

**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: **05/2011**

In the matter of:

**THE REGISTRAR OF LONG TERM INSURANCE**      The Applicant  
and

**MAHUHULI FUNERAL SERVICES CC**                      First Respondent

**MAKHOKOLOTSO ANNA MOLAI**                      Second Respondent

---

**ORDER**

---

WITH DUE CONSIDERATION to the settlement agreement in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, I hereby determine that the Respondents have contravened section 7 (1) of the Long – Term Insurance Act, 52 of 1998 and impose a penalty of R15 000 (Fifteen Thousand Rands) on the Respondents. I order the Respondents to be jointly and severally liable for the said R15 000.

I make no order regarding costs.

Signed at **PRETORIA** on the ..... day of **MAY 2011**.

  
.....  
**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: **05/2011**

In the matter of:

**THE REGISTRAR OF LONG TERM INSURANCE**      The Applicant  
and

**MAHUHULI FUNERAL SERVICES CC**                      First Respondent

**MAKHOKOLOTSO ANNA MOLAI**                      Second Respondent

---

**ORDER**

---

WITH DUE CONSIDERATION to the settlement agreement in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, I hereby determine that the Respondents have contravened section 7 (1) of the Long – Term Insurance Act, 52 of 1998 and impose a penalty of R15 000 (Fifteen Thousand rands) on the Respondents. I order the Respondents to be jointly and severally liable for the said R15 000.

I make no order regarding costs.

Signed at **PRETORIA** on the ..... day of **APRIL 2011**.

.....  
**C F Eloff**  
**Chairperson of the Enforcement Committee**

**SETTLEMENT AGREEMENT AS ENVISAGED IN TERMS OF SECTION  
6B(7)(a) OF THE FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS)  
ACT, NO 28 OF 2001**

Entered into between:

**JONATHAN IAN DIXON**

In his capacity as the Registrar of Long-Term Insurance  
(Hereinafter referred to as the "Registrar")

and

**MAKHOKOLOTSO ANNA MOLAI**

Id no. 530722 0776 086  
(Hereinafter referred to as the "first respondent")

and

**MAHUHULI FUNERAL SERVICES CC**

A close corporation incorporated at such with registration no 2006/103277/23  
(Hereinafter referred to as the "second respondent")

**WHEREAS** Jonathan Ian Dixon is the Deputy Executive Officer of Insurance, and  
as such the Registrar of Long-Term Insurance as envisaged in section 2 of the  
Long-Term Insurance Act No 52 of 1998 ("the Act"), read with the definition of  
"Registrar" in section 1 of the Act; and

M.A.  
J

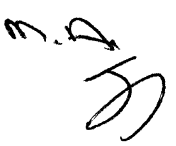
The second respondent is a close corporation providing funeral insurance services to the public in Phuthaditjhaba in the Free State province, including the marketing of funeral insurance policies; and

The first respondent is a member, and for all intents and purposes, during the period relevant to this settlement agreement, the first respondent was in complete control of the business of the second respondent; and

The funeral insurance policies of the policyholders of the second respondent were underwritten by KGA Life Limited (KGA), a registered long-term insurer, until 1 December 2008, at which stage KGA cancelled its underwriting agreement with the second respondent; and

Second respondent only managed to enter into an underwriting agreement with another registered long-term insurer, namely Channel Life Limited, to underwrite its clients with effect from 1 September 2010; and

Consequently, from 1 December 2008 to 1 September 2010 the policies issued to the second respondent's clients were not underwritten by a registered insurance company; and



During this period, the respondents collected insurance premiums from their clients, processed insurance claims and paid insurance claims; and

The respondents are not a registered long-term insurer and are not authorised to carry on long-term insurance business; and

In doing so, the respondents contravened section 7(1) of the Act therein that they carried on the business of long-term insurance, without being registered by the Financial Services Board (FSB) as a long-term insurer, and without being authorised to do so.

**AND WHEREAS**

The Registrar of Long-Term Insurance directed that the matter be referred to the Enforcement Committee for the imposition of an administrative penalty; and


The respondents have agreed to pay an administrative penalty in an amount of R15 000 (Fifteen Thousand Rands).

The parties wish to request the Enforcement Committee to incorporate this agreement in any order which it may make;

M.A.  


**NOW THEREFORE** the parties agree as follows:

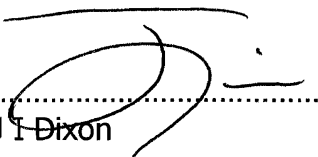
1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement. In such event this agreement will be null and void and neither party will have any rights or obligations in terms hereof.
2. The respondents agree that they are liable, jointly and severally, to pay a penalty in the amount of R15 000 to the FSB.
3. If the respondents do not comply with the terms of this agreement and it is necessary for the Registrar to proceed with legal proceedings, the respondents herewith consent to pay all legal costs to the Registrar on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.
4. No leniency or postponement given by the Registrar to the respondents 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.



M. A.

5. Any receipt of a payment by the Registrar after the due date shall be without prejudice to any of the rights of the Registrar.
  
6. The respondents hereby renounce all benefits from the exceptions *non numeratae pecuniae, non cause debiti, revision of accounts, errore calculi*, and, where applicable *de duobus vel pluribus reis debendi* and declare that they fully understand the meaning, force and effect of these renunciations.
  
7. This Agreement shall not be a novation of the cause or causes of action in terms whereof the respondents were found to have contravened the Act.
  
8. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

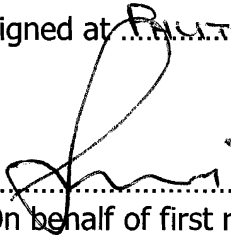
Signed at ..... Pretoria ..... on the ..... 25<sup>th</sup> ..... day of March 2011 on behalf of the FSB.


  
.....  
J I Dixon

  
.....  
Witness

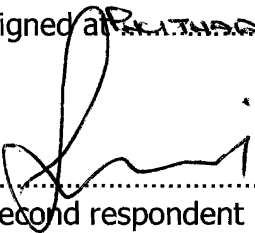


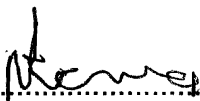
Signed at ~~PALU, TANA TIDJARA~~ on the ~~07~~ <sup>April</sup> day of ~~March~~ 2011.

  
.....  
On behalf of first respondent

  
.....  
Witness

Signed at ~~PALU, TANA TIDJARA~~ on the ~~14~~ <sup>APRIL</sup> day of ~~March~~ 2011.

  
.....  
Second respondent

  
.....  
Witness

