



**S**ince its launch in June last year, Masthead has weathered the storms of a changing industry, and is still charting its course through the insurance landscape.

There have been some interesting developments at Masthead. It is now home to 2 369 independent financial advisers, making it the largest network of brokers in the country, and this figure continues to grow. Around 900 FSB licences were applied for on behalf of members and around 800 have already been issued. The share offer of 25% Masthead made to broker members has been completely taken up.

#### Member audits

It has been a busy year for the Masthead compliance officers, who have conducted over 2 000 audits around the country. The audits include compliance with FAIS, FICA, record-keeping requirements and PAYE requirements.

The second round of audits have begun and already the Masthead compliance officers are reporting a marked improvement in the standard and level of compliance. It seems that the vast majority of brokers are willing to make changes in their practices, if they are given clear-cut and sound advice on how to do so.

#### Interesting stats from the field

These audits have generated some interesting statistics. Among the Masthead members, 43% operate as CC's and

36% as sole proprietors. The average age of Masthead FA's is 46.74 years, somewhat younger than the industry average, estimated to be well over 50. The average number of years of experience is 15.8, a strong indication of the wealth of expertise locked up in South Africa's broker community.

The Masthead FA's have, on average, 9 appointments per week, a very low figure indeed, and indicative of the administration burden brokers face. The majority of the brokers' income derives from new business and more than 75% of their business is recurring premium business. 56.5% of current Masthead members still do paper-based financial planning.

#### Partnerships

Masthead has been in discussion with other networks, including the IBC, LUASA and IFA-net. This is part of its evolution, and exclusive membership to Masthead only is no longer a condition imposed on brokers who join Masthead.

Masthead has also negotiated procurement agreements with Waltons, Astute and the FPI, ensuring the benefits of joining Masthead continue to increase.

#### Latest developments

Metropolitan Odyssey and Masthead have also signed a Heads of Agreement document and are in the final stages of negotiation in regard to a formal distribution agreement.

Masthead Managing Director Peter Dempsey says: "We are delighted that the industry has recognised the value of the Masthead broker network. We continue to engage with other companies and we are confident that there will be others that will also recognise the value that we will add."

Jacques Coetzer, Managing Director of Odyssey said: "We support the independent broker and believe in the value they add to the process of distributing our products to the public. Masthead supports the broker too by assisting them to meet the challenges of the new regulations whilst maintaining their independence. Odyssey believes that this is a positive move both for the industry and for the public."

To find out more about Masthead, please contact

**Masthead Service Centre**

0860 -103807 (Tel)

0860 -103806 (Fax)

[info@masthead.co.za](mailto:info@masthead.co.za)

[www.masthead.co.za](http://www.masthead.co.za)



Peter Dempsey is the Managing Director of Masthead