



South African Reserve Bank

Media release

Date: 8 March 2019

Order for the provisional winding-up of Nzalo Insurance Services Limited

Nzalo Insurance Services Limited (Nzalo) is a registered short-term insurer and financial services provider. Nzalo was placed under provisional curatorship on 6 November 2018. True South Actuaries and Consultants (Pty) Limited (the curator) was appointed as the provisional curator.

The curatorship determined that significant capital investment and business development would be required for Nzalo to continue to exist. The curator concluded that Nzalo would need substantial recapitalisation to ensure its continued existence.

The Prudential Authority (PA) must act in the best interest of policyholders. Taking into account that Nzalo is factually insolvent, with its liabilities far exceeding its assets, liquidation was considered to be in the best interest of policyholders.

Nzalo was registered with the then Financial Services Board as a short-term insurer in November 2016. Nzalo is an unlisted public company, wholly owned by Bophelo Insurance Group (Pty) Limited.

Nzalo was registered to conduct business in respect of the accident and health, engineering, guarantee, liability, miscellaneous, motor, property and transportation classes of short-term policies, as outlined in the Short-term Insurance Act 53 of 1998, until its registration was converted to a licence under the Insurance Act 18 of 2017 (Insurance Act). The majority of Nzalo's insurance business consists of motor policies sold via underwriting managers.

On 4 February 2019 the PA lodged an application to the High Court of South Africa,

Johannesburg (High Court) for the final winding-up (liquidation) of Nzalo. On 12 February the High Court issued an order placing Nzalo under provisional winding-up. All parties with legitimate interests are given until 11 March 2019 to provide reasons, if any, why Nzalo should not be placed under final winding-up.

Approval of the appointment of the provisional liquidator was granted by the PA in terms of sections 57 and 58(4) of the Insurance Act. Mr Jayant Daji Pema has been appointed as the provisional liquidator of the business of Nzalo by the Master of the High Court of South Africa, Johannesburg. Mr Jayant Daji Pema can be contacted at 082 606 0223 or 011 482 8198, or via email at jaypema1@global.co.za.

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