



competition commission
south africa

Media Statement

For Immediate Release

25 August 2022

COMPETITION COMMISSION RAIDS PREMISES OF EIGHT MAJOR LONG-TERM INSURANCE COMPANIES

Today, 25 August 2022, the Competition Commission is conducting search and seizure operations at the premises of eight insurance companies operating in Gauteng, KwaZulu-Natal, and Western Cape provinces.

The Commission has reasonable grounds to suspect that BrightRock Life Limited; Discovery Limited; FMI, a division of Bidvest Life Limited; Hollard Insurance Group (Pty) Ltd; Momentum, a division of MMI Limited; Old Mutual Insure Limited; Professional Provident Society Limited and South African National Life Assurance Company (Pty) Ltd (Sanlam) have engaged in collusive practices to fix prices and/or trading conditions in respect of fees for investment products such as retirement annuity and premiums for risk-related products, namely, life insurance cover such as dread disease cover / chronic medical condition cover, disability cover, life cover and funeral assistance benefits in contravention of section 4(1)(b)(i) of the Competition Act.

According to the information at the disposal of the Commission, the companies under investigation share information on premium rates for risk-related products and fees for investment products, which enables them to adjust the prices of their existing and new insurance products.

The search and seizure operations are being conducted as part of an ongoing investigation that was initiated by the Commissioner in January 2021. The operations are being conducted at five sites in Gauteng, two in Western Cape, and one in KwaZulu-Natal. During the search, the Commission will seize documents and electronic data, which will be analysed together with other information gathered to determine whether these firms have contravened the Act.

The companies under investigation operate within the long-term insurance market. Their activities within the long-term insurance market, include the offering of investment and risk-related insurance products. The risk-related insurance products include (i) life cover; (ii) funeral cover; (iii) disability cover and (iv) dread disease cover/chronic medical condition cover. The most common form of investment-related product offered by the companies is retirement annuity which becomes payable to the insured upon

retirement. Clients of these companies are natural persons as well as corporate policyholders that buy cover such as retirement funds or group life schemes on behalf of their employees.

In terms of section 48 of the Act, the Commission is authorised to enter and search premises and seize documents that have a bearing on its investigation. The Commission has obtained warrants authorising it to search these companies from the North Gauteng (Pretoria) High Court, Kwazulu Natal (Durban) High Court, and Western Cape High Court.

The search and seizure operations are conducted with due regard to the rights of all affected persons. “The search and seizure operation is part of the routine process of evidence gathering and we urge all involved to allow the investigation to run its course. The Commission will at an appropriate stage reveal the outcome of the investigation,” said Commissioner Tembinkosi Bonakele.

[ENDS]

Issued by:

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