

## FSCA Press Release

25 April 2019

### **FSCA warns the public against Dikwena Funeral Parlour CC and Dikwena Funeral Parlour (Pty) Ltd (Dikwena).**

The Financial Sector Conduct Authority (“FSCA”) would like to warn the public to act with caution when dealing with Dikwena (FSP No. 43519) as the entity is unlawfully conducting unregistered long-term insurance business by selling and offering funeral policies to its funeral policyholders and general members of the public. It should be noted that Dikwena is authorised in terms of the Financial Advisory and Intermediary Services Act, 2002 (“FAIS Act”), to only render financial advisory and intermediary services in respect of long-term insurance subcategory A (“assistance policies”). The funeral insurance business involved an undertaking by Dikwena to its policyholders to provide funeral services upon death of a life insured in return for a premium.

In terms of Section 7(1) of the Long-Term Insurance Act, No. 52 of 1998 (“LTI Act”), no person shall carry on any kind of long-term insurance business, unless that person is registered or deemed to be registered as a long term insurer, and is authorised to carry on the kind of long-term insurance business concerned, under the LTI Act. Dikwena is not a registered Long-term insurer. Consequently, Dikwena’s funeral insurance business is by law required to be underwritten by a registered long-term insurer. The FSCA has evidence that Dikwena has deliberately failed to ensure that its funeral insurance business is entirely underwritten by a registered long-term insurer. Dikwena’s failure to ensure that its funeral insurance business is underwritten by a registered long-term insurer left the policyholders unprotected and posed a risk to potential policyholders.

The FSCA again reminds consumers who wish to conduct financial services with an institution or person to check beforehand with the FSCA on either the toll free number (0800 110 443) or on the website [www.fsc.co.za](http://www.fsc.co.za) as to whether or not such institution or

person is authorised to render financial services, and in particular which financial products are they licensed for.

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