

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF  
SECTION 10(3), READ WITH SECTION 10A OF THE FINANCIAL  
SERVICES BOARD ACT, 97 OF 1990**

CASE NO: **45/2011**

In the matter of:

**THE REGISTRAR OF LONG-TERM INSURANCE**

Applicant

and

**REGENT LIFE ASSURANCE COMPANY LIMITED**

Respondent

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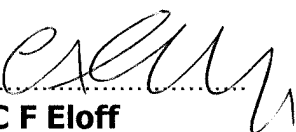
**ORDER**

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WITH DUE CONSIDERATION to the settlement agreement (attached marked annexure "A") in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, I hereby determine that the Respondent contravened Rules 5.1(a)(i) and 9 of the Policyholder Protection Rules, promulgated in terms of section 62 of the Long-Term Insurance Act, No 52 of 1998, and section 48 of the Long-Term Insurance Act, and impose a penalty of R100 000. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

I make no order regarding costs.

Signed at **PRETORIA** on the .....<sup>10</sup>..... day of April 2012.



**C F Eloff**

**Chairperson of the Enforcement Committee**

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OF SECTION 10(3), READ WITH 10A OF THE FINANCIAL  
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CASE NO: **45/2011**

In the matter of:

**THE REGISTRAR OF LONG-TERM INSURANCE** Applicant

and

**REGENT LIFE ASSURANCE COMPANY LIMITED** Respondent

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**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a)  
OF THE FINANCIAL INSTITUTIONS (PROTECTION OF  
FUNDS) ACT, 28 OF 2001**

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**1. The parties to the agreement**

1.1. The Applicant is the Registrar of Long-Term Insurance ("the Registrar") herein represented by Jonathan Ian Dixon in his capacity as the Deputy Registrar of Long-Term Insurance.

1.2. The Respondent is Regent Life Assurance Company Limited, a company duly incorporated in accordance with the laws of the Republic of South Africa, bearing registration number 1994/001332/06. The Respondent is licensed to carry long-term insurance business in terms of section 9 of the Long-Term Insurance Act, No 52 of 1998 ("Long-Term Act").



- 1.3. The Respondent is represented by J J Strydom, in his capacity as the Chief Executive Officer of Regent, who warrants that he is authorised by the Respondent to conclude this agreement.

## 2. **Background to the agreement**

- 2.1. The Respondent entered into an agreement with Gertel Algemene Handelaars t/a Multi Brokers (Multi Brokers) on 15 September 2008. In terms of the aforesaid agreement the Respondent issued life policies as contemplated in section 1 of the Long-Term Act to clients of Multi Brokers.
- 2.2. The aforesaid policies were issued as part of a funeral scheme operated by Multi Brokers. On 31 January 2010 the agreement was terminated by the Respondent.
- 2.3. In this instance, Multi Brokers acted as a financial services provider as contemplated in section 1 of the FAIS Act, without being authorised to do so, in contravention of section 7(1) of the FAIS Act. As a result, the Applicant referred Multi Brokers to the Enforcement Committee of the Financial Services Board, and a penalty of R45 000 was imposed.



### 3. The contraventions

#### 3.1. Rule 5.1(a)(i) of the Policyholder Protection Rules

3.1.1. It is agreed between the parties that the Respondent contravened Rule 5.1(a)(i) of the Policyholder Protection Rules, promulgated in terms of section 62 of the Long-Term Act, in that it entered into an agreement in connection with its insurance products with Multi Brokers, whilst labouring under the belief that Multi Brokers was authorised and licenced as an authorised financial services provider, when in fact Multi Brokers was not authorised to render financial services.

#### 3.2. Section 48 of the Long-Term Act

3.2.1. It is agreed between the parties that the Respondent contravened section 48 of the Long-Term Act in that it entered into a long-term policy with one Mrs Mmerotho Martha Molefe ("Molefe") during June 2009 and failed to provide the information to Molefe as prescribed in section 48 of the Long-Term Act.



### 3.3. Rule 9 of the Policyholder Protection Rules

3.3.1. It is agreed between the parties that the Respondent contravened Rule 9 of the Policyholder Protection Rules, promulgated in terms of section 62 of the Long-Term Act, in that it conducted business with Multi Brokers without having entered into a written agreement with Multi Brokers.

## 4. The mitigating circumstances

4.1. It is recorded that:

4.1.1. The Respondent accepted full responsibility for the contravention, fully co-operated with the Registrar's investigation and the enforcement action;

4.1.2. The contravention occurred as a result of a *bona fide* oversight by the Respondent, and the Respondent took extensive steps to amend its internal procedures to avoid a recurrence of the incident; and

4.1.3. There was no prejudice or harm to any policyholders.



## 5. The agreed penalty

- 5.1. In the light of the above, and in terms of section 6B(7)(a) of the FI Act, the parties have agreed that the Respondent will pay a penalty of R100 000 in settlement of the matter.
- 5.2. It is further agreed that the case be referred to the Honourable Enforcement Committee, and the Honourable Enforcement Committee is requested to make this settlement agreement an order as contemplated in section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 ("the FI Act").

## 6. Other conditions

- 6.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement. If the Enforcement Committee declines to make this agreement an order, then in such event this agreement will be null and void.



- 6.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the Financial Services Board ("FSB") to proceed with legal proceedings, the Respondent herewith consents to pay all legal costs to the FSB on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.
- 6.3. No leniency or postponement given by the FSB to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the parties. Any leniency or postponement granted by the Registrar or any amendment to this Agreement shall not be a novation of the cause of action in terms whereof the Respondent was found to have contravened the Act.
- 6.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.
- 6.5. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty, and payment of such penalty shall be in full and final settlement.

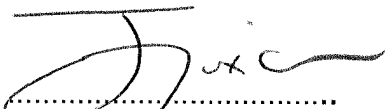


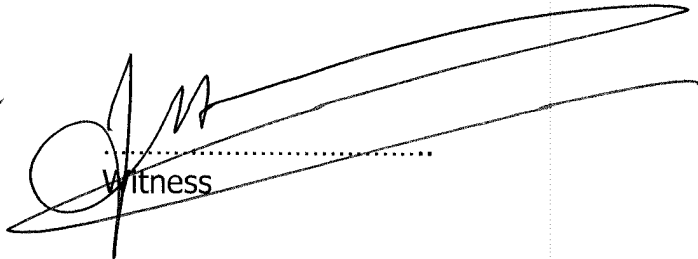
6.6. The parties choose as their *domicilium citandi et executandi* their respective addresses set out below for all purposes arising out of or in connection with this agreement at which addresses all the processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties. For the purpose of this agreement the parties' respective addresses shall be:

The Applicant  
Financial Services Board  
Block B, Riverwalk Office Park  
41 Matroosberg Road  
Ashlea Gardens ext 6  
Pretoria  
0081

The Respondent  
146 Boeing Road East  
Elma Park  
Edenvale  
1609  
Marked for the attention of the: Chief Executive Officer

Signed at PRETORIA on ..... 5 April 2012 ..... on behalf of the Registrar.

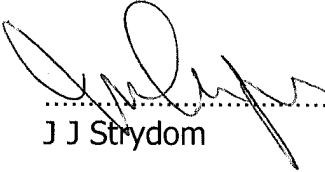
  
.....  
JI Dixon

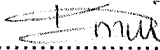
  
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Witness





Signed at Edenvale on 20 March 2012 on behalf of the Respondent.

  
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J J Strydom

  
.....  
Witness

