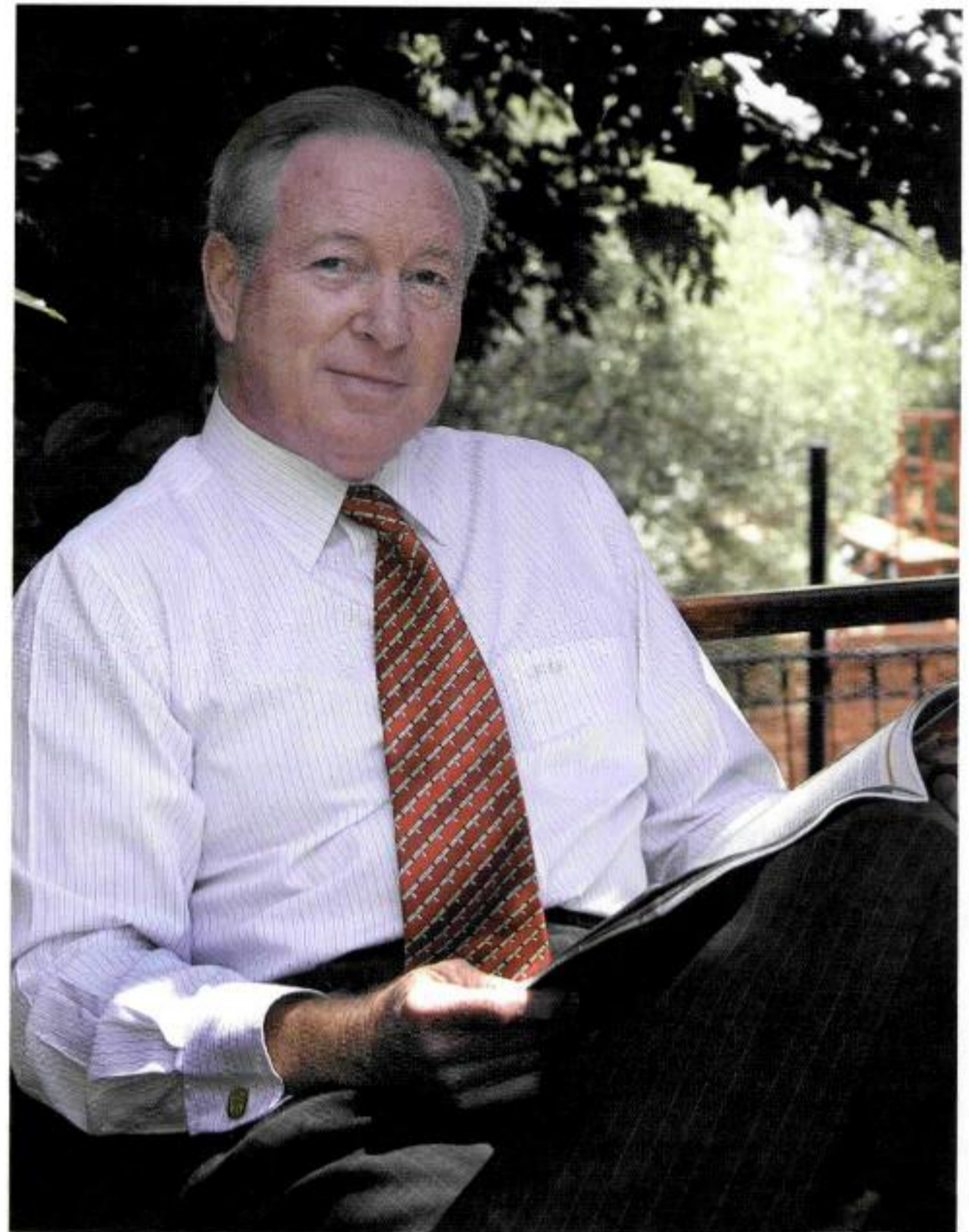


# MIKE JACKSON

CEO of PPS Insurance



What was behind the decision to launch a range of financial products, making PPS a fully-fledged financial services provider?

PPS has always been highly successful in the professional market, with a 50 per cent plus market share. This success was based on two products only: the Sickness Benefit and Group Life. Consequently, the 'share of wallet' of financial services products was not as high as it could have been. We therefore embarked on a strategy three years ago to launch a complete product range, from free-standing disability to whole life, an entire savings and investment range as well as short-term insurance. Our original 'knitting' is still our prime differentiator – where the number of shares you own dictates the quantity of sickness benefit and the units of benefits bonus payable from operating profits. This bonus was up by more than 20 per cent last year. Overall operating profits were up by 38 per cent.

How has the market changed since you became CEO of PPS Insurance in 2003?

The competition for the professional market has intensified. Professionals pay their premiums, do not lapse their policies and live a conservative lifestyle – ideal for insurance profits! In PPS's case, these profits go back to the members.

What makes South Africa a good place for the kind of insurer that PPS is, with an exclusive focus on graduate professionals?

South Africa's university standards are the highest in Africa and some of our universities are world class. Universities are PPS's nursery and provide 10 000 new potential members every year. Our doctors and chartered accountants are in demand all over the world and PPS covers them, no matter where in the world they are practicing their professions. We are the only company to offer this.

What would you say to someone who called PPS insurance elitist?

We are exclusive, since only three per cent of the population qualifies for membership.

What was the most important lesson you learned in the Executive Leadership Programme at the Manchester Business School?

Manchester Business School brought together some of the world's top academics. You can't learn management or leadership at a business school, albeit international trends are interesting, but not always applicable in South Africa.

You completed your MA in industrial psychology at UCT. How different was studying in Cape Town, your place of birth, compared to your experience in the UK?

Cape Town University had the first business school in South Africa – it was a pioneer and is still highly rated today. Most South

African business schools bring together top academics from all over the world, but you can't beat experience. You can't learn how to manage or run a company at a school – you must just do it.

Tell us more about the BEE transaction that PPS recently implemented.

PPS was 18 per cent black-owned, long before BEE became fashionable. Our BEE transaction boosted us to beyond 25 per cent – only the second insurer in South Africa at this level. Most of our competitors are at the 10 per cent level.

How were your strategy formulation skills challenged by the global meltdown last year?

Our assets decreased last year by only three per cent and are already over their previous high. Our prudent investment strategy has paid off well. Assets have doubled in the last five years – even after the meltdown.

What advice do you have for our intermediary readers?

Intermediaries should give long-term advice and encourage people to save at least 15 per cent of what they earn. A balanced portfolio of investments which is never changed, until say age 70, normally works the best. Chopping and changing portfolios is a sure way to lose your client's money!