



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

COMMENCEMENT DATE FOR THE INSURANCE ACT NO. 18 OF 2017

The Minister of Finance has determined that the Insurance Act (No. 18 of 2017) will commence on 1 July 2018. The Act was assented to by the President on 18 January 2018.

The Insurance Act establishes a legal framework for the prudential regulation and supervision of insurers and insurance groups in terms of the Twin Peaks framework. This will ensure the safety and soundness of insurers, enhance the protection of policyholders and potential policyholders, promote broad-based transformation of the insurance sector, and contribute to the stability of the financial system in general.

Moreover, the introduction of the micro insurance framework, which aims to facilitate the entry of new firms, should increase access to insurance by all South Africans.

The Insurance Act repeals all prudential requirements that are currently provided for in the Long-term Insurance Act No. 52 of 1998 (LTI Act) and Short-term Insurance Act No. 53 of 1998 (STI Act), and provides for a two-year transition period for insurers to migrate from the existing to the new legal framework. Non-prudential sections in the LTI Act and STI Act will remain in force in parallel to the new prudential requirements, to provide an interim conduct of business legal framework for insurers pending the enactment and implementation of the envisaged Conduct of Financial Institutions Bill.

The Act and supporting documents may be found at www.treasury.gov.za/twinpeaks/, <http://www.prudentialauthority.co.za/> and www.fsca.co.za/

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