



South Africa

Crime Tracker

March 2018

Bryte Insurance, a proactive business risk specialist, today released its **Q3 2017 Crime Tracker**; an indicator of long-term crime trends in South Africa as captured by insurance claims for the period July – September 2017. The **Q3 2017 Bryte Crime Tracker** measures the annual change, on a quarterly basis, in crime-related claims (due to hijacking, robbery, theft and malicious damage) committed against South African businesses.



CONTINUED
SLOWDOWN
NOTED IN
OVERALL
CRIMES AGAINST
BUSINESS

INCIDENTS OF
MALICIOUS
DAMAGE
INCREASED

CASH-IN-TRANSIT
HEISTS GAIN
MOMENTUM

Bryte Crime Tracker: July – September 2017

The Q3 2017 Bryte Crime Tracker reflects a 7% year-on-year contraction in Q3 2017 when compared to a 3.8% year-on-year contraction recorded in Q3 2016. This represents a notable decrease in overall crimes against businesses which may be attributed to proactive measures undertaken by businesses to reduce exposure to incidents of crime.

“We must intensify our efforts to tackle crime and build safer communities.”

Cyril Ramaphosa
President of South Africa

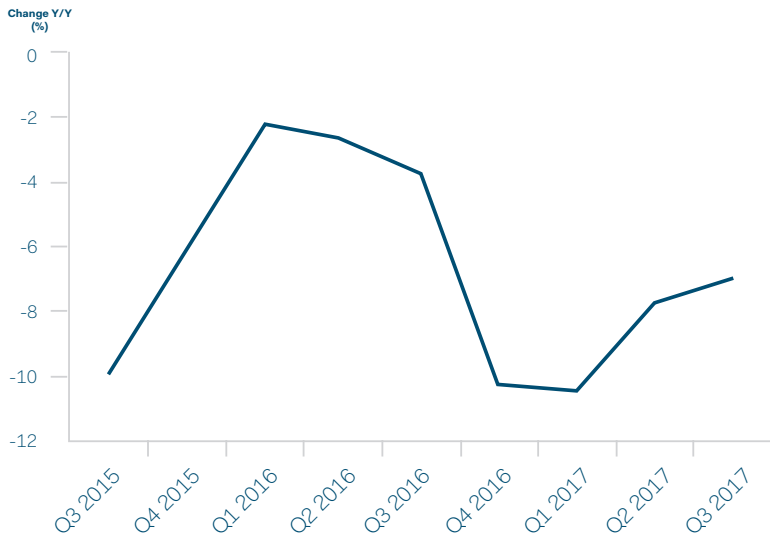
“While we have noted a slowdown in overall crimes against business, the reality is that some businesses remain more exposed than others. That said, fighting crime takes effective, industry and nation-wide collaboration. To quote President Cyril Ramaphosa, ‘In improving the quality of life of all South Africans, we must intensify our efforts to tackle crime and build safer communities.’ I am particularly enthused by the planned deployment of additional resources at various police stations, the implementation of the much-anticipated Community Policing Strategy and the launch of the Youth Crime Prevention Strategy,” said Cloud Saungweme, Chief Claims Officer at Bryte.

“Empowering the youth, effectively equipping law enforcement officials and encouraging every South African to actively participate in crime fighting initiatives, are all critical elements in significantly reducing the exposure of every household and every organisation. With unemployment, arguably having an impact on growing levels of crime, the emphasis on job creation is also very welcome and a key step forward in curbing instances of crime.”

Bryte Crime Tracker Graph 1

Change in Crime-Related Claims Trends

July – September 2017



The above graph compares crime data over a two-year period, based on percentage growth or decline. The Bryte Crime Tracker recorded a peak in Q1 2016 with a 2.3% contraction, then continued to fall over successive periods with the trend reversing over the past two quarters with Q3 2017 reflecting an increase in contraction to 7%.

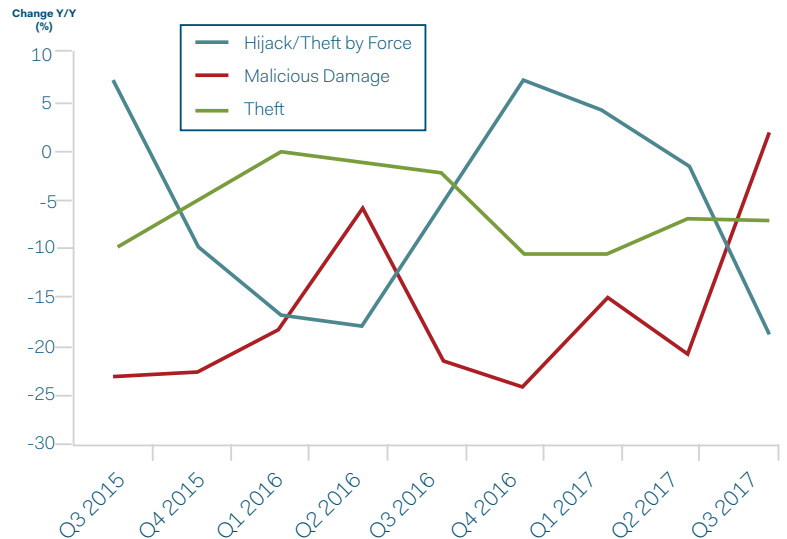
Commenting on the increased measures undertaken to help customers mitigate against exposure to crime, Saungweme added; "Education around crime trends, business' exposure and risk management are critical components in managing exposure. Understanding the inherent value of such awareness, Bryte continues to actively educate both brokers and customers in an attempt to reduce their exposure to crime. Some of the tools employed, include:

- The quarterly Bryte Crime Tracker which analyses claims stats and creates awareness of past and emerging trends.
- Regular roadshows and thought leadership content such as the recently published Bryte Business Review and Economic Insights document.
- Advisory ahead of, as well as during, key periods such as the festive season/Easter and events such as the ongoing droughts/rainy season."

Bryte Crime Tracker Graph 2

Contact Crime, Malicious Damage and Theft

July – September 2017



The above graph compares business crime data – specifically Contact Crime (hijack/theft by force), Malicious Damage and Theft – over a two-year period – based on percentage growth or decline.

20.7%

Incidents of malicious damage in Q3 2017 reflected a 1.8% acceleration – a sharp increase when compared to the 20.7% contraction noted in Q2 2017 – and the 21.4% contraction noted in Q3 2016.

Malicious Damage

Of the three defined categories – Contact Crime, Malicious Damage and Theft – the rise in incidents of Malicious Damage (to fixed and movable assets) is prominent. Incidents of malicious damage in Q3 2017 reflected a 1.8% acceleration – a sharp increase when compared to the 20.7% contraction noted in Q2 2017 – and the 21.4% contraction noted in Q3 2016.

Theft

The Theft category decelerated to a 7% annual contraction in Q3 2017 when compared to a 2.5% contraction in Q3 2016, reflecting a decrease in the incidents of theft. Similarly, a decrease in hijackings overall was also reported, with stats reflecting a 18.6% annual contraction in Q3 2017 when compared to a 5.6% contraction in Q3 2016.

When examining industry wide claim stats, the Insurance Crime Bureau (ICB) noted that motor claims for theft exceeded those relating to hijackings by 9.8% in Q3 2017.

Furthermore, according to the *2017 State of Urban Safety Report in South Africa* report, Johannesburg and Tshwane have the highest rates of vehicle theft in the country while Johannesburg also has the highest rate of robberies at residential premises – disturbingly, this rate is double that of the national average.

Contact Crime

Contact Crime (robberies and hijackings) was at its highest level in Q3 2015, reflecting an acceleration to 7.1% with progress noted as contact crime decelerated, contracting to 5.6% in Q3 2016 and 18.6% in Q3 2017. A continued decline in the incidents of contact crimes over the past three quarters is also noted.

Cash-in-transit heists gain momentum

Looking at some of the national contact crime trends, armed robbery (specifically cash-in-transit (CIT) heists) is certainly among those that are of great concern – a trend that corresponds with Bryte data. The rise of organised crime syndicates – many of whom seem to have access to insider information – is driving up the success rate of heists/business robberies. Some statistics suggest that 90% of business-related armed robberies are committed with the help of an insider/information supplied by them.

According to Kalyani Pillay, Chief Executive of the South African Banking Risk Information Centre, an increase of 49% was noted when comparing 1 January – 31 August 2017 to the same period in 2016.

“Cash remains enormously attractive to criminals hence, the propensity towards CIT heists. Often, organised crime syndicates access critical information by either bribing employees or intimidating them by threatening their security as well as that of their family,” added Saungweme. “It is imperative that businesses rigorously screen employees in critical positions and regularly monitor them to minimise exposure to such threats. Furthermore, businesses need to encourage employees to report any propositions/threats from criminals, create an understanding of the severe consequences of crime and provide appropriate security to the threatened employee and their family to ensure their safety.”

18.6%

The Theft category reflects a 18.6% annual contraction in Q3 2017 when compared to a 5.6% contraction in Q3 2016.

Some tips for regular screening of employees (particularly in the banking and jewellery industries), could include:



Annual credit checks to assess if the employee may be in financial difficulty and thus more prone to bribes



Twice annual/annual police record checks to determine whether the employee may be affiliated with offenders



Regular reviews of the employee's social media profiles to gauge any irregular activity

Businesses also need to maintain general vigilance, ensuring that the recommended security systems are in place and that security measures are being strictly adhered to. "While you may be operating in an industry/area that is not prone to certain criminal activities, that does not mean that your business is not vulnerable," concludes Saungweme.



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