

## Media Release

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For Immediate release

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### The final credit life insurance regulations published

The final credit life insurance regulations were published in the Government Gazette on the 09 February 2017.

The regulations limit the cost of credit life insurance to R4,50 per R1000 of the deferred amount for credit facilities, unsecured loans, developmental credit agreements and other types of credit agreements. The cost of credit life insurance is limited to R2 per R1000 of the deferred amount for mortgage agreements.

“The regulations will provide more protection for consumers by ensuring that the insurance cover is appropriate for the needs of consumers. Consumers that are not employed cannot be sold retrenchment cover, says Nthupang Magolego, Senior Legal Advisor at the National Credit Regulator (NCR).

The regulations prescribe the minimum benefits that must be offered to consumers and the limitations or exclusions that apply to the insurance cover.

“A consumer who dies or becomes permanently disabled will have his or her outstanding debt under a credit agreement settled by the credit life insurance policy. If the consumer loses his or her job, the policy will pay instalments due under a credit agreement for up to 12 months, Magolego says.

The regulations will come into effect six (6) months after date of publication. A copy of the regulations can be downloaded from the NCR’s website [www.ncr.org.za](http://www.ncr.org.za).

**Ends**

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