

High Court confirms 3Sixty Life curatorship

The South African Reserve Bank's Prudential Authority (PA) has welcomed a High Court ruling confirming the curatorship of life insurer, 3Sixty Life.



Image source: Andriy Popov – 123RF.com

In a statement, the Reserve Bank said the PA remains of the view that the curatorship of 3Sixty Life “is in the best interests of its policyholders”.

The insurer was in November last year placed under provisional curatorship. This after the PA became aware that 3Sixty Life had failed to maintain its business in a financially sound condition by not holding eligible own funds that are at least equal to the minimum capital requirement or solvency capital requirement, as prescribed, whichever is the greater.

“3Sixty Life informed the PA that the failure was attributed to higher-than-usual claims experienced, as well as a shortfall in its budgeted premium income, both as a result of the Covid-19 pandemic and related lockdown restrictions,” the central bank said in a statement.

The PA said during 2021, it had numerous engagements with 3Sixty Life in an effort to gradually implement measures to return the insurer to financial soundness in order to meet legislative requirements and address the challenges the insurer had been faced with.

“This included a plan by the shareholder to recapitalise the insurer,” said the PA.



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On 9 November 2021, the PA informed 3Sixty Life that if its recapitalisation plan had not materialised and its business had not returned to financial soundness by 1 December 2021, 3Sixty Life would be prohibited from taking on any new insurance business.

In addition, 3Sixty Life was informed of further regulatory steps that could be taken by the PA, should the recapitalisation fail. 3Sixty Life, however, failed to restore the business to financial soundness by the deadline of 1 December 2021, as prescribed by the PA.

On 21 December, the High Court in Johannesburg granted an ex parte application to place 3Sixty Life under provisional curatorship.

Yashoda Ram, who at the time was from BDO Advisory Services, was provisionally appointed as the curator of the business, with the High Court issuing specific directives to the curator to take immediate control of the business.

“On 30 September 2022, the High Court of South Africa delivered its judgment and granted the order confirming the curatorship of 3Sixty Life.

“The High Court of South Africa cancelled the appointment of Ms Yashoda Ram, with effect from 30 September 2022 and appointed Mr Tinashe Mashoko, of BDO Advisory Services, as the final curator of 3Sixty Life, with effect from 30 September 2022,” the Reserve Bank said.



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It said the PA would work together with the Financial Sector Conduct Authority (FSCA), which is responsible for the regulation of market conduct and the curator, to ensure 3Sixty Life’s policyholders continue to be properly protected during this process.

“The curatorship, in the PA’s view, presents the most suitable and most effective mechanism to facilitate the orderly management of 3Sixty Life back to a position of financial soundness.

“With the appointment of the curator, the board of directors and management of 3Sixty Life were relieved of their powers and those vested in the curator.

“At this stage, the business of 3Sixty Life will continue under the control of the curator,” the central bank said.

3Sixty Life policyholders, who have any concerns, claims-related queries and complaints, may contact the curator at email

address info@3Sixtylife.co.za.

3Sixty Life has delivered an application for leave to appeal against the 30 September 2022 judgment and the PA intends to oppose the application for leave to appeal.

“The PA would like to assure the public that the South African insurance sector remains safe, sound and adequately capitalised,” the central bank said.

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