

SAXUM

INSURANCE

(IN LIQUIDATION)

MUA Building, 2nd Floor, 26 Sturdee Avenue, Rosebank, 2196
P.O. Box 1634, Houghton, 2041
Tel: +27 (0) 11 694 5900 Fax: +27 (0) 86 212 0859

Insurance Claimants:
claimsliq@saxuminsurance.com

Creditors:
creditorsliq@saxuminsuranc.com

10 November 2017

TO ALL KNOWN POLICYHOLDERS, BROKERS AND STAKEHOLDERS OF
SAXUM INSURANCE LIMITED (in liquidation)
(MASTER'S REFERENCE NUMBER G1076/2016)

CIRCULAR NUMBER 17

Update on liquidation

- 1 SaXum Insurance Limited (**SaXum**) was placed into liquidation on 20 October 2016 by way of an order granted in the High Court, Johannesburg. SaXum is still in liquidation.
- 2 The joint liquidators issued circulars throughout the liquidation proceedings reporting to stakeholders on, and dealing with, various aspects relating to and arising from the liquidation proceedings of SaXum.
- 3 You are referred to **Circulars 11 and 12**.
- 4 EOH-FS Proprietary Limited (**EOH-FS**) was appointed to quantify accident damage related to personal lines motor claims (**motor accident claims**).
- 5 EOH-FS moderated the motor accident claims based on acceptable and fair market repair cost per manufacturer at the end of August in terms of the information that was available.
- 6 The short-term insurance industry, through the The South African Insurance Association (**SAIA**), has established a limited voluntary fund (**SAIA Fund**) to try and alleviate the prejudice suffered by those policyholders with motor accident claims affected most negatively by the liquidation of SaXum.
- 7 The SAIA Fund will be used to make payments to such policyholders that are deemed to be, or qualify as, "hardship claimants". The SAIA Fund, it must be made very clear, is **limited to policyholders with motor accident claims only**. Payments from the SAIA Fund are expected to be made by the end of January 2018. That having been said, we must make it very clear that this is a projected date by which it is expected that payments to qualifying "hardship claimants" will be made, and it remains conditional on all the conditions required before payments can be discharged being met to the satisfaction of SAIA. EOH-FS has been

Directors: Dr. J.A.J. Schalch (Chairman)* R.W. Killops* K.I. Vennell* M. Hankins*
*Non-Executive "Swiss"

Liquidators:

**H Kaplan (First City
Katleho)**
Honey Chambers
Kenneth Kaunda Drive
Bloemfontein

**NAG Omar (Khammissa
Attorneys)**
98 Doreen Street
Pretoria

Wn Jacobs (Mayibuye Trust)
157 Waggel Street
La-Montagne
Pretoria

**BB Mahlatsi (Van Rooyen-
Fischer Trustees)**
Forum Building, Ground Floor,
337 Veale Street, Brooklyn,
Pretoria

(T) (021) 804 0393

Company Registration No. 2004/011845/06
VAT No. 4310217338

saXum Insurance Limited (In Liquidation)
www.saxuminsurance.com

assisting the joint liquidators as well as SAIA in satisfying the conditions for payment and identifying hardship claimants that qualify for payment from the SAIA Fund.

- 8 The SAIA Fund does not create any preference in law in favour of any creditor. The purpose is to attempt to alleviate “hardship claimants” with qualifying motor vehicle claims that have been prejudiced, financially and in their personal capacities, by the liquidation proceedings of SaXum. For example, some policyholders have lost their employment because their insured vehicle or was sold as salvage as they were not able to pay storage or towing fees or the policyholder was black-listed as they were not able to make repayments under their finance agreement.
- 9 SAIA members, as contributors towards the establishment of the SAIA Fund, have provided a capped amount to the SAIA Fund, This capped amount available through the SAIA Fund may not be sufficient to discharge motor accident claims of all qualifying “hardship claimants” in full. In this regard policyholders that qualify to be paid out from the SAIA Fund may not have their entire claim paid as SAIA wishes to alleviate the hardship of as many policyholders as possible within the capped funds available for distribution.
- 10 It is important that we make it very clear that the SAIA Fund falls outside of the liquidation process, insolvency law and insurance law. This is a fund created by SAIA as a form of goodwill to policyholders, and is restricted to qualifying “hardship claimants”. This fund has been created only due to the SaXum liquidation. The SaXum estate is also made up of other creditors, including non-motor, motor glass, and commercial policyholders. These claims are in the process of being independently assessed and verified and will not qualify for any payments from the SAIA Fund.
- 11 The liquidation proceedings are ongoing and no dividend can be paid to any creditors until the liquidation proceedings are completed and a liquidation and distribution account is lodged by the liquidators and confirmed by the Master of the High Court.
- 12 The joint liquidators have been collaborating with SAIA on the SaXum liquidation, and have been in regular communication with the Financial Services Board, providing updates on the liquidation progress and to find ways to work together to prevent delays in the process to the extent allowable by law.
- 13 The joint liquidators request creditors to submit their claims against the SaXum estate as a matter of urgency. The quicker the liability of the SaXum estate can be determined the quicker a distribution can be made to proved creditors.
- 14 Refer to the **Circular 18** that answers some frequently asked questions.
- 15 Should any policyholder have a query we ask that you email your query to claimslq@saxuminsurance.com.

Yours faithfully,

PER: H. KAPLAN N.O.

N.A.G. OMAR N.O.

W.N. JACOBS N.O.

B.B. MAHLATSI N.O.

(sent electronically without signature)