

**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: **09/2013**

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE Applicant

and

THE LAWYERS VOICE (PTY) 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 7(1)(a) of the Short-Term Insurance Act, No 53 of 1998, and impose a penalty of R600 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 ²⁹..... day of **June 2013**.


.....
C F Eloff

Chairperson of the Enforcement Committee

**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: 9/2013

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE

The Applicant

and

THE LAWYERS VOICE (PTY) LIMITED

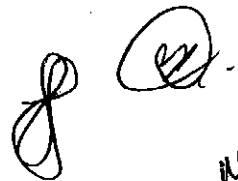
Respondent

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

1. The parties

1.1. The parties to the agreement are the Registrar of Short-term insurance ("the Registrar") herein represented by Jonathan Dixon; and

1.2. The Lawyers Voice (Proprietary) Limited ("Lawyers Voice") a registered private company as contemplated in the Companies Act 71 of 2008, (registration number 1997/016654//07).


NP H

- 1.3. Lawyers Voice is herein represented by Ms Zodwa Phungula ("Ms Phungula") an adult female businesswoman with identity number 7201160303084, in her capacity as a Director and Key Individual of Lawyers Voice. Ms Phungula confirms that she is duly authorized to enter into this agreement.

2. The contravention

During the period 1 November 2008 to 30 April 2013, Lawyers Voice marketed and sold three different short-term insurance policies to the members of the public, namely a basic family cover, a professional cover and legal cover for taxi owners.

2.2. During the same period, Lawyers Voice collected premiums in respect of the aforementioned insurance policies and did not pay over the premiums collected to an insurer. Instead Lawyers Voice used the premiums to pay business expenses and settle claims.

2.3. Lawyers Voice undertook to provide policy benefits to policyholders in respect of the aforementioned short-term insurance policies..

 
NP
A.A.

2.4. These short-term insurance policies were not underwritten by a registered insurer.

2.5. Notwithstanding the above, Lawyers Voice was not a registered insurer as contemplated in section 7 of the STI Act.

2.6. Therefore, Lawyers Voice contravened section 7(1)(a) of the Short-Term Insurance Act, no 53 of 1998 ("the STI Act").

3. The mitigating circumstances

3.1. It is agreed that the following mitigating circumstance is present in this matter:

3.1.1. After having been made aware of the contravention Lawyers Voice has put measures in place to rectify same in that it secured a registered insurer to underwrite the business submitted by it from 1 May 2013.

4. The agreed penalty

4.1. In the light of the above, and in terms of section 6B (7) (a) of the Financial Institutions (Protection of Funds) Act, No 28 of

Handwritten signature and initials, possibly 'NP' and 'A.F.', written in black ink.

NP
A.F.

2001, the parties have agreed that Lawyers Voice will pay a penalty of R600 000 in settlement of the matter.

4.2. The parties humbly request that the Honorable Chairperson makes the settlement an order, as envisaged in section 6B (7) (b) of the Financial Institutions (Protection of Funds) Act.

5. Other conditions

5.1. 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.

5.2. If Lawyers Voice does not comply with the terms of this agreement and it is necessary for the FSB to proceed with legal proceedings, Lawyers Voice 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.

 
NP
17-07.

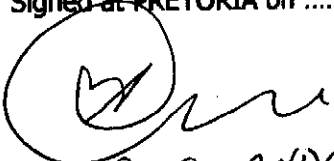
5.3. No leniency or postponement given by the FSB to Lawyers Voice or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the parties.

5.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.


5.5. This Agreement shall not be a novation of the cause of action in terms whereof Lawyers Voice was found to have contravened the Act.

5.6. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

Signed at PRETORIA on 11 June 2013

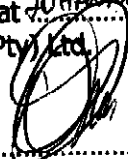

G. E. ANDERSON

on behalf of

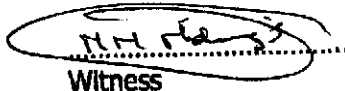
J Dixon

Witness

NP
11.07

Signed at 104th Ave Bldg on 10th June 2013 on behalf of Lawyers
Voice (Pty) Ltd.



.....
Ms Phungula



.....
Witness