

RISK FINANCE





INTRODUCTION

We understand that running a successful business takes years of hard work and the right partnerships. Our insurance expertise comes from understanding every aspect of risk your business may face and ensuring that you are covered for it.

Your insurance risk is largely determined by the industry you operate in. Because we are able to identify every aspect of risk you may face, our insurance expertise are critical to providing you with the correct cover, and because we've been doing this for more than 60 years, it is easy to see why so many business owners trust us when it comes to insurance.

At Santam, we do insurance properly with careful consideration, due diligence and expertise. We believe that, because you care about your valuables, you need good and proper insurance that does the same. We take the time to understand the risks you face and offer a broad and sophisticated range of insurance solutions.



WHAT IS RISK FINANCING?

At its core, risk financing exists to address one problem: how to align a company's willingness to take risks with its ability to do so, an exercise best done within the context of the company's objectives. It is the determination of how a company will pay for loss events in the most effective and least costly way possible.

Risk financing involves the identification of risks (whether from unexpected losses, disasters, increasing conventional insurance premiums, etc.), determining how to finance those risks, and monitoring the effectiveness of the financing technique that is chosen.

Some major challenges faced by organisations related risks and associated costs are:

- Traditional insurance markets have hardened and the premium increases have been significant.
- Lack of flexibility of insurance products and some risks being "uninsurable".
- Exclusions in policy wordings has increased tremendously, placing an organisation at additional risk.



WHY CHOOSE SANTAM RISK FINANCE SOLUTIONS?

With the ever-changing risk environment, it has become a necessity to design insurance programmes to fit each individual client's needs. Our team of highly skilled risk finance specialists work closely with our client's management teams and their advisors to determine the optimal level of risk retention versus the amount of risk that is transferred to the insurance and reinsurance markets. We have the expertise to advise you and tailor-make the most appropriate products for your specific needs. Our solutions are innovative and built on a foundation of exact study and understanding of our client's business. Our expert knowledge and capabilities in this field mean that we are able to help clients ensure that their Balance Sheet and Assets are protected from volatility and enhance predictability of future cash flows. This allows us to link the client's risk management programmes to their strategic business and financial objectives.



OUR PRODUCT OFFERING INCLUDES:

Our bespoke structured product offering enables clients to utilise their capital as efficiently as possible and enhance profitability, which in turn allows clients access to multi-peril cover with the aim of reducing the cost of their risk over the medium to long term. They include the following:

- Contingency policies (annually renewable) – for clients willing to manage their own risk.
- Spread loss policies (multi-year) – aim to reduce the volatility of insurance costs.
- Policies for clients unable to find conventional cover.
- Combined policies which offer an element of self-insurance in conjunction with a conventional insurance policy.



BUSINESSES THAT SHOULD CONSIDER RISK FINANCE SOLUTIONS

Business owners and managers looking for certainty around budgeting and how to fund future expected losses and potential risks but looking for an alternative to conventional insurance.

These businesses typically:

- Have a risk management programme in place, with a firm focus on loss prevention.
- Are exposed to risks that are hard or impossible to insure.
- Are comfortable with high insurance deductibles and lower pay away premiums, giving them a strong negotiating position with reinsurers.
- Have a strategy of building capacity for future losses and an appetite for risk retention.



CONTACT US

When you insure with Santam, you can enjoy peace of mind knowing that you are well covered. Take advantage of our depth of expertise by contacting us.

Carel Fourie
Risk Finance Specialist

Tel: 081-6809943

Email: carel.fourie@santam.com.na

Henk Schlechter
Relationship Manager: Specialist Business

Tel: 081-1246787

Email: henk.schlechter@santam.com.na

