



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Media release

19 August 2021

Order for the final winding up of Nestlife Assurance Corporation (RF) Limited

1. Nestlife Assurance Corporation (RF) Limited (Nestlife) was registered as a life insurer in terms of the Long-term Insurance Act 52 of 1998 (Long-term Insurance Act) on 19 October 2004, until its registration was subsequently converted to an insurance licence, issued in terms of the Insurance Act 18 of 2017 (Insurance Act) on 30 June 2020. Nestlife is licensed to conduct life insurance business in respect of the risk, credit life and funeral classes of business, as outlined in Schedule 2 of the Insurance Act.
2. Nestlife is headquartered in South Africa and is wholly owned by Phakama Investment Holdings (Pty) Ltd, an affiliate of the HV Sithole Family Trust.
3. Nestlife was placed under provisional curatorship in terms of a provisional order (dated 20 October 2020) granted by the High Court of South Africa, Gauteng Local Division, Johannesburg, which was made final on 30 November 2020. The curatorship application was made in accordance with the provisions of section 54(1)(a) of the Insurance Act, read with section 5(1) of the Financial Institutions (Protection of Funds) Act 28 of 2001 (FIA).
4. One of the key focus areas of the curatorship has been to seek the protection of the interests of policyholders by restoring the capital position and solvency of Nestlife to a sound state through a search for a suitable capital injection necessary for it to meet its statutory financial soundness requirements. The appointed Curator made significant efforts in this regard.

5. After an extensive and ultimately unsuccessful search for investors, it was concluded by the Curator and the Prudential Authority that, given the deteriorating solvency position of Nestlife:
 - a. it was not viable for Nestlife to continue trading under its current circumstances, where it was factually and commercially insolvent and did not meet the solvency requirements of the Insurance Act;
 - b. there was no reasonable probability that the continuation of the curatorship would enable Nestlife to pay its debts or meet its obligations, or become a viable concern, or otherwise meet the financial soundness standards required by the Insurance Act; and
 - c. that it was just and equitable, and in the interests of policyholders, that Nestlife should be wound up.
6. On 30 July 2021, the Prudential Authority and the Curator (as co-applicants) launched an application for the winding up of Nestlife in the Gauteng Local Division, Johannesburg, under case number 2021/36844 (the liquidation application).
7. The liquidation application was heard on 17 August 2021, and the High Court granted an order placing Nestlife into final liquidation on the same day.
8. The process of appointing a liquidator is currently underway and is expected to be finalised within next week.
9. In an effort to ensure that policyholders are kept abreast of developments at Nestlife, leading to the final liquidation order granted on 17 August 2021, the Curator sent preliminary communications to policyholders on or about 29 July 2021, and a more comprehensive communication was provided to stakeholders on 3 August 2021. A copy of the 3 August 2021 communication is available on the Prudential Authority website at www.resbank.co.za.
10. In order to ensure that policyholders, claimants and other stakeholders are continually kept informed on how they will be engaging with Nestlife until a liquidator is appointed, the following communication channels are in place to address any queries:

Switchboard number: 011 268 1311
Switchboard WhatsApp number: 076 102 6843
Email: info@nestlife.co.za
info2@nestlife.co.za
clientservices@nestlife.co.za

11. A list of frequently asked questions has been posted on the Prudential Authority website to assist policyholders, claimants and other stakeholders with questions relating to their policies and claims. Once the liquidator's appointment is finalised, the liquidator's contact information will be communicated to policyholders and claimants, for parties to address any queries about policies or claims directly to the liquidator(s).

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