



INVITATION TO SUBMIT COMMENTS ON THE REVIEW OF THE CREDIT LIFE INSURANCE REGULATIONS, 2017

CIRCULAR 03 OF 2021

1. The National Credit Regulator (“NCR”) is conducting a review of the Credit Life Insurance Regulations, 2017 (“CLI regulations”). The purpose of the review is to make an assessment of the areas of the CLI regulations requiring changes and to make recommendations to the Department of Trade, Industry and Competition (“dtic”).
2. The NCR hereby invites stakeholders to submit comments and inputs on the areas of the CLI regulations which they believe require changes, including but not limited to:
 - 2.1. the calculation of the cost of credit life insurance on the deferred amount at the inception of the credit agreement (straight line method) or on the deferred amount from time to time under the credit agreement (declining balance method (regulation 3(1)));
 - 2.2. the maximum prescribed cost of credit life insurance per product category, and any pricing adjustment required for each product category (regulation 3(1));
 - 2.3. the credit life insurance covers or benefits (regulation 3(2));
 - 2.4. the exclusion or limitation of certain covers or benefits (regulation 4(1));
 - 2.5. the power of the NCR to request information demonstrating compliance with certain sub-regulations (regulation 3(6) and (8));
 - 2.6. the risk underwriting on an individual or group basis (regulation 3(7));
 - 2.7. the intervals at which the exclusions and limitations must be explained and communicated to consumers (regulation 4(2));
 - 2.8. the waiting period for credit agreements with a term of more than six months (regulation 4(3));
 - 2.9. the exclusion of a waiting period for short term loans of one month or less (regulation 4(4));

Disclaimer:

While the NCR has taken reasonable care to ensure the factual accuracy of this circular, it cannot guarantee such accuracy especially with regards to future events. Accordingly, NCR does not accept any liability for damages incurred by any party as a result of decisions or actions taken on the basis of information supplied in this Circular.

- 2.10. benefits in addition to the minimum benefits (regulation 5);
 - 2.11. annual charging of credit life insurance (regulation 6);
 - 2.12. the substitution of credit life insurance policy (regulation 7); and
 - 2.13. any other matter which stakeholders want to bring to the attention of the NCR regarding the CLI regulations, including ways in which the CLI regulations can be tailored to meet the demands of future natural disasters and health pandemics.
3. The comments must be submitted to **Mr Bongani Gwexe** at email address bgwexe@ncr.org.za, by close of business on **Wednesday, 30 June 2021**.

National Credit Regulator

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