



Financial Advisory and Intermediary Services Act 37 of 2002 (“FAIS”)

Conflict of Interest (COI) Management Policy for:

KSM Risk and Insurance Management (Pty) Ltd (“KSM”)

FSP 23479

1. Who are we?

We are KSM Risk and Insurance Management. We are a licensed financial services provider (“FSP”). We are authorized to provide financial services relating to various short-term personal and commercial insurance products.

2. What exactly is a conflict of interest?

This is any situation in which a FSP (that’s us) or a representative (a person who works for us) has an actual or potential interest that may:

- influence the objective performance of the FSP’s obligations to a client; or
- prevent the FSP from rendering an unbiased and fair financial service to a client; or
- prevent the FSP from acting in a client’s best interests.

Examples are:

- a financial interest
- ownership interests
- any relationship with a third party.

3. What is a financial interest?

This is any payment or compensation for providing a financial service to a client. It could be commission, administration fees, binder fees, gifts, etc.

4. What about associates and third-party relationships?

An associate is any company that’s related to us by virtue of it being our holding company or subsidiary.

A third-party relationship is where an insurer or another FSP owns shares in us, or where we own shares in an insurer or another FSP.

5. What is KSM’s overall policy in managing conflicts of interests?

We are committed to acting in the best interests of our clients. We constantly strive to improve our services, products, and operations. Honesty, fairness, and integrity are very important to us. We will not tolerate any illegal or unethical conduct on the part of any of our officers, directors, employees, or agents.

We have identified 3 potential types of conflicts of interests¹. A conflict of interest could arise where an officer, director, employee, or agent:

- is paid a commission for services rendered;
- receives a gift from an insurer or another FSP; or
- has a personal or outside interest that might interfere with their objectivity.

6. How are we paid?

Insurers typically pay their intermediaries commission, binder fees or administration fees. The conflict of interests that arise are mitigated by the regulation and capping of commission and binder fee limits.

Our officers, directors, employees, and agents are remunerated depending on their function. Remuneration can take the form of salaries, commission, or incentive bonuses, or a combination of these. Whilst we strive to keep everyone financially motivated, we are careful not to encourage inappropriate behaviour. Our monitoring mechanisms alert us to potential abuse².

Remuneration will not give preference to:

- quantity over quality;
- a specific insurer (if multiple insurers are offered);
- a specific product (if multiple products are offered).

KSM’s key individual must approve any bonus or incentive scheme prior to being implemented³.

¹ FAIS GCOC 3A(2)(b)(i)(aa)

² FAIS GCOC 3A(2)(b)(ii)

³ FAIS GCOC 3A(2)(b)(i)(dd)

7. What do we do about gifts?

Gift giving is a natural part of being human. However, we recognise that in the business environment, the practice of giving gifts can create a conflict of interests.

Gifts fall within the FAIS definition of “immaterial financial interest”. Gifts given to or received from an insurer (or another FSP) may not exceed an aggregate amount of R1,000 per year. This includes free lunches, free golf days etc., and requires constant monitoring and tracking.

To simplify matters, KSM discourages the practice of gift giving between KSM and its insurance partners. Therefore:

- **No gifts are to be offered by KSM to any insurer or FSP (or their associates).**
- **No gifts are to be accepted by KSM from any insurer or FSP (or their associates).**

There is no general prohibition against having lunch or attending a golf day with an insurer or FSP, provided the full cost of KSM's portion or participation is borne by KSM.

Where there are any doubts about the giving or receiving of gifts, KSM's key individual⁴ must be consulted.

8. How do we handle personal or outside interests?

Not all personal or outside interests create a conflict of interests. Examples of non-conflicted activities are:

- second or part-time jobs in unrelated industries;
- hobbies that don't produce an income;
- charity work.

If there is any uncertainty about an activity, this should be discussed with line management.

Some activities pose a high risk of creating a conflict of interests. Examples are:

- working relationships with immediate family or relatives;
- working for other companies in the same industry;
- working as a supplier to KSM;
- owning shares in other companies.

All high-risk activities must be disclosed to line management. Where a personal or outside interest has the potential to create a conflict, this must be referred to KSM's key individual for an appropriate decision⁵.

9. So, what are our financial interests, and do we have associates and third-party relationships?

- Depending on the product and the insurer, we will get either commission, binder fees or administration fees from an insurer. These payments are all permissible by law and are strictly regulated. Specific remuneration details per client are declared in individual policy documents⁶.
- We do not have a holding company, nor do we have any subsidiaries (associates⁷).
- We do not own shares in any insurance companies or other FSPs (third party relationships⁸). Also, no third party owns shares in us⁹.

10. Who does this policy apply to?

This policy applies to all officers, directors, employees, agents, and suppliers of KSM. Non-compliance with this policy may lead to disciplinary action taken against the person (or persons) involved.

⁴ FAIS GCOC 3A(2)(b)(i)(dd)

⁵ FAIS GCOC 3A(2)(b)(i)(bb)

⁶ FAIS GCOC 3A(2)(b)(i)(cc)


⁷ FAIS GCOC 3A(2)(b)(iii)

⁸ FAIS GCOC 3A(2)(b)(v)

⁹ FAIS GCOC 3A(2)(b)(vi)

¹⁰ FAIS GCOC 3A(2)(b)(i)(ee)

Version history

Version	Modified Date	Approved Date	Approved By
1.0	1 August 2025	1 August 2025	 Anton Burger - Director