

Constantia Business Update

19 August 2022

CICL Provisional Curatorship Update on Curatorship Proceedings

Dear Valued Partner

Constantia Insurance Company Limited (CICL) was placed into provisional curatorship on 26 July 2022 by way of an order granted in the High Court, Johannesburg.

The curator, in terms of his appointment must at all times give consideration to the best interests of the policyholders which requires the curator to ensure that the manner in which CICL conducts insurance business through its underwriting managers, binder holders and brokers in a manner that mitigates adverse consequences affecting stakeholders.

It is a natural consequence of curatorship proceedings that customers, brokers and suppliers become apprehensive in dealing with an insurer that is under curatorship. The curator understands that for underwriting managers, binder holders and intermediaries, financial stability is key to maintaining a contract of insurance.

The curator is willing to co-operate with any underwriting manager, binder holder or intermediary with the orderly change in insurer relating to any policy underwritten by CICL.

The curator suggests that for policies that are up for renewal or where there are existing insurance policies that brokers seek alternative insurance quotes from other insurers for the placement of new insurance cover and that underwriting managers and binder holders seek an alternative insurer to underwrite the relevant risk. In this regard the curator is willing to assist any underwriting manager or binder holder with the placement of insurance policies with alternative insurers.

The curator is aware that an underwriting manager or binder holder may be required to enter into a binder agreement with the alternative insurer and that such agreement would require the new insurer providing notice to the Financial Sector Conduct Authority (FSCA), 30 days prior to entering into such binder agreement. The curator is already engaging with the FSCA to determine the most efficient manner to deal with this requirement. In addition, the curator undertakes that consent will be provided to any underwriting manager or binder holder to enter into a binder agreement with any insurer that wishes to underwrite the current underwritten CICL risk.

The curator and the staff of CICL will provide all necessary assistance to any underwriting manager, binder holder or intermediary who wishes to cancel any CICL insurance policy. The curator requires all requests for cancellation to be made through the ordinary communication methods to CICL. The curator undertakes that all cancellation requests will be accepted but does want to forewarn that confirmation of cancellation may be slightly delayed given the number of anticipated requests.

Any claims relating to existing insurance policies are to be submitted in terms of the issued policy wording to insureds/policyholders.



Should there be any underwriting manager, binder holder or intermediary that has managed to secure an alternative insurer to underwrite existing insurance policies, the curator asks that all requests be made to **Barry Du Plessis**, barryd@constantigroup.co.za so that a formalised process can be agreed to with the new insurer and to mitigate any adverse consequences to insureds/policyholders.

All other non-claim related correspondence and requests for engagement with underwriting managers should also be directed to Barry at the given address so that the curator can appropriately manage and prioritise different streams of correspondence and address underwriting managers' queries as timeously as possible.

The curator will be sending out regular communication relating to the curatorship proceedings via email in the alternative, all material communication will be published on <https://www.constantigroup.co.za/cicl-provisional-curatorship/>.

The provisional curatorship **does not** extend to the life insurance business of Constantia Life and Health Assurance Company Limited and Constantia Life Limited.

Ashish Desai

CICL Provisional Curator