

Emerald's core target market.

Emerald is South Africa's leading specialist corporate property underwriter



Bernie Ray, CEO, Emerald Risk Transfer

As such we would look to associate ourselves with the leading corporates in the country. Our insured risks are not only large, but they are usually complex, and in fact we have often stated that the more complex the risk or its placement, the more likely we are to successfully insure it.

We have also diversified geographically throughout Africa, and recently into the Indian, South East Asian and Middle Eastern market. In line with our measured approach, growth in these emerging markets has been slower but now constitutes around 17% of our gross turnover. Africa and other emerging markets offer us a unique opportunity of sharing our experiences with our partners in these territories. Whilst we know that these territories present some significant challenges, we firmly believe that the opportunities that they offer far outweigh the challenges. By applying the Emerald underwriting philosophy on a continuous and sustained basis, our experience is that emerging market business has been very profitable. Risk management in these territories is also (perhaps surprising to some) generally very good.

As part of the wider Sanlam Group we aim to offer technical underwriting assistance and access to capacity to the general insurance businesses in the group.

Sanlam has established businesses in 23 countries worldwide, many of which are in India, SE Asia and on the African continent. We currently underwrite business in approximately 17 countries in Africa with such diverse locations as Mauritania, DRC and Zimbabwe. Much of the growth in Africa comes from mining, energy and infrastructure builds. These are all areas of specialization within Emerald.

Whilst we don't follow a rigid definition of what constitutes a "corporate" risk, these are typically risks that have very large total sums insured and loss limits. So for example, among our insureds will be large freight and passenger rail networks, petro-chemical facilities, energy, multinational retail groups, and large mining operations.

Around 40% of our entire portfolio is made up of mining risks, and it is this space that we really excel. We are certainly one of the only underwriters capable of providing lead terms on complex mining accounts, and offer cover for both surface and underground mining operations. Our mining risks are well spread by types, so for example we participate on a number of the largest platinum, gold and coal mines in Africa.

Of course insuring large and complex risks requires a high degree of technical expertise and years of experience. We have no hesitation in asserting that our underwriters are the most technically

skilled in the market. We also have a strong engineering capability to complement our underwriting knowledge. Over the years we have also acquired and maintained a comprehensive risk library, so our underwriters have a diverse knowledge portal to access when underwriting.

Supporting our teams of underwriters and engineers, we have very strong finance and claims teams, and we follow a holistic approach where underwriting, claims, accounting and reinsurance go hand in hand to ensure the best possible product for the policyholder and ourselves.

All of Emerald's business is intermediated and as such relationships with our

intermediaries is of paramount importance. The ability to build long lasting and mutually beneficial relationships with intermediaries and their clients has been one of the cornerstones of our success.

The key to underwriting large and complex risks is being able to understand and measure the risk. In that process, the acquiring of information is critical and that's where the role of long standing relationships with intermediaries takes on an even more important role. Put quite simply, the better the information – the better the product. Disclosure of significant amounts of confidential and potentially sensitive information at such a

fundamental level requires a great deal of trust and the only way to engender that level of trust is through long and sustainable relationships.

At Emerald we pride ourselves as being client centric and solution orientated. With this as an ethos, we can usually find a way to insure large and complex risks that others can't or won't accept. We do this usually through the fundamental measurement and understanding of the risk, or by finding innovative structures of transferring the risk. This may be by way of looking at the terms of the contract itself or by using innovative reinsurance structures to protect our net position.

DO YOU HAVE EVERY FACET OF YOUR BUSINESS COVERED?

Emerald Risk Transfer is currently the largest Corporate Property and affiliated Engineering Underwriter in South Africa, and underwrites business throughout the African Continent.

The solution orientated approach of the Emerald team to create sustainable, quality products is part of their culture. This flexible approach, coupled with the support of their excellent Reinsurer panel, allows Emerald to be truly innovative.

The aim of the company is not to be the cheapest by cutting corners, but rather to be the best by offering expertise and skill.

Emerald Risk Transfer is a wholly owned subsidiary of the Santam group. Santam Limited is a level 3 BBBEE company, and has a Standard & Poor's international rating of BBB+ and a national rating of AA+, with a stable outlook.



EMERALD
AFRICA

For more information on how Emerald can assist your corporate clients:

T +27 11 658 8200

W www.emeraldsa.co.za

E info@emeraldsa.co.za

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