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PPS CEO APPOINTED TO GLOBAL INSURANCE BOARD

First South African to be appointed to the board of the ICMIF

5 November 2013: Mike Jackson, Chief Executive Officer of PPS, the financial services provider focused on graduate professionals, has been announced as the first South African to be appointed to the board of the International Cooperative and Mutual Insurance Federation (ICMIF), marking a significant milestone in the local insurance industry.

The ICMIF is a global trade association representing more than 220 cooperative and mutual insurers from over 70 countries worldwide, with its members accounting for 5.6% of the world's insurance market in 2011.

Jackson says his appointment highlights South Africa's importance to the global mutual and cooperative insurance industry, as well as the benefits of the mutual insurance model in the country. "Unlike listed financial services companies, in which all profits accrue to shareholders, a mutual exists solely for the benefit of its members, who share in the profits of the company."

He says the mutual business model is hugely relevant for South Africa, given the spirit of *ubuntu* that runs through many communities. "Mutuality is aligned to the ethos of benefiting members in the long term and speaks to looking after community interests rather than shareholder interests."

Furthermore, Jackson notes that the performance of mutual companies through the financial crisis in comparison to many listed life companies was exceptional. "Many mutuals grew their asset and client base strongly over the period, whilst listed life companies sought government intervention and were distressed sellers of their equity."

Jackson says the fact that a mutual company doesn't have shareholders means it is able to concentrate on its long term commitments and promises. "Having no external shareholders means a mutual also has no need to set aggressive profit targets, in order to deliver short-term, volatile returns to shareholders."

"Through my appointment to the ICMIF board, I hope to create more awareness of the success of mutual business models in South Africa and assist in building the reputation of the country as being a leader in the financial services industry, concludes Jackson.