

## **CHAIRMAN'S REPORT AT THE ANNUAL GENERAL MEETING OF THE OMBUDSMAN FOR SHORT-TERM INSURANCE ON 29 SEPTEMBER 2020**

2020 is, and will go down in history, as the year that made the world change radically – life, work, education, the economy, entertainment and everything else that goes with living will change forever.

This is the most challenging crisis that the entire world has had to face since World War II – and it came on the 75<sup>th</sup> anniversary of the end of World War II. The world has had to face a common enemy in COVID-19 – a pandemic that does not care about nationality or ethnicity, faction or faith. It attacks all relentlessly.

Economies around the world came to a sudden halt – there was widespread shock. The recession caused by the pandemic will be extraordinarily deep and painful. It will take a while before we reach full levels of economic activity – our country saw a further downgrade (although expected by many and accelerated by the pandemic impact on our economy). Our President emerged looking very Presidential – introduced a tight lockdown early. Compare our situation with that of the United Kingdom – a loose lockdown has given rise to a second wave and heightened measures aimed at avoiding a second collapse in the economy. Take a look at Brazil and India – no controlled lockdown has seen rampant cases – and in both these countries the true figures will never be known.

The President is also tackling corruption. Now is the time to move forward and get the economy working and growing. COVID-19 will be with us for some time and we need to adjust our lives and work within that reality.

Meantime, five months of lockdown has definitely entrenched the #WFH habit, online shopping, virtual interactions, Netflix, sport without spectators and paying less attention to grooming (especially lipstick and shaving!). The OSTI team is likely to be no exception. Will it be the end of the office? As offices are increasingly left empty, the question that arises is what is the point of them anyway?

I found an interesting letter written in the northern spring of 1822 when the author took his seat in the first recorded commercial offices – Charles Lamb of the East India Company in London:

*“You don’t know how wearisome it is ... to breathe the air of four pent walls, without relief, day after day, all the golden hours of the day between them and ... a few years between the grave and the desk ... they are the same”.*

Getting work done has never been the point of offices. Offices are classified by some as “useless” since workers lose time commuting to and from work, going to and from meetings, wasting time chatting around the water cooler and in the end doing very little work. People are finding it easier to work and get things done – productivity is increasing. But, in changing, there must be a balance because the office does bring joy and happiness – the notion of

putting on a perfectly ironed shirt and crisp working suit, leaving and returning home, are the beauties of working life. Humans need offices – otherwise we risk being judged as the freakish specimen on the other side of a computer screen. No amount of zoom calls and interactions can replicate the chemistry of the unexpected that you get in person. What does move us is not sitting 24/7 behind a computer – it is the relationship with the people. The biggest challenge we are going to face is to achieve the balance between the office and WFH.

**Let me now focus on OSTI, and what has really become the OSTI family.**

The team has now been operating remotely (very successfully) for six months. The challenges were confronted by the board establishing a OSTI CRISIS COMMITTEE. All the initial problems have been ironed out – even those created by load-shedding and lack of connectivity. Remote working has become the norm and, in our interactions with the staff, most people said that they preferred it, especially those with young children. With children back at school, it will be better for those parents working from home. With the move to Level 2 and recently to Level 1 – which I must emphasise is an economic indicator and not to be treated as a pandemic indicator because the pandemic is still very much with us - the Crisis Committee has been in discussions with the Management Team about the new OSTI normal and the issue of re-opening the office, and the Management team have a project focused on this and the related costs are included in the COVID-related budget (see later in this update). Management favour re-opening the office in the New Year. The issue will be on the agenda for discussion at the next OSTI Crisis Committee meeting.

The OSTI Crisis Committee conducted its deliberations around three “baskets”:

- The health and well-being of the OSTI family
- The financial well-being of OSTI
- The operational well-being of OSTI

**The OSTI family remains in good health and is safe**, with no one directly affected by COVID-19. People are settled and in high spirits with the start of spring and the loosening of restrictions. They are used to the new WFH norm. The Crisis Committee provided them all with free tickets to a virtual Nik Rabinowitz stand-up comedy show (in support of the *Warm the World* charity), to provide some light-hearted fun on a cold winter Saturday night. This was well-received by the team and their families.

Full use was made by the staff of the counselling sessions made available – both group and individual – and of the four group coaching circles sessions. “Group coaching circles” are focused on building accountability for collective results in creating a thriving culture within OSTI. To quote Connect EQ, OSTI’s change management consultants, “group coaching circles are not therapy, but they are therapeutic nonetheless, and are focused on creating safe containers for people to work through collective and individual trauma, and to transfer skills and agency to OSTI in terms of internal co-creation, collaboration and facilitation of these groups”. The key outcome is the enablement of sustainable systemic change, building relationships and so building culture. The Committee was of the view that these group coaching circles were critical in a time of increasing individualism in working remotely, to keep building the team culture and collaboration, and encouraging “belonging”.

Most importantly, the Crisis Committee engaged with staff every six or so weeks to understand how they are feeling; what their concerns are; how they see the future and what is it that OSTI can do to better their lives in this uncertain future.

**On the financial front**, all payments due from insurers in 2020 were collected timeously by Miriam. I want to thank all members for making timeous payment – this is appreciated. The Crisis Committee immediately went about tackling and revising the budget and focused on the expenses. With projected expenditure below budget (including taking into account the Board-approved COVID budget), and good savings achieved, it confirms OSTI’s solid financial position, going into 2021, and is testament to the excellent work done by Management in conjunction with the Crisis Committee to ensure the financial sustainability of OSTI.

- Specifically, savings are projected for this year and create a buffer for next year. Major budgeted costs still to be incurred this year (apart from staff costs), are the industry workshops and the AGM – both of which will be virtual, and so should cost less than budgeted. Re-opening the office will impact some COVID-19 expenditure, such as micro-fogging, cleaning and sanitisers. Data remains the largest ongoing COVID-19 related cost but has been substantially reduced since the start of the lockdown, owing to the efforts of the Management team and the Crisis Committee.
- They have also secured a small discount from the landlord for parking for two months, resulting in a saving of R50,000. OSTI’s Chairman will be approaching the chairman of the landlord for a further reduction or “holiday” equal to two months rental. At the earliest opportunity, OSTI will take steps to reduce its office space in anticipation of retaining a large WFH team. An important issue requiring close consideration and strategy will be the positioning of OSTI post-lease.

**Edite will speak to you about matters on the operational front** – and make reference to the Office Statistics. All I want to do is commend the entire staff complement of the OSTI family from top to bottom on an excellent year despite the sudden changes and all the uncertainties brought about by COVID-19. In this time, priority is being given to reduce the six-month statistic and the Crisis Committee has spent some time in candid analysis to understand the reasons for matters being on the list. The Crisis Committee posited that an acceptable target would be about 10% of all open files, currently 3,900, and that the list should therefore be a maximum of about 400 matters.

As regards National Treasury (NT) and Chapter 14 developments, the four voluntary financial sector Ombud schemes (viz banking, credit, long-term insurance and short-term insurance) have initiated a project to explore the potential amalgamation of the four schemes beyond the current OSTI-OLTI amalgamation. They aim to be ready to present their findings to NT by the beginning of October 2020. They will hence not be waiting for the World Bank Diagnostic Report. NT understands that these are exploratory discussions. The OSTI Board has approved these exploratory discussions – I must emphasise that no decision has been taken.

**In conclusion**, with the health and well-being of the OSTI team remaining secure, and the finances and operational capability solidly in place and sustainable, we still do not see the

need to rush into re-opening the office. It is important that we continue to serve our stakeholders at our usual high level, manifest the continued critical relevance of OSTI, and keep our staff safe and well. In the meantime, the Crisis Committee will continue to meet regularly and to debate issues strenuously, and to engage periodically in small groups with all the members of the OSTI team, an engagement which is reciprocally very rewarding. We have not left our staff alone.

The amalgamation has progressed very well – and a special thanks to Judge Ron McLaren who by all accounts has fitted in very well as joint Ombudsman for the Short-term and Long-term Insurance Ombud Schemes. Edite has enjoyed working with Judge McLaren, and Judge McLaren enjoys working with the OSTI team. The Judge has also adapted very well in ensuring that he is not a freakish specimen of the past – he is the future! So thank you Judge.

Let me also take this opportunity of welcoming two new insurers to OSTI – during this year applications by Mutual and Federal Risk Financing and Land Bank Insurance (SOC) Limited were accepted by the board.

Gratitude must go to the Management (Edite, Miriam and the senior managers) team for their tireless commitment and energy to ensuring that OSTI thrives and that the OSTI family is well and optimal and happy. And likewise to the entire staff complement for making things happen and work. My special thanks to the members of the OSTI Crisis Committee – Gail Walters, Collin Molepe, Gerhard Genis and Edite and Miriam for their immense contributions, huge amount of time and energy during this period. And to all the OSTI staff for enthusiastically and energetically embracing the WFH new normal. And, of course, to the Board for its continued unstinting trust and support.

All in all (excuse the pun), OSTI is healthy in all respects. We look forward to the future and mapping the roadmap with you and our staff, the OSTI Family.

**Haroon Y Laher**  
**Chairman of the OSTI Board**