

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 25

DATE OF PUBLICATION: 5 JUNE 2009

MR D T GEORGE (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether (a) the Ombudsman for short-term insurance and (b) any other members of his office attended the International Association of Legal Insurance Conference held in Munich, Germany in September 2008; if not, why not; if so, (i) how many members of his office attended, (ii) what was the cost of attendance for the (aa) Ombudsman and (bb) his delegation and (iii) how was this cost funded;
- (2) whether any portion of the cost was sponsored by a legal insurance company; if so, (a) which company and (b) by how much;
- (3) whether any policies are in place to deal with such a conflict of interest in the office of the Ombudsman; if not, (a) why not and (b) what is the position in this regard; if so, what are the relevant details? **NW27E**

REPLY:

The Short-Term Insurance Ombudsman is a voluntary ombudsman, and not a statutory ombudsman. The Financial Services Ombud Services Council (FSOS Council) co-ordinates the operations of such voluntary ombuds offices. I should add that the National Treasury (together with the Financial Services Board) is reviewing this system of ombuds, within the broader review of the architecture and effectiveness of the financial regulatory system in South Africa.

Though the Ombud is not accountable to the Financial Services Board or the Minister of Finance, he has, however, provided some information which I will provide to the House, but without doing so in the detail required by the Honorable member. The Honourable member is free to contact the Office of the Ombudsman for any other information.

- (1) (a) The Short-Term Insurance Ombudsman confirmed that he attended the Association Internationale De L'Assurance De Protection Juridique (RIAD) conference held in Munich, Germany in September 2008, based on a written invitation of the International Association of Legal Expenses Insurance.
- (b) The Ombudsman indicated that no other member of his office attended the conference.
- (2) The major portion of the costs (congress fees, traveling costs and hotel accommodation) was sponsored by a legal insurance company, Legal Wise.
- (3) I will not comment on whether there are conflicts of interest, as this will form part of the review. The Ombud himself does not see any potential conflict to interest in this instance. It should be borne in mind that the Ombud is generally funded by the industry, and does not have judicial powers, but seeks, as far as possible, to resolve complaints and disputes through a process of mediation, negotiation and ultimately informal arbitration. The Office depends to a large extent, upon the co-operation of the Industry to achieve its desired objectives.

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Reply recommended by Messrs I Momoniat, Deputy Director General: Economic Policy and International Financial Relations in concurrence with D Tshidi, Chief Executive Officer and J Dixon, Executive Officer both of the Financial Services Board.

Recommended / Not Recommended:

MR L KGANYAGO
DIRECTOR-GENERAL: NATIONAL TREASURY
Date:

Approved / Not approved

MR PJ GORDHAN
MINISTER OF FINANCE
Date:

MINISTER OF FINANCE

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**REPLY RECOMMENDED BY MR I MOMONIAT, DEPUTY DIRECTOR-
GENERAL ECONOMIC POLICY AND INTERNATIONAL FINANCIAL
RELATIONS**

PARLIAMENTARY SERVICES

DATE: 23 JUNE 2009