

BUSINESS BRIEF

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FOR PROFESSIONALS
SINCE 1941

PPS: A new chapter in mutuality and growth

By Mzwandile Mtshali, PPS Group Executive: Advice and Distribution

MORE THAN 80 YEARS AGO, PPS SAW THE LIGHT THANKS TO THE INITIATIVE OF EIGHT DENTISTS. OUR STORY IS WELL-KNOWN BY NOW. THESE DENTISTS WANTED TO ENSURE THAT IF ANYTHING HAPPENED TO ANY OF THEM PREVENTING THEM FROM EARNING A LIVING, THAT THE INDIVIDUAL AND THEIR FAMILY WOULD BE LOOKED AFTER FINANCIALLY.

From those initial days, they believed that their success was better shared — a philosophy we still stand by. Over the years, PPS has had to weather many changes — not only in the industry we operate in but also in the greater environment we find ourselves in.

We were there when South Africa's first post-apartheid democratic elections took place in 1994. We saw the world enter a new millennium — including people's many concerns: remember Y2K? We stood by our members during the COVID-19 pandemic. We saw many new insurance and financial services providers enter the market. We also experienced almost everything “moving to the cloud” and the huge technological changes most industries are experiencing. A true fourth industrial revolution.

One thing PPS's history will show is that although we are an established financial services provider, we do not hesitate to acknowledge when changes require us to change as well.



Embracing our founders' mindset

At PPS, we regularly review our strategy. This is not “just” a company strategy. This is a strategy for how we can best serve our members. We review this strategy every five years and we currently find ourselves in the early stages of such a five-year strategic cycle.

One of our main focuses for this period until 2027 will be to embrace our founders' mindset again. To look at how their core focus of mutuality can (and should) be applied in a modern world. In a way, one can go as far as saying we want to “refound” PPS. We want to find ways on how to leverage PPS's assets to build new offerings, enter new markets and create next-generation solutions. Much like Satya Nadella's transformative leadership at Microsoft after the Bill Gates era, we aim to infuse our organisation with a fresh vision and renewed purpose.

What we can learn from Satya Nadella

When Satya Nadella took the helm as CEO of Microsoft in 2014, the company faced numerous challenges, including a stagnant product line and a culture resistant to change. Nadella's leadership brought about a seismic shift in the company's strategy, culture

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and market presence. He emphasised a growth mindset, fostered a culture of innovation and pivoted Microsoft towards cloud computing and artificial intelligence, transforming it into one of the most valuable and forward-thinking companies in the world.

The Microsoft seismic shift and refounding was built on three pillars that we are emulating at PPS. These are:

1. Customer (member) “obsession”: Meet a customer's unarticulated and unmet needs with great technology.
2. Diversity and inclusion: We are at our best when we actively seek diversity and inclusion by tapping into the collective power of the organisation.
3. One company, not a “confederation of fiefdoms”.

The pillars of ‘refounding’ PPS

Refounding PPS does not mean that one day our members will wake up to a completely different company. Instead, we want to see how we can use our existing mission (enabling our members to live the lives they want to live) and our core values (doing the right thing; taking extreme ownership; being eternally curious) to be fit-for-purpose in the environment we find ourselves in now and that which we anticipate in future.

Our traditional mutuality model primarily focuses on profit-sharing among our members with qualifying life-risk products. Moving forward, we are expanding this concept to benefit not just our members but also intermediaries, employees and the broader community. By redefining mutuality, we aim to create a more inclusive and impactful financial ecosystem.

Transitioning from risk solutions to holistic advice and distribution

Historically, PPS has been known for its robust risk solutions. However, the future demands a more comprehensive approach. We are evolving towards offering holistic



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advice and distribution services that cater to the diverse financial needs of our members. This shift will enable us to provide more value and support throughout our members’ professional and personal lives.

Going global: Exporting mutuality to the world

Our ambition extends beyond South Africa’s borders. We are set to export our unique model of mutuality globally, expanding into new territories and markets. This international growth will enhance our reach and bring the benefits of mutuality to a broader audience. We are already present in neighbouring Namibia and Botswana (through PPS Healthcare Administrators) and further afield in Australia. Plans to

establish operations in New Zealand are progressing well.

Embracing technology

Digital transformation is at the core of our refounding efforts. There are various projects in development — such as our recently released Group app — to establish state-of-the-art digital interfaces that will redefine how our members interact with PPS. By leveraging cutting-edge technology, we will enhance user experience, streamline processes and offer more personalised services.

All these different focus areas, however, have one ultimate goal: to enrich the lives of graduate professionals and help them live the lives they want to. Through our refounding initiatives, we are



Mzwandile Mtshali
PPS Group Executive:
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committed to providing the tools, resources and support necessary for our members to thrive in their careers and beyond.

Refounding PPS is a defining chapter in our history. It requires the collective genius of the entire PPS ecosystem — our members, intermediaries, employees and partners. Together, we will drive this transformation, ensuring that PPS remains at the forefront of innovation and growth in the financial services industry.



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Harnessing the power of urgency: PPS's campus success

IT HAS BEEN ALMOST TWO YEARS SINCE UNIVERSITY CAMPUSES REOPENED AFTER LOCKDOWN.

Although it took close to another year for students, lectures and activities to return to normal, the Graduate Division and its team of Marketing Specialists are back to doing what they love and do best: walking the university campus corridors and ensuring the PPS footprint remains one of the largest of all financial institutions across all South African universities.

In addition to our regular marketing and advertising activities, we have initiated a new strategy related to the second part of our responsibility as the Graduate Division. Our goal is to enrol students in the PPS books as product-owning members, rather than having them as temporary members who

only sign up once they start earning their first salary.

Over the past decade or so, statistics have shown a clear trend among financial advisers. They tend to take ownership of the temporary members allocated to them via the POPIA-compliant process during class presentations. However, they then often file these leads in a bottom drawer, waiting for the prospective clients to earn an income before contacting them. Although, on the one hand, it makes sense to follow this strategy because very few financial advisers have the time or inclination to sign up a client when the product is worth only around R20, it does mean this lead no longer forms part of our strategy anymore.

However, experience has shown that one needs to get a prospective client on the books while the lead is at its hottest – even if the product is small to start with. As the Graduate Division, we are committed to continuously fostering this approach through a variety of engaging activities and sponsorships all year round. These include the annual scrubs sponsorships for health sciences students, the national PPS final year photo sponsorships for more than 18 000 eligible students, gala dinners, Money Matters and, of course, the initial introduction to PPS when the financial adviser attends the first presentation with the Marketing Specialist in class.

We have rolled out a new strategy called “mass signup sessions”, which has been very successful. During these

“Our goal is to enrol students in the PPS books as product-owning members, rather than having them as temporary members.”

sessions, the Marketing Specialist arranges a meeting with a group of prospective eligible students. This can serve as a second or even third opportunity for the assigned financial adviser to interact with the group.

The secret ingredient to this recipe is that the Marketing Specialist and the financial adviser create an almost urgent need and excitement in the group to join PPS. If this is done successfully, it becomes clear that the students come together as a group with the urgency, excitement and sense of accomplishment to be eligible and have the privilege to join this very exclusive society: PPS.

This strategy should help financial advisers to not only chase big products or API but to also build their book with dozens and even hundreds of future professional clients. As a division with the main responsibility of exponentially growing the PPS footprint and its product-owning young member base, we are extremely excited about the success

and potential of these sessions, which seem to be increasing monthly across South African campuses. We hope that more financial advisers will join the PPS Marketing Specialists and their campus activities for the rest of 2024 and beyond.

Together, the shared success can be massive.

By Pierre Coetzee – PPS Graduate Division National Marketing Manager



What is bipolar?

Bipolar affective disorder, formerly known as manic depression, is a mental health condition that causes extreme mood swings which include emotional highs and lows. Mood swing episodes may occur rarely or multiple times a year. While most people will experience some emotional symptoms between episodes, some may not experience any. Fluctuations in mood can make it difficult for an individual to perform daily activities. These mood swings encompass periods of intense “up”, euphoric, irritable or energetic behaviour (referred to as manic episodes) to profound “down”, sad, indifferent or despondent periods (known as depressive episodes).

WHAT IS PPS'S VIEW ON BIPOLAR?

Underwriting

An underwriter will request a report from the applying member's treating psychiatrist and a questionnaire completed by the member regarding the condition. The underwriter will consider several factors to make a decision. These factors include, but are not limited to, the time since the diagnosis, the number of episodes, time taken off from work, the need for hospitalisation and compliance with treatment. In favourable circumstances, the member can get a psychiatric exclusion on the PPS Sickness and Permanent Incapacity benefit, Occupational Disability Provider, Functional Disability Provider and loadings on the PPS Professional Life Provider™ and PPS Critical Illness Cover. In unfavourable

circumstances, the member may only qualify for the PPS Professional Life Provider™ with a loading.

Claims

Bipolar affective disorder is a common reason for claims on the Sickness benefit. In some cases, members become permanently impaired and cannot perform their occupational duties, which will progress to the Permanent Incapacity benefit. These members also qualify for a claim on the Occupational Disability Provider. Members with a severe form of the disorder, who unfortunately do not respond to treatment, may be able to claim under the Functional Disability Provider. Please refer to the PPS Provider™ Policy for the exact definition.

It is very important that the correct forms are used when claiming. There is a specific Sickness benefit claim form for mental health conditions. These are available on the PPS website <https://www.pps.co.za/claims>. There is a form to be completed by the member (Mental and Behavioural Form) and a form to be filled in by the member's treating psychiatrist (Declaration by Psychiatrist). These forms are designed to elicit information specific to psychiatric illness.



Creative insight: Meet PPS's Jeremiah Muizenheimer

Having underwriters with a profound understanding of their role is crucial in the insurance industry. PPS's Jeremiah Muizenheimer exemplifies this necessity through his unique background. With a BSc in Occupational Therapy from the University of the Western Cape acquired in 1997, Jeremiah initially pursued a career in healthcare before discovering the expansive opportunities within insurance. His transition from clinical practice to an accomplished executive underwriter highlights his ability to merge clinical insight with insurance expertise, making him an invaluable asset in shaping successful insurance policies and strategies.

Originally trained as an occupational therapist, which involves using various activities to promote health and well-being in individuals facing challenges due to illness, disability or other factors, Jeremiah's transition from clinical practice to the insurance field showcases his adaptability and broad skill set. After five years in clinical practice, he discovered a new passion in insurance and spent a decade refining his skills as a claims assessor

before transitioning into underwriting. As an executive underwriter, Jeremiah holds a pivotal role in the company. His primary focus is on assessing risk, determining the terms of insurance policies and setting premium rates for large or complex applications.

Jeremiah's responsibilities

- Risk assessment:** Evaluates the risks associated with applicants or policies, often for large businesses or high-value assets.
- Policy development:** Develops and tailors insurance policies to meet members' needs.
- Premium setting:** Determines the appropriate premium rates based on risk assessments and market conditions.
- Client relations:** Maintains and builds relationships with members and intermediaries to facilitate smooth business transactions.
- Decision making:** Makes the final underwriting decisions on complex or high-value policies, often requiring approval from senior management or underwriter committees.
- Compliance:** Ensures all underwriting activities comply with company policies, industry regulations and legal requirements.

7. Market analysis: To make informed underwriting decisions and stay informed about industry trends, market conditions and competitor activities.

8. Team leadership: Leads and mentors a team of underwriters, providing guidance and support to ensure effective risk management practices.

9. Documentation: Maintains accurate and detailed records of underwriting decisions, member communications and policy terms.

10. Financial analysis: Analyses financial statements and other relevant data to assess applicants' financial health and risk profile.

His role requires a blend of technical expertise, strategic thinking and interpersonal skills to effectively manage risk and drive business success in the insurance industry.

Underwriting team services:

The underwriting team is available to provide feedback on application progress updates, communication of underwriting decisions, assist with queries and escalations relating to the motivation of an underwriting decision taken, education and information sharing relating to underwriting processes and insights.



Jeremiah Muizenheimer

Please e-mail underwritingquery@pps.co.za for underwriting and application progress queries. Please see below contact details for specific enquiries:

Department/Process underwriting complaints (CAPA)	First escalation Eureka Gresse evanzyl@pps.co.za	Second escalation Jeremiah Muizenheimer jmuizenheimer@pps.co.za	Third escalation Neil Kelly nkelly@pps.co.za
Technical underwriting query (underwritingquery@pps.co.za)	Eureka Gresse evanzyl@pps.co.za	Jeremiah Muizenheimer jmuizenheimer@pps.co.za	Neil Kelly nkelly@pps.co.za
Counteroffer letters and underwriting administration	Reeves Baloyi rbaloyi@pps.co.za	Rehana Ally rally@pps.co.za	Theola Stoltenkamp tstoltenkamp@pps.co.za

Mingle ReConnect extension



We always want to reconnect with our members as membership is for life. We are pleased to inform you that Mingle ReConnect has been extended to 30 September 2024.

With our simplified Mingle Reconnect application process, pre-selected members can easily reapply for the benefits they previously enjoyed and explore other PPS benefits. This presents a golden opportunity

for them to realign their insurance and financial needs with a financial services provider that specialises in bespoke products for graduate professionals. Members can also start rebuilding their notional PPS Profit-Share Account™* (even if the balance was paid to them previously).

Moreover, we have updated the Mingle leads list to provide you with even more opportunities. What does this mean for you? With limited underwriting, members will only

need to undergo medicals that are deemed necessary, significantly reducing paperwork and making it easier to increase their cover. All you need to do is complete the Mingle application and follow the straightforward process.

* Members holding qualifying life-risk products share in the profit and the loss of PPS through the notional PPS Profit-Share Account™ and past performance is not necessarily indicative of future performance. PPS Profit-Share Account™ remains notional until it vests upon retirement from age 60 or upon death.

Non-mandatory COVID-19 vaccination information



It has been four years since the first COVID-19 case was reported and three years since the first vaccination became available in South Africa. Although COVID-19 cases are still being reported, the situation has vastly improved. These changing circumstances offer PPS an opportunity to simplify the process.

PPS will no longer require members to submit COVID-19 vaccination details (name, date received and vaccination code) when applying for new or additional cover. However, it is still mandatory for a member to indicate whether they have been vaccinated. They will need to answer either “yes” or “no” to the question,

“Have you received a COVID-19 vaccination?”. This information is required to complete the application on the PPS underwriting system. This change applies to all PPS application forms.



Read it again!

If you have missed any of the previous editions of our new-look *Business Brief*, you can visit the library on the PPS website at <https://www.pps.co.za/advisers>.

2024 Eligibility enhancements



You have asked and PPS listened. The 2024 Eligibility enhancements have opened the door to exciting new opportunities, allowing even more graduate professionals to benefit from the PPS network. This year, we have simplified our criteria for foreign applicants, making it more accessible for them to join. We also added five new private institutions to our list, expanding the potential for collaboration and growth.

The following private institutions now qualify for PPS membership:

1. Akademia
2. Open Window
3. Rosebank College
4. Stadio
5. Boston City Campus

A list of the qualifying qualifications from these institutions is available in the latest version of the Product Guide.

Furthermore, applicants residing in South Africa with citizenship in a foreign country (outside the SADC countries) who are lawfully married to a South African also qualify for membership.

JOIN THE CONVERSATION:

How did you experience the PPS Profit-Share Account™ dashboard for intermediaries?

The feedback we receive from you, our valued financial intermediaries, is important.

The development of the Profit-Share Allocation adviser dashboard is one such an example. We use your comments regarding the panel we used for the 2022 allocation to enhance the detail and functionality of the dashboard for the 2023 allocation.

Do you know that this dashboard now allows you to:

- View the list of your clients who have a PPS Life Insurance product and received a Profit-Share statement.
- Access the personalised link to each of your clients' PPS Profit-Share Account™ statements.
- Know the password type that was communicated to your client.
- See when your client logged into the statement.
- Select to send an e-mail to your client to remind them to view it or to invite them to contact you to discuss how they can maximise their Profit-Share allocation. If you click on this option, a pre-populated pop-up screen appears.

We would now like to ask you to give your feedback on the dashboard to help us further enhance it for the 2024 results announcement due in April 2025. Your insights are valuable in ensuring we continue to meet your needs effectively.

Click here to participate in the survey.

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