

**ATTENTION: THE NEWS EDITOR****FSB fines Lombard Life Limited (“Lombard Life”)**

The Registrar of Long-term Insurance (the Registrar) referred a case against Lombard Life Limited (“Lombard Life”) to the Enforcement Committee of the Financial Services Board.

Lombard Life, during the period October 2014 to November 2015, rejected 114 insurance claims. In 86 instances the notice to the policyholders informing them about the rejection of the claims, Lombard Life did not comply with rule 16.1(c)(ii) and (iii) of the Policyholder Protection Rules, in that the notices did not inform the claimants:

that they may within a period of not less than 90 days after the receipt of the notice make representations to Lombard Life in respect of the decision;

that they have the right to lodge a complaint under the Financial Services Ombud Schemes Act, 2004 (Act 37 of 2004); and

of the relevant provisions of the Act relating to the lodging of such a complaint.

In mitigation the Registrar took into account, amongst others, that Lombard Life admitted the contravention, co-operated with the Registrar’s investigation and the subsequent enforcement action, and undertook to implement measures to prevent the contravention from recurring.

Consequently, the Registrar agreed to a penalty of R150 000, which penalty was imposed by the Enforcement Committee on Lombard Life on 15 February 2017.

**Note to editors**

The Enforcement Committee is an administrative body that came into operation on 1 November 2008, and was created in terms of section 10(3) of the Financial Services Board Act, 1990. The Enforcement Committee may impose administrative penalties, compensation orders and cost orders on respondents that are found to have contravened any law administered by the Financial Services Board.

-Ends-

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