



CIRCULAR NO: 2/2013

ADDRESSED TO: ALL INSURERS, INSURANCE BROKERS,
RETIREMENT FUND TRUSTEE'S AND FUND
ADMINISTRATORS

SUBJECT: PROHIBITION ON THE PAYMENT OF DEATH
BENEFITS AND FUNERAL INSURANCE BENEFITS IN
ANY OTHER NAME OTHER THAN THAT OF THE
INSURED OR DULY NOMINATED AND/OR
APPOINTED BENEFICIARY

EFFECTIVE DATE: 1 MARCH 2013

STATUTORY REFERENCE: SECTION 118(2) ((b) of the INSURANCE ACT, 2005 read
with REGULATION 14 (3) OF THE INSURANCE
REGULATIONS, 2008

By this circular the Registrar of Insurance and Retirement Funds hereby declares the practice of issuing out payments in relation to death benefits and funeral insurance benefits in the name of insurance brokers and fund administrators to be an undesirable business practice.

With effect from **1 March 2013**, all payments issued in relation to death benefits and funeral insurance benefits must either be in the name of the insured, a dependant or a nominated and/or duly appointed beneficiary in the event of the death of the insured. Under no circumstances should death benefits and funeral insurance benefits be paid in favour of service providers and their intermediaries such as insurance brokers and fund administrators.

This directive applies to all forms of monetary payments and includes cash payments, electronic transfers and cheque payments. All service providers and their intermediaries such as insurance brokers and fund administrators shall ensure that all payments due to an insured person who is deceased are paid in the name of a nominated and/or duly appointed dependant or beneficiary.

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REGISTRAR OF INSURANCE AND RETIREMENT FUNDS

SANDILE S. DLAMINI