

A valuable asset

Bernie Ray, CEO of Emerald Risk Transfer, on promoting innovation, competing globally and why his company does not shy away from insuring risk



Q: Emerald is the largest corporate property and affiliated engineering insurance underwriter in South Africa, and underwrites business throughout the African continent. Could you give us some idea of who your major clients are and the services you render to them?

A: Emerald is a niche product provider that underwrites only what we define as corporate property risks.

Typically these will be risks where the total sum insured exceeds ZAR500 million or where the risk type requires specific expertise.

So by way of a few examples you'll find that we are involved in the larger gold, platinum and coal mines; freight and passenger rail networks;

ports and other infrastructure; government and municipal entities; power generation and telecoms.

Q: You say that Emerald has an innovative, progressive and contemporary approach and believes in building strong, life-long relationships. What does this approach involve, and in what way does it manifest?

A: Some of our policyholders have been with us almost since we commenced business in 1999; most our customers for a number of years.

Building lasting relationships with our intermediaries and policyholders provides benefits to all stakeholders. Our underwriters build up a thorough knowledge of the risk and

policyholders' approach to risk management. This allows us to measure the risk better and, in turn, provide better and more cost-effective products to policyholders.

Q: Tell us more about your Riot Wrap facility? What, precisely, is it and what is its function?

A: Emerald can provide Sasria cover for its South African-based risks. For risks that fall outside the ambit or extent of the cover Sasria offers, and for risks on the rest of the African continent, Emerald has an exclusive Lloyds facility that offers a wide range of cover, which may, for example, include riots, strike action, civil commotion, terrorism, political



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violence, war and civil war, kidnapping and ransom, if requested.

Q: You describe yourself as a company that celebrates intellect, innovation and initiative. In what way is this celebrated? What are some examples of this?

A: We are a relatively small company with only 46 staff. Given the size of our premium income we continually 'punch above our weight'.

We can do this because we firmly believe that we have the most experienced and skilled underwriters and claims technicians in the corporate property insurance market in Africa, backed by professional and motivated finance and administrative teams.

We encourage personal growth and are committed to 'growing our own timber'. Recently two staff members, Chris Potter and Linda Dayanand, received silver awards for outstanding risk management in the annual Santam recognition awards. Outstanding qualities of the mind makes an individual –

and company – truly shine. We wholeheartedly develop our intellectual capital and put this to work for our clients.

Q: You also state that at Emerald you seek unique ideas? Can you provide us with some examples of such ideas adopted by your company recently?

A: The uniqueness we refer to is linked to a strong solution-orientated approach. The more complex the risk, the more likely it is that we will find a way to insure it.

That gives us the ability to underwrite risks that others are not able to. It may be that we structure the cover differently or use reinsurance creatively to protect our position.

Q: Do you have a foothold in the rest of Africa and, if so, to what extent?

A: We regard ourselves as a pan-African underwriter and have been underwriting African risks outside South Africa for the past nine years. We currently underwrite risks in about 17

African territories as diverse as Mauritania and the DRC. At the end of 2013, our African portfolio (excluding South Africa) accounted for approximately 17% of our total gross written premium.

Q: What is your business arrangement with Sanlam?

A: We are a wholly owned subsidiary of Santam. Sanlam, in turn, has an effective 60% ownership in Santam, so we are firmly part of the Sanlam Group.

Sanlam is the second-largest insurance group in South Africa and has the greatest footprint in Africa. Currently Sanlam owns businesses in 23 countries worldwide, namely South Africa; Botswana; Ghana; Kenya; Lesotho; Malawi; Mozambique; Namibia; Nigeria; Rwanda; South Sudan; Swaziland; Tanzania; The Gambia; Uganda; Zambia; India; Malaysia; Philippines; UK/Ireland; Switzerland; Australia and the US.

Part of our business strategy is to follow the group's footprint and provide technical and product support for the group's general insurance business in the field of corporate property risks.

Q: What are some of the challenges that lie ahead in the next year and what initiatives have you put in place to meet them?

A: South Africa and indeed Africa as a whole are part of a globalisation that is taking place in the insurance industry today. More and more we experience the influence of global insurance industry players in our space.

We believe it is imperative to create a value proposition that can compete equally in the global arena, which will create a barrier to entry to international players.

We have thus made sure that our talent is world class and that our capacity for risk is equal to that of international standards. We have the capacity to write up to US\$100 million per risk for our share and will continue to monitor this for adequacy. **AD**

Emerald House, 8 Waterford Office Park, Waterford Drive, Fourways, 2055, South Africa
 Tel: +27 (0)11 658 8200, Fax: +27 (0)11 658 8230
 info@emeraldsa.co.za, www.emeraldsa.co.za
 www.facebook.com/emeraldrisktransfer, www.twitter.com/emeraldrisk

