Policyholder Protection Rules	Agencies of the state of the st
moreSome ^ changes	
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### General

- Repeal of 2004 PPR
- Final version published 15 December 2017
- Latest amendments align with Insurance Act, 2017
- Different dates for different provisions of PPR to come into operation

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### **Some Definitions**

- "registered insurer" vs "licensed insurer"
- "outsourcing" as per the FSRA
  - includes rendering services under a binder agreement, but excludes rendering services as intermediary

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# Rule 2A - Microinsurance and Funeral Policy Product Standards

- Inserted to support the microinsurance regulatory framework established in the Insurance Act, 18 of 2017
- Comments by 13 April 2018
- Effective date is 1 July 2018

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# Rule 2A - Microinsurance and Funeral Policy Product Standards

Classes of Life Insurance Business

- Risk
- Credit Life
- Funeral
- Reinsurance
- Capped at R60 000

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# Rule 2A - Microinsurance and Funeral Policy Product Standards

Classes of Non-Life Insurance Business

- Motor
- Property
- Agriculture
- Legal expenses
- Consumer Credit
- Accident and health
- Liability
- Reinsurance
- Capped at R120 000

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# Rule 2A - Microinsurance and Funeral Policy Product Standards

#### **Assistance Policy**

## A life policy in respect of which the aggregate of -

- a) the <u>value of the policy</u> <u>benefits</u>, other than an annuity, to be provided [ . . .]; and
- b) the amount of the premium in return for which an annuity is to be provided, does not exceed R30 000, or another amount prescribed by the Minister

#### **Funeral Policy**

Lump sum or, specified or determinable equal or unequal sums of money payable at specified intervals not exceeding an amount prescribed by the Prudential Authority to cover cost associated with a funeral or the rendering of a service on the happening of a death event

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### Rule 12 – Arrangements with Intermediaries

- · Must be FAIS authorised
- · Product knowledge competency
- · Proper due diligence in each instance
- Written Agreements required (NB Rule 12.2.2)
  - Agreement must entered into <u>directly</u> between the insurer and intermediary

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### Rule 12 – Arrangements with Intermediaries

Rule 12.4 - Facilitation of fees payable by a policyholder

- STIA s 8(5) fees (S 8(5) repealed 1 Jan 2018)
- Amount and purpose explicitly agreed in writing
- · Relates to an actual service provided
- · Service other than intermediary service
- Does not relate to any other remunerated service
- Effective date 15 December 2018

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