

**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: 08/2014

In the matter of:

THE REGISTRAR OF LONG-TERM INSURANCE

Applicant

and

**THUSO BURIAL SCHEME CC
(Registration number 2003/074078/23)**

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) of the Long-term Insurance Act, No 52 of 1998.

I hereby impose a penalty of R100 000 (one hundred thousand Rand) in settlement of the matter. Said penalty must be paid on or before 6 June 2014.

The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

Signed at **PRETORIA** on the^{6th} day of **MAY 2014**


.....
C F Eloff

Chairperson of the Enforcement Committee

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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 Long-term Insurance ("applicant") herein represented by Mr Jonathan Dixon in his capacity as the Deputy Registrar of Long-term Insurance; and

1.2. Thuso Burial Scheme CC ("respondent"), herein represented by Mr Sonwabile Tinga in his capacity as member of the Respondent.

2. Contravention of section 7(1) of the Long-term Insurance Act, No. 52 of 1998 (LTI Act)

2.1. It is agreed between the parties that the respondent contravened section 7(1) of the LTI Act in that, from on or about January 2012 until on or about February 2013 ("relevant period"), the respondent carried on long-term

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insurance business in partnership with Business Zone under the name and style of "Lilitha Financial Services" by offering and providing policy benefits to students of the Walter Sisulu University in terms of a group life scheme policy. This group scheme policy was not underwritten by a registered long-term insurer. Furthermore, the respondent is not a registered long-term insurer.

3. Mitigating circumstances

- 3.1. It is agreed that the following mitigating factors are relevant to the matter:
- 3.1.1. The respondent co-operated with the investigations that preceded these proceedings;
 - 3.1.2. The respondent accepted responsibility for the contravention;
 - 3.1.3. During the relevant period, the respondent received claims, which claims were settled. No policyholder suffered any loss;
 - 3.1.4. The respondent took steps to correct their situation. It now has an underwriter; and
 - 3.1.5. The respondent's operational costs (salaries, office space) were more than what they received from the university.

4. The agreed penalty

- 4.1. In terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the parties agreed that the respondent will pay a penalty of R100 000 (one hundred thousand rand) in settlement of the matter. Said penalty must be paid on or before 6 June 2014.
- 4.2. No order is made in relation to costs in terms of section 6D(5) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001.



4.3. 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;

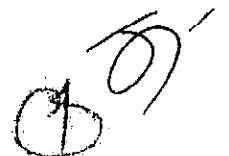
5.2. If the respondent fails to comply with the terms of this agreement and it is necessary for the Financial Services Board (FSB) to proceed with legal proceedings, the respondent herewith consents to pay all legal costs to the FSB on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax;

5.3. 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;

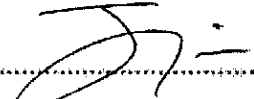
5.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB;

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

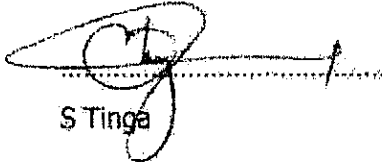
5.6. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.



Signed at PRETORIA on 30 April 2014 on behalf of the Applicant


.....
J. Dixon

Signed at East London on 24 April 2014 on behalf of Thuso Burial Scheme
CC


.....
S. Tinga