

Media release | 5 September 2017

BrightRock's strong business performance creates solid foundation for the future

- BrightRock achieves new business growth of 62% year-on-year
- Total cover in force exceeds R180 billion
- Total claims paid of over R470 million, with the highest claim paid at R29.4 million
- Sanlam transaction, valued at R721 million in total, gets the green light from regulator

5 September 2017, Johannesburg – Needs-matched life insurance player BrightRock has posted a strong performance in its most recent financial year, achieving 62% growth year on year in new business annualised premium income. BrightRock shared an update on its business performance on the back of an announcement released by Sanlam on SENS on Friday, in which it announced that all suspensive conditions to the transaction that will give Sanlam a 53% stake in the needs-matched life insurance provider have been fulfilled, including regulatory approval.

According to BrightRock CEO, Schalk Malan, BrightRock has grown rapidly in the independent intermediated risk insurance market and is the fastest-growing player in its sector, a position it has maintained for the past number of years. From a zero base in April 2012, BrightRock has grown to cover a total of over 860 000 lives (as at 30 June 2017). Total annualised premium income was R867 million for the year ended 30 June, while total cover in force now exceeds R180 billion¹.

Malan says BrightRock is proud of what's been achieved: "BrightRock came to market just five years ago with a fundamentally different, client-centric product design that can adapt seamlessly to changes in clients' lives. We believe this focus on precisely meeting clients' needs has been the driving force behind our consistently strong growth." According to Malan, this structure is more efficient as it strips out unnecessary waste and delivers savings to clients. On average, BrightRock policyholders are able to buy 40% more cover with BrightRock for every Rand. "The statistics show that, when it comes to cover for their permanent expense needs, BrightRock clients on average get double the disability cover when using our needs-matched structure."

Besides delivering substantial costs savings to clients, Malan says BrightRock's client-centric approach has allowed it to increase certainty for clients at claim stage: "We have focused our attention on removing unnecessary barriers to claim and ensuring that, through needs-matched product features, the pay-out at claim stage meets clients' needs." BrightRock has paid an average of almost R1 million in claims every day over the past financial year, with total claims paid since inception exceeding R470 million.

According to Malan, BrightRock's exponential growth trajectory is one of the key reasons for its new partnership with Sanlam, which will provide significant capital investment enabling BrightRock to deliver on its future plans. "We see it as a growth partnership and one that will provide an even stronger platform for BrightRock's future growth and expansion. BrightRock's aspirations include other product lines and markets, and our new partner is supportive of our objective of becoming a financial services provider of scale."

Under the agreement, Sanlam and BrightRock will continue to function as independent businesses, retaining their own brands, life insurance licences and management teams. The transaction with Sanlam was implemented with effect from 1 September 2017 at a total transaction price of R721 million.

¹ Figures include BrightRock's individual life and funeral assistance business.

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About BrightRock

BrightRock was established in 2011 with the goal of offering highly differentiated life insurance products to better meet clients' and financial advisers' needs. Since entering the South African intermediated individual risk market in April 2012 with its proprietary needs-matched offering, the company has become one of the fastest growing players in its category. BrightRock's needs-matched life insurance cover is uniquely structured to match client's life insurance needs very precisely at the outset and change as their needs change over time. The company is headquartered in Johannesburg and Port Elizabeth with regional hubs in the major centres of Johannesburg, Pretoria, Durban, Bloemfontein and Cape Town, and a national distribution footprint through more than 4 000 independent financial advisers. BrightRock Life is an authorised financial services provider and registered insurer. (FSP 11643, Company Registration No: 1996/014618/06).

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