



Economic impact

Three key players in driving our economic impact on South Africa: Brian Wilkinson (Procurement), Derrick Msibi (Old Mutual Asset Managers) and Helen Casey (Corporate Brand Manager).

“We are extremely proud of the good work Old Mutual does by reaching out to about five million South Africans, helping them to become financially secure and reach for their dreams. We want our stakeholders to see us in the same positive light, and our senior executives engage regularly with the media, analysts, customers and other stakeholders, to understand and respond to their views.”

Khehla Mthembu, General Manager: Corporate Affairs

Economic impact

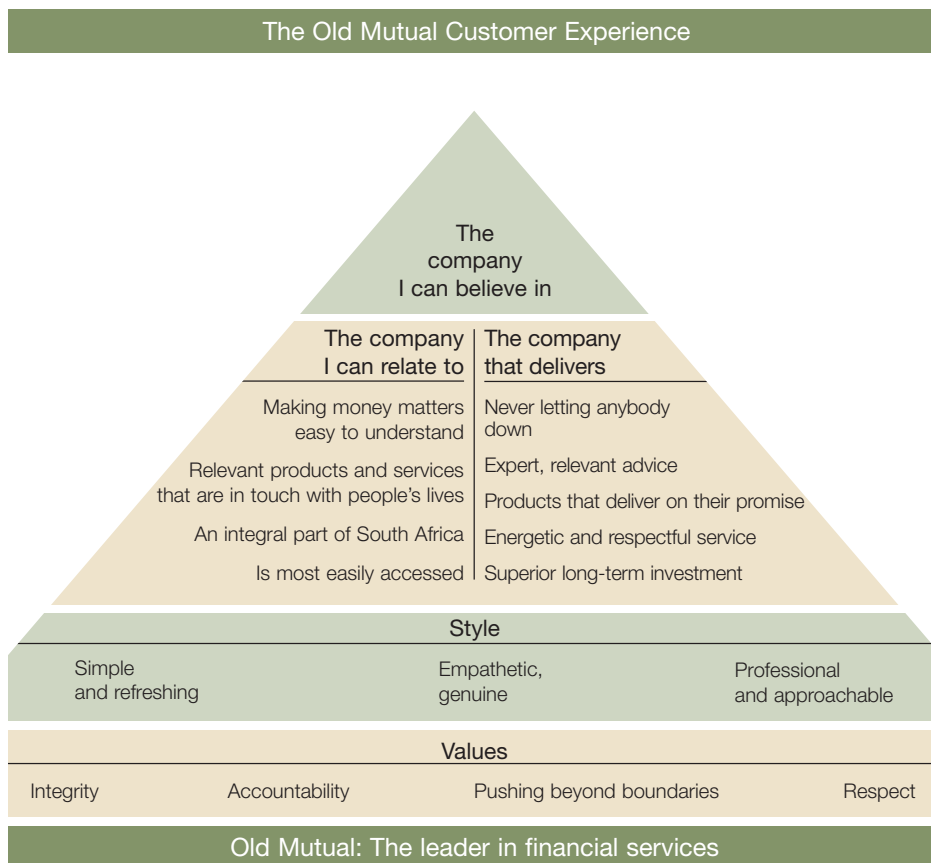
Making a difference: serving our customers

The Old Mutual experience

Old Mutual Life Assurance Company of South Africa (OMLACSA) was rated the most trusted long-term insurance provider in the country, and the second most trusted company out of 75 in the Ask Afrika Business Trust Barometer. The results were published in the Finance Week in November 2004. Similarly, OMLACSA emerged as the number one brand in the long-term insurance industry in the 2004 Sunday Times/Markinor Top Brands Survey published in the Sunday Times newspaper.

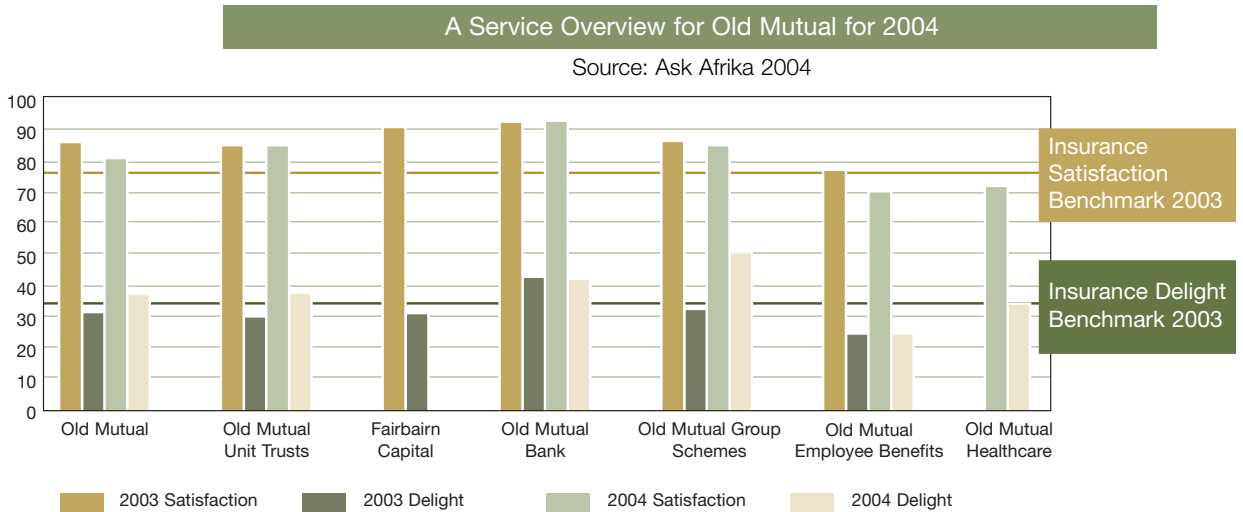
To maintain this success we carefully consider research among clients and potential clients, from various age and interest groups to ensure that the Old Mutual brand remains relevant.

Old Mutual strives to be a company that delivers on its customers' expectations in the most relevant manner for each business segment. The following graphic represents the experience we would like every one of our customers to have of Old Mutual.



Customer service and delight

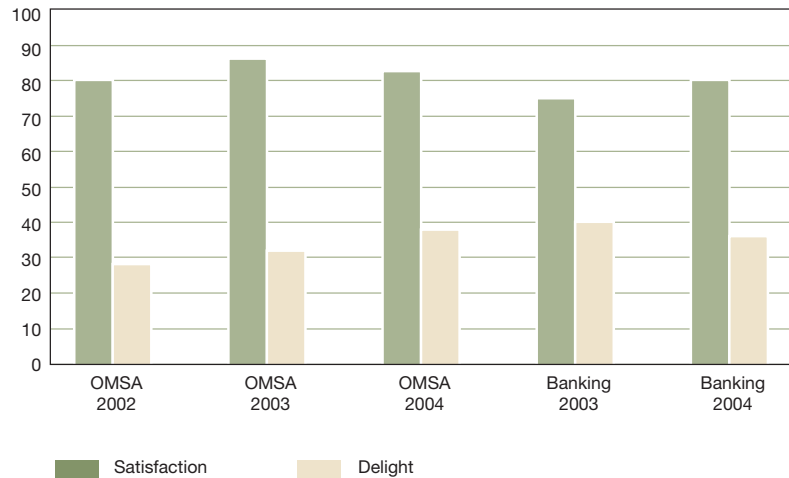
The following graph provides an overall view of the “satisfaction” and “delight” levels for the various Old Mutual businesses for 2004, based on external surveys.



Old Mutual Customer Services – Comparative Progress



Jerry van Niekerk is Executive General Manager in charge of Customer Services. The Internal Ombudsman reports to Jerry.



Old Mutual measures six service attributes: responsiveness; efficiency; warmth and courtesy; accountability and ownership; reliability; and demonstrate and show. External measures indicate that the group measures highest for warmth and courtesy, and is weakest in responsiveness.

The decline in customer service delivery represented one of the more significant challenges in Old Mutual and resulted in a singular focus by executive management to resolve the problem.

To ensure that the customer service team remains committed to the improvement of the group’s service offering, their incentive schemes will remain linked to the results of external surveys on customer service such as those conducted by Ask Afrika.

To further encourage the implementation of benchmark-beating levels of service that are required to move Old Mutual into service greatness, the company will continue to partner with the Disney Institute for quality service in Orlando, Florida. For the third year Old Mutual will send a delegation of service professionals for training at the Institute.

The customer service focus remains on the improvement of capacity and the development of people skills to ensure an enhanced customer service experience for Old Mutual customers.

The Internal Ombudsman

In a groundbreaking move to improve our service to customers, in 2001 the Old Mutual Internal Ombudsman was appointed to speed up the resolution of customer complaints. In 2003 58.2% of complaints were settled in favour of the customer, and last year the figures were as follows: 2 799 cases were referred to the Internal Ombudsman's office; 301 cases were adjudicated and 37% found to be wholly or partly in favour of the customer – this compares favourably with the 39% recorded by the industry Ombudsman.

Customers retain the option of referring their complaints to the industry Ombudsman, ensuring added protection and enhanced dispute resolution.

The Unclaimed Shares Trust

When Old Mutual demutualised, policyholders who qualified for an allocation of free shares in the new listed company were required to first confirm their particulars with Old Mutual before they could claim them. Those shares that remained unclaimed at the time of the stock exchange listing were placed in the Unclaimed Shares Trust and a Board of Trustees was appointed to manage the Trust.

On 1 January 2004 there were 276 000 shareholders who had not yet claimed their free shares.

In terms of the Demutualisation Scheme and Trust Deed qualifying members had five years from the date of listing to claim their free shares. This period expired in August 2004. Under the terms of the Scheme, the shares remaining in the initial Unclaimed Shares Trust at that date were to be sold and the proceeds, together with accumulated dividends and interests, paid to Old Mutual plc.

In order to give unconfirmed holders a further opportunity to claim their free shares, Old Mutual plc submitted a proposal at its Annual General Meeting (AGM) in May 2004 to extend the period to claim for a further two years. In addition, it was proposed that a new Unclaimed Shares Trust be set up to hold the shares during this period. The proposal was accepted. Consequently, members who confirm their details up to August 2006 will be allocated their free shares. They will however not qualify for dividends that have accrued prior to August 2004 and for dividends accruing thereafter until confirmation. The accumulated dividends and interest in the old Trust were paid to Old Mutual plc, while future dividend receipts to the extent required will be used to defray the cost of contacting and confirming holders who have to date failed to claim their free shares. The remaining dividends will be waived.

An amount equal to the amount paid to Old Mutual when the old Trust was wound up (R190 million) will be donated to good causes.

Efforts to trace the holders of unclaimed shares were intensified during 2004. The response to those efforts were very positive, resulting in the confirmation of over 71 000 unconfirmed holders, holding 26 million shares. The various initiatives created an enormous response from the general public, resulting in a large number of telephone enquiries, peaking at 58 000 calls received in July 2004. An amount of R69 million, representing accumulated dividends and interest earned on the shares claimed before the August cutoff date, was also paid out.

Intense efforts to trace unconfirmed members will continue for the next two years.



Shane Felix is an Old Mutual client based in Bellville who contacted the Old Mutual Group Schemes call centre to complain about a faulty debit order. His complaint was not immediately dealt with, leading to an internal investigation and eventually the creation of the "Today's Work Today" programme. The programme reaffirmed accountability as a core company value and directly addressed the issue of ownership of a problem. The successful programme has resulted in fewer follow-up calls from clients and fewer complaints being reported through the call centres.



Five Old Mutual MD Award winners for outstanding customer service on their way to the Disney Institute in 2005: (l to r) Haroon Jones, Shawn George, Estelle Moore, Celeste Amon and Zaibunissa Cassiem.

Meeting customer needs through product innovation

- In 2004 Old Mutual released Max Investments, a product range designed to provide personalised long-term investment solutions to customers in the middle- and higher-income segments. Max Investments is appropriate for the changing economic environment of lower inflation, lower interest rates, and higher interest exemptions.

The product features no initial charges, payment flexibility in the select investment plan, opportunities to maximise tax efficiency, premium protection benefits, and the asset management skills of Old Mutual Asset Managers.

Premiums start at R250 per month over a ten-year term, or R500 per month if the investment horizon is less than 10 years. Lump sums start at R10 000.

- The burial society-based product introduced in 2002/2003 to support burial societies by underwriting the risk they carry has continued to receive strong support, as has the Family Support Services value-add to assurance portfolios. The Service offers transportation of the deceased to the final funeral home closest to the burial place; HIV/AIDS support and counselling; a 30-minute consultation with an attorney; and a health support benefit that offers advice on health issues, emergency medical advice and counselling.
- During 2004 Old Mutual was party to a decision by the industry representative body, the Life Offices Association (LOA), to do away with HIV exclusion clauses from new business written from January 2005. This means that people who test HIV-negative at the inception of the policy but who later contract the disease will have their contracted benefits paid to beneficiaries. New products will be subject to normal underwriting requirements where necessary, including HIV testing.