

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

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## GENERAL

### RE training

We were approached recently about this offering and thought it deserved to be sent to all our clients as many of you are still asking for details of providers – especially on line ones.

Here are some details we received from Equity Online:

“The Equity Online FAIS training platform (focusing on the Regulatory Exams for Key Individuals and Representatives) combines an effective training methodology with quality content and a well-developed online platform. Our holding company (FuelOnline Training) trains 6,000 individuals a week in various industries using this training methodology and delivery platform. Our FAIS clients include Sanlam, PSG, Cadiz and Coronation with some reporting pass rates of over 80% for their learners -almost double the industry average. The training focuses on the Level 1 exams but we will also soon be offering training for all Level 2 exams as well as CPD content.

The benefits of the Equity Online training platform are:

- Web based – no need for learners to leave the office to attend training
- Learners can complete training at own pace (within organisation’s specific timelines)
- Detailed reporting for compliance officers to monitor progress (at individual and organisational level)
- FSB approved content from Inseta / Mill Park Business School
- Training is broken down into small modules to ensure learners can remain focused and complete one section at a time
- Three tiered system of content and questions (pre-assessment, learning content and post assessment) promotes better learning
- After each module, automated marking highlights incorrect answers with the correct answers given

## RE training cont...

- Mock exams assist learners to know when they are ready to write (minimising cost of writing multiple FSB exams)
- Large database of questions means learners never write the same exam twice
- Questions are in the FSB exam format
- Learners can do the modules and exams as many times as they like
- Price includes 1 year access to the platform
- System is fully customisable and can be white labelled or built into company intranet if required
- Our platform can also support all in house training requirements
- Competitive pricing - will be negotiated based on number of users (with maximum being R900 + VAT for 1 user)"

There are at least two other online offerings that we are aware of that may be worth a look:

Fit4FAIS offering via Compliserve and the JV between FA News and The Institute of Practice Management.

INSETA are about to announce a series of dates for their RE training sessions. They will be running from early October through to mid-November. The venue dates are as follows:

PROVINCE	CITY	DATE
<b>Gauteng</b>	Johannesburg	04/10/2011
	Pretoria	05/10/2011
	VanderbilPak	06/10/2011
<b>KZN</b>	Durban CBD	10/10/2011
	Port Shepstone	11/10/2011
	Pietermaritzburg	12/10/2011
	Newcastle	13/10/2011
	Richards Bay	14/10/2011
<b>Western Cape</b>	Cape CBD	20/10/2011
	George	19/10/2011
	East London/Port Elizabeth	17/10/2011
<b>Mpumalanga</b>	Middleburg	24/10/2011
	Witbank	25/10/2011
	Nelspruit	26/10/2011
<b>Free State</b>	Bloemfontein	27/10/2011
	Welkom/Kroonstad	28/10/2011
<b>Limpopo</b>	Polokwane	08/11/2011
<b>Northern Cape</b>	Kimberly	10/11/2011
<b>North West</b>	Zeerust	14/11/2011
	Mafikeng	14/11/2011
	Rustenburg	15/11/2011
	Klerksdorp	16/11/2011
	Bafokeng	15/11/2011

Further details can be obtained from [www.inseta.org.za](http://www.inseta.org.za)

## Institute of Directors

The IOD offer many training courses during the year. These are open to both members and non-members. If you would like to know what's on offer or would like to book for one of their many courses you can do so on [www.iodsa.co.za](http://www.iodsa.co.za).

You will find the list of programmes on the home page, under the Up Coming Director Development Programmes.

## Insurance Institute of South Africa

The IISA have stated that they more than happy to accommodate corporate bookings for further RE training and are also considering another public session of training with FIA for February / March 2012. Please contact Charmaine Koch on 011 341 9480 or [charmaine@iisa.co.za](mailto:charmaine@iisa.co.za).

The IISA have also announced that the last PIP session of the year will be held on the 28 October 2011. They will be addressing some topical industry issues as well as getting an up to date report from the FSB on the Regulatory Exam.

**Date: Friday, 28 October 2011**

**Time: 07h00 for 07h30 to 11h00**

**Venue: The Venue @ Melrose Arch**

**Fees: Professional Members – R425**

**Corporate Members – R450**

**Non Members – R475**

See [www.iisa.co.za](http://www.iisa.co.za) for further details

## FROM PRETIUM

### Oops!

The e-mail addresses we provided last month for our colleagues in Eastern Cape and KZN were incorrect – the correct ones are:

Pretium Eastern Cape: [pretiumec@telkomsa.net](mailto:pretiumec@telkomsa.net)

Pretium Services KZN: [pretiumkzn@telkomsa.net](mailto:pretiumkzn@telkomsa.net)

### New staff member

We welcome a new staff member to the team from 1 October 2011.

Her name is Babalwa Poswa. She holds a LLB degree as well as a B.Proc. She will work under the supervision of the compliance officers.

## **Our UMA clients helping our broker clients**

We have asked many of our UMA clients to write articles for this newsletter that would add value to our broker clients. Whilst many expressed an interest it has been hard work getting something concrete from them to fulfil the initial enthusiasm. We have just received one such article – which we have chosen to provide as an attachment to the Newsletter to make it easier to share with colleagues.

It is from Admin+, a UMA writing for Constantia that provides cover for cell phones and laptops. In the article Mark Clark, the MD explains how their service can provide more than just insurance cover on these items.

If this article provokes any other UMA into action and would like to get their message across to our clients then just get the details to us. Ideally the article should provide a focus on how a broker would identify a need with their clients for the product offering being discussed i.e. help them with their needs analysis process.

## **CISA and compliance risk management plans**

The Compliance Institute of South Africa has launched a suite of compliance risk management plans (CRMPs) to guide companies through important pieces of legislation. They provide key risk considerations and minimum compliance standards, while focusing users on the concepts of various laws and providing simple, to-the-point actions.

CRMPs are currently available for the Consumer Protection Act (CPA), the Financial Intelligence Centre Act (FICA), the Financial Advisory and Intermediary Services Act (FAIS), the Public Finance Management Act (Departments), and the Public Finance Management Act (National Entities). Each CRMP considers all relevant sections, regulations, and exemptions related to that law.

The Companies Act (Private Companies), Companies Act (Public Companies) and Companies Act (State-owned Companies) CRMPs are expected to be available at the start of November 2011. The Municipal Financial Management Act (Municipalities) and the Municipal Financial Management Act (Municipal Entities) are expected in February 2012. At least five more relevant CRMPs have been identified for 2012.

PS will be incorporating these plans into the new draft administration manual to further assist clients with managing their compliance risk arising from these pieces of legislation.

## **FAIS Breach reporting**

We have made mention of these before and just to give you an update. The standards, now referred to as material irregularity reports, are basically finalised. The actual process of reporting has also been drafted. The finished version will be presented to members of the Compliance Institute (CISA) early in 2012 with a view to a full roll out to both members and non-members. These standards, which will not be formal regulatory requirements, will be incorporated into the code of conduct of CISA so by default we will be bound by the standards.

These requirements highlight the Protected Disclosures Act – a summary of which we have that will be provided to all clients via the soon to be released draft administration manual along with a recommendation that all your staff be provided with a copy as an integral part of their employment formalities.

Our intention is to incorporate these into our new service level agreement, that will replace the current (cumbersome) contract format – see below.

## **IGF changes**

Last month we provided details of the changes arising from Directive 156. However we have realised the practical impact of the personal lines premium collection by two entities was not made as clear as it could have been.

Those of you, who outsource the collection of premiums to another party, EPIC and Escape being the two main providers in this regard, will see a change:

- The mandate provided to you by your insurers for collecting personal lines premiums will be withdrawn,
- A mandate will need to be provided by the insurer to the collection agency,
- Your disclosure document will need to be updated to include the details of the collection agency involved in the process.

The directive only asks that personal lines premiums be managed in this way. In our humble opinion this just makes the overall process a little messy having two mandates in place yet the collection agency will continue to collect both types of premiums. Why not just manage both the same way?

At this stage it is not clear how the insurers will be addressing this change. Will they be issuing a blanket mandate to each collection agency that covers all their brokers or will they issue individual mandates per broker relationship? Will they provide this mandate for personal lines only or will they include commercial premiums as well?

The collection people have already started to try and manage things from their side by issuing draft contracts to the insurers to deal with this requirement. From the one we have seen we doubt insurers will be signing this one as it looks to protect the collection agency at the expense of the insurer.

We will be looking at this process during our upcoming monitoring visits to see what action has been taken by the insurers and to look at the updating of the disclosure documents however the primary responsibility for the contractual side rests with your insurer/s and the disclosure with your IT system provider as most of you with these arrangements are utilising one of the main stream systems that generate the disclosure.

## **Promotion of Access to Information Act**

We have been providing a Guidance Note and draft policy during recent monitoring visits to assist you in completing the required policy before the deadline of 31 December 2011. We will get the policy to you all as we complete our second quarter visits but should anyone like a copy of the Guidance Note beforehand just send us a request.

## **New PS Service level agreement**

As part of our annual fee review process, that will take effect from November this year, as opposed to the usual October (you miss one month of fee increase!) will also incorporate a move to an SLA format to govern our relationship rather than the current contract. The intention is to make it easier for both parties to understand and to clearly set out the services provided and the obligations of each party. The new SLA will accompany the fee increase letter. We will thereafter be looking for formal agreement to the new format by way of a signed copy being provided – that we intend to collect at subsequent monitoring visits.

## A complaint due to underinsurance – a real life case – updated

An update on the article we ran last month. The broker challenged the Ombud's office along the lines that the client had to accept some responsibility – their submission was as follows:

“Although we concede that our representative could have explained the consequences of being under-insured in more detail during the telephonic conversations, we feel that this was explained in all the documentation sent the complainant year after year.

You will appreciate the fact that very few Insureds would be willing to listen to all exclusions which might become relevant at the time of a loss. It is simply not practical. Section 7(1) (c) states that the information should be provided at the “*earliest reasonable opportunity*”. We feel that the documentation sent out is normally the earliest reasonably opportunity to communicate properly in this regard.

However, having learned from this experience we have revisited and amended all our procedures to ensure we meet and even exceed the standards as set out in the General Code of Conduct.

Without addressing each and every point you raised, we accordingly, without accepting liability and reserving all of our rights, would like to propose a settlement offer of 50% of R 100,998.01 as full and final settlement of this matter.

We believe the offer to be fair and that the complainant had also been negligent and should take at least 50% responsibility for amongst the following reasons:

- 1) It seems that the complainant had never read any of our correspondence sent to him during the past five years. Had he done so, he would have surely increased the insured value as required.
- 2) The fact that the complainant is a businessman and is definitely not illiterate, must surely account for something. For the “reasonable businessman” the application of average could be regarded as general knowledge. This is the most common restriction/penalty known by almost every literate person who has or is insuring a building or house.
- 3) Also the fact that he did alterations and additions to the buildings should have given him a clear indication as to what replacement value vs. his Sum Insured was and that he could be under insured. (He did not even bother to advise us that he was renovating and adding buildings on his property. The first we knew of it was when our consultant called him at renewal date to discuss and review the policy as we do every year). Surely this would be a prudent action for any astute businessman?
- 4) The complainant, despite having been advised to obtain a valuation of the property, seemed not to have done so.

We trust that the above offer and reasons to be acceptable and be seen as being fair and reasonable.”

The Ombud replied as follows;

“We appreciate the fact that you are prepared to settle the matter with the complainant and also agree that he had a duty to ensure that his property was adequately covered. We have communicated your offer to Mr Modisapudi and explained the reason why his full claim will not be entertained.

He is happy with the settlement offer of 50%”

Does the willingness of the client indicate they knew they were taking a bit of a chance or was the case put forward by the broker good enough to make the client see the logic of their own error or was the input from the Ombud's office persuasive enough?

Probably a combination of all three!

Still cost the broker R18,000 in an excess and the client was lost so it can't really be seen a victory for the broker – but they have learnt from the incident so hopefully there will be no next time.

## FROM THE FINANCIAL INTELLIGENCE CENTRE

All accountable and reporting institutions have a duty to register with the FIC. Those that have not done so yet are urged to register as soon as possible as penalties are being issued for late registration.

There has been an amendment made to the description of the Accountable Institutions in Schedule 1 of the FIC Act. Schedule 1 now only refers to a person who carries on a long-term insurance business, (and not, as previously, an insurance broker or an agent of an insurer).

Item 12 of Schedule 1 refers to a person who carries on the business of a financial services provider requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002).

FSPs must therefore ensure that they register under Item 12 only.

However, FSPs that are also licensed to conduct long-term insurance business must register under Item 12 (as FSP) and Item 8 (as long-term insurer). FSPs that only conduct advisory and intermediary services in respect of short-term insurance business and/or medical scheme business are specifically excluded from the description of Item 12 and are not required to register.

## FROM THE FSB

### Compliance officer regulatory exams

The FSB have finally released some detail on the planned RE exam for compliance officers. These are planned to start mid-2012 and will focus on compliance practice as much as FAIS regulation. We have put our names forward to participate in the trails planned for later 2011 and early 2012. We will keep you posted.

### A release from the FSB by Charene Nortier, manager: FAIS Supervision

The FSB's FAIS Supervision Department started conducting onsite reviews at the offices Of financial services providers (FSPs) in 2007. Since then more than 2 000 reviews have been Conducted across the country.

Although there is an improvement in overall compliance, there are still some concerns. The major issues are discussed below.

#### **Policies, procedures and risk management**

Usually an onsite review is conducted by contacting the FSP to request certain documentation, either before, or for scrutiny during the visit. A noticeable result of this practice is that FSPs (and often their compliance officers) hurriedly develop the required documentation before the visit.) *(PS Comment – we have to agree that FSPs often become very efficient prior to a visit and complete tasks in weeks that have been outstanding for years)*

However, there appears to be a lack of understanding of the required processes and policies on the part of FSPs, or the staff of the FSPs do not have the necessary information to use in developing policies and procedures. The importance to the FSB is whether the FSP has applied his or her mind in developing policies and procedures that address a specific issue, and whether the FSP has ensured general understanding of and compliance with the content thereof. The FSB is not concerned with how a document looks. Of further importance is that the business and its management understand what needs to be done and the reason for doing it to ensure it is done consistently.

### **Doing business with other FSPs and representatives**

Section 7(3) of the Financial Advisory and Intermediary Services Act, 2002 (FAIS Act), requires that FSPs and their representatives only do business with a person rendering financial services if that person is licenced to do so and meets the relevant conditions, or is a representative that is properly appointed and meets the conditions. FSPs tend to check at FSP level, but they don't drill down to representative level. It is quite possible for the FSP to be correctly licensed, but that a specific representative within that FSP is not appointed for the relevant financial product category or subcategory. If the FSP accepts business from that representative in respect of a financial category or subcategory for which the representative is not authorised, it would be a contravention of section 7(3) of the FAIS Act. As a result the FSP could be referred to the Enforcement Committee of the FSB.

*(PS comment: This is of particular importance for Insurer and UMA FSPs as they grant agencies to other FSPs as a matter of their business and with breach reporting now high profile – see later article – this needs to be better addressed)*

### **Key individuals**

Although FSPs are not directly required to appoint more than one key individual, there is a compelling reason to consider appointing additional key individuals. An authorised FSP is not allowed to function if the key individual is unable to perform. This means that if the key individual is unable to perform management and oversight duties due to illness, absence from work, death or resignation, the FSP must cease to perform the financial services until the Registrar has approved another key individual. The FSP must immediately notify the FSB if such an event occurs, and must stop functioning until the replacement key individual is approved. As this can be quite a lengthy process, it makes business sense to appoint more than one key individual, thereby ensuring business continuity.

It is also important to note that there is a specific obligation imposed on key individuals in terms of operational ability, to ensure that they are able to manage and oversee the rendering of financial services by the representatives of the FSP. Of concern is the fact that there is a wide geographic dispersion of representatives in some companies or even just a large number of representatives and very few key individuals.

This would mean that the key individuals are unable to execute their operational management requirements and oversight regarding representatives.

### **Needs analysis, disclosures, feedback**

The issue of needs analysis and disclosures to clients remains an area that requires clarification for FSPs and representatives. FSPs and representatives often do not keep enough record of their disclosures and discussions with clients. The needs analysis should include issues such as suitability and affordability. Furthermore, the General Code of Conduct, 2003, requires the FSP to report to clients about products. FSPs should not rely on suppliers to provide clients with updates. *(PS comment: This is a particular problem where a broker uses a provider that does "tele-proposals" - these do not replace the brokers obligations – although the process can enhance the advice process)*

### **Submitting reports to the Registrar**

FSPs are required to send two types of reports to the FSB annually, namely compliance reports and financial statements. It is concerning to note that many FSPs don't do this. The simplest way is to access the online system and capture the reports via the FSB website ([www.fsb.co.za](http://www.fsb.co.za)). The alternative is to send hard copies of the reports. It is the responsibility of the FSP to ensure that the documents are sent on time and that they are received by the FSB.

FSPs not sure about which documents to send, can contact the FSB call centre for assistance at 0800 110 443 or 0800 202 087 *(PS comment: we undertake to complete these submissions where we are the appointed compliance officer)*

## A release from the FSB by Charene Nortier, manager: FAIS Supervision cont...

### Appointing representatives

FSPs must ensure that representatives meet the Fit and Proper Requirements. Representatives need to be adequately supervised. The reasons for services under supervision:

- It allows entry into the industry
- It allows and requires that FSPs develop the skills and competencies they would like to see in the people representing their interests. Where a representative is found to act dishonestly or fraudulently, FSPs are required to take the necessary action, which includes debarment. *(PS comment: we are currently looking at all clients HR contracts/disciplinary procedures to ensure they can stand the test of a debarment process)* FSPs should have processes in place to ensure that this can be done and is reported to the FSB. Many FSPs do not have such processes in place. As this is an area that also involves labour laws and practices, it is critical that FSPs have HR processes and policies in place that explain the effect of such action, also in terms of labour laws and practices.

### Conclusion

The above issues offer an overview of some of the problems regularly encountered by the FSB with respect to compliance.

*PS Comment: any of the above sound familiar based on reports we supply you with? If so you need to work with us to address these shortfalls – the next FSB onsite visit may well be you!! We have attended 4 on site visits with clients in the last 2 months.*

## Annual levies

Don't forget that levy invoices will be issued shortly.

The FSB have been trying to ensure that they have the correct contact e-mail address to send the invoice to but please ensure that the people responsible for payment are expecting the invoice.

Please ensure that payments are made timeously. Interest will be charged on all late payments and failure to pay will result in licence suspension

### Draft Insurance Laws Amendment Bill (Interim Measures for Insurance Groups and Governance Risk Management & Internal Controls)

The FSB have released a draft of another Insurance Laws amendment Bill.

The opening statement of the draft states:

**“Pending the finalisation of the Solvency Assessment and Management (SAM) project, the Financial Services Board (FSB) considers it essential to introduce interim measures to address shortcomings in respect of appropriate guidance on corporate governance, risk management and internal controls in the insurance sector.**

### The interim measures will take effect in 2012.”

The main issues that it seeks to address are;

- Solvency assessment and management – Pillar I and II
  - Group wide supervision
  - EU Directive on Solvency
  - Group wide regulatory framework
  - Supervisory approach
  - Governance framework
  - Board of directors – roles and responsibilities
  - Risk Management System
  - Internal Control System
  - Control Functions

If you would like a copy of the above documents/ binder agreements, you can obtain this from the FSB website : [www.fsb.co.za](http://www.fsb.co.za)

## **FSB satellite broadcast**

The FSB satellite broadcast we attended this month was “Regulatory examinations – an update” Unfortunately this provided no new information and nothing on the statistics from the exams written to date

In October we will be attending a full day satellite conference on the 5<sup>th</sup> October that will be dealing with the following subjects;

- Financial soundness and the companies act
- Operational ability of KI's and Compliance Officers
- Compliance monitoring
- Enforcement
- Regulatory update
- Regulatory updates
- FIC update
- Practice management

We will also be attending another broadcast on the 19<sup>th</sup> dealing with an Update from the Financial Intelligence Centre.

## **Need for audited financial statements**

The FSB are about to release a Board Notice that will align the FAIS requirements with those of the new Companies Act. So if you are currently a “Pty” and do not handle client funds or premiums you will no longer need to have audited financials. This will apply to all financial year ends from May 2011. If you do handle client funds – be you sole trader, CC or Pty you will still need to have audited statements prepared.

Board Notice 144 has been released that formally allows insurers to provide first level regulatory exam training to brokers without this being seen as a contravention of the conflict of interest provisions provided it is not provided on an exclusive basis nor as a result of an incentive to promote a product or an insurer.

The exemption applies until 31 August 2012.

And thereafter? And 2<sup>nd</sup> level REs? Only time will tell.

## **Enforcement committee rulings**

The enforcement committee has been working long hours it seems as more and more cases are being published. The ones detailed below only represent FAIS issues.

In discussing these issues at a recent meeting of the FAIS compliance forum we attend one member made a comment that they see some of the issues as being akin to the traffic cops hiding behind a bush and fining the speeding motorist and that activity increases as the financial year end approaches. Maybe a little cynical? Whatever you perceive the reasons the facts are clear – increasingly FSPs that step outside the regulatory framework they are more likely to be punished for that step!

The next round will see action against Compliance Officers – so don't think you are alone in the risks you run.

## Enforcement committee rulings cont...

The following cases may be of interest to brokers as it deals with the obtaining of information from insurers in order to obtain a quote. The case involved one F Lombard.

*The contravention occurred on 3 July 2009, when Lombard telephoned Santam Insurance Limited and, under false pretences, obtained the policy details of an insured person of Santam. At that stage, Lombard was employed as a financial adviser with SAPCOR Financial Solutions under FSP Licence Number 21546. Lombard obtained the policy details to provide the insured person with an insurance policy quotation.*

The fine? R 50,000.

The second involved Clientel General Insurance Company Limited

*It is agreed between the parties that the Respondent contravened section 13(b)(i) of the Financial Advisory and Intermediary Services Act, no 37 of 2002 ("the Act"), in that the Respondent during the period 1 November 2008 to 10 March 2009 rendered financial services as a representative of Intermediary Support Services SA (Pty) Ltd (Intermediary Services) whilst, due to an oversight on the part of the Respondent, was not lawfully appointed as a representative of Intermediary Services in accordance with the provisions of the Act.*

The fine? R 100,000.

The third involved JDDN Consulting Services (Pty) Ltd, trading as Discovery Consulting Services

*The above mentioned FSP contravened section 3A(1)(a) of the General Code of Conduct read with the definitions of "conflict of interest" and "financial interest".*

*The FSP paid for 15 independent FSPs to attend a training course in respect of "Discovery Invest Products". This was substantially cheaper than arranging individual training for each of the providers. JDDN paid for the FSPs return airline tickets from Polokwane to Johannesburg and the cost of their return train travel from the airport to the training venue. These costs amounted to approximately R55 000.*

The fine? R 80,000.

## INTERESTING ARTICLES WE HAVE READ

### RiskSA – September

The Mandated and non-mandated insurer intermediary. An article by Patrick Bracher of Norton Rose SA (formally Deneys Reitz) for all of you who will be affected by the soon to be Binder regulations it is important that you understand the difference.

### Institute of directors Direct Law

Details of the new State Liability Amendment Act that commenced on 30 August 2011 were reviewed. For those involved in claims we would recommend they get familiar with this.



### Insurance Gateway®. An article they posted 5/9/2011

We thought this one we would provide the full text – short enough to do so.

A wonderful quote from one of SA's leading insurers to a broker when they questioned a premium increase at renewal...

*This is how the email actually read –*

*“As cost increased in life, the same apply to the increase in rates as you now (sic!) The price of bread don't stay the same year after year.”*

*Makes you wonder how underwriting is actually done – not based on claims experience or anything like that, but apparently based on the bread price!*

With all the talk about training and education lately this is a sad indictment on the industry and one can only hope it is an isolated case.

The name of the broker has been withheld in order to protect innocent parties.

### Cover Connect

An article by Prof Robert Vivian on a UK case where a client attempted to sue a broker for not being able to provide details of its insurance cover dating back to 1947!

The case did not reach a legal climax (is there any other?) due to a technical issue on which company was being sued – but the mere fact that a client would even contemplate they can do this is scary.

## FA News

This is an extract from an official release by FA News on this new service. As many of you often talk of selling/buying books and businesses you may like to take a look at this.

**“... we recently told readers about the imminent launch of fspExchange. Today, FAnews, Celestis and Moonstone are pleased to announce that the website will go live on 1 September 2011. To visit the site, [click here](#).**

**fspExchange is primarily a site where serious buyers and sellers of financial advisory practices or client books may interact in a safe and secure environment. Information is released under highly controlled circumstances, and then only on the instruction of the sellers.**

**FspExchange is not just a meeting place for potential buyers and sellers. For registered members there are a number of services available that will allow potential sellers to prepare a practice for sale, value a practice or client book, conclude negotiations and draw up agreements, etc. Specialist knowledge is available and, where required, we will put you in touch with industry experts able to provide the assistance you need.”**

## FIA NEWSBREAKER

### ALL MEMBERS

Dear Member

We are being inundated with calls from members about notices they received from the FSB about non-submission of compliance reports and financial statements. These notices also caution that licences can be suspended if the required reports are not submitted by a certain date.

In all instances members inform us that they had in fact submitted required reports at the initial date and have proof of the fact. In some cases these reports have been requested by the FSB more than once.

**If you have been notified by the FSB that there are outstanding reports but you have in fact submitted such reports and have proof of receipt from the FSB, please -**

- Reply to [joe@fia.org.za](mailto:joe@fia.org.za)
- **Mention only the reports required, if they were initially submitted and if you have proof of receipt.**

We need the information to determine the extent of the matter in order to discuss the problem with the FSB and to propose solutions.

In the meantime we urge members to rather submit requested reports again while we seek a solution to the apparent problem.

Your immediate response will be appreciated.

FIA regards.

**PS Comment:** This follows on from our article in the September Newsletter on this subject. We would encourage all FIA members to supply the detail requested.