

RBS INSIDE Issue



risk|benefit|solutions

insurance brokers and risk managers

authorised financial services provider 4903



TIP FIND in this edition >
page 2
**FIND IT
HERE!**

Welcome to the winter edition of our quarterly newsletter!

We've made it through the shortest day and the longest night – the light is now at the end of the tunnel and it's the countdown of winter. We never thought that we would see the petrol price increase to over R10 per litre – but it's now happened! There are many factors that influence the growth of our economy, but South Africans are feeling the economic squeeze, now more than ever: the increase in interest rates and food prices, the proposed increase in electricity tariffs – and now the huge increase in petrol over the past few months. And some industries are harder hit than others.

Many economists predict a very bright future for South Africa and its economy. We concur and we motivate you to have courage, vision and determination to navigate you and your business through the next 12 to 18 months – which is when the turn in the economy is predicted.

We've therefore included an article providing you with advice on how to reduce your premiums.

Good luck! Risk Benefit Solutions is here to assist you in navigating through these turbulent times.



RBS ACQUIRES MAJORITY EQUITY STAKE IN FAIRSURE

In June, RBS acquired a majority equity stake in Fairsure in order to provide its clients with a broader financial-service offering. Fairsure is a registered financial-services provider whose core focus for the last 27 years has been retirement-fund services to both private and umbrella-based schemes. RBS is now therefore able to offer a spectrum of retirement-fund services to its clients, ranging from death and disability benefits to pension and provident fund administration and consulting.

The pension and provident umbrella funds are ideally suited to small and medium-sized enterprises looking to provide a cost-effective retirement solution for the owners and/or staff. For larger companies with existing stand-alone funds, RBS is able to provide independent private administration and consulting

at very competitive rates, ensuring maximum value for members.

Government has subsequently initiated industry discussions to address the need to provide adequate risk benefits and funding for retirement. One of the main principles to come out of these discussions is the need for employers to provide their staff with some form of cost-effective compulsory retirement benefits.

If you would like to assess the feasibility of implementing a new retirement-benefit scheme or would like a quote on your existing scheme, please call us at RBS and we will arrange for one of our consultants to call on you.

the way insurance should be

sharecall: 086 007 2765

www.rbsolutions.co.za

in touch
with RBS

inside info
with RBS

industry news
from RBS

in contact
with RBS

volume 4
2008

RBS INSIDE Issue



Bankruptcies on rise as rate hikes continue

Personal bankruptcies and company failures have climbed sharply this year, with the pace set to quicken as soaring inflation and the rising cost of debt squeeze the economy. Company liquidations, for example, rose 7,2 per cent in the first five months of this year. Data show that the highest number of company failures is in the economy's three main sectors: financial services, manufacturing and retail. Analysts say that the past two interest-rate increases in April and June and the likelihood of further hikes will put more financial pressure on both consumers and companies.

inside TIP

UMBRELLA TRUST FUNDS

In the event of your death, an umbrella trust is set up to protect your minor children's benefits. This is linked either to a pension, a provident or a preservation fund, a retirement annuity or a group life scheme.

What is an umbrella trust?

When a member of a fund dies, the trustees of the fund ensure that the benefits are fairly and equitably allocated to the beneficiaries. In the event of the benefits being allocated to minors, the trustees take the children's best interests into account when deciding on:

- whether the benefits should be paid to the guardian;
- how the benefits should be paid; and
- whether it is best for the benefits to be paid into a trust and managed on behalf of the minors until they reach an independent age.

How does it work?

If the trustees decide that the benefits should be paid into a trust, they complete a trustee resolution clearly illustrating how the benefits should be paid out and managed. They then notify a trust company in writing of their decision to set up an umbrella trust. They also complete a form, which they forward, along with details of the benefits, to the trust company. The trust company draws up a trust and presents it to the trustees for approval and signing. The trustees also instruct the administrators of the fund to pay the money into the newly established trust.

CRIMINALS FEEL ENTITLED TO STEAL

House robbers focus on wealthier suburbs because they feel entitled to steal from those who have more than they do, a study on convicted house robbers has found. The study was conducted to establish why they had committed this crime.

Many of the more affluent suburbs are surrounded by poorer residential areas like squatter camps. "For these house robbers, anyone who has more than they do is well off. They often focus on the neighbouring suburbs closest to them. They feel that they're entitled, for their own sakes, to take from those who have a lot."



According to the police's latest crime statistics, house robberies have increased countrywide by 13,5%.

A drop in crime would have to be maintained for at least 10 years before South African crime levels could be internationally acceptable.

the way insurance should be

sharecall: 086 007 2765

www.rbsolutions.co.za

in touch
with RBS

inside info
with RBS

industry news
from RBS

in contact
with RBS

volume 4
2008

RBS INSIDE Issue



risk|benefit|solutions

insurance brokers and risk managers

authorised financial services provider 4903



HOW GREEN IS YOUR NEW CAR?

From next week, new cars in dealerships will be labelled according to a compulsory, standardised, fuel economy and carbon dioxide (CO₂)-emissions testing system. Based on a system used in Europe, the labelling will allow consumers to compare car models and types tested at the same speed and under the same acceleration

and braking cycles while carrying the same load and using the same fuel.

It will be introduced by the local automotive industry in conjunction with the minerals and energy department and forms part of the industry's commitment to the departments' energy accord established to promote energy efficiency throughout South Africa. About 16 per cent of the world CO₂ emissions is produced by road transport, which includes cars, buses and trucks.



BEFORE PRINTING THIS E-MAIL

please consider the environment

ALLIANZ, INSURERS FACE EU100 MILLION HAILSTORM CLAIM

Insurers expect damage claims of "considerably" more than 100-million euros (\$159 million) after a hailstorm in Emden, Germany, damaged cars at a Volkswagen AG factory and the town's port.

Allianz Global Corporate & Specialty in Munich carries 35 per cent of the risk, while Cologne-based HDI-Gerling Industrie Versicherung AG and France's Axa SA each carry 21 per cent.

The storm damaged as many as 30 000 new Volkswagen vehicles in 15 minutes on 22 June.

DROP IN CAR SALES ACCELERATES

The decline in South African new-vehicle sales accelerated further in June.

The National Association of Automobile Manufacturers of SA (Naamsa) reports that sales are down 21,9 per cent compared with the same period last year. Domestic new-vehicle sales – at 39 064 units – registered a large decline of 10 956 units compared with the 50 020 vehicles sold during the corresponding month last year. The slump in the new-car market worsened further during June 2008 as the current tight monetary conditions continued to weigh on consumer spending. In May, new-vehicle sales fell 23,4 per cent or 12 095 units year on year.

Looking ahead, Naamsa says that, for the balance of 2008 in the domestic market, new-vehicle sales will remain under severe pressure as a result of the cumulative effect of interest-rate rises, inflationary pressures, high levels of personal debt and a slow-down in economic activity.

the way insurance should be

sharecall: 086 007 2765

www.rbsolutions.co.za

in touch
with RBS

inside info
with RBS

industry news
from RBS

in contact
with RBS

volume 4
2008

RBS INSIDE Issue



risk|benefit|solutions

insurance brokers and risk managers

authorised financial services provider 4903

in touch
with RBS

inside info
with RBS

industry news
from RBS

in contact
with RBS

volume 4
2008



2010 SOCCER
WORLD CUP



CNN JOINS 2010 CAMPAIGN

South African Tourism and CNN have teamed up to create a three-year, user-driven, multimedia advertising campaign aiming to attract visitors to South Africa ahead of the 2010 Soccer World Cup.

NO MORE BANKNOTES FOR ZIM

The manufacturer of Zimbabwe's banknote paper will no longer supply any more notes to the country. The German banknote producer Giesecke & Devrient GmbH has announced that it will stop delivering banknote paper to the Reserve Bank of Zimbabwe with immediate effect. The company took this step in response to an official request from the German government and calls for international sanctions by the European Union and United Nations. A shortage of banknote paper could put immense pressure on the Zimbabwean central bank, which has been printing money to keep up with spiralling inflation, currently estimated to be close to 4-million per cent. The Zimbabwean dollar is currently trading at 10 billion to a single US dollar in direct bank buying. The largest Zimbabwean bill in circulation is a 50-billion note – worth R40.

ERRANT DRIVERS MAY LOSE ASSETS FOR OFFENCES

Motorists who do not pay their traffic fines could have their television sets, lounge suites and cars attached. According to transport minister Jeff Radebe, a new traffic-fine system for traffic offenders will be introduced in Gauteng by November. According to this system, failure to pay fines will result in the moveable possessions of the motorists concerned being attached. Speaking at the launch of the new Administrative Adjudication of Road Traffic Offences Act, Radebe said that the introduction of this system was an important aspect in road safety. He said that the 15 000 deaths every year on the national roads of South Africa cost our country R43 billion.

AMERICAN MAN BORN A WOMAN GIVES BIRTH TO BABY GIRL

According to People magazine, Thomas Beatie, who lives as a male after undergoing surgery and hormone treatment, gave birth to a baby girl at a hospital in Oregon on 29 June. Both he and the baby are said to be "healthy and doing well". Beatie, 34, kept female reproductive organs when he legally became a man 10 years ago. The baby was conceived through artificial insemination using donor sperm and Beatie's own eggs.

the way insurance should be

sharecall: 086 007 2765

www.rbsolutions.co.za
authorised financial services provider 4903