



# THE SILLY SEASON

The silly season is already in full swing, even though Christmas is still some weeks away. On top of that the rainy season has arrived with a vengeance. The reason I highlight these are their impact on claims. In an industry which is already looking at a rather bad year, the additional surge in claims is most unwelcome.

With the first rains of the season come the rush of bumper bashings as the roads are still slick with oil from winter. Although these are the first claims that jump to mind at this time of the year, the claims surge stretches further than just the motor book.

An increase occurs in money losses where we note an increase in cash in transit claims as well as armed robberies where the bulk of the loss is money.

Stock claims also increase, most notably in the jewellery trade where we have instances not only of armed robberies, but also large scale smash and grabs outside of business hours.

So as the rest of the world starts to wind down towards the end of the year, the claims departments of the insurance industry move up a gear or two.

By Janine Stanley

## FESTIVE PROJECTS

### Fragrant Cloved Oranges



#### You will need:

- Oranges
- Cloves
- Ribbon
- Toothpicks

#### Steps:

1. Press cloves into oranges in any pattern.
2. Push ribbon through top of orange with toothpick.
3. Loop, tie and hang or display on a dish.

### Fruit Bouquet



#### You will need:

- Wooden skewers
- Kiwis, grapes, pineapples, strawberries, oranges, melon

#### Steps:

1. Cut fruit into small chunks and place on skewers.
2. Arrange skewers in vase.

### Sushi Candy



#### You will need:

- Sponge cake
- Mini doughnuts
- Marshmallows
- Fruit rolls
- Fruit snacks
- Wine gums

#### Steps:

1. Cut cake and mini doughnuts into sushi sized pieces. Separate fruit roll and wrap around cake to make it into a roll. Top with fruit snacks and wine gums.
2. Push fruit snacks into marshmallows and wrap with fruit roll.

### Joyful Orange Bowl



#### You will need:

- Oranges
- Ice cream or sorbet

#### Steps:

1. Halve and hollow oranges.
2. Rinse, clean and freeze for 1/2 hour.
3. Scoop in ice cream or sorbet and serve.

### Glittering Apple Votive Candles



#### You will need:

- Apples
- Tea lights

#### Steps:

1. Core apple to fit tea light candle.
2. Insert tea light into apple, light and enjoy.

### Candy Cane Napkin Holder



#### You will need:

- Candy canes
- Raffia / ribbon
- Holiday greenery
- Decorative cranberries

#### Steps:

1. Arrange greenery and cranberries on a dinner napkin.
2. Place candy cane around napkin and tie with raffia/ribbon.

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# THE COMPASS

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## A NOTE FROM MY DESK

It is difficult to believe that Christmas is nearly upon us again! It has been another whirlwind year with so much happening in the world!

Closer to home, we experienced a few fires that unfortunately resulted in large losses for Compass Insurance. The Kwa-Zulu Natal and Cape floods similarly resulted in some large losses. This year has been challenging not only as a result of the large losses but also due to the downturn of financial markets that was experienced

most harshly in October 2008. Fortunately, Compass Insurance was invested mainly in cash and will experience small losses on the equity.

In the year we have seen the Insurance Amendment Bill become gazetted in November 2008. However, the important sections for our business being the Binders' Agreement and demarcation of health and accident insurance business from the business of medical schemes, are still to be finalised. The FSB has indicated FCR might be implemented in 2011. Compass Insurance will be focusing on building a model to comply with these requirements. I am pleased to inform you that Compass Insurance obtained an "A" rating for the purpose of the FSC in 2007. It is going to be challenging to meet a similar score for the 2008 period.

Compass Insurance continues to build on its relationships with the agencies, many

of which have been especially innovative and productive this year and who offer their clients extensive expertise and professionalism. We are thankful for the support from our underwriting managers as well as the valued broker network which keeps us striving to improve our customer service levels.

The Compass "Night of the Stars" was held recently and I would like to congratulate all our winners. For more information and photos on this glittering event, please see below as well as the middle pages!

As the end of the year approaches, I would like to thank all our underwriting agencies, their brokers and the Compass staff for the commitment and support you have shown Compass this year. I wish you and your families a blessed holiday season and all the very best for 2009.

## COMPASS NIGHT OF THE STARS

On 30 October 2008 Compass Insurance held its annual awards function entitled "Night of the Stars!" This year's theme was a Venetian masked ball, held at the Monte Casino Ballroom in Fourways. Guests arrived wearing a mask they had received as their invitation, and stepped into Venice in the 16th century. Cocktails and Champagne were served

on arrival before guests entered the main ballroom which was beautifully decorated to resemble an opera theatre. Entertainers, Juanita Kruger and Luciano Zuppa, enthralled guests with songs from the Phantom of the Opera. Ballroom dancers performed the Viennese Waltz in elaborate ballgowns. Guests were then served scrumptious food straight out of

an Italian kitchen, while celebrating with the various award winners.

Firedart Engineering Underwriting Managers were once again the winners of the Value Award, taking it home for a third time.

Congratulations to the team at Firedart!





By Keith Fick

## THE DUTY OF UTMOST GOOD FAITH

All insurance contracts are subject to the duty of utmost good faith which operates upon renewal just as much as it does on the first placement of a risk.

The basic rules remain the same regardless of whether the presentation is done face to face or electronically. Many disputes can arise out of what took place upon renewal because misunderstandings can occur as to what information has been provided and whether there has been a waiver by the insurer of the provision of information.

The duty of utmost good faith requires the insured to disclose and not to misrepresent:

- All material circumstances known to the insured;

- All material circumstances that ought to be known to the insured in the ordinary course of the insured's activities.

It is also important not to forget that the insured's agent must disclose and not misrepresent:

- All material circumstance that the insured is bound to disclose;
- All material circumstances known to the agent to insure.

If there are any material misrepresentations or non disclosures upon renewal or inception the insurer will be able to void the policy or the section concerned.



## PERSPECTIVES ON STAFF RETENTION

By Kirsten Cohead

Effective talent management within Compass is of pivotal importance to business success given organisational dependence on critical employees – those employees in whom the intellectual capital and corporate memory resides. Despite the fact that a moderate level of staff turnover can be valuable for a business, the costs associated with high turnover are often so severe, that companies can ill afford the absence of a firm strategy addressing staff retention.

Effective staff retention relies on three

equally important components and is best seen as an equation:

$$\text{Attraction} + \text{Alignment} + \text{Development} = \text{Retention}$$

### Attraction of High Calibre Talent

Effective retention begins with effective attraction. In order to be successful in the war for talent, organisations need to brand themselves as employers of choice. Many companies utilise corporate brand building to attract talent to their organisations. The employer branding philosophy advocates the application of marketing techniques to recruitment and retention strategies. As such, hiring processes are often

indistinguishable from marketing processes. Effectively, employer of choice branding refers to the process of identifying and creating a consistent and known company brand message. It uses aspects of corporate identity, status and reputation to attract top talent. This has resulted in skilled employees considering organisational attributes when seeking a preferred employer. Research has shown that career growth and challenging work opportunities are typically the most desired attributes. Other factors include enlightened leadership, improved lifestyle benefits and an appropriate work/life balance. Employer branding requires the communication of strategy both internally and externally. If exemplary communication internally is achieved, current employees have the potential to become brand ambassadors for the company. This is significant given that word-of-mouth



# FINANCIAL CRISIS

The financial crisis continues to wreak havoc globally, claiming more casualties and leaving the financial, currency and equity markets in turmoil.

The market saw the intense debate about the degree of government guarantees for deposits and savings, with a clear impact across markets in cases where some countries have taken early action in providing 100% guarantees.

Liquidity, always an important topic for bankers and risk managers, is now clearly of paramount importance and the internationalisation of the retail financial services marketplace means that massive flows of customer deposits can move from country to country. What is also crystal clear is that we are operating in a global marketplace. Each market is interdependent on the events and decisions of the others. A further challenge is fair value accounting in troubled economic times. Notwithstanding the generally held view that fair value accounting yields a better measure of an entity's performance than historical cost measures, the current

liquidity crisis has occasioned analysts and commentators to question whether fair value accounting best represents the value of financial assets held by financial institutions as well as by other entities.

At one end of the spectrum, businesses are really struggling to survive, they have issues around liquidity, issues around their capital base, and they may need assistance in terms of understanding what the options are available to them. They may have to sell parts of their business; they may have to sell assets.

Other businesses are in acquiring mode. They see this as the opportunity to buy assets at relatively low prices.

These are by some of the many issues one needs to be mindful of. When coupled with high interest and inflation rates and declining exchange rates, these themes also clearly impact views on inventory valuations and recoverability of receivables in trading organisations, while retail and corporate credit books in financial institutions will surely warrant more than a second glance.

By Trevor Hoole

communication is often the most effective means of conveying a message.

### Alignment of Staff

The process of aligning staff within an organisation involves the engagement or even super-engagement of employees. This refers to the extent to which employees believe they have visibility, impact and purpose within a company. At Compass, we seek to engage employees by providing direct line of sight to organisational objectives. Through consultation with strategy experts and staff we have identified company purpose, vision and mission statements and we have reviewed our company values, bringing them more in line with the prevailing company culture. We ensure employees understand their unique and individual contributions in achieving what Compass is striving for.

### Development of Employees

Research literature strongly indicates that

a fundamental attribute of an employer of choice is that it provides learning and growth opportunities for staff. Johnson (2000) states: "Employees don't come to work just to do a job. They expect development and an organisation that will pay them to hone their skills." This trend leaves employers in a catch 22 situation. As they develop employees through the provision of job-relevant and state-of-the-art training opportunities, they also make them more marketable. Thus, not only is it becoming increasingly challenging to recruit top talent, but once recruited, the real challenge lies in retaining the talent employers themselves have developed. Not providing skilled employees with learning opportunities, will, however, result in them leaving the organisation regardless. Thus, the solution is a firm and steadfast commitment to continual opportunities for employees to grow and advance their careers.

### Staff Retention

Compass aligns staff retention with business success and hence, critical key performance areas. What this means is that Compass no longer relegates retention to the status of an HR issue – rather, it has become a measurable KPA for all managers, ensuring accountability and high priority for all concerned. While reward and recognition remain powerful tools in retaining staff, financial compensation is no longer seen as the preferred method for recognising staff accomplishments and more informal, non-monetary methods of rewarding staff are becoming increasingly common. In an environment where companies will live and die based on their ability to attract, align and develop talent, Compass has elected to retain employees by focusing on the enhancement of their long-term employability.