



**THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA**

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal
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Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

PPS INSURANCE COMPANY v MKHABELA

The Supreme Court of Appeal (SCA) today held that a nominated beneficiary who predeceases the owner of an insurance policy has no right to any benefit of the policy at the time of her death. It upheld an appeal against an order of the Full Court of the South Gauteng High Court, Johannesburg which had held that the executor of the beneficiary's estate was entitled to claim a benefit of the policy after her death.

Ms Mmatishibe Louisa Magdeline Sebata was the owner of the policy and had nominated her mother, Ms Helen Mmapule Mkhabela, as the beneficiary of the policy in the event of her death, but reserved the right to change or cancel the nomination at any time. Ms Mkhabela predeceased Ms Sebata, and Ms Sebata died afterwards when the proceeds fell due, but without having nominated another beneficiary. Mr Simon Michael Mkhabela, the executor of Ms Mkhabela's estate unsuccessfully claimed the proceeds of the policy before the court of first instance. However, an appeal to the Full Court was successful. The Full Court reasoned that as Ms Mkhabela had already died at the time the benefit accrued and her nomination had not been revoked, it remained open for acceptance by the executor of her estate.

In upholding the appeal, the SCA held that the Full Court had erroneously found that Ms Mkhabela's acceptance of her nomination as a beneficiary had some legal significance. It stated that until the death of Ms

Sebata, Ms Mkhabela only had an expectation of claiming the benefit of the policy– she had no vested right to the benefit. The fact that Ms Sebata had not revoked Ms Mkhabela’s nomination also had no significance; she was in exactly the same position as if there were no revocation clause. The SCA held that Ms Mkhabela’s expectation expired at the same time as her death. There was no enforceable right that was transmissible to her estate. It further held that the benefit remained with Ms Sebata until her death, when it fell into her estate.