



Financial Services Authority

Press release

22 November 2022

Update regarding the Suspension of Licence of Falcon Insurance Limited

The Financial Services Authority (the FSA) wishes to advise the general public that following the suspension of the license of Falcon Insurance Limited (“Falcon” or the “Company”) effective October 27th, 2022, the administrator appointed by the FSA in accordance section 101 of the Insurance Act, 2008 (the Act) is managing the business of the company in accordance with the Act. In addition, the audit of the company, commissioned by the FSA, remains ongoing.

The FSA would like to reiterate that during this process, the company shall continue to operate and serve its existing clients under the management of the administrator who has been appointed to manage the Company’s business, affairs and assets as per the requirements of the Act. However, it will not be in a position to take on new business during the period of suspension, which shall include the renewal of insurance policies.

As the regulator of the Insurance industry, the FSA’s mandate is to ensure the fair treatment to policyholders, maintain a fair, stable and efficient insurance market for the benefit and protection of the public and to ensure that any actions are taken with the principal objective of fulfilling its regulatory objectives under the law. The FSA has, throughout the process, acted in accordance with its statutory obligations.

In order to provide more clarity to policyholders and stakeholders regarding the current situation of Falcon, the below Frequently Asked Questions (“FAQ”) have been prepared. However, for any further queries or clarifications, please do not hesitate to contact the FSA on +248 2643227 or the Administrator at Falcon on the following email address: falcon.administrator@falconinsurance.sc.

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ANNEX 1: Frequently Asked Questions

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Frequently Asked Questions

Why has Falcon been suspended?

Falcon's licence has been suspended due to certain irregularities identified in the operations of the company, and ongoing deficiencies with regards to it meeting its regulatory obligations in line with the requirements of the Insurance Act, 2008. The suspension of the licence enabled the FSA to appoint an administrator to manage the affairs of Falcon.

Why has an administrator been appointed?

An administrator was appointed due to certain findings of an investigation initiated by the Authority, which gave the Authority reasonable cause to believe that there were or likely to be breaches of the provisions under the Insurance Act, 2008.

What is the role of the administrator?

The role of the administrator is to take over and manage the operations of the business and to ensure that the business is managed efficiently and to safeguard the interests of the policyholders.

How is my claim affected?

Any claims lodged shall continue to be processed, subject to the terms and conditions of your insurance policy issued by the company.

What is the procedure for cancelling my policy?

The procedures would be in accordance with the terms and conditions of your policy.

In the case of a motor vehicle insurance, if I have an accident, am I covered?

All the terms and conditions of your policy remain in place.

Will the company be renewing policies?

The Company is not currently in a position to renew policies.

Why is the Company not processing renewals?

Further to the suspension of the Company's licence, no renewal is being processed. This interim measure aims at protecting policyholders and safeguarding their interests.

Is the company solvent?

An exercise is ongoing to determine the solvency position of the company.

Who is managing the company?

The administrator, Mrs. Mariam Rajabally, FCA, is managing the company.

Are the policyholders covered?

The policyholders and stakeholders of Falcon can rest assured that the FSA's mandate is to ensure the fair treatment to policyholders, maintain a fair, stable and efficient insurance market for the benefit and protection of the public, promote confidence.

During the time that the suspension and administrator is ongoing the company shall continue to service existing clients and respect its obligations.

What is the issue with the company?

An audit is currently being undertaken to assess the status of the company.

Is the government a shareholder?

No, the government has no shares in the company.