



Summer 2008

THE STRATEGIC

# Insider

## 'Tis The Season...



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Welcome to the second edition of The Strategic Insider. Since our last edition in August, we have had a jam packed three months: We ran our first series of Brokers Forum meetings with great success; we launched the new SIS Commercial System; we found new office premises and we have designed a new customer loyalty programme which will be launched in December 2008. All these exciting topics will be covered in the newsletter.

apparent to me that there was a definite need for independent brokers to have greater control of the client service process. To achieve this, a custom-designed software programme was required.

This was my vision and I set to work to make it a reality.

Not having any programming experience, I taught myself Visual Basic and started the creative process of designing the system that would achieve my goal.

Between 1994 and 2002 the system was written, scratched and rewritten 3 times over. During this process product functionality was refined and systems streamlined, and the end result was the foundation for the product as it stands today.

In the previous edition of The Strategic Insider I promised to outline the history of SIS in order to give you some insight into where the company came from, as well as how our association with Guardrisk functions.

In 2002 the system was successfully implemented by Terry McDonogh brokers and today it is a valued strategic tool used by 35 independent owner-operated brokers.

**WHERE IT STARTED:**

Strategic Insurance Systems as you know it today was formally started in 2002, but it took the preceding 10 years to create the solution offered by SIS today.

In 1990 I joined the insurance game for the first time and worked for my father, Terry McDonogh. Working in his brokerage allowed me to familiarize myself with the systems, processes and procedures of the industry - I started out at the bottom of the organization, making the proverbial tea. Three years spent learning the integral basics of the business proved to be invaluable training and experience, and only thereafter did I, for the first time, engage a client and write a renewal on my own.

**SIS AND GUARDRISK ALLIANCE**

Guardrisk is a captive cell insurer. Under the Guardrisk services umbrella a few hundred cell captives exist, of which SIS is one.

Before the advent of cell captives, captive insurance (wholly-owned insurance structures that underwrite only the risks of the owner) was reserved for large companies. However, cell captives allow companies of all sizes to enjoy the benefits of owning their own insurance company, without the

While learning the ropes and working in the traditional insurance environment, it became



Strategic Insurance Systems  
Underwriting Managers







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inherent capital requirements, cost, and administrative implications. By providing SIS (a cell owner) with underwriting, reinsurance, claims management, and investment and accounting expertise, the cell captive insurer keeps costs down and gives clients access to a broad base of insurance skills and markets.

It is important to note that the philosophy of SIS is not to write business to merely earn a fee - our approach looks at quality first. We write only quality business with quality clients so that we can ultimately foster quality relationships into the future. All independent owner-operated brokers that form part of the SIS cell are carefully selected, and they share this philosophy.

All risk is shared between SIS, Guardrisk, and a syndicate of reinsurers on a quota share basis. On top of the quota share arrangement are the various catastrophe and risk requirements e.g. highveld hailstorm damage etc.

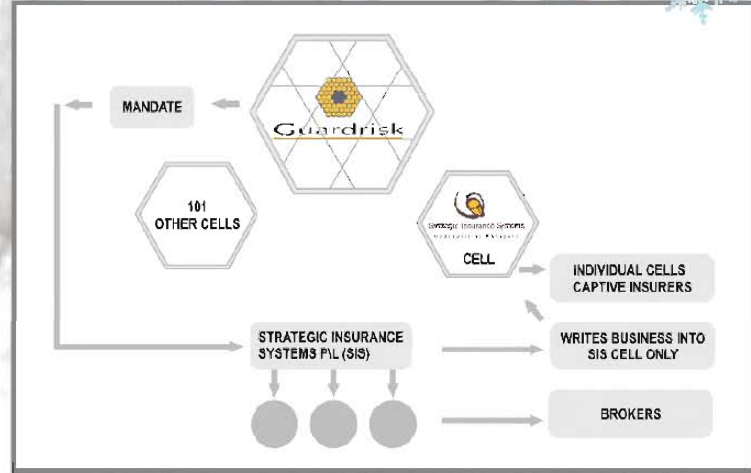
The benefit of this is that the interests of all parties are aligned. This protects existing brokers by ensuring that only new brokers with the same ethical approach will have access to the system, and protects SIS for the same reason. Reinsurers are also protected because they know that only independent owner-operated clients seeking a strategic alliance will benefit from the alliance.

#### UNIQUE PRODUCT IDEAS:

There have been a number of really good ideas for unique products presented by the Brokers. I would like to encourage you to talk to me about your ideas so that I can lend any assistance you may need for your venture.



#### THE BUSINESS MODEL:



#### IN CLOSING:

Allow me to take this opportunity to wish you and your loved ones a wonderful festive season. I look forward to an extremely prosperous 2009 for us all!

## We are MOVING

As of the 1.12.2008 SIS will have a new home at Queens Office Park, 30 Alexandra Road, Doringkloof, Centurion.

New contact details will be sent through to all Brokers as soon as they become available.

## BROKER PROFILE: TERRY McDONOGH & CO

Terry McDonogh & Co (Pty) Ltd is a long-standing, respected Short Term Insurance Brokerage dedicated to the mission of 'making a fair profit through the rendering of a high level of personal service to owner managed businesses.'

The company was founded by Terry's father, Allen McDonogh Snr, in 1948 under the name Allen McDonogh & Co (Pty) Ltd. Terry joined the company in 1964 and earned his FCII in 1970. He took over the reigns of the company in 1971, and in 1995 he further completed a B.Proc degree. Terry has, for many years, enjoyed successfully managing a company and he relishes the challenge of providing dynamic, personal service to his clients in an ever-changing environment.

Terry's only son, Allen McDonogh Jnr, soon joined the company and during his 12-year tenure developed software for Short Term Insurance Brokers, which is still in use to this day. Allen left the company in July 2001 to concentrate on running a Guardrisk cell captive company and thus Strategic Insurance Systems Underwriting Managers was born.

The hardworking staff at Terry McDonogh & Co enjoys a caring family environment with a clear emphasis on personal development. The team consists of the following talented individuals:

- Theresa Becker** - Director & Underwriter on Large Corporate Accounts
- Caroline Swanevelder** - Corporate Underwriter
- Betsle Doneysschen** - Domestic Underwriter and Domestic Claims Handler
- Johannes Lehasa** - Corporate Claims Handler
- Deldre De Klerk** - Receptionist
- Enos Shibone** - Driver



In February 2008, Terry McDonogh & Co moved to 160 Pine Street, Arcadia, which afforded the staff the luxury of working in a homely environment where many a lunchtime is spent brainstorming on how to even further improve customer service levels.







# BROKERS FORUM FEEDBACK

We successfully launched our new Brokers Forum sessions in August, and would like to thank all our Brokers for participating. The feedback and insight that was received from the sessions have proven to be most valuable.

Four Brokers Forum sessions were held in August with different groups of our Brokers. A standard agenda was followed at all sessions, and Brokers were invited to raise points and topics that they wanted to discuss and see addressed.

Some of the more prevalent points that were raised will be mentioned here, but, as agreed, detailed feedback will be provided at the next Brokers Forum in February 2009.

## **CUSTOMER LOYALTY PROGRAMME:**

A prevalent and extremely important point raised by the Forum was the need to institute a Customer Loyalty Programme for our clients.

Working in conjunction with a company called Customer Loyalty Consultants, the SIS 24/7 programme has been designed and will be implemented in December 2008.

What does the programme include?

**ROADSIDEASSIST:** This service will be available nationally, 24 hours a day, 365 days a year, and will include car hire and accommodation, as well as repatriation of vehicles.

**MEDICALASSIST:** MEDICALASSIST will provide our clients with medical assistance, 24 hours a day 7 days a week, including emergency medical response to the scene of an accident, ambulance transportation, hospital admission guarantee, non-emergency medical and health advice, telephonic counseling and/or referral to a psychologist or psychiatrist, as well as repatriation of mortal remains.

**LEGALASSIST:** LEGALASSIST provides legal advice and assistance from qualified attorneys on any legal matter, including the drawing up of legal documentation.

**HOUSEHOLDASSIST:** This benefit covers the cost of the call out fee and the first hour's labour for service providers such as plumbers, glaziers, electricians, locksmiths and appliance repairers. Clients may also obtain referrals for service providers such as builders, painters, garden services and carpet layers.



**TRAVELASSIST:** This service provides information on all types of travel packages, trips, flights, accommodation, availability, and bookings can be made on the client's behalf.

**MAPASSIST:** Clients who are lost or need directions from A to B can simply call SIS 24/7 for directions and we will provide assistance via voice, fax or SMS.

The details and conditions of the programme will be communicated at the launch of the programme in December, but should you require further information now, please contact James Boucher at SIS.

## **ELECTRONIC MOTOR VEHICLE CALCULATOR:**

We are currently investigating the possibility of integrating an electronic motor vehicle calculator into the system so that it will be easily and instantly accessible by the Brokers. More information regarding this will be provided at the next Brokers Forum session in February.

## **CAR HIRE ALLIANCE:**

We have appointed Car Hire Brokers a member of the Imperial Group of companies -as our preferred supplier. We have negotiated better rates and greater service levels as well as quicker turnaround times to ensure that everyone benefits. More information regarding this issue can be obtained from James Boucher at SIS.

## **MOTOR VEHICLE TRACKING:**

We are in the process of negotiating service level agreements with the 3 top companies in the market in order to get increased benefits and better rates. More information will be supplied at the next Brokers Forum in February.

## ON THE LIGHTER SIDE...

Insurance Brokers never retire, they just expire.

Insurance Brokers are premium lovers.

Confucius Say: Needing insurance is like needing a parachute. If it isn't there the first time, chances are you won't be needing it again.

Confucius Say: Never argue with an idiot client. They drag you down to their level, then beat you with experience.







# INTRODUCING THE NEW COMMERCIAL SYSTEM

The long awaited phase 1 of the new commercial system has been completed. On Monday 30th September the first client went live on the new system, and the first and second Stratsys Brokers went live on Thursday the 9th and Tuesday the 14th of October 2008, respectively.

## YOU MIGHT BE THINKING: DO WE REALLY NEED A NEW SYSTEM?

YES! We have to keep up with technology or we will be left behind the rest of the industry, soon being unable to compete. Anybody that has upgraded to VISTA can attest to the value in keeping up with technological advancement. When VISTA was released, we were ready, and those of you who can remember will recall that the change over from our side was near effortless.

## WHAT WAS THE RATIONALE BEHIND REDEVELOPING THE COMMERCIAL SYSTEM?

The most important reason for the redesign was flexibility. The current system, although pretty stable, is extremely rigid in the sense that, when the market changes, the system cannot adapt to the changes quickly enough. So I-Sixty spent almost 2 years, using the latest development techniques and technologies, developing a flexible and robust framework. This allows us to adjust to market trends, allowing you to

remain competitive.

Secondly, we were looking for system integrity. The current system has a few minor quirks, which have been resolved in the new system.

Although, from a user's perspective, there is very little difference in the interface, there are a few nice new features, like:

- The ability to email any report straight from the interface (including the schedule and next premium). No more saving the PDF to your desktop and then going out of the system to attach the PDF to an email.
- A SASRIA breakdown so that you can see details of exactly how the SASRIA premium is calculated. The SASRIA section has been completely redesigned from the ground up, so you should see far more accurate SASRIA calculations.

## WHEN WILL IT BE AVAILABLE?

We are rolling out the system to a controlled group of select clients for final quality control and testing, but we hope to have all our clients using the new system by the end of the year or early January 2009. We will keep you informed of the progress.



# Happy BIRTHDAY!!!

### January 2009:

- 10 Jan - Derek (LAL)
- 22 Jan - Sharon (SIS)
- 24 Jan - Ryan (Fifth Element)

### February 2009:

- 1 Feb - Kyle (HFM)
- 2 Feb - Sheldon (Blue Disa)
- 15 Feb - Fatima (Reliance)
- 16 Feb - Ronel (Primorus)
- 22 Feb - Waldo (STI)
- 24 Feb - Lucille (Blue Disa)
- 25 Feb - Penny McKinnell
- 29 Feb - Oom Albert (LJB)

### March 2009:

- 2 Mar - Naomi (SIS)
- 4 Mar - Leona (Commrisk)
- 5 Mar - Andre Beukes  
Kim (Route 21)
- 7 Mar - Kevin Rooome (R&H)
- 12 Mar - Somayya (Reliance)
- 13 Mar - Annie Shaw (Penrisk)
- 15 Mar - Theresa Becker (TMCD)
- 23 Mar - Joanne McDonogh
- 29 Mar - James Gardiner  
Bev (Commrisk)

## SPECIAL CONGRATULATIONS!



A SPECIAL  
**50TH**  
BIRTHDAY WISH TO  
SHERALEE ON  
THE 25TH OF DECEMBER

Wedding Bells!!  
  
James Boucher gets  
married on the 20th  
December 2008.



## INSIDER TRADING

Buy and sell! This section of *Strategic Insider* will provide the platform for people wanting to buy, sell or trade merchandise. To advertise your requirements please contact Penny at SIS.

**WANTED:** A dining room suite and chairs contact Naomi at SIS for more information

**FOR SALE:** Gas Braai - R500. Contact Sharon at SIS for more information

