



SOUTH AFRICAN RESERVE BANK  
Prudential Authority

## APPLICATION FORM IF024

### APPLICATION FOR APPROVAL TO TRANSFER ASSETS AND LIABILITIES

#### The purpose of this document

This application form needs to be completed when applying for approval to transfer all or any part of the assets and/or liabilities relating to the insurance business of one insurer to another, as required in terms of section 50 of the Insurance Act 18 of 2017 (Act) and:

- in respect of an insurer, section 4.2 of the Governance and Operational Standards for Insurers Transfers of Business (GOI 6);
- in respect of a microinsurer, section 10 of the Governance and Operational Standards for Microinsurers (GOM);
- in respect of Lloyd's, section 9.1 of the Governance and Operational Standards for Lloyd's (GOL); and
- in respect of a branch of a foreign reinsurer, section 9.1 of the Governance and Operational Standards for Branches (GOB).

#### Important information to complete this form

Before completing this form, please read the Fact Sheet Application and Notification Forms (Fact Sheet) that is available on the website of the SARB. The Fact Sheet contains important information on consent and declarations required. Please note: this application could include a prescribed fee, in accordance with [Prudential Standard IAF 2019](#), with the process for payment found [here](#)

### 1. Company information and reason(s) for approval

#### 1.1 Does this application relate to a/an<sup>1</sup>:

- Insurer
- Microinsurer
- Lloyd's
- Branch of a foreign reinsurer

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<sup>1</sup> For the purposes of this form, references made to an 'insurer' includes a microinsurer, Lloyd's and the branch(es) of a foreign reinsurer.

**1.2 Please provide the following details for this application:**

<b>Transfer date</b>	2022/06/30
<b>Transferor insurer number</b>	1123
<b>Transferor insurer name</b>	Hollard Life Assurance Company Limited
<b>Transferee insurer number</b>	1123
<b>Transferee insurer name</b>	Family Insurance (Pty) Limited

**1.3 Please provide the reason(s) for seeking this approval:**

Hollard Life Assurance Company Limited (Hollard) and Family Insurance (Pty) Limited T/A Lifewise (Family Insurance), collectively the Parties, have entered into an agreement in terms of which Hollard will transfer the assets and liabilities in respect of life products which are offered by Scorpion legal protection (RF) (PTY) LTD (Scorpion) and Family Insurance to its customers (the business). The life products are currently underwritten by Hollard. It was agreed between the Parties that should Family Insurance be granted a microinsurance license, the Business would be transferred from Hollard to Family Insurance. Family Insurance received their microinsurance licence on 8 November 2021. Accordingly, Hollard will transfer the Business to Family Insurance, such that Family Insurance will inter alia become the new insurer of the policies.

**2. Contact and basic information**

**2.1 Contact details of the person for correspondence related to this form:**

This must be someone who works for the applicant, not a professional advisor.

<b>Title</b>	Ms
<b>First name(s)</b>	Zubeidha
<b>Surname</b>	Lebelo
<b>Position</b>	Head of Regulatory Affairs
<b>Business address</b>	22 Oxford Road Parktown Johannesburg
<b>Contact number</b>	011351 2046

**Email address**

[zubeidha@hollard.co.za](mailto:zubeidha@hollard.co.za)

## 2.2 Details of professional advisor(s):

2.2.1 Have you used a third-party professional advisor(s) to help with this form?

- No** → Continue to section 2.3.  
 **Yes** → Complete the remainder of this section.

2.2.2 Please provide the name and contact details of the third-party professional advisor(s) used (i.e. the consultants, auditors, actuaries and/or lawyers used in compiling this form). This information should be included in an attachment accompanying this form.

<b>Name of firm(s)</b>	N/A
<b>Title</b>	N/A
<b>First name(s)</b>	N/A
<b>Surname</b>	N/A
<b>Position</b>	N/A
<b>Business address</b>	N/A
<b>Contact number</b>	N/A
<b>Email address</b>	N/A

## 2.3 Other information:

2.3.1 Is there any additional information that is not requested elsewhere in this form that is relevant for the PA to assess this form?

- No** → Continue to section 3.  
 **Yes** → Complete question 0.

2.3.2 Please provide a summary of, or list, the additional information, including the reason(s) for providing this additional information, and attach it to this form.

Family expenses section 51 form will be attached to this application as the transfer is material for family expenses.

### 3. Specific information

#### 3.1 Details of the transfer:

3.1.1 Which assets and/or liabilities will be transferred?

The following will be transferred to Family Insurance:  
The outstanding claims reserve;  
IBNR;  
The rand reserve;  
UPR2

Request consent to only use Internal Actuaries and Internal Audit:

Both parties request to only use their respective Heads of the Actuarial Functions (HAF's) and Internal Auditors for the purposes of the section 50 Application. Both parties are of the view that there is no need for the appointment of independent actuaries and auditors, as there are appropriate governance processes in place to enable the control functions to provide independent assurance to the Prudential Authority to ensure that that the process has been conducted in line with the PA's requirements. Our control functions are appointed by the respective Board's and have direct reporting lines to the appropriate Board sub-committees they are therefore considered independent, and duly empowered to discharge their duties in line with the PA's requirements.

This Section 51 Application is not necessary from Hollard's side:

The transaction is not a material disposal for Hollard and as such a section 51 application is not necessary. However, Family Insurance will apply in terms of Section 51 as the transaction is regarded as a material acquisition on their side

Hollard's 2022 Financial Year End will be applied as the Regulatory Effective Date of the Transaction:

Hollard's June 2022 Financial Year-end will be applied as the Regulatory Effective Date of the the transaction, however, business will continue past this date in line with the provisions set out in the Transfer Agreement or when all the suspensive conditions have been fulfilled.

3.1.2 Please describe the nature of the items mentioned in 3.1.1 above.

SCHEME	UPR2	OCR	IBNR	RESERVES	TOTAL
Lifewise	- 1 758 820	50 000	295 206	447 625	- 965 989
Scorpion	- 1 315 181	285 000	198 178	360 601	- 471 401
<b>TOTAL</b>	<b>- 3 074 001</b>	<b>335 000</b>	<b>493 384</b>	<b>808 226</b>	<b>- 1 437 390</b>

3.1.3 Section 17 of the Act and Chapter 11 of the Financial Sector Regulation Act 9 of 2017 (FSR Act) require approval from the PA to effect a change to the significant ownership of an insurer. Will the proposed transfer lead to a change in the significant ownership of the transferor and/or transferee insurer(s)?

- No change in significant ownership**
- Change in significant ownership of the transferor insurer**
- Change in significant ownership of the transferee insurer**

**3.2 Details regarding affected policyholders:**

3.2.1 Which of the following applies to the transferring policyholders of the *transferor* insurer?

- The transferring policyholders have been made aware**
- The transferring policyholders will be made aware**
- The transferring policyholders have signified consent**
- The transferring policyholders will be asked to signify consent**

3.2.2 Which of the following applies to the remaining policyholders of the *transferor* insurer that are materially affected by the transaction?

- The remaining policyholders have been made aware**

- The remaining policyholders will be made aware
- The remaining policyholders have signified consent
- The remaining policyholders will be asked to signify consent
- None of the transferor insurer's remaining policyholders will be materially affected

3.2.3 Which of the following applies to the policyholders of the *transferee* insurer that are materially affected by the transaction?

- The policyholders have been made aware
- The policyholders will be made aware
- The policyholders have signified consent
- The policyholders will be asked to signify consent
- None of the transferee insurer's policyholders will be materially affected

3.2.4 Will the terms of the new policies be the same as, or differ from, the terms of the original policies? Please explain.

The terms of the new policies will be the same as the terms of the original policies.

3.2.5 Please attach full details of how the insurer proposes to communicate the action to policyholders (a communication plan), including timelines, communication notices, and details of the documents that will be made available for inspection.

3.2.6 Please attach proof of the written consent of the policyholders (where available).

## 4. Results

### 4.1 Details regarding the assets and liabilities transferring:

4.1.1 The transferor and transferee insurers must express the business to be transferred as a percentage of their total assets and liabilities. Please specify these details in the table below.

	<b>% of transferor insurer</b>	<b>% of transferee insurer</b>
<b>Assets</b>	0,007%	16.8%
<b>Liabilities</b>	0,007%	163%
<b>Date as at which assets and liabilities were taken</b>	30 June 2022	30 June 2022

## **4.2 Results:**

Please provide the following as attachments accompanying this form:

- 4.2.1 the quantitative reporting templates (QRTs) for both the transferor and the transferee insurers reflecting their respective financial positions before the proposed transfer and the pro forma financial positions after the proposed transfer;<sup>2</sup>
- 4.2.2 copies of the financial statements for both the transferor and the transferee insurers at the effective date;<sup>3</sup>
- 4.2.3 a copy of the written agreement or other documentation, as the case may be, between the transferor and transferee insurers;
- 4.2.4 copies of the resolutions authorising the proposed transfer by the boards of directors (boards) of both the transferor and the transferee insurers;
- 4.2.5 an out-of-cycle own risk and solvency assessment (ORSA) report where the transfer could result in a material change in the risk profile of the acquirer;
- 4.2.6 a timetable setting out the timelines for the implementation of the necessary actions and/or procedures, including any necessary communications to the policyholders of both the transferor and the transferee insurers (the timetable must include the effective date and/or implementation date of the transfer, and the PA will indicate whether the timetable is acceptable); and
- 4.2.7 the report from the Head of the Actuarial Function, for both the transferor and the transferee insurers, giving an actuarial view of the impact of the proposed transfer on the financial soundness of the transferor and transferee insurers.

## **5. Attachment checklist**

### **5.1 Compulsory attachments:**

Please complete the following table with details of the attachments provided.

<b>Attachment number</b>	<b>Question number</b>	<b>Description</b>	<b>Number of pages</b>	<b>Attached</b>
A1	4.2.1	Group or solo QRTs		<input checked="" type="checkbox"/>

<sup>2</sup> The quantitative reporting templates submitted must be signed off by the Head of the Actuarial Function.

<sup>3</sup> The effective date will be established according to deliberations between the PA and the applicant.



Attachment number	Question number	Description	Number of pages	Attached
A2	<b>Error! Reference source not found.</b>	Financial statements	129	<input checked="" type="checkbox"/>
A3	4.2.3	Written agreement	29	<input checked="" type="checkbox"/>
A4	4.2.4	Board resolutions	4	X
A5	<b>Error! Reference source not found.</b>	Out-of-cycle ORSA report (if applicable)	13	X
A6	4.2.5	Timetable	2	X
A7	4.2.6	Head of Actuarial Function's report	18	X
A8	6	Consent and declarations	3	X
A9	Refer to <a href="#">Prudential Standard IAF 2019</a>	Proof of payment	1	X

## 5.2 Other attachments:

Please complete the following table with details of the attachments provided, also indicating the number of pages per each attachment. For example, attachments might be required if there was insufficient space to include the information in the form itself or if your responses in this form referred to external documents. Create additional rows for each attachment included.

Attachment Number	Question Number	Description	Number of pages/sheets	Attached
B.1	1.3	PA Letter - Family expenses name change	2	X
B.2	2.3.2	IF021 (FAMILY INSURANCE	3	X
B.3	3.2.5	Proposed communication plan	24	X

## **6. Consent and declarations**

To assess the application or notification, the PA needs to ensure that the information in the application or notification is complete and accurate. It may be shared with, and verified by, other regulatory authorities. Please see the Fact Sheet on the SARB's website for the required consent and declarations that must accompany this form.