

COVER

## 50 YEARS OF HOME-GROWN INSURANCE SOLUTIONS

Kalim Rajab, CEO, New National Assurance Company talks to Tony about celebrating 50 years as a leading empowered insurer. The fascinating journey from community-based organisation to fully fledged national insurer.

**KALIM**  
RAJAB

CEO, New National  
Assurance Company





# 50 YEARS IS A MILESTONE...

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New National Assurance Company is an authorised financial services provider (FSP 2603).



**Tony:** 50 years of new national assurance is a fantastic achievement for a medium sized insurance company. Especially, to stay independent for so long without being swallowed up. Please give us some background on new national assurance company because you have been operating a bit under the radar for quite a while.

**Kalim:** It is a wonderful milestone for us, I was going to say it is a culmination of a journey, but of course it is not. We want to go on and strengthen even further from here. I must start off by saying that the roots of our company go back even further than 1972.

Although in its current guise we were formally incorporated in 1972. KZN is really where we came from and it is still our history, still our DNA and how we see ourselves as a medium sized insurer.

We come out of the structures of apartheid, when black businesspeople were not allowed, or found it exceedingly difficult to enter financial services. It was a segment largely ignored by the traditional insurance companies, not just in Natal but throughout the country.

And the genesis really was when a community of businesspeople in the Natal and Transvaal came together and said, how are we able to access community funds and pool it to protect a community and provide insurance to a community who, as I said, were largely ignored.

I always feel that as managing directors or CEOs, part of the brief should be to be a storyteller. Companies of a certain history and age should have great stories to tell. And it is important that these stories are told and retold. I certainly see one of my roles as being that, as being the person who tries to recall and disseminate these great stories.

We were born in great adversity. People of a certain generation would remember, a year after we were formed in 1973, was the seminal dock workers strike in Durban, which certainly brought that region, but also large parts of the country to a standstill because of the importance of Durban and the harbours.

We are a unique nation, always seemingly written off by lots of people, but we have resilience in our blood, always hopeful. So, New National has been doing that for 50 years, hoping and striving against adversity.

**Tony:** The challenges insurance start-ups faced in those days, were they related to competition, to distribution issues, to regulatory issues? What was it that made it difficult to get going?

**Kalim:** It was on multiple fronts, chief among them was capital. How does a small, and what was in those days still a community-based insurance company, deploy enough capital to survive and operate. What it meant was that, for many years, the capital base was internally generated, we did not have help from large outside shareholders or institutions and profits that we made had to be ploughed back into the business.

We had to maintain our reserves, very prudently. And so now, 50 years later, we are in a wonderful position where we can deploy a significant amount of capital nationwide, across hundreds of thousands of policyholders, across most major classes of insurance. But it was not always like that.

**Tony:** Now 50 years later, obviously 1994 came and we had lots of hopes about rapid growth in the economy but we are facing several challenges. How do you see new national in this new environment. What is your vision for the future?

**Kalim:** Again, I use the word resilient, but we have also got to be very tactical, it is difficult to do business. It is also difficult to do business where things change so radically and so quickly. We have seen it in the last three years. Every year since 2019 there has been a new challenge that everyone, not just us, have had to face. You can have great vision, a great strategy, great idea of where you want to go, but unless you react quickly and tactically, you are not going to be able to do that.

I am reminded of this nice phrase, which is; a rising tide lifts all ships. In good times it is almost easy to do well, but it is only when the tide goes out that you see who has not been swimming with swimming trunks. The last three years have forced us to be agile and to be quick and decisive about what we do.

You cannot over analyse things too much; you have got to react and do things. We have seen it during this time, there have been several other insurers which have not been able to maintain their solvency levels or have unfortunately gone under and there has been consolidation in the market.

We fortunately have been able to evade that and been able to trade through these tough times. We are saying to ourselves that it is not going to change materially for a little while. It is going to be pretty difficult for the next little while and we have got to manage through it.

But we have a great support structure of brokers who have been with us for decades, they have supported us through thick and thin. We have a great pipeline of UMA's, many of whom we have nurtured from scratch, and we have created a highly effective ecosystem. We want to attract more brokers and more partners to come and work with us. But we are not naive to the challenges that all insurers will face.

**Tony:** You are still not looking at joining bigger groups? You talk about consolidation, will you stay independent?



**Kalim:** It is a great question, and we would be bad businesspeople if we did not think about such things. I have to say though, we are moved, rightly or wrongly, but we are moved by a different type of vision, a different type of passion. We are a company which has not just been around for 50 years. We are also the largest and the oldest empowered short-term insurer. This is an important thing to bring to the industry.

There is a national project in financial services, if you step back and look at it philosophically, which is that this industry should not just be for the select few, it should be open to all people with talent. We see this as a mission, to open avenues of opportunity.

It is a wonderful thing that there are several insurers, that the financial services space in general is full of agile competition, pushing and shoving and making things better for the consumer, by offering different choices.

I am personally moved by that, by this idea of a mixed economy, full of agile and responsive competition. The brand and what I bring to the insurance sector is something that I would like to pursue.

**Tony:** Lastly, looking back at the early day struggles, how do you feel about transformation in the industry, both in terms of youth as well as the previously disadvantaged?

**Kalim:** In the 10 to 11 years that I have been in the industry I have noticed quite a change in all those things that you mentioned. I certainly agree with you that there are much younger people coming into the industry and on your second point I am so glad to see faces of colour entering our industry. The other thing is that I see is people from with different skills environments coming in, which I did not see a while ago.

We have great data scientists, and even actuarial science which was traditionally not really focused on non-life insurance, has changed. We are seeing behavioural economists come in looking to change insurance, shake up insurance. It is wonderfully exciting to be in the industry today.

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