa.

Over the years The Insurance Crime Bureau has built a strong brand of trust, integrity and co-operation.

Financial Institutions view the organisation as the nodal point for intelligence and information sharing, as well as a hub to access experts in the fight against vehicle crime.

### RELATIONSHIPS WITH GOVERNMENT DEPARTMENTS

- South African Police Service
- Road accident Fund
- NPA Asset Forfeiture Unit
- Gauteng Department of Roads and Transport
- National Department of Health
- Financial Services Board
- Financial Intelligence Centre
- Road Traffic Management Corporation

Detection, prevention, and effective investigation of fraud and crime impacting specifically the Insurance Industry are first at mind for all the operational staff. They are extremely effective in managing large volumes of cases, most often taking the lead to achieve success.

My aspiration is to witness the Insurance Industry, as a whole, participate as members of the Insurance Crime Bureau and by so doing show their collective support along with Government in fighting crime.





“ **True and effective transformation** is the key to unlocking a positive future for our Nation. The Insurance Crime Bureau is committed to democratic processes and decision making and is thus embarking on a journey towards **meaningful transformation.** ”





# BOARD OF DIRECTORS



**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**



**Burton Naicker**  
**Outsurance**



**Cloud Saungweme**  
**Bryte**



**Gary Slater**  
**Old Mutual Insure**



**Michele Peach**  
**Hollard**



**Edwin Naicker**  
**Standard Insurance Limited**  
**Standard Bank**



**Jacques Pretorius**  
**Absa idirect**



**Nico Esterhuizen**  
**SAIA**



**JP Human**  
**Telesure**



**Yugeshree Mankum**  
**The Insurance Crime Bureau**  
**Company Secretary**

## Message from the Board Directors

“Organised crime has no place in the Insurance industry thanks to The Insurance Crime Bureau and its team of dedicated, professional and passionate investigators. The Insurance Crime Bureau has not only, directly and indirectly, saved the Industry as well as its consumers millions of Rands by helping to combat organised crime, but they continue to assist numerous Insurance Companies, and South Africa in the identification and subsequent prosecution of these perpetrators.

The elimination of Insurance fraud and the related crimes within the insurance industry remains our main priority. Thank you to the Insurance Crime Bureau for having created the platform to share, consolidate and cross reference data which has been the ultimate driver in crime detection. ”





**Louwrens Liebenberg**  
**The Insurance Crime Bureau**  
**Senior Project Manager**

## OPERATIONS REPORT

Mandated by its members to both detect and investigate organised crime within the Insurance Industry, the Operations Department of The Insurance Crime Bureau focusses on the ultimate goal of improving the environment in which we live and do business.

To achieve this, we have created the most comprehensive insurance fraud database in South Africa. When analysing this data by utilising intelligent fraud frameworks, we have the ability to identify large networks of people who are intent on not only defrauding the industry, but who are also committing serious physical crimes against the people of South Africa. As an example, vehicle fraud and its related crimes has a huge impact on all spheres of the community. To combat this, we focus on the market for stolen vehicles in order to direct our efforts at the kingpins behind vehicle crime. Only through their arrests and successful prosecution, will we be able to reduce the number of vehicle related crimes.

One of the data sets that we have developed uncovers “suspected cloned vehicles”. This includes not only the detail of the vehicle, but also consists of a detailed analysis linking vehicles to individuals, addresses, telephone numbers, companies, system users as well as relevant institutions such as registration authorities. As such we are well positioned to identify suspects, corrupt officials and the larger syndicates involved in vehicle crimes.

We were also able to uncover the role of “Money Raising” in the underworld. This *modus operandi* occurs in the form of accident staging and false hijacking claims, which has a significant impact on the insurance and finance industries. Through “Project Misfit”, we are currently investigating the biggest accident staging syndicate known in South Africa. This project focuses on the key individuals who have been targeting the insurance industry since 2005 and possibly even prior to that.

The insurance industry is very competitive, with ever increasing pressure to do better, faster and more business. This drive is good for the consumer, however it also creates opportunities for organised crime syndicates to defraud the industry, on a cross carrier basis, through a high frequency of relative low claim amounts (fast track claims).

Identity theft has also become a new norm for syndicates. The use of a stolen identity is easy in the current models of “faceless” insurance. We are able to identify perpetrators of this fraud through the implementation of an analytical system, mining the claims data of member companies which easily detects this behaviour.

These projects and investigations have positioned our investigators and project managers as formidable assets to the insurance industry. Knowledge gained through investigating new *modus operandi* and schemes affords us with opportunities to educate member companies on new threats and risks. To share this knowledge we have developed a dynamic awareness program for personnel at all levels from new business; policy underwriting; claims and even procurement.

Finally, one of the most important value adds we offer the industry is that we play an oversight role in the compilation of cases for investigation by the SA Police Service and then prosecution by the National Prosecuting Authority. Only in the conviction and sentencing of these criminals is South Africa winning.



## THE LIFE & FUNERAL INDUSTRY

The Insurance Crime Bureau started to engage with Long Term Insurers in early 2015, as we had identified that the same syndicates were actively targeting both the Short Term and the Life & Funeral Insurance Industries.

We discovered that, other than through the informal “Black Box” system, the Life and Funeral Industries did not actively share information in an organised manner. Our existing models have proved that where information is properly shared, and interrogated, there will be significant financial savings and even additional social benefits to South Africa.

The Insurance Crime Bureau’s involvement in these Industries began by organising the “Black Box” enquiries, and it was soon shown that by simply providing structure and proper communication channels, significant positive results could be achieved.

Insurance Companies were initially encouraged to use the detail, as per the enquiries sent by them, to start their own red flag data base. This database could then be interrogated when new claims were received and even possibly at underwriting stage, as this would deter the fraudsters at the point of entry. However, in most cases, the ability to create and manage these databases individually was proved unsuccessful.

It was also found that when uncovering fraud, Insurance Companies were obviously registering individual cases with SAPS at different SAPS stations. Unfortunately as there was no centralised view of the crime these individual cases were mostly withdrawn, or when convicted inadequate sentences were handed down as the courts could not see the level of severity of the crimes.

The Insurance Crime Bureau then started to project manage investigations where cross carrier fraud was identified, to ensure that the appropriate SAPS members and State Prosecutors were allocated. Old cases were re-opened, and we engaged with the National Prosecuting Authority to ensure that the cases were ready for trial and successful.

In 2016 we started to properly centralise information and intelligence. We now chair the Gauteng Life Fraud Forum, which is a really valuable environment where companies share information, identify hot spots, fraudsters and new *modus operandi*. New projects are constantly identified, and investigation project plans are put in place to detect and prevent organised crime threats in these Industries.

Since its engagement in the Life & Funeral Industries, the Insurance Crime Bureau has made serious in-roads into combatting syndicated fraud, and has registered over 50 syndicate related cases with the SAPS. These have resulted in savings in excess of R 150 Million. There are presently 23 cases still under investigation, with 4 broker investigations, and 1 SASSA related investigation.

In our Strategy Session earlier this year, we have identified growth into the Life and Funeral Industries as a key objective. We already have five Life & Funeral Members actively assisting in improving the scourge of crime encountered in these Industries. We are also engaged in positive discussions with a number of large partners within the Industry, to join as Members and to further the gains around this objective.



## CASE CORNER



### PROJECT NEMESIS

A cross carrier case involving an Insurance Broker, currently on trial for fraud, after he changed multiple client's commercial policy contact and bank account details. The Insurer's would collect the premiums on the policies from the client's bank account, but claims payments made by the Insurers to the clients were into the broker's own bank accounts.

The broker registered multiple false insurance claims, in the name of his clients without their knowledge, for the theft of golf clubs, damage to glass doors, lightning damage to electrical equipment etc. He even placed his own vehicle on cover on one of the client's policies and submitted claims on the policy for damages to his own vehicle. The broker is currently on trial relating to 43 fraudulent claims totaling R1.98 Million.

### PROJECT ANDROID

In this cross carrier case an individual used different identities to defraud Insurers, by submitting volumes of "fast track" claims. Although the fraudster went to great lengths to hide his true identity, our investigators were able to use our systems to link him to all of the fraudulent claims. The value of the claims involved amounted to an actual loss of approximately R222 000.

After an in-depth investigation a SAPS case was opened, and court proceedings initialised. The accused was found guilty in the Port Elizabeth Commercial Crimes Court, on charges of fraud and money laundering and he was sentenced to 3 years imprisonment. The Court also made an order in terms of Section 300 of the Criminal Procedure Act, where the accused is to reimburse the complainants R154 000. A valuable example of where we could simply improve our "fast track" controls and flags.

### PROJECT MAVIS

This is an on-going project and addresses the activities of a large number of individuals, who incept policies for the sole purpose of obtaining a rental vehicle as part of a staged accident. The initial investigation has revealed that there is quite a sizable syndicate involved and the individuals are not all "connected" to each other. It quickly became clear that "opportunities" within the Industry had been identified and then exploited by these criminals.

The investigation involves the following up of information, interviews and obtaining of statements which has revealed links between an estimated 10 syndicates. The investigation currently concentrates on activities in specific KZN areas. Liaison is taking place with investigators from different rental companies, effected Member companies as well as SAPS.



## PROJECT LARRY

In this case The Insurance Crime Bureau received information with regards to a number of what purported to be “simple un-natural death” claims.

Some of the facts uncovered in the resulting investigation were:

- The claims were all related to deaths between November 2016 and March 2017, in and around Pietermaritzburg.
- The cause of death varied including numerous hit & run accidents and drownings.
- There were a number of different “un-related claimants” involved in the scheme.
- Through investigation it was proved that some of the deceased had in fact passed away at a date prior to the reported accident, and the initial claim had been for natural causes.
- It was then discovered that in order to stage an “accident or drowning” they were killing innocent individuals to claim the benefit under the policy.
- One of the informants interviewed admitted that she was paid R 5000 to identify a strangers body as that of her brother.
- They will source individuals with the same surname as the deceased, to assist in the identification of the bodies.
- The syndicate involved targeting funeral homes, and multiple insurance companies.
- They are a sophisticated team, and have even falsified police reports.
- The group has cultivated connections within SAPS to assist in the fraud.
- One of the “claimants” was employed at the Department of Health.

The case has subsequently been referred by The Insurance Crime Bureau to the Head of the Directorate of Priority Crime Investigations (DPCI) in Pietermaritzburg for a joint investigation, and prosecution. To-date the joint investigation, using information gleaned from the Industry has linked five key individuals, targeting 11 Insurance companies. The suspects have been charged with Murder, Theft, Fraud, Corruption, Defeating the ends of Justice, and Money Laundering.

## MURDER FOR MONEY SCHEMES

Typical “Murder for Money” crimes are where the claimant has NO insurable interest in the deceased, and the deceased did not give consent for the policy. Un-suspecting innocent people are killed for greed, simply to cash out on the life of another. Distress and unfavourable economic circumstances drive people to hand over their ID books, mostly in the hope of employment, and this is all that is

needed for the syndicate members to obtain an insurance policy in your name. It is so easy to obtain and to claim on a policy because the Insurer does not have to physically see the client or the claimant, as business is conducted over the phone or internet. If required one may even “rent a body” for identification purposes from a corrupt funeral parlour or even mortuary employee. The syndicates involved here are brutal and could include doctors, medical staff, brokers, insurance staff and at times even SAPS members.

Merely being aware of the issue is no longer enough, we have to work together as an Industry and we need wider support, acceptance and involvement from specifically the Life & Funeral Industry with regards to combatting these *modus operandi*.

## USING INFORMATION & TECHNOLOGY

Intelligent use of Information and Technology is central to the success of The Insurance Crime Bureau. We would not exist if it were not for the successful application of these three elements, along with our skilled specialist human resources.

To successfully detect syndicates within the various Insurance Industries it is necessary for us to gather a variety of information, in both a structured and un-structured format. The challenge is then to store these data sets and make them available in formats that can be interpreted and used by our Investigators.

### SOME OF THE KEY DATASETS THAT WE HAVE ACCESS TO INCLUDE:

- Policy and Claim data sets, derived from the IDS database which is hosted for the Short Term Insurance Industry by TransUnion.
- Known & Convicted Fraudsters.
- The Walking Dead.
- Road Accident Fund claims data.
- Full access to the RTMC NaTIS database, for full vehicle history.
- The Vehicle Salvage Data - which is a SAIA initiative.
- Vehicles of Interest

We also work with other specialist data bases, provided by companies like SAFPS and XDS, to enrich the info that we might need to conduct a fraud investigation.

It is important to note that at no time do we make this data available to any external party, including our Members. We utilise the data to identify syndicates, and the investigation of fraud. In running analytics on the information we rely on specialist technology, applied through systems such as SAS, Memex, Mohawk and many others so that we can properly discover and manage activities around syndicates perpetrating fraud.

Artificial intelligence is a buzz word in today's world, and we understand it to mean "the ability to compute large amounts of data in a short period of time". In our game this in no way replaces human intelligence as when the computer is finished the expertise of our operational teams takes over. You cannot complete the "Journey from Data to Wisdom" without human intelligence and expertise.

The expert team of IT specialists, Analysts, Back Office Support and Investigators, are who make the use of Information and Technology meaningful. They are the ones that produce the results. The challenge is the correct combination of quality Information, Technological and Human resources.



**Louisa du Toit**  
**The Insurance Crime Bureau**  
**Senior Manager IT**





“ Cyber Crime is the **single greatest emerging risk for businesses.** Creating **networks and awareness**, needs to be driven as a priority. ”



## Murder

19 016

an average of 52 cases are reported per day. The highest number in 10 years.

## Carjackings

16 717

a 14.5% increase from the previous period. Highest level in 12 years.

## Cars Stolen

53 307

almost 200 vehicles are stolen or hijacked per day.

## Residential Robberies & Burglaries

up 7.3%

over 43 000 reported incidences, a 10 year high.

## Cash in Transit

up 10.9%

since March 2017, 230 incidents in 240 days have been reported.

# STATE OF THE NATION

Considering the content of the latest crime statistics it is obvious that we live in a challenging environment. The crime statistics available provide only an estimated view of criminal activities in South Africa, it does not paint the full picture. We have seen evidence that in some communities there are incidents of theft; hijacking; rape; robbery etc. which are not reported, some simply due to no insurance, and some due to pure fear.

These are the brutal realities of our Country, and with an economy growing at a pace too slow to create employment and proper growth, we have to look for solutions to protect our future.

Moving forward one of the solutions required is effective Public Private Partnerships (PPP), as requested by both the Minister of Police and the Acting National Commissioner of the SAPS. The Insurance Crime Bureau together with Tracker and Zonke Unicode, has signed such a PPP agreement and have committed to assisting the SAPS in combatting specifically vehicle related crime. The PPP creates the opportunity to share information, resources, intelligence, to network with and to train SAPS personnel – all of which will lead to the reduction in Vehicle crime in the long term.

We need to create opportunities as a community where we can make a difference together. The Short Term Insurance Industry is committed and invested in a centralised approach to combat fraud and crime, hopefully now is the time that other Insurance Industries will join in this journey.

**Fighting crime in South Africa is not a commercial endeavour, it is a calling which needs to be strategically implemented to be properly effective and sustainable.**

## 2017 STATISTICS

4 296	ARSON CASES
155 288	COMMON ASSAULT
74 924	DRIVING UNDER THE INFLUENCE
140 120	ROBBERY WITH AGGRAVATED CIRCUMSTANCES
169 799	SERIOUS ASSAULT WITH INTENT
1 180	TRUCK HIJACKINGS
137 836	THEFT FROM MOTOR VEHICLE

# KEY FINANCIAL INDICATORS

## FINANCIAL FIGURES AND COMMENTARY AS AT 30<sup>th</sup> JUNE 2017

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

- Over the period of July 2015 to June 2017 we have been able to increase our Insurance Membership numbers from 15 to 21, which has had a positive impact on Revenues.
- In 2016 we introduced an Associate Member category, where 3 Industry related companies have joined The Insurance Crime Bureau, to support the Insurance Industry in its fight against fraud and crime.

The company has always had a very tightly managed and stable financial situation, and over the last few years it has been able to capitalise on this stability to improve its financial performance.

### Key Financial Figures as at the 30<sup>th</sup> June 2017

Total Revenue:	R 27 118 276
Expenses:	R 24 970 838
Surplus:	R 2 147 438
Retained Surplus:	R 3 946 557

- **Revenue** increased by 17.3% from 2016 due to both the additional Members, and the slight diversification of Revenue.
- **Fee increases to existing Insurance Members** were restricted to between 5.5 percent and 6.5 percent, dependent on market share growth.
- **Expenses** were kept at a minimum, and focussed on key objectives to support the strategic operations of the company.
- **Investment in Technology and Human Resources** comprises approximately 81% of total expense.
- **The Annual Conference** hosted in April 2017 was successful, generating just over R 618 000 in revenue.
- **Interest Earnings** increased by 35% over the year.
- **Retained Surplus** has increased by 150%, partially achieving our target of building a retained surplus equalling 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](mailto:info@saicb.co.za). The Annual Financial Statements are audited by AFCA & Partners.

## Return on Investment

# 238%

Life to Date.

## Total Member Returns

# R 136.8

**Million \*\***  
for three years.

## Vehicles returned to Members

# R 13.9

**Million \*\***  
248 pound vehicles.

## Cloned Vehicles returned to Members

# R 7.95

**Million \*\***  
101 vehicles in 2017

## Total Vehicles returned to Members

# R 43.1

**Million \*\***  
745 vehicles from July 2015 to June 2017

\*\* Vehicle value is recorded at salvage value of 40%

# OPERATIONAL SUCCESS INDICATORS

## FINANCIAL RETURNS LIFE TO DATE

Members:	R 305 million
Non Members:	R 120 million
<b>Un-Insured Public:</b>	R 125 million
<b>Total:</b>	<b>R 550 million</b>

- Hosted 31 Industry & Government training sessions in 2017 with 1018 individuals.
- **The Fraudline since its inception has saved R 18.5 million for the Industry.**
- In the period July 2015 to June 2017 we have recovered 197 Cloned Vehicles worth in excess of R 12.4 million.
- Currently 64 open Investigations with a quantum in excess of R 162 million
- In 2017 General Enquires from Members resulted in saving of R 24.3 million for the Short Term Industry.
- Over the past 3 years we have investigated over 50 cases for the Life and Funeral Industries with savings in excess of R 150 million.





## OUR STRATEGY

### MOVING FORWARD

**T**he Insurance Crime Bureau continues to develop the journey embarked on in 2008, the challenge is far from complete and it continues to evolve on a daily basis.

You would have seen in the preceding pages that the “story of The Insurance Crime Bureau” is one of success as a Community. We hold many pieces to the puzzle to create substantial value for the Industry. We are continually learning lessons and developing intelligence within the Industry.

So in March 2017 the Board of The Insurance Crime Bureau held a Strategic Session to consider, and formulate, the future of the Organisation. We applied our minds and completed a Gap Analysis, of not only the organisation, but also included the Insurance and related Industries involved in our business of combatting fraud and the crimes related.



In looking to further develop our efficiencies and influence, we applied our minds to a variety of questions including “where to play strategically, and how to win in a sustainable manner”. We agreed that we had incredible value to add to not only the Insurance Industry but also the Country, and that we had to improve in “telling our story” while at the same time increasing our operational involvement and capacity within our Stakeholder community.

**Over and above our Operational targets we set the following Strategic focuses for the next three years:**

#### **Brand Awareness**

Tell the story.

#### **Grow Life Membership**

Increase our operational exposure and influence.

#### **Resource Planning for the Long Term**

Create sustainable growth focussing on Transformation.

#### **Develop Training as a Product**

Share our knowledge and create wisdom for the broader Industry.

#### **Board Governance and Risk Control**

Ensure we do all things with a focus on Good Governance.

Each deliverable has timelines, and sub projects associated. We are already pleased to note that we are making great progress in developing and implementing this strategy.

If you have been watching the evolution of The Insurance Crime Bureau, from the SAICB, you would have seen that various objectives are well underway.

**The time is now for The Insurance Crime Bureau to really inspire the Insurance Industry.** Every element within the Strategy is designed to assist in the standard response when people ask “**how do we combat Insurance fraud and the related crimes in our Country**”.

# GOVERNANCE REPORT

At every Board meeting, directors are reminded of their fiduciary duties, and responsibilities, in terms of the Common Law of South Africa; the Companies Act; as well as the various King Reports which requires that they act in the best interests of The Insurance Crime Bureau. In so doing the Board exercises careful control over the affairs of the company, acting at all times in its best interest.

This mind-set is deeply embedded in the formulation of both The Insurance Crime Bureau's day to day operations as well as in its future strategy, as we consider good governance imperative to the businesses success and sustainability. The Board thus functions as the custodian of the Company's Corporate Governance Structure by carefully managing its relationship with management, and other parties fundamental to businesses functioning. In so doing, it allows the organisation to be perceived as a responsible corporate citizen by overseeing not only the financial wellbeing of the organisation but also the environmental and societal influence it has in the societies it serves.

Conduct in the best interest of the business demands that directors exercise

due care to ensure that conflict does not arise between their own interests, and that of The Insurance Crime Bureau. Directors disclose and declare any other interests in a formal register, which is circulated for noting and signature at every board meeting. In addition to adhering to legal standards, Annual Board Evaluation and training is also conducted to ensure that the Board remains compliant and relevant.

## **Board Committees:**

Even though the principles of good corporate governance is driven by the Board of Directors, the Board delegates certain responsibilities to well-structured committees without relinquishing its own responsibilities. These Board Committees are appropriately constituted, with due regard to the skills required of each committee. The Committees consider and manage areas such as Organisational Risk, Audit and the Governance of Information Technology.

**To succeed, good governance requires not only action, it requires the right attitude.**

**Yugeshree Mankum**  
**The Insurance Crime Bureau**  
**Company Secretary**





## OUR COMMITMENT TO TRANSFORMATION

**True and effective transformation is the key to unlocking a positive future for our Nation.**

The Insurance Crime Bureau is committed to democratic processes and decision-making, and is thus embarking on a journey towards “truly positive transformation”. This journey will ensure accountability and transparency, making certain that existing privileges are not misspent. These initiatives will be designed to form the building blocks of our core business objectives.

The result will be both integrated and coherent business processes ensuring that all previously disadvantaged groups are better embodied in our structures which will contribute to economic transformation in the business.

## Learn from the Past

The varied specialised skills and data within The Insurance Crime Bureau makes it possible to assist law enforcement in the identification and detection of criminal activities, **showing once again that our intended beneficiaries are not limited only to the insured public.** The Insurance Industry has thus recognised the unique ability to act in the best interests of the greater South African public, through the initiatives of The Insurance Crime Bureau.

BEE as a Government growth strategy aims to address historical inequalities by including the previously underprivileged into the economic mainstream to realise the country's full potential. This in turn will stimulate further economic growth and must serve to create employment. The Insurance Crime Bureau complies with the amended codes of good practice gazetted in October 2013, whereby all companies exceeding the R10 million threshold are required to complete the scorecard.

In the 2017 period under review we were rated as a level 6 provider. We are examining all of the areas listed, and considering how to further improve with the view to add value back into the economy.

## Think of the Future

**The Insurance Crime Bureau is rated according to the following elements:**

**Management Control:** measures the effective control and management positions held by Black South African people.

**Skills Development:** the extent to which the Organisation carries out initiatives designed to develop the competencies of Black employees and Black people externally.

**Enterprise and Supplier Development:** the extent to which the entity procures goods and services from suppliers who are accredited B-BBEE.

**Socio Economic Development:** the extent to which the Organisation will implement initiatives that contribute towards Socio-Economic Development initiatives that will promote access to the economy for Black people.

We view the codes as an opportunity to encourage and empower transformation by promoting a culture of ‘best governance practice’. We aim to focus on the greater good that can be achieved by instituting practices for long-term economic sustainability both as an Institution as well as for the Country.



## INSURER MEMBERS

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“WORKING TOGETHER  
TO DETECT AND PREVENT  
INSURANCE FRAUD.”

## ASSOCIATE MEMBERS

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**Synergy**



**Intelligence**



**Collaboration**



# KEY STAKEHOLDERS

**Partnerships**




## 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.

**Co-operation**







**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 Board  
Gauteng Department of Roads and Transport  
IAATI  
Micro Dotting Companies  
National Prosecuting Authorities  
Road Traffic Management Corporation  
SABRIC  
Salvage Dealers  
South African Fraud Prevention Services  
South African Insurance Association  
South African Police Service  
South African Revenue Service  
The Road Accident Fund  
Tracking Companies  
Vehicle Rental Companies  
Zonke Unicode  
many others...

**THE INSURANCE CRIME BUREAU**  
**INTELLIGENCE THAT WORKS.**

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