

SAXUM

INSURANCE

(IN LIQUIDATION)

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Insurance Claimants:
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Creditors:
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25 June 2017

TO ALL KNOWN CREDITORS, POLICYHOLDERS AND BROKERS OF SAXUM INSURANCE LIMITED
(in liquidation)
(MASTER'S REFERENCE NUMBER G1076/2016)

CIRCULAR NUMBER 12

South African Insurance Association Fund

- 1 SaXum Insurance Limited (**SaXum**) was placed into liquidation on 20 October 2016 by way of an order granted in the High Court, Johannesburg. SaXum is still in liquidation.
- 2 The South African Insurance Association (**SAIA**) is the representative body of the short-term insurance industry in South Africa. SAIA has 59 members, comprising all categories of short-term insurers, including reinsurers.
- 3 The aims of SAIA include encouraging fair and ethical treatment of short-term insurance customers and fostering trust and confidence in the short-term insurance industry amongst all its stakeholders.
- 4 The short-term insurance industry in South Africa recognises that the SaXum liquidation has led to the prejudice of multiple SaXum policyholders. The industry has accordingly come together to set up a limited fund (**SAIA Fund**) to try alleviate the prejudice suffered by those policyholders affected most negatively.
- 5 The SAIA Fund will be used to make payment to policyholders that are deemed to be "hardship claimants". A hardship claimant must have a validly assessed motor insurance and liquidation claim against SaXum.
- 6 We refer policyholders to **Circular Number 11** in which the joint liquidators advised policyholders that EOH-FS Proprietary Limited (**EOH-FS**) were appointed to assess SaXum's insurance motor claims.

Directors: Dr. J.A.J. Schalch (Chairman)* R.W. Killops* K.I. Vennell* M. Hankins*
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saXum Insurance Limited (In Liquidation)
www.saxuminsurance.com

- 7 Some of the criteria that a policyholder must meet as a minimum to be considered a hardship claimant includes:
- (1) the claimant must have a valid motor insurance personal lines policy with SaXum in respect of an insured vehicle (note that commercial claims including motor are excluded from participating in the SAIA Fund); and
 - (2) the claimant's motor insurance personal lines policy with SaXum must have been assessed by EOH-FS; and
 - (3) the claimant must have lodged a liquidation claim against the SaXum estate, which the joint liquidators will verify and confirm with SAIA; and
 - (4) the claimant must not have been indemnified by SaXum for their loss or damage to the insured vehicle; and
 - (5) the claimant is waiting for the release of the insured vehicle by panel beaters or salvage dealers or a towing company.
- 8 A qualifying hardship claimant will not necessarily receive the full value of his or her claim from the SAIA Fund, and if there is any outstanding balance the policyholder will retain a concurrent claim against the SaXum estate for that balance.
- 9 Hardship claimants that do receive payment from the SAIA Fund will be required to sign a cession agreement in which they agree to cede to SAIA their claim against the SaXum estate, up to the amount they received from the SAIA Fund.
- 10 Third party claims (ie those persons with a claim against a SaXum policyholder) also do not qualify for payment under the SAIA Fund. For more information in relation to third party claims please see **Circular Number 10** which can be accessed on <http://saxuminsurance.com/insurance-claims/>.

Yours faithfully,

PER: H. KAPLAN N.O.

N.A.G. OMAR N.O.

W.N. JACOBS N.O.

B.B. MAHLATSI N.O.

(sent electronically without signature)