



## THE CORPORATE ADVISER

### Note from Hugh

The regulation of South Africa's retirement fund industry continues unabated. While this steadily increasing regulation may add significantly to the compliance workload of many industry role-players, Old Mutual broadly welcomes the commitment of the country's various regulatory bodies to ensuring a fair, well-governed, and consumer-focused retirement industry. Below is an outline of just some of the most recent regulatory actions that are set to impact on our industry and our operations:

- Directive 8 on the prohibition of gratifications of fund officials, administrators and service providers
- Draft Regulation 28 sustainability directive
- Draft notice on communication of benefit projections to fund members
- Draft directive on the removal of audit exemptions and reduced period to submit annual financial statements
- Draft directive regarding the exemptions of members' rights to elect fund board members



**Hugh Hacking**  
General Manager

To read more on these regulatory updates, click [here](#)



On an ongoing commitment to making sure that working South Africans have access to affordable, effective income protection benefits to safeguard their finances should they find themselves unable to work due to illness, injury or disability, Old Mutual has introduced the Well4Work range of income protection benefits. The Old Mutual Well4Work range consists of four flexible income protection benefits that can be tailored to achieve the desired balance between benefits and price.

To find out more about the Well4Work product range, speak to an Old Mutual Corporate Consultant or visit our webpage at [www.oldmutual.co.za/Well4Work](http://www.oldmutual.co.za/Well4Work).

#### > SMOOTHING OUT YOUR RETIREMENT RETURNS

The well-publicised Steinhoff scandal and the allegations of accounting irregularities saw a share price loss of 93,5% by the global retail holding company over the 2017 year. Following this, many investors – especially those nearing retirement age – expressed concerns regarding the impact such a crash would have on their pension and savings funds. The widespread uncertainty created by the Steinhoff saga has left many investors considering ways to protect their investments from short-term volatility, while still reaping the benefits of long-term returns.

The sudden devaluation of Steinhoff - one of the 15 largest companies listed on the JSE - highlights the need for retirement assets to be sufficiently diversified. With enough diversification, even if a fund manager were overweight on this share, the impact on the total fund would be limited.

**“Volatility, irrespective of its cause, is to be expected from equity investments, which is why they are viewed as longer-term investments.”**

Old Mutual recently featured in the media discussing the lessons from the Steinhoff collapse to read more on this article click [here](#) and please share with your clients.

#### > YES, THERE'S AN UPSIDE TO A TAX INCREASE

A tax increase is never welcome, but sometimes it's just the medicine we need. Don't believe us? Let an expert explain.

Whenever there's an announcement that tax is going up, the sentiment is generally negative and there might even be pushback. The 1% increase in South Africa's VAT (value-added tax) that came into effect on 1 April 2018 was no exception, but here's the silver lining. [Read more](#)

#### > COMMISSION REGULATION CHANGES 2018

The new commission scales became effective for Old Mutual SuperFund approved policies and Old Mutual SuperFund integrated risk policies from 1 March 2018. Please find the full communication by clicking [here](#) to read more.

#### > UPDATED DISABILITY CLAIM APPLICATION FORMS | IMPROVING OUR CLAIMS SUBMISSION PROCESS

To reduce the need to ask for additional information, and to assist our claimant's understanding of the disability process, we have made some changes to our application forms:

1. We have combined the forms into one pack – this pack requires the following actions:
  - o The employer to discuss the disability claim process and benefit structure with the claimant. (We have also prepared a handy guide for the claimant to assist with this)
  - o The claimant must complete: the employee statement; Cash4LovedOnes nomination form and request their treating doctor to complete the medical questionnaire.
  - o The employer must complete the employer statement; productivity questionnaire and direct payment form (only if you require us to pay the claimant directly)
2. There are more questions to the claimant, and the employer. This is to help us understand the unique circumstances of the claimant, and where possible to assist with the return to work process.
3. Here, the [document](#) and [guide](#) contain more information and tips on the disability claim process.

All employers need to start using this claim form for all new disability claims submitted.

If you require any assistance, email us on [gapdisabilityassessments@oldmutual.com](mailto:gapdisabilityassessments@oldmutual.com) or contact our HR911 line on 021 509 3911.

#### > UNDERWRITING - PASSWORD PROTECTING LETTERS REQUESTING MEDICAL INFORMATION

In line with the legal and regulatory developments regarding the Protection of Personal Information (PPI), safeguarding Old Mutual's customer information is critical. One of the ways in which Old Mutual gives effect to safeguarding information is by password protecting attachments sent via email. Documents sent to members or documents containing the personal information of a single member will be password protected with the member's ID number. In the event where the member does not have an ID number, then the member's passport number must be used. The above password rules will always be used to password protect a member's document irrespective of who the recipient of the document will be. To read more on our password protect rule, click [here](#).

#### > UNDERWRITING – REMINDER MEDICAL LETTERS

Previously, it was not Old Mutual's practice to send reminder letters where members have not submitted the requested medical information for underwriting purposes. The practice will change going forward and we will be sending out reminders letters during the first week in August 2018, following the implementation of the 2018 Annual Rate and Fee Review. Please note that you could therefore receive a large number of emails over this time.

As with every issue of our newsletters, we'd like to hear from you! Please feel free to engage with us at [corporateadviser@oldmutual.com](mailto:corporateadviser@oldmutual.com).

