



APPLICATION FORM IF024

APPLICATION FOR APPROVAL TO TRANSFER ASSETS AND LIABILITIES

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 liabilities relating to the insurance business of one insurer to another, as required in terms of section 50 of the Insurance Act, 2017 (the 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, read the Fact Sheet Application and Notification Forms (Fact Sheet) that is available on the website of the SARB. The Fact Sheet includes important information including the consent and declarations required.

1. Company information and reason for approval

1.1 Does this application relate to:

- Insurer
- Microinsurer
- Lloyds
- Branch of a foreign reinsurer

1.2 Provide the following details for this application

Transfer date

YYYY/MM/DD 2018/06/30

Transferor Insurer number	1138
Transferor Insurer name	Hollard Specialist Life Limited
Transferee Insurer number	1078
Transferee Insurer name	Centriq Life Insurance Company Limited

1.3 **Provide the reason(s) for seeking this approval**

[On 24 April 2017, the Competition Tribunal \(the "Tribunal"\) conditionally approved the acquisition by Hollard Holdings Proprietary Limited \("Hollard"\) of Regent Insurance Company Limited \("Regent Insurance"\) and Regent Life Assurance Company Limited \("Regent Life"\) \(the "Hollard/Regent Transaction"\).](#)

[Regent Insurance and Regent Life have subsequently changed their names to "Hollard Specialist Insurance Limited \("Hollard Specialist Insurance"\) and "Hollard Specialist Life Limited" \("Hollard Specialist Life"\), respectively. For the purposes of this application, reference shall be made to Regent Insurance and Regent Life, as opposed to Hollard Specialist Insurance and Hollard Specialist Life.](#)

[One of the conditions imposed by the Tribunal is that the "Interim VAPs Insurance Policies" \(as defined in the conditions to the Order\) being certain Value Added Policies \("VAPs"\) sold and administered after 1 July 2017 during the Interim Period as defined and extended from time to time, currently underwritten by Regent Insurance and Regent Life \(collectively referred to as "Regent"\), must be transferred to a new underwriter. The details of this condition are set out at clauses 4.1 - 4.3 of the Order. A copy of the Tribunal's order is attached hereto as Annexure A9 \("Order"\).](#)

[In this regard, Centriq Insurance Company Limited \("Centriq Insurance"\) and Centriq Life Insurance Company Limited \("Centriq Life"\) \(collectively "Centriq"\) have been identified as the new underwriters.](#)

[This application relates to the transfer of certain VAPs from Regent Life to Centriq Life. The exact details of the VAPS that will be transferred from Regent Life to Centriq Life are detailed in the response to Question 3.1.1. herein.](#)

[In order to communicate the transfer of the VAPs from Regent Life to Centriq Life, the parties will implement a proposed Communication Plan, a copy of which is attached hereto as Annexure A10.](#)

[The Heads of the Internal Audit Control Function of Centriq Life and Regent Life will review and report on the implementation of the proposed Communication Plan. The parties do not believe that it is necessary to appoint an external auditor to review and report on the implementation of the proposed Communication Plan and submit that the internal audit teams of Centriq Life and Regent Life possess the necessary skills, expertise and independence to audit the implementation of the proposed Communication Plan. The Prudential Authority will be furnished with reports from the Heads of the Internal Audit Control Function of Centriq Life and Regent Life upon completion of the proposed Communication Plan for its review and consideration. The Heads of the Internal Audit Control Function of Centriq Life and Regent Life will further be in the best position to review and report to the Prudential Authority on the](#)

completion of the process or any other aspect of the process the Prudential Authority requires a report on.

Further, Centriq Life and Regent Life do not believe that it is necessary to appoint an independent actuary to assess the soundness of the proposed transfer. The Head of Actuarial function for both Centriq Life and Regent Life have issued a report, copies of which are attached hereto as A7.2 and A7.1 respectively. The relevant conclusions of these reports are set out below:

Regent Life:

Based on the investigations performed as detailed in the HAF report, it is the opinion of the Head of the Actuarial Function of Regent Life (the Transferor company) that:

1. the proposed transaction is actuarially sound;
2. the security of policyholders is adequately safeguarded; and,
3. the reasonable benefit expectations of policyholders are not adversely affected.

Centriq Life:

Based on the investigations performed as detailed in the HAF report, it is the opinion of the Head of the Actuarial Function of Centriq Life (the Transferee company) that:

1. the proposed transaction is actuarially sound;
2. the security of policyholders transferring to Centriq Life as well as the existing policyholders of Centriq Life is adequately safeguarded; and,
3. the reasonable benefit expectations of policyholders are not adversely affected.

Based on the above conclusions, Centriq Life, Regent Life and their respective actuaries do not believe that it is necessary to appoint an independent actuary for the purposes of this transfer.

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 insurance company and not a professional advisor.

Title	<u>Ms</u>
First names	<u>Mari</u>
Surname	<u>Jansen</u>
Position	<u>Group Executive: Strategic Support and Shared Services</u>
Business address	<u>22 Oxford Road</u> <u>Parktown</u> <u>Johannesburg</u>

Contact number	+27 11 351 2398 / +27 82 825 3076
Email address	marija@hollard.co.za

2.2 Details of professional advisors

2.2.1 Have you used third-party professional advisors to help with this form?

No → Continue to section 2.3

Yes → Complete the remainder of this section

2.2.2 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, e.g.:

Name of firm	Webber Wentzel
Title	Mr
First names	Johan
Surname	Henning
Position	Partner
Business address	90 Rivonia Road Sandton
Contact number	011 530 5358
Email address	Johan.Henning@webberwentzel.com

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 Prudential Authority to assess this form?

No → Continue to section 3

Yes → Complete question 2.3.2

2.3.2 Provide a summary or list of the additional information, including the reasons for providing this additional information and attach to this form.

Please see the accompanying Index for a full list of additional information. The additional information relates to: i) the Order by the Competition Tribunal that requires the transfer of the Business from Regent Life to a third party underwriter and which is the reason for the transfer; ii) Correspondence with the Prudential Authority confirming the reports and documents to be annexed to this Application following discussions with the Prudential Authority; iii) A motivation by the Chief Risk Officer of Regent Life requesting that an out of cycle ORSA not be required based on the reasons as stipulated in the motivation.

3. Specific Information

3.1 Details of the transfer

3.1.1 Which assets and/or liabilities will be transferred?

Subject to the fulfilment of all terms and conditions as set out in the transfer agreement between Regent Life and Centriq Life ("Transfer Agreement"), Regent Life will transfer the business conducted by Regent Life in respect of the VAPs issued through the notionally ring-fenced cell created in respect of the business of Regent Life through the issue of:
1. class "I" shares to Imperial Holdings Limited ("Imperial") ("Imperial Cell"); and
2. class "A" shares to Motus Corporation Proprietary Limited ("Motus") ("Motus Cell"),
with an inception date on or after 1 July 2017 ("Policies") to Centriq Life, collectively the "Business".

3.1.2 Describe the nature of the items mentioned in 3.1.1 above.

The Policies are VAPs which are credit life policies underwritten by Regent Life and distributed through Imperial's and Motus' motor dealer distribution channels.

3.1.3 Chapter 11 of the Financial Sector Regulation Act, 2017 and section 17 of the Act require approval from the Prudential Authority to effect a change to the significant

ownership of an insurer. Will the proposed transfer lead to a change in the significant owners of the transferor and / or transferee insurer(s)?

- No change in significant owners**
- Change in significant owners of the transferor**
- Change in significant owners of the transferee**

3.2 Details regarding affected policyholders

3.2.1 Which of the following apply to the transferring policyholders of the transferor:

- 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**

3.2.2 Which of the following apply to the remaining policyholders of the *transferor* 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 transferor's remaining policyholders will be materially affected**

3.2.3 Which of the following apply to the policyholders of the *transferee* 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's policyholders will be materially affected**

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

[The terms and conditions of the Policies will remain the same.](#)

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

3.2.6 Attach proof of written consent of the policyholders where available.

4. Results

4.1 Details regarding the assets and liabilities transferring

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

	% of Transferor	% of Transferee
Assets	<u>0%</u>	<u>0%</u>
Liabilities	<u>3.85%</u>	<u>0%</u>
Date as at which assets and liabilities were taken	<u>30 June 2018</u>	<u>30 June 2018</u>

4.2 Results

Provide the following as attachments accompanying this form:

4.2.1 Audited annual quantitative reporting templates for both the transferee and transferor reflecting the financial positions before the proposed transfer.

4.2.2 Audited annual quantitative reporting templates for both the transferee and transferor reflecting the pro forma financial positions after the proposed transfer.

4.2.3 Proof of the written agreement between the transferor and transferee.

4.2.4 Copies of the resolutions by the board of directors of both the transferor and transferee.

4.2.5 A copy of the audited financial statements for both the transferor and transferee reflecting the pre-transfer financial position at the transfer date.

4.2.6 An out-of-cycle ORSA report for both the transferor and transferee.

4.2.7 A copy of a realistic timetable, setting out when the necessary actions or procedures must be instituted or take place, including any necessary communications to

policyholders of both the transferor and the transferee. The table must include the effective date and/or implementation date of the transfer. The Prudential Authority will indicate whether the timetable is acceptable.

- 4.2.8 A copy of the head of actuarial function's report, for both the transferee and transferor, regarding the soundness of the proposed action.

5. Attachment Checklist

5.1 Compulsory attachments

Complete the following table with details of the attachments provided.

Attachment Number	Question Number	Description	Number of pages/sheets	Attached
A1	4.2.1 4.2.2	Group or Solo QRTs	<u>9</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A2	4.2.3	Written agreement	<u>34</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A3	4.2.4	Board resolutions	<u>11</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A4	4.2.5	Annual financial statements	<u>1</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A5	4.2.6	ORSAs	<u>3</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A6	4.2.7	Timetable	<u>4</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A7	4.2.8	Head of actuarial function's report	<u>26</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>
A8	6	Consent and Declarations	<u>5</u>	<input checked="" type="checkbox"/> <input type="checkbox"/>

5.2 Other Attachments

Complete the following table with details of the attachments provided, also indicating the number of pages of each attachment. For example, attachments might be required if there was not sufficient space to include the information in the form itself or if your responses in this form refer to external documents. Add additional rows for each attachment included:

Attachment Number	Question Number	Description	Number of pages/sheets	Attached
e.g. B1	2.2	Contact details of professional advisors	8	<input checked="" type="checkbox"/> <input type="checkbox"/>
<u>A9</u>	<u>1.3</u>	<u>Order of Tribunal</u>	<u>14</u>	<input checked="" type="checkbox"/>
<u>A10</u>	<u>1.3</u>	<u>Proposed Communication Plan</u>	<u>38</u>	<input checked="" type="checkbox"/>

Attachment Number	Question Number	Description	Number of pages/sheets	Attached
A10.1		Annual Financial Statements for the year ended 2017 for Hollard Specialist Life (Regent Life)	118	x
A10.2		Annual Financial Statements for the year ended 2017 for Centriq Life	65	x

6. Consent and Declarations

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