



South African Reserve Bank

Office of the Deputy Governor
Kuben Naidoo

Confidential

Ref: 10/10/1/1190/8

Mr Yusuf Bodiati
Chief Executive Officer
Lion of Africa Insurance Company Limited
P O Box 52196
Saxonworld
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Dear Mr Bodiati

**Insurance Act, Act 18 of 2017 (The Act): Section 27 (1)(c) – Suspension of license -
Lion of Africa Insurance Company Limited (Lion of Africa)**

1. The Prudential Authority (PA) refers to the following:
 - a. Notification submitted by Lion of Africa in terms of section 39(3) of the Act; and
 - b. Subsequent correspondence between Lion of Africa and the PA dated 12 November 2018.
2. Section 36(1) of the Act states that, an insurer must at all times 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 greater. Lion of Africa reflected a solvency capital requirement cover of 0.37 times as at the quarter ended 30 September 2018.
3. The PA takes note of the decisions of both the board of directors of Lion of Africa and its ultimate shareholder Brimstone Investment Corporation Limited, to place Lion of Africa into runoff **effective 12 November 2018**.
4. In light of the above, and in the interests of policyholders of Lion of Africa, the PA is suspending the licence of Lion of Africa in terms of section 27(1)(c) of the Act.
5. Lion of Africa may not, in terms of section 28(2) of the Act, enter into any new insurance policies **with effect from 13 November 2018**.
6. Lion of Africa is urged, as a matter of urgency, to engage the PA and the Financial Sector Conduct Authority on the runoff plan and the implications thereof.

Yours sincerely

Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 13 November 2018