



MEDIA STATEMENT

REQUEST FOR PUBLIC COMMENTS AFTER TABLING OF THE INSURANCE LAWS AMENDMENT BILL, 2013

The National Treasury (“NT”) today publishes the Insurance Laws Amendment Bill, 2013 (“the Bill”) and requests the public to submit comments to the NT by 31 July 2013. The Bill was approved by Cabinet at its meeting of 29 May 2013 and tabled in Parliament on 21 June 2013. It is expected that Parliament will also request public comments be sent to it directly.

The Bill proposes amendments to the Long-term Insurance Act No. 52 of 1998 (“the LTIA”) and the Short-term Insurance Act No. 53 of 1998 (“the STIA”). These amendments are aimed at addressing interim measures relating to the governance, risk management and internal controls of insurers, as well as insurance group supervision pending the finalisation of the broader review of the Insurance Laws and the Solvency Assessment and Management Project (“SAM”). SAM will introduce a new risk-based solvency assessment and management regime for the South African long-term and short-term insurance sectors.

These interim measures are required to address:

- shortcomings in respect of appropriate requirements on corporate governance, risk management and internal controls in the insurance sector;
- effective supervision of insurance groups; and
- regulatory gaps identified by the IMF/World Bank Financial Sector Assessment Program (“FSAP”) evaluation of South Africa’s adherence to international financial regulatory principles and standards in respect of insurance.

In addition to the Bill (“Annexure A”), the NT and Financial Services Board (“FSB”) are also releasing:

- an explanatory document of proposed amendments (“Annexure B”);
- a discussion document titled “*Interim measures for insurance groups*” (“Annexure C”); and
- a discussion document titled “*Interim measures for governance, risk management and internal controls*”. (“Annexure D”).

The Bill was released for preliminary comments to the industry within the SAM Steering Committee and respective working groups. The NT and FSB are committed to further consultation on the Bill. In this regard, the NT and FSB will be convening meetings and workshops with key affected stakeholders. Parliament will also publish details in the press regarding its consultations.

The Bill and accompanying documents are available on the NT (www.treasury.gov.za) and FSB (www.fsb.co.za) websites.

Comments on the Bill are invited from all interested stakeholders and should be sent to Ms Reshma Sheoraj at ilab@treasury.gov.za or faxed to 012 315 5206 by **31 July 2013**.

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