

FSCA COMMUNICATION 8 OF 2019 (INSURANCE)

JOINT INDUSTRY GUIDELINE ON THE MINIMUM REQUIREMENTS FOR THE EXCHANGE OF DATA IN THE NON-LIFE INSURANCE INDUSTRY

6 November 2019

1. PURPOSE

The purpose of this Communication is to –

- (a) inform stakeholders in the non-life insurance industry that three representative bodies, the South African Insurance Association (SAIA), the Financial Intermediaries Association of Southern Africa (FIA) and the South African Underwriting Managers Association (SAUMA), have developed an industry guideline for the transfer of data content, and
- (b) confirm the Financial Sector Conduct Authority's (the Authority) support for the Guideline.

2. BACKGROUND

- 2.1 Over the past few years, the Authority has signaled its concerns regarding the exchange of policy-related data between non-life insurers and their outsourced partners. These concerns related, amongst others, to the quality and frequency of the data that is shared and how shortcomings in this process can have an impact on business efficiencies, operational costs and ultimately, outcomes to customers.
- 2.2 In March 2016, the predecessor to the Authority, the Financial Services Board, formed a Short-term Insurance Industry Data Task Team ("the Data Task Team") where it collaborated with a number of non-life industry stakeholders, including the SAIA, the FIA, Acord, Astute and TransUnion to develop an appropriate framework for insurance data exchange within the non-life industry. The project consisted of specific workstreams which sought to enhance the collection, interpretation and storage of data across the whole data chain.
- 2.4 The outputs of the Data Task Team informed the content of the Guideline for the Transfer of Data content attached as annexure to this Communication, which has been issued jointly by the SAIA, the FIA and the SAUMA in consultation with the Authority.

3. SUPPORT FOR THE GUIDELINE

- 3.1 The Guideline for the Transfer of Data content is an industry initiative meant to guide industry stakeholders on the minimum requirements for the exchange of data and to ensure compliance with Regulation 6 of the Regulations under the Short-term

Insurance Act, No. 53 of 1998 (STIA) and the data management requirements as set out in Chapter 6, Rule 13 of the Policyholder Protection Rules (Short-term Insurance), 2017 (PPRs).

- 3.2 The Authority is in support of this joint industry guideline and encourages the non-life insurance industry to utilise this guideline as a standard for the industry setting minimum requirements for non-life data exchange by insurers and all their outsourced partners that form a part of the value chain of services rendered to non-life policyholders.
- 3.3 The Guideline and supporting documents are attached to this communication for ease of reference.
- 3.4 Any queries regarding the details and content of the Guideline can be directed to the following contact persons of the relevant associations:
 - SAIA – Nico Esterhuizen (nico@saia.co.za)
 - FIA – Sam Williams (sam@fia.org.za)
 - SAUMA – Bernice van Leeuwen (bernicevl@natsure.co.za)

4. CONTACT

For further information regarding this Communication please contact the Conduct of Business Supervision Department of the FSCA by emailing INS.MarketConductSupervision@fsca.co.za.