



SOUTH AFRICAN RESERVE BANK  
Prudential Authority

## Frequently asked questions and answers

### 1. **Can I obtain a refund on my premiums paid to Nestlife?**

Nestlife policies are pure risk funeral insurance contracts, where the premiums for a particular month pay for the cover in that month. There is no surrender value on a funeral policy, therefore no refunds are due.

### 2. **Do I still have insurance cover? When will my cover cease?**

This can only be determined on a case-by-case basis, depending on the period relevant to a claim. Policyholders are advised to take immediate steps to obtain alternative insurance cover. There is also no guarantee that insurance claims against Nestlife will be paid, or that any claims will be paid in full. Policyholders may seek alternative cover either directly with another insurer, or they may contact a long-term insurance broker or accredited financial adviser who would be able to advise them on alternative insurance companies that are able to offer suitable cover.

### 3. **Will my insurance claim lodged with Nestlife be considered? Why is it taking so long for my claim to be considered and paid?**

All claims will be considered as part of the liquidation process and will be dealt with according to the laws of insolvency.

Since Nestlife has been placed under liquidation, claims will need to be submitted and proved against the estate, in the required format – which will be published by the liquidator, once appointed. The exact amount that may be paid to each policyholder, as a concurrent creditor, will depend on the funds available for distribution to concurrent creditors, and are payable pursuant to the liquidation process.

### 4. **When will the liquidator be appointed? Will the liquidator pay my claim?**

It is expected that the liquidator will be appointed in the week of 23 August 2021. The liquidator will then address all claims as part of the liquidation process.

**5. Where can I go for assistance to obtain alternative cover?**

Nestlife is not authorised to provide advice to policyholders regarding alternative providers of cover. Policyholders may seek alternative cover either directly with another insurer, or they may contact a long-term insurance broker or an accredited financial adviser who would be able to advise them on alternative insurance companies that are able to offer suitable cover.

**6. Can Nestlife provide me with proof of cover for the period I was a Nestlife client and details of my cover?**

Yes. Policyholders can request proof of past cover and a copy of their benefit schedules on request.

**7. Why can't my policy be transferred to another insurer? Why must I do it?**

Nestlife is not authorised to make decisions on behalf of policyholders. Each policyholder is urged to obtain independent financial advice to place their business with another provider. Nestlife can provide a certificate to prove that you are eligible for waiver of the waiting period when joining a new insurer. This is subject to your new insurer's terms and conditions.

**8. Nestlife was aware of its troubles in October 2020, yet I only received notification when the company was being liquidated. Why?**

During the curatorship period, Nestlife sought to obtain additional financing to restore the company to financial soundness, which would have enabled the company to continue to operate. Only when the potential sources of financing were no longer available was the decision to liquidate the company deemed appropriate.

**9. Will I receive a refund of my August premiums paid to Nestlife?**

The treatment of premiums paid to Nestlife in August will need to be considered and addressed by the liquidator, once appointed.