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From: Lebogang Selibi <LSelibi@ncr.org.za>
Sent: Friday, 11 August 2017 10:31 AM
To: Lebogang Selibi
Subject: Credit life insurance regulations are now in effect

Good day,

Please find below a media release for your perusal. Should you require additional information or an interview, please do not hesitate to contact Lebogang Selibi on (011)554-2722 / 064 752 3920.

Media Release

**For Immediate
release**

August 2017

Credit life insurance regulations are now in effect

Lesiba Mashapa, Company Secretary at the National Credit Regulator (NCR) says the final credit life insurance regulations which prescribe the minimum benefits that must be offered to consumers and the limitations or exclusions that apply to the insurance cover have come into effect on 09 August 2017. These regulations were published in the Government Gazette in February 2017 and were set to come to effect six months after the date of publication.

The regulation's aim is to limit the cost of credit life insurance. Consumers will now be charged a maximum of R4,50 per R1000 of the deferred amount for credit facilities, unsecured loans, developmental credit agreements and other types of credit agreements. When it comes to mortgages, consumers can only be charged a maximum of R2 per R1000 of the deferred amount.

Consumers that are not employed cannot be sold retrenchment cover. A consumer who dies or becomes permanently disabled will have his or her outstanding debt under a credit agreement settled by the credit life insurance policy. If the consumer loses his or her job, the policy will pay instalments due under a credit agreement for up to 12 months.

It is important to note though, that these regulations are not retrospective. Consumers who have a life cover can use their life covers to cover their debts and should not be forced to take out a new insurance as long as the life cover is sufficient to cover the debt in case of a claim, says Mashapa.

A copy of the regulations can be downloaded from the NCR's website www.ncr.org.za.

Ends

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