



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Media release

Wednesday, 22 December 2021

Order granted for the provisional curatorship of 3Sixty Life Limited

1. 3Sixty Life Limited (3Sixty) was registered as a life insurer in terms of the Long-term Insurance Act No. 52 of 1998, until its registration was subsequently converted to an insurance licence issued in terms of the Insurance Act No. 18 of 2017 (Insurance Act) on 30 June 2020. 3Sixty is licensed to conduct life insurance business specifically in life and funeral products for groups and individuals, as outlined in the Insurance Act.
2. 3Sixty is domiciled in South Africa and is wholly owned by Doves Group Holdings (Pty) Limited, which is ultimately owned by NUMSA Investment Company (Pty) Limited.
3. In November 2020, the Prudential Authority (PA) became aware that 3Sixty had failed to maintain its business in a financially sound condition, by 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 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 of these as a result of the Covid-19 pandemic and related lockdown restrictions.
4. During 2021, the PA had numerous engagements with 3Sixty 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.

5. On 9 November 2021, the PA informed 3Sixty that if its recapitalisation plan had not materialised and its business had not returned to financial soundness by 1 December 2021, 3Sixty would be prohibited from taking on any new insurance business. In addition, 3Sixty was informed of further regulatory steps that may be taken by the PA should the recapitalisation fail.
6. 3Sixty, however, failed to restore the business to financial soundness by the deadline of 1 December 2021 as prescribed by the PA.
7. In accordance with the powers granted to the PA in terms of section 54(1)(a) of the Insurance Act read with section 5(1) of the Financial Institutions (Protection of Funds) Act No. 28 of 2001, the PA applied to the High Court of South Africa, Gauteng Local Division, Johannesburg (High Court of South Africa), on 21 December 2021, by way of an *ex parte* application, to place 3Sixty under curatorship.
8. [This order was granted](#), and with effect from 21 December 2021, 3Sixty's business, as contemplated in the Insurance Act, has been subsequently placed under provisional curatorship by order of the High Court of South Africa (a copy of the order as granted can be found on both the PA's and 3Sixty's website).
9. Ms Yashoda Ram from the Financial Services division of BDO has been provisionally appointed as the curator of the business of 3Sixty, and the High Court of South Africa has issued specific directives to the curator to take immediate control of the business.
10. Based on the information available, the PA is of the view that the curatorship of 3Sixty is in the best interests of its policyholders, due to the insurer's failure to maintain the minimum capital requirement and the solvency capital requirement, as prescribed in the Insurance Act. The PA will work in conjunction with the Financial Sector Conduct Authority (FSCA), which is responsible for the regulation of market conduct, to ensure 3Sixty's policyholders are properly protected during this process.
11. Policyholder protection is the primary objective of the solvency assessment and management regime, and the PA has the best interests of policyholders as the centre of the decision to incept provisional curatorship in order to restore 3Sixty to a

position in which claims may continue to be honoured.

12. The curatorship presents the most suitable and most effective mechanism to facilitate the orderly management of 3Sixty back to a position of financial soundness. With the appointment of the curator, the board of directors and management of 3Sixty are relieved of their powers and these are now vested in the curator.
13. The curator will prepare a report to the High Court of South Africa. The report will include details of the financial soundness, assets, liabilities, minimum capital requirement and the solvency capital requirement of 3Sixty, irregularities committed by 3Sixty, if any, and steps to be taken to safeguard the interests of its policyholders.
14. In addition, the curator will provide the PA with a two-weekly progress report on the curatorship process.
15. The High Court of South Africa has set a return date of 12 April 2022 at which time 3Sixty or any other interested party may show cause why the provisional order, and the curator's powers, should not be made final.
16. At this stage, the business of 3Sixty will continue as usual under the control of the curator who will furnish further information to the public over the next few months.
17. 3Sixty policyholders with any concerns, claims-related queries and complaints may contact the curator, Yashoda Ram at email address info@3Sixtylife.co.za.
18. The PA would like to assure the public that the South African insurance sector remains safe, sound and adequately capitalised.

Issued by:

SARB Media Relations

media@resbank.co.za