

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

CASE NO:10 /2011

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE Applicant

and


THE HOLLARD INSURANCE COMPANY LIMITED Respondent

ORDER

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 section 45 of the Short-Term Insurance Act, No 53 of 1998 (Act) read with regulations 4.1 and 4.2 of the Act and impose a penalty of R70 000 to be paid on or before 15 July 2011. 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 4 July 2011.



C. F. Eloff

Chairperson of the Enforcement Committee.

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SECTION 10(3), READ WITH 10A OF THE FINANCIAL SERVICES
BOARD ACT, 97 OF 1990**

CASE NO: 10/2011

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE Applicant

and

THE HOLLARD INSURANCE COMPANY LIMITED Respondent

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

PARTIES TO THE AGREEMENT

1. The parties to this agreement are the Registrar of Short-Term Insurance ("the Registrar") herein represented by Jonathan Ian Dixon in his capacity as the Deputy Registrar of Short-Term Insurance;

and

The Hollard Insurance Company Limited bearing registration number 1952/003004/06 ("Hollard"), herein represented by Fiona Margaret Harris in her capacity as the public officer of Hollard.

WHEREAS

2. Hollard is a registered short-term insurer, which underwrites short-term insurance policies and receives premiums in respect thereof.
3. The Registrar is of the opinion that Hollard contravened section 45 of the Short-Term Insurance Act, No.53 of 1998 ("the Act") read with regulations 4.1 and 4.2 of the Act.
4. Hollard wishes to enter into a settlement agreement with the Registrar as contemplated in section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 ("the FI Act").

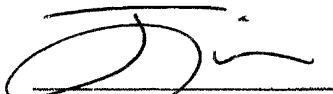
NOW THEREFORE IT IS AGREED AS FOLLOWS

5. It is agreed between the parties that Hollard contravened section 45 of the Act read with regulations 4.1 and 4.2 of the Act in that during the period 01 November 2008 to 31 March 2011 Hollard permitted 173 independent intermediaries to receive, hold and deal with premiums payable to Hollard in relation to short-term policies, without such independent intermediaries providing security in the form of a guarantee policy issued by a short-term insurer or a

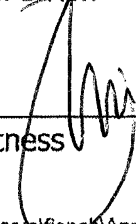
contractual guarantee provided by a bank as prescribed in regulations 4.1 and 4.2 of the Act.

6. In the light of the above, the parties have agreed that Hollard will pay a penalty of R70 000 on or before 15 July 2011, in settlement of the matter.
7. If Hollard does not comply with the terms of this agreement and the Registrar institutes legal proceedings to enforce the agreement, Hollard consents to pay all legal costs to the Registrar on the Attorney and Client scale.
8. Any receipt of a payment by the Registrar after the due date shall be without prejudice to any of the rights of the Registrar.
9. The parties humbly request that the Honorable Chairperson makes the settlement an order, as envisaged in section 6B(7)(b) of "the FI Act".

Signed at PRETORIA on 1 July 2011 on behalf of the Registrar.



J. I. Dixon

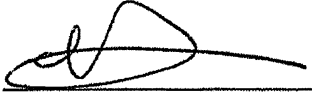


Witness

Signed at PARKTOWN on 27 JUNE 2011 on
behalf of The Hollard Insurance Company Limited



F. M. Harris



Witness