

**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: **05/2014**

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE Applicant

and

**AIRBORNE INSURANCE CONSULTANTS (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 8(2)(d) of the Short-Term Insurance Act, No 53 of 1998, 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 10 **APRIL 2014.**



C F Eloff
Chairperson of the Enforcement Committee

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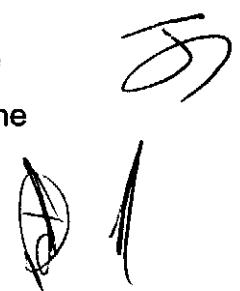
**AIRBORNE INSURANCE CONSULTANTS (PTY)
LIMITED**

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 Applicant is the Registrar of Short Term Insurance ("the Registrar") herein represented by Jonathan Ian Dixon.
- 1.2. The Respondent is Airborne Insurance Consultants (Pty) Limited.
- 1.3. ("Airborne") a duly registered public company as contemplated in the Companies Act 71 of 2008, (2005/017491/07). The Respondent is an authorised financial services provider, in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002, with FSP number 22150.
- 1.4. Airborne is herein represented by Mr Scott Smith ("Smith") the key individual and director of Airborne and who warrants that he is authorised by the Respondent to conclude this agreement.

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2. The contraventions

- 2.1. It is agreed between the parties that Airborne contravened section 8(2)(d) of the Short-Term Insurance Act, No 53 of 1998 (STIA) in that Airborne rendered intermediary services to four policy holders whilst:
- 2.1.1. the insurer was not a registered short-term insurer under the STIA in terms of the short-term policies concerned;
 - 2.1.2. Lloyd's underwriters were not the underwriters in terms of the short-term policies concerned; and
 - 2.1.3. Without the approval of the Registrar as required in terms of section 8(2)(d) of the STIA.

3. The mitigating circumstances

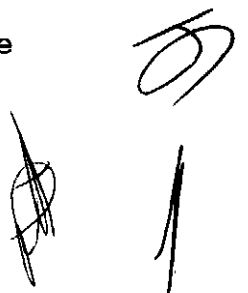
- 3.1. It is also been agreed that the following mitigating factors are relevant to the matter:
- 3.1.1. No loss was suffered by policy holders as a result of the contravention;
 - 3.1.2. Airborne's contraventions were not *mala fide* but negligent in that it failed to ensure that its internal controls functioned properly;
 - 3.1.3. All the policy holders have since been placed with approved insurers; and
 - 3.1.4. Airborne fully cooperated with the Registrar during the enforcement process.
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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 2001, the parties have agreed that Airborne will pay a penalty of R100 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 Airborne does not comply with the terms of this agreement and it is necessary for the FSB to proceed with legal proceedings, Airborne 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.
- 5.3. No leniency or postponement given by the FSB to Airborne 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.

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

- 5.6. This agreement constitutes the whole agreement between the parties in respect of the contraventions referred to in 2 above and the penalty.

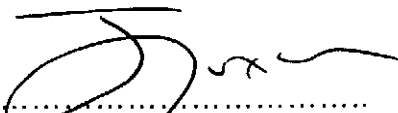
- 5.7. The parties choose as their *domicilium citandi et executandi* their respective address set out below for all purposes arising out of or in connection with this agreement at which addresses all the processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties. However the notice contemplated in terms of section 6E of the FI Act may be delivered by electronic email. For the purpose of this agreement the parties' respective addresses shall be:


5.7.1. Financial Services Board:

Johannes.vandeventer@fsb.co.za

5.7.2. Respondent:

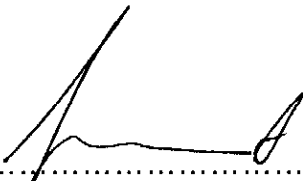
Signed at Pretoria on 7 April 2014 on behalf of the Applicant.



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Jonathan Dixon


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Witness



Signed at Broadacres on 4 April 2014 on behalf
of the Respondent.


.....
Scott Smith


.....
Witness

