

NOTICE 1215 OF 2009**FINANCIAL SERVICES BOARD****NOTICE ON PROPOSED VARIATION OF
POLICYHOLDER PROTECTION RULES (LONG-TERM INSURANCE), 2004**

I, Dube Phineas Tshidi, Registrar of Long-term Insurance, after consultation with the Advisory Committee on Long-term Insurance, hereby under section 62(3) of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), give notice of an intention-

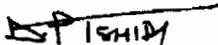
- (a) to promulgate a variation of Rule 16 of the Policyholder Protection Rules (Long-term Insurance), as published by **GN No. R. 1129 in Gazette No. 26854 of 30 September 2004** and set out in Schedule A hereto;
- (b) to submit, under section 62(4) of the said Long-term Insurance Act, 1998, the proposed variation to the Rule together with all written representations received and my comments and those of the said Advisory Committee thereon to the Minister of Finance for consideration under section 62(5) of the said Act.

An explanatory note on the proposed variation of Rule 16 is set out in Schedule B hereto.

All interested persons are invited to make representations on the proposed Rule variation. All representations must be sent to the address below and must reach the Registrar within 30 days of publication of this Notice:

Attention: Ms M van Zyl
Financial Services Board
PO Box 35655
MENLO PARK
0102
Facsimile: (012) 347 1290
E-mail: melonlev@fsb.co.za

The Policyholder Protection Rules (Long-term Insurance) are available on the Financial Services Board's web site at <http://www.fsb.co.za>.



DP Tshidi,
Registrar of Long-term Insurance

FOR CONSULTATION

SCHEDULE A

NATIONAL TREASURY

VARIATION OF POLICYHOLDER PROTECTION RULES (LONG-TERM INSURANCE), 2004

Section 62, Long-term Insurance Act, 1998

The Minister of Finance hereby under section 62(5) of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), promulgates the variation of the Policyholder Protection Rules (Long-term Insurance), 2004, proposed by the Registrar of Long-term Insurance after consultation with the Advisory Committee on Long-term Insurance, as set out in the Schedule.

This Notice comes into operation on 1 January 2010.

Pravin J Gordan
Minister of Finance

SCHEDULE

VARIATION OF POLICYHOLDER PROTECTION RULES (LONG-TERM INSURANCE), 2004

Section 62, Long-term Insurance Act, 1998

Interpretation

1. In this Schedule "the Rules" means the Policyholder Protection Rules (Long-term Insurance), 2004, as published by GN No. R. 1129 in *Gazette* No. 26854 of 30 September 2004.

Variation of Rule 16

2. The following Rule is hereby substituted for Rule 16 of the Rules:

"Decisions relating to claims and time limitation provisions for the institution of legal claims"

- 16.1 (a) An insurer must accept, reject or dispute the quantum of any claim under a policy within a reasonable period after receipt of a claim.
- (b) An insurer must within 10 days of taking any decision referred to in paragraph (a), in writing, notify the policyholder of its decision.
- (c) If the insurer rejects or disputes the quantum of a claim, the notice referred to in paragraph (b) must inform the policyholder -
- (i) of the reasons for the decision;
 - (ii) that the policyholder may within a period of not less than 90 days after the date of receipt of the notice make representations to the relevant insurer in respect of the decision;