

If you are reading this newsletter, please remember to pass it around your office.

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EDUCATION

Peter Veal's Article's on..

First Level Regulatory Examinations

When the Financial Services Board issued the 2008 'Fit and Proper' Board Notices, we were told that the RE exams would be delivered from the early part of 2010, and that learning material would be made available free of charge.

At last, the learning material (for representatives) has arrived and we can start learning. INSETA has announced when the remaining material will be made available and the following chart provides the details.

First Level Regulatory Examinations cont...

Learning Material		Date of Delivery to Inseta	Date on Inseta Website
RE 4	RE Level 1 – Representatives	15/04/2010	28/04/2010
RE 1 & 2	RE Level 1 – Key Individuals CAT I and II/IIA	17/05/2010	31/05/2010
RE 3	RE Level 1 – Key Individuals CAT III	04/06/2010	21/06/2010
RE 5	RE Level 2 – Long Term Category A and Category IV	10/05/2010	31/05/2010
RE 6	RE Level 2 – Short and Long Term Deposits	21/05/2010	06/06/2010
RE 7	RE Level 2 – Long Term Category B, C and Retail Pensions	To be confirmed	
RE 8	RE Level 2 – Participatory Interests in Collective Investment Schemes	09/07/2010	26/07/2010
RE 9	RE Level 2 – Securities and Instruments	06/08/2010	23/08/2010
RE 10	RE Level 2 – Short Term Insurance Personal Lines	25/06/2010	12/07/2010
RE 11	RE Level 2 – Short Term Insurance Commercial Lines	25/06/2010	12/07/2010
RE 12	Re Level 2 – Health Care Benefits	02/07/2010	19/07/2010
RE 13	RE Level 2 – Pension Fund Benefits	09/07/2010	26/07/2010
RE 14	RE Level 2 – Long Term Category A – FAB (Funeral Assistance Business)	10/05/2010	31/05/2010

We will monitor this and keep our clients informed through this update.

To access the information:

1. From the INSETA website – www.inseta.org.za, point your mouse to FAIS Assessments on the left hand menu bar;
2. Click on FAIS Learning Material;
3. Complete your details;
4. Click on “Click Here” to open the document.

This material is available to everybody free of charge, even for those of our clients that fall within the motor sector (MERSETA).

First Level Regulatory Examinations cont...

We have published regular updates about our own training offering, and confirm that we have been ready for some time. Our problem is that as training providers and compliance practitioners we have been kept far away from the examination design and process, and know only as much as the examining bodies are prepared to divulge. Consequently, our plan has always been to sit the exams, and take that knowledge into our training room when we host our workshops.

However, even though close to 200,000 practitioners have to write first level exams before the end of November 2011 and there are only 18 months left, there is still no sign of a first sitting.

The examining bodies are keeping ultra quiet, but we have been led to believe that the entire system crashed during the pilot project. If what we hear is true, the examining bodies still have to go through a pilot phase before rolling out the exams. We are hoping that what we hear is gross exaggeration, but we're not holding our breath!

Consequently we have had to postpone our planned 2 June lecture/workshop simply because we doubt that the exam will be ready to take before that date and for those of our clients that have been inconvenienced, we tender our apologies. Our key individual lecture workshop on 9-10 June, however, will still go ahead whether or not the examinations are ready. We are comfortable that the content of our programme and the material we have written will more than cover everything that the exam will demand.

There are still places available for that course, so if you would like to get the exams over with as soon as possible, we recommend that you take advantage of the facility and contact James 0114311183 who will take you through the registration process.

Unlike the learning material provided by INSETA, our own material has been produced in the form of a reference book which our delegates will be able to use as a handy guide to compliance for many months to come (possibly years), and this will be handed out on the day and is included in the price.

We also mentioned last month that we are developing a 'planning tool' which our clients can use to plan their key individuals and representatives examination process. This administrative tool will help both the corporate manager and individual learner determine the best possible educational route in respect of their Regulatory Examination planned learning needs.

The tool will be ready early next week, so if you don't want to wait until our next communication, give James a call on 0114311183.

Although the majority of our lecture/workshops will take place in Gauteng, we will be taking them to KZN, the EC and the Cape during October. If you are stationed in one of those areas, please call James and make a provisional booking – we need to make sure that we spend the right amount of time in each area.

Another issue that we have been concerned about is the list of 'appropriate qualifications' as published by the Financial Services Board. In 2008 we were informed that the primary qualification delivered in the short term sector (the FETC Short Term Insurance qualification) would not qualify after December 2009. It was given an 'S' rating, which meant that its content only satisfied 80% of the required criteria. Whilst this was acceptable by the Financial Services Board for the transition period, it was considered 'not appropriate' for new entrants to the industry after December 2009.

We have now been led to believe (but we have no confirmation as yet) that the qualifications previously given an 'S' rating, will automatically qualify for a 'G' rating. This means that the qualification will be acceptable as sufficient for entry to the industry, but the learner will still have to pass the 2nd level regulatory exams. Hopefully we will be able to provide more on this next month.

On a completely different note, insurance businesses that have been hit hard by the economic downturn are being encouraged to apply to participate in Government's recently launched Training Layoff Scheme by INSETA.

The scheme was announced by President Jacob Zuma last year as a means to assist businesses that are struggling with the effects of the recent economic downturn and came into effect in September. Companies in the insurance sector are now being encouraged by INSETA to participate. "The effects of the global economic crisis were first felt in South Africa from October 2008. Any material reduction in turnover after this date serves to link the distress to the global economic crisis. A reduction of turnover in excess of 10% qualifies a business as being in distress," explained INSETA CEO Sandra Dunn.

"Companies that participate in the scheme will experience a reduction in labour expenses for the period of participation," she said of the benefits of signing up. For the scheme to be effective, the business expense for labour costs must contribute 25% or more of its total operating expenses.

If your company qualifies and you would like to take advantage of this, we suggest you call Sandra Dunn 0115442000.

Regards,

Peter Veal

FROM PRETIUM

Debarment due to a lack of credits

The FSB announced earlier this month by means of a formal circular – FAIS CIRCULAR 01/2010 – that they would use a deadline of 30 April 2010 for voluntary removal of Representatives and/or licence categories where the individuals failed to attain their required credit levels by 31 December 2009. Thereafter the usual debarment process would need to be followed.

With a couple of exceptions we dealt with this issue in December and removed people where necessary.

FAIS Conference

Last week we attended a FAIS one day conference held by the Compliance Institute of South Africa (CISA). The conference provided some useful input on a number of issues, some of which we deal with in this Newsletter. The FSB gave a number of presentations and the key issues presented were:

- The new Conflict of Interest protocols have been Gazetted. A brief overview is provided elsewhere in this Newsletter,
- The long awaited regulations for binder agreements (UMAs and the like) are expected on a draft for comment by the end of May 2010,
- The demarcation issue between health insurance and medical aid is expected to be finalized by the end of 2010,
- Consumer Protection Act – proposals have been put forward on how to align the insurance acts and/or FAIS with CPA,
- Credit life group schemes – these exist without any legal basis for them and this is being looked into to correct the situation,
- The rewriting of the Long and Short-term Acts are being planned for completion by the end of 2011 which will include a better alignment with FAIS and Consumer Protection Act legislation,
- Cell captive structures will be dealt with in the rewriting of the legislation,
- Treating Customers Fairly – the initial discussion paper is expected to be published by the end of April or early May. There will be a workshop in May and a final paper is expected by the end of June.

Other topics that were discussed that will be of interest to you included a presentation on the Consumer Protection Act by Professor Angela Itzikowitz. This was not a typical presentation that dealt with the rules per se but rather a series of questions that in her opinion are not as clear cut as the financial services industry believes. Her view is that it is the “financial product” itself that is exempted for a period of 18 months from the requirements of CPA. This would mean that ancillary services such as sales and the bundling of differing products and services wide of the insurance product e.g. car hire, road side assistance etc would be subject to CPA. The impact of this on the out and in-bound call centre function, in particular, is immense as they have just not been planned for as yet.

Other CPA issues that need to be on the agenda include:

- The first effective date has already happened – the strict liability aspect. This became effective 24 April 2010. As a broker how are you dealing with this with clients in need of products liability? And MMIII liability would not seem to be the answer.
- The next and primary effective date is 24 October 2010 this will exclude the financial service aspect for a period of 18 months.
- Fixed term agreements can be cancelled by the client i.e. so those with 2 year policies, common in the cell phone and warranty sector, – you need to plan how you will manage these cancellations.

FAIS Conference cont...

SAIA has recently urged all its members to do a review of their products from a CPA perspective. See an article in April's COVER on the CPA by Max Ebrahim of Weber Wentzel that further reviews the situation along with a book review on "A guide to the Consumer Protection Act".

Linked to the evaluation of CPA to products, although not dealt with in the presentation, cogniscence needs to be taken of the recent ruling in the Momentum Group V Registrar Long Term Insurance on the aspect of whether "loyalty benefits" are inducements to a policy holder, especially those that offer discounts to policyholders for a range of products. The key is whether or not the benefits are a part of the product or wide of the product. We see various loyalty benefits or value added products and it is best that each provider, usually UMAs and administrators verify the status of these benefits with the product providers concerned.

The Deputy FAIS Ombud, David Davidson, gave a review of some of the most recent trends as seen from their office as well as confirming the appointment of Ms Noluntu Bam to succeed Mr Pillai as FAIS Ombud, effective from 1 March 2010. Ms Bam had served as deputy FAIS Ombud for the last six years.

They have now instituted "Team Resolution Managers" to speed up the process and we have been invited to submit details of all old cases, and we have a number, where no formal decision has been made. We will be doing so over the next few weeks as these cases come through the diary system.

One area that was focused on that seems to be a problem, especially in the short-term arena, was the lack of replacement product advice when recommending a move of insurer. It was made quite clear that such a record is also needed if the basis of cover within a policy changes and cited a recent complaint where all risk cover was replaced with fire cover; there was no documented record that the risks associated with such a move had ever been explained. Be warned.

The last item from the conference – Werner Kotze of ASTUTE, gave us an overview of the change in the numbers of Financial Advisors since the introduction of FAIS and how world events may also have had an impact on the structure and numbers of them.

According to his research whilst the total number of FAs has more or less stayed the same two thirds of those that were around in 2004/5 are no longer in the industry. This means that the two thirds who have taken over have less than 6 years experience and 40% of these have less than 2 years experience. despite these numbers Werner was still very much pro the legislation and that those left behind and those joining were doing so in a much healthier and structured environment.

Can a UMA and a broker both be responsible for bad advice to a client?

Well it seems we may have a scenario involving two of our clients that may provide the answer to this question.

The case involved the placement of a specific engineering erection all risk policy. The broker admits that at the time of arranging a quote and subsequent cover he did not really understand the nature of the contract, despite having been the client's broker for a number of years and having an annual policy in place with another insurer. Be that as it may there was not full disclosure of all the facts and the subsequent loss, some R1.2 M in total by the time the contract had been finished, was declined for this non-disclosure. There were some extensions of cover period that provided a hint at the actual scope of work being done but far from clear and far from properly documented.

Whilst the broker accepts responsibility for the non-disclosure he believes that as a specialist UMA they should as a matter of course be assisting a broker in establishing, in this case, the actual work being undertaken so that the risk can be properly underwritten, this would be for the benefit of that UMA's principal, the supporting broker and of course the client. The broker contends that the correct questions or investigations were not carried out by the UMA and had they done so all the facts would have been available and the correct cover and terms arranged. We tested this by approaching another engineering specialist and providing the same level of information that was initially provided to see how they would handle the risk. In this test case the level of questioning was far more detailed and, in our opinion, if asked for initially, would have caused the broker to revisit the client and establish exactly what work was being done.

However the question to be answered is where does the responsibility lie in such a case? With the broker? The UMA? Or both? Both are licenced FSPs, have advice in their licence categories and both are bound by the requirements of the General Code of Conduct yet both fulfil a different role. One acts for the client and one acts for the insurer. Is this role understood by the market, generally, but not recognized within the legislation nor referred to in the agency agreement between the parties sufficiently to lay the blame solely on the desk of the broker? Does the offer of expert advice as a means of marketing your wares as a UMA bring with it a responsibility for advice offered even if, as in this case, the UMA and the client never spoke?

And the big question: what will our new FAIS Ombud, Ms Bam, think of the matter? The broker has advised the client of their rights to lodge a complaint and the Rand limit of R 800,000 that would be applicable in this case. It seems likely that the client will be lodging a complaint against both the broker and the UMA rather than go the legal route.

At this stage there is no indication that the UMA/Insurer will roll over and offer to pay any portion of the loss so it may well go the full Ombud process, which in many ways would be useful for the marketplace as it would provide a precedent for the UMA model and set out clearly where their responsibilities lie. It would also help establish whether or not a UMA should be licenced as a stand alone entity or as part of the insurer's FSP structure.

An interesting case given the article in the April edition of COVER that had a "round table" on engineering insurance involving insurers, brokers and UMAs.

We will keep you posted on this one.

Conflict of Interest protocols

These were Gazetted on the FSB website under Board Notice 58 of 2010. The new standards are detailed and will require for more input and management both from the FSPs and Compliance Officers perspective.

There are a number of effective dates, namely:

- 20 July 2010 – for enhanced disclosures,
- 20 October 2010 – for financial interest disclosures,
- 20 April 2011 – for managing financial interest for representatives and the main conflict of interest policy to be published.

This is a brief Overview of the areas covered and that will require “mapping” against each FSPs own company structure and relationships. This is the aspect that will take some time.

- Amendment to Section 1 of the General Code now contains various definitions of terms used in the Act.
- Amendment to Section 3 of the General Code pertains to what a provider or a representative must do and when it should be done.
- Insertion of Section 3A in the General Code
 - Financial interests and conflict of interest management policy – This gives an indication of when a provider or its representatives may offer or receive financial interests.

We will obviously be developing tools and guidance notes to assist with the roll out of these standards over the next month or so and will provide this more detailed information as and when we have completed it.

The new compliance officer legislation is nearing its third draft

The FSB advised that they are about 3 months away from the release of the final version and may well release a third draft for input before then. A review of the issues that worry the FSB and the driving force, to a large extent, for these more stringent rules, was provided. We find it hard to believe that such practices are out there but apparently so. There are a number of officers/practices that are currently under investigation by the enforcement division of FAIS for these poor standards. They include:

- The use of an annual report photocopied for each FSP with the same answers with just the name changed,
- No monitoring reports issued to the FSP,
- FSPs not provided with copies of the annual report,
- No actual visits done by the Compliance Officer and a reliance on questionnaires sent to and completed by the clients.

The FSB are very sceptical about any officer or practice that can deliver an effective compliance service for R500 a month and apparently there are a number of these.

They also question the use of generic documents supplied by the officer/practice and importantly not personalized to the needs, requirements, and profiles of each FSP. As you know we spend many hours developing standards and draft documents to enable the transition to a compliant state as easy as possible but it is clear the FSB are going to be putting further pressure on us to ensure that the standards you have are real and actually reflect the controls and procedures of each FSP.

For those of you with multiple department and/or branch structures the standard that each of these must be visited at least once a quarter seems likely to remain in the standards. Remember these are the standards demanded of us so we may well have to revisit the current standards in so far as visits go to ensure we can meet the increased frequency. We did raise the issue with the FSB representative that this may well have a marked increase on cost structures for the FSP and as the KIs of the FSP are ultimately responsible for the compliance of the FSP why was it not possible that the KI elects to “comply or explain” if such an intense monitoring program was not in place if recommended by the Compliance Officer. Let’s see how that one goes down in draft 3.

FROM THE FSB

Project to update data

The FSB have embarked on a project to update their data base and are currently reviewing aspects such as ID numbers, company registration numbers, shareholders details and the like. They may well have sent you such a request directly – if so please pass it on to us with responses where appropriate. Any received by ourselves will be dealt with but we may need your assistance so if you get a mail requesting verification please treat the matter as urgent as the deadline for completion is 31 May 2010.

We are also busy converting the current Key Individual and Representative registers to meet the upgraded FSB standards and once again this may well require us to verify certain information with you.

Your assistance in these exercises would be greatly appreciated.

Termination of binder agreements

The FSB released a directive on 31 March 2010 dealing with the reporting requirements for short-term insurers when terminating a binder agreement and the related unilateral cancellation of short term policies.

The requirements, in brief are:

- Short term insurers are directed under section 4(2) of the STI Act to furnish the Registrar with information from the effective date 1 April 2010.
 - By completing a form prior to the termination of a binder agreement.
- If terminated by the insurer, 40 days in advance of the actual date of termination of the binder agreement
- If terminated by the binder holder, within 2 days after receiving the notice from the binder holder
 - By completing a form prior to the unilateral cancellation of policies related to the termination of a binder agreement

We have the required paperwork if required. We will also be building into our audit process going forward to ensure compliance with this requirement.

Unless you have a discretionary mandate from your clients that permits you to move their business without prior consultation or permission you are not allowed to instruct an insurer to cancel a book of business unless you have communicated with the clients concerned and obtained their permission.

We have the details of the latest FSPs to have licenses withdrawn or suspended available if needed, simply contact Pranisha.

FROM THE SHORT TERM OMBUD

The Short-term Ombud's Office released its 2009 Annual Report on 26 March 2010 and for the first time in its history, the office experienced a decline in the number of complaints from the previous year of operation.

The Ombudsman recovered a record R136, 400,147 on behalf of complainants last year but a negative aspect is that the average turnaround time is 233 days.

FROM THE FAIS OMBUD

A Cape Town pensioner who failed to heed his adviser's advice and then tried to hold the adviser liable for his "losses" has had his complaint dismissed by the Ombud.

In Pillai's last ruling as Ombud, the pensioner complained that he had wanted to reduce his equity exposure but that his financial adviser had not followed his instructions. However, Pillai found that the pensioner had not issued a formal instruction to this effect and that the adviser, Jacques Hattingh, the managing director of First Global Investment Managers, had in any event advised against this.

The evidence produced by the advisor as to the advice provided and the lack of any specific instruction from the client to the contrary illustrates the need to ensure full records are kept. Asking for written instructions from a client when they do not want to follow an advisors advice is a good option to consider but if you choose not to follow that route always ensure that you confirm the instruction to the client and highlight that this is contrary to your advice. The actions taken by Hattingh saved his company in the region of R 300,000.

We reported last month on the first of a series of rulings against brokers who recommended the GAREK investment scheme and this week the new Ombud, Ms Bam, ordered an FSP, Andre Van der Merwe from Uvongo to repay three complainants a total of R 140,000 after he was found to have placed his clients at risk by inducing them to invest with GAREK.

The Ombud's office is also advertising some vacancies:

Case Administrator
Assistant Ombud
Case Managers

...to better deal with the volumes we expect!

FROM THE LONG TERM OMBUD

In contrast to his short term colleague the long term Ombud reported an increase of nearly 10% last year, and compensation recovered for complainants exceeded R100 M for the first time.

The 9088 complaints received last year were the second highest in the ombudsman's 25-year history — an increase ascribed to a combination of the economic downturn and increased consumer awareness. Nearly half the cases related to claims that had been denied, with 22% concerning poor communication or service.

FICA

The FIC has finally confirmed that the registration for accountable and reporting institutions is about to start. We first reported on this well over 18 months ago.

It is likely that all financial services providers begin registering from June on a voluntary registration with the mandatory registration coming about via an Amendment Act to be officially promulgated in September 2010.

Once we have the specifics we will provide all our accountable institution clients with the details.

The Centre has also introduced revised reporting forms for terror property reporting in terms of section 28A, and suspicious and unusual transaction reporting, in terms of section 29, of the Financial Intelligence Centre Act No 38 of 2001 (the FIC Act). Both are available from our offices and will be built into the upgraded draft administration manual currently being developed.

GENERAL

Advertising

We have had two cases of clients being called into a meeting at the FSB due their perceived misleading adverts, specifically the lack of reference to the insurer partner/s for UMAs which gives the impression that the entity itself is a product provider. This is a specific breach of the Short and Long-term Insurance Acts. We will be paying some specific attention to this area in the visits ahead to ensure everyone meets the required standards. We would also once again ask that ALL adverts and brochures are referred to us prior to release so that issues such as this can be addressed – once printed fixes are seldom possible and reprints expensive.

Health care and the needs analysis

The Council for Medical Schemes (CMS) has recently released a newsletter that contains very useful information that can be used “as is” or extracts used in the needs analysis/record of advice process when advising on medical aids. The newsletter explores the relationships of beneficiaries with their medical schemes, administrators, managed care organisations, brokers, healthcare providers as well as patient advocacy groups and patient support groups. Hard copies of the publication are posted to medical schemes only but the electronic version is available on our website (www.medicalschemes.com).

Pension Funds

Did you know that in the last decade the pension industry has contracted from more than 13,000 pension and provident funds to somewhere in the mid-4000s today with the vast majority moving into umbrella funds.

The Registrar of Pension Funds is calling for individuals with the relevant knowledge and expertise of pension funds to serve on a panel of independent trustees for possible appointment to retirement funds where regulatory action is necessary. Anyone keen?

Pension Funds cont...

Regulation 28 of the Pension Funds Act of 1956, which places limits on retirement fund investments, is under review by the National Treasury and the Financial Services Board (FSB). Regulation 28 limits the amount and extent to which retirement funds can invest in particular assets or categories of assets and was last reviewed in 1998. With the advent in newer investment products and changes in exchange controls it is felt by many to be outdated.

Deneys Reitz has commented on the draft changes and an extract, courtesy of Compliserve, as follows:

Amendments to the Definitions

Definitions have been added or clearly specified in order to accommodate the increased creation of new products like derivatives as well as changes to governing legislation across the financial services sector that impact on pension funds and pension fund management.

Amendments to the Scope of Regulation 28

Under the current law, retirement annuity policies that provide a guarantee are excluded from Regulation 28 limits, but the proposed amendments seek to remove this exemption.

Amendments to Individual Member Choice

Whereas currently an individual member of a fund may be exposed wholly to a high risk asset category because Regulation 28 applies to a fund as a whole, the proposed amendment ensures that where a fund provides an individual member with an election regarding his or her underlying investment, that underlying investment must comply with Regulation 28 if that member is directly exposed to the return on the elected underlying investment.

Amendments to Investment Requirements for Asset Categories

Provisions for Islamic-compliant instruments have been incorporated into the respective definitions.

Amendments to Additional Investments Requirements

The proposed amendments aim to allow for more efficient and effective portfolio management and proper disclosure of investment vehicles by taking account of modern investment products, like derivatives, as well as the market development over the past ten years, specifically with respect to an altered exchange control regime.

Based on input from an Old Mutual seminar on pensions is that only six percent of South Africans will be able to extend the living standard enjoyed during their last working years into retirement. The balance will have to make significant adjustments to ensure their pension nest eggs outlast them. This is a figure that has changed little over the past years.

And the last word on pensions for now, Mr Charles Pillai as Pension Fund Adjudicator (PFA) with effect from 1 April 2010.

Useful information on cheques

We bank with FNB and recently received this information from them on the standards for issuing cheques and thought this was something that had relevance to clients generally – especially when issuing refund premium and claims cheques.

The number of fraudulent activities on the interception and theft of cheques are on the increase. Due to the financial loss suffered by clients and First National Bank as a result of these cheques being paid into bank accounts with similar names to the payees cited on the cheques, FNB has decided to take a more pro-active approach in order to mitigate cheque fraud and losses.

In the past the bank accepted and collected cheques for clients wherein the payee's name was not correctly cited. It has become a clear risk for both First National Bank and our clients not to have the name or trading name of the payee fully and correctly cited.

Useful information on cheques cont...

First National Bank is now adopting the following position on the matter of "Not Transferable" cheques.

- A. "Not Transferable" cheques will only be accepted if the payee has been cited in full, i.e the registered name including "Pty(LTD)" and "CC";
- B. The full trading of entity has been quoted as the payee.

Examples noted below:

Sole Proprietorship	Acceptable	Acceptable
Joe Blogg t/a The Soap Shop	Joe Blogg	The Soap Shop

Close Corporation	Acceptable	Acceptable
ABC CC t/a The Soap Shop	ABC CC	The Soap Shop

Company	Acceptable	Acceptable
ABC (Pty) LTD t/a The Soap Shop	ABC (Pty) LTD	The Soap Shop

And last but not least

Do you have kidnap and ransom cover as a broker? Seems to be the case based on the following summary of just such a case;

Four German pensioners have been found guilty of kidnapping the financial adviser they blamed for US property investments that went awry. The court found that the four, aged 61 to 80, abducted James Amburn and tried to force him to refund 2.5m euros (£2.25m; \$3.4m) in lost investments. They took him from his home in western Germany and drove him 450km (280 miles) to southern Bavaria. He was freed after hiding a message to call police in a fax to his Swiss bank. The defendants had argued that they had invited Mr Amburn for a short holiday in upper Bavaria. But the judge ruled that it was a "spectacular case of self-justice" and that in Germany, people could not take the law into their own hands.

They were found guilty of offences ranging from kidnapping to grievous bodily harm.

The ringleader of the group, 74-year-old retired architect Roland Kaspar, was sentenced to six years in prison. His accomplice, a 61-year-old businessman, was sentenced to four years. Two women, one of them Kaspar's 80-year-old wife, received suspended sentences.

Summary courtesy of Compliserve.

Pretium Services make every effort to ensure the soundness and accuracy of the contents of this Newsletter. However, we cannot take any responsibility for the consequences of any actions based on information or recommendations contained herein. You are advised to consult us for any specific assistance you or your staff may need before basing a decision on any information in this publication.

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