

BrightRock announces entry into new risk market

Introducing more needs–matched change!

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May 2018, Johannesburg – Needs–matched life insurance player BrightRock is ready to bring further change to the life insurance industry with the introduction of a group risk product that can provide schemes with up to 40% more cover for the same premium.

BrightRock has become known as a disrupter in the individual life market, where advisers and policyholders alike have responded positively to their world first needs–matched product, which precisely matches clients’ needs at the outset and then adapts to their changing financial needs over time. Their success in the market is evident in the company’s financial performance, with R1.1 billion in annualised premium income and 64% year on year growth – numbers that cement its reputation as the fastest–growing player in the intermediated individual risk insurance market.

According to Schalk Malan, CEO of BrightRock, they are ready to further fuel their growth by driving the same kind of change in the group risk environment with a new group risk offering, following the same needs–matched principles they offer in their individual risk product.

A changing world of work

According to Malan, traditional group risk products have many of the same shortcomings BrightRock sought to address when they entered the individual life market. “They are standardised, commoditised and one–size–fits–all solutions that fail to meet employees’ and employers’ needs. At their core, the insurance structures offered to employees today are the same as they were in the 1980s, based on a flat multiple of salary model, which in practice, leaves most scheme members substantially underinsured at younger ages when they face the largest financial exposure, relative to employees at older ages, who are nearing their retirement age,” explains Malan.

“This inefficient structure has meant that, to remain competitive, insurers have cut the benefits offered to employees, introduced limited pay–outs and barriers to claim, creating uncertainty for scheme members and undermining their sense of financial security. This has been happening in an increasingly competitive job economy where employers are struggling to attract and retain talent, and face growing pressure from employees to offer valuable benefits that better meet their individual needs.”

“Change is needed – and we believe BrightRock’s needs–matched philosophy positions us to change the group risk market.”



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Needs-matched product design, for a needs-driven world

According to Malan, BrightRock can offer more sustainable, efficient cover by following the same needs-matched principles that underpin their individual risk product.

“In contrast to traditional group risk products, our group risk product calculates (and displays) each employee’s total value of future pay cheques. We then give every person in the company the same level of cover relative to the number of pay cheques they have left until retirement – this is not only a fairer split of the group’s cover, but also a far more efficient way to structure and price cover.”

Thanks to this approach, group risk clients can get up to 40% more cover for the same premium for the scheme as a whole.

“Our group risk cover meets employer and employee needs, and provides greater certainty and flexibility, now and in the future. It also better suits the demands of a changing workforce.”

Employees also have access to BrightRock’s industry-first innovations:

- **No reassessment of permanent disability claims:** Instead of using subjective occupational criteria, BrightRock is the only provider in the market to pay on diagnosis for 67 conditions by using a market-first, objective list of clinical claims definitions. There is an occupational underpin for additional claims certainty. And, unlike other products in the market, there is never any in-claim reassessment of permanent expense needs claims;
- **Unrivalled pay-out flexibility:** BrightRock is the only provider to offer members, or their beneficiaries, the choice between (or even a combination of) lump-sum and recurring monthly pay-outs at claim stage, when they know exactly what their financial needs and circumstances are;
- **Access to more cover, free of underwriting:** Employees can buy up to double their group risk cover free of medical underwriting, subject to maximum limits. This enables employees to benefit from the group’s insurability to close gaps in their insurance;
- **Portability between group and individual cover:** BrightRock offers employees the ability to convert their group risk cover to an individual life policy on leaving the scheme. This offers members valuable portability of their benefits in a job market where people are likely to change employers several times throughout their lives.
- **BrightRock’s industry-leading cover for additional expenses:** BrightRock’s clinical claims criteria were developed in partnership with international clinical and risk experts,



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ensuring claims criteria that are objective and transparent. A best-seller in the individual life market, BrightRock has now extended the same principles and features to ensure a compelling critical illness solution for group risk schemes. Through the Trauma IQ assessment, they also provide market-first cover for the additional costs employees may face after traumatic events and accidents, providing members with pay-outs for claims no other insurer in the market would pay.

Delivering on their mission

Since entering the independent, intermediated risk insurance market six years ago, BrightRock has grown rapidly and is the fastest-growing player in its sector, a position it has maintained for the past number of years. To date, BrightRock has, through its individual life and life assistance business, achieved:

- Over R1.1 billion in annualised premium income with 64% year on year growth
- > R200 billion total cover in force
- > 1.3 million lives covered on our BrightRock licence
- > 4 300 independent financial advisers nationwide
- R549 million paid in claims, with the largest claim paid to date of R29 million
- Highest cover amount in force of R183 million on a single life

“It is our aspiration to grow BrightRock into a fully-fledged financial services player of scale, and we are excited to take further steps towards this goal by changing the employee benefits space with our group risk offering,” says Malan.



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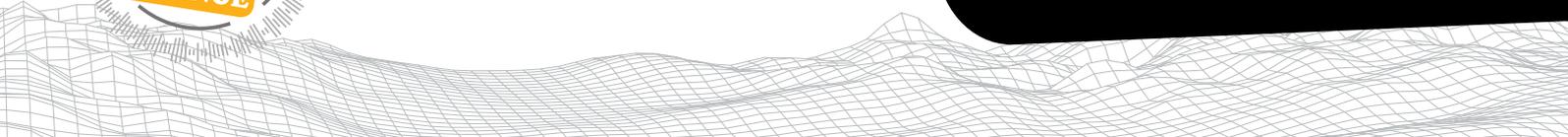
About BrightRock

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. In 2017, Sanlam acquired a 53% stake in Brightrock.

BrightRock 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).

Media contacts

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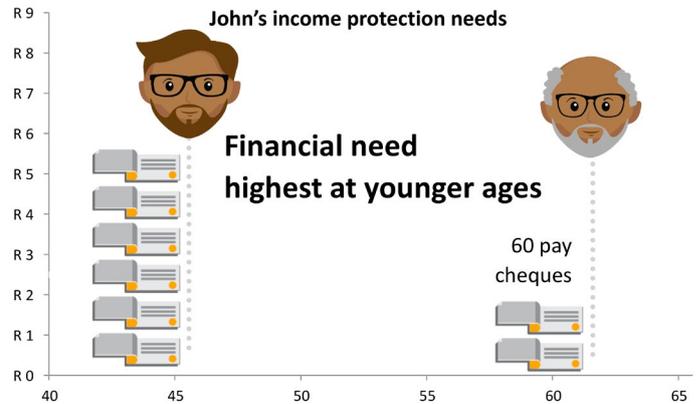
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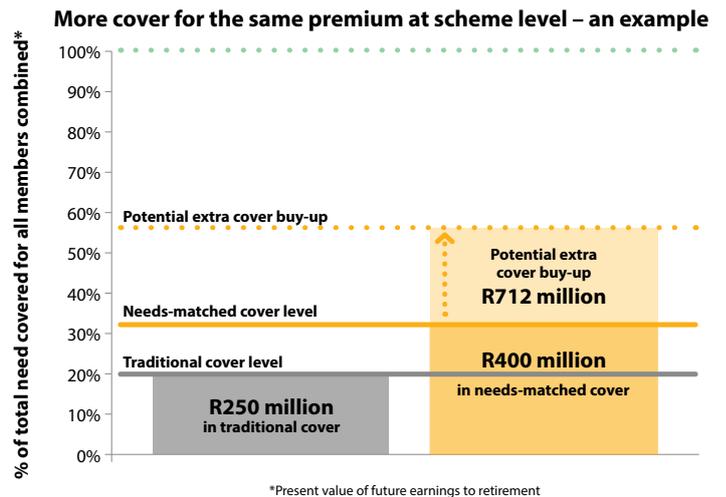
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Group risk cover aims to protect employees' future pay cheques. Younger employees have the most pay cheques left to protect, while employees closer to retirement have fewer.



Unlike traditional group risk products that use a flat multiple of salary model, BrightRock delivers more cover per premium rand by linking groups' cover to employees' income protection needs.

Cover for an illness and injury with a financial impact:

	That you can recover from	That's permanent	That's caused by death
Income protection	Household needs Childcare needs		
Asset protection	Debt needs Death-related needs		
	Additional expense needs		

BrightRock's needs-matched group risk cover provides employer group schemes with protection for employees' income and asset protection needs.



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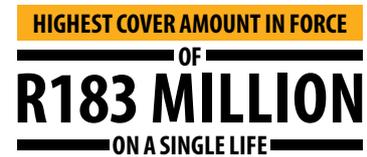
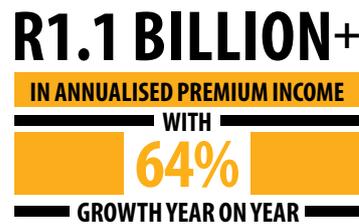
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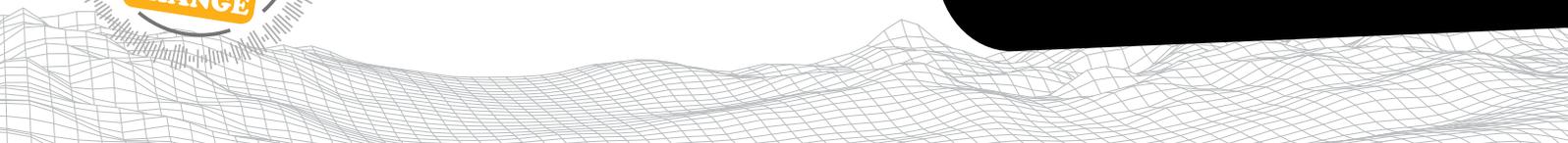
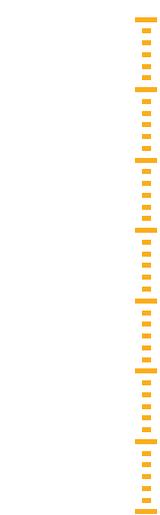
Key business performance figures achieved in its first six years of operation include:



NEVER RECEIVED A RULING AGAINST BRIGHTROCK FROM THE LONG-TERM INSURANCE OMBUD.



(All figures are as at 31 March 2018)



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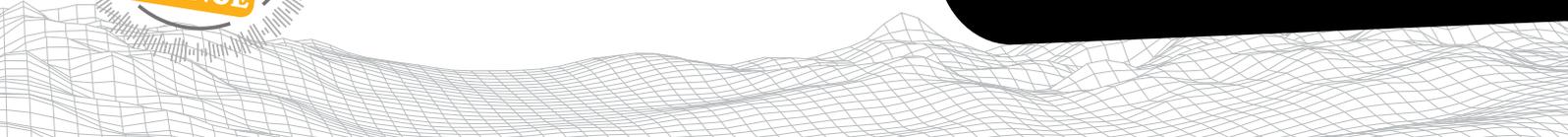
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BrightRock founders Sean Hanlon, Leopold Malan, Schalk Malan and Suzanne Stevens.

- BrightRock’s founders are CEO Schalk Malan, and executive directors Leopold Malan, Sean Hanlon and Suzanne Stevens. The executive has embraced a uniquely collaborative leadership structure, with each of the four founders heading up a core function in the business – Leopold Malan for processing, Schalk Malan for actuarial, Hanlon for distribution and Stevens for marketing.
- In 2013, Schalk Malan was awarded with the Cover Excellence Award for product innovation as the main architect of BrightRock’s needs-matched product design. Needs-matched insurance is pending international patent registration and BrightRock has featured at industry conferences in Germany, Australia, Singapore and the United States. Its content-led marketing strategy, which centres on BrightRock’s “love change” brand message, is the subject of an international business school case study.



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BrightRock CEO Schalk Malan

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- In May 2018, BrightRock announced that they would enter a new risk market with the introduction fo a group risk product. According to Malan, they are ready to further fuel their growth by driving the same kind of change in the group risk environment with a new group risk offering, following the same needs-matched principles they offer in their individual risk product.

