|  |  |  |  |
| --- | --- | --- | --- |
| **ENQUIRIES:** | Mr Makgompi Raphasha | **D. DIALLING NO.:** | 012 422 2812 |
| **OUR REF:** |  | | |
| **DATE:** | 15 September 2020 | **E-MAIL:** | Makgompi.raphasha@fsca.co.za |

**Letter to All Non-Life Insurers**

Sent by email

Dear Sir/Madam

## RE: FINANCIAL SECTOR CONDUCT AUTHORITY

## CONTINGENT BUSINESS INTERRUPTION (CBI) COVER

## LEGAL CERTAINTY – PROPOSED WAY FORWARD

1. We refer to our letter dated 7 August 2020 and the responses that we have received from the various non-life insurers.
2. The Financial Sector Conduct Authority would like to thank all non-life insurers for their responses which the FSCA found quite useful in providing guidance on the issues highlighted in its letter referred to above.
3. The majority of insurers have indicated that they are of the view that the cases that are currently pending before the South African courts and the one by the Financial Conduct Authority in the United Kingdom will provide the required legal certainty on CBI policy wordings and for the non-life insurance industry.
4. In light of this view, the FSCA will not proceed with the intended legal process until the outcome of all these cases has been determined to see if the cases indeed provide the required legal certainty on all elements of the CBI policy wordings.
5. Should there be any elements of the CBI policy wordings that remain unclear after finalization of the cases referred to above and/or the cases do not provide certainty for the non-life insurance industry as hoped, the FSCA will engage with the non-life insurance industry and consult its legal representatives again in an effort to have such elements or uncertainty clarified efficiently.
6. Finally, the FSCA is aware of the FCA judgment that was handed down today and it is studying it.

Yours faithfully,



**MAKGOMPI RAPHASHA**

**FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY**