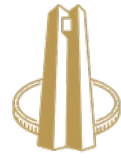


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SOUTH AFRICAN RESERVE BANK
Prudential Authority

Financial Sector Regulation Act, 2017

Guidance Notice 2 of 2021

Guidance Notice FSI 4.3 – Non-Life Underwriting Risk Capital Requirement

The Prudential Standard FSI 4.3, which was published in 2018, sets out the details for calculating the capital requirements for underwriting risk related to non-life insurance obligations for insurers using the standardised formula to calculate Solvency Capital Requirement.

The Prudential Authority today publishes the Guidance Notice on FSI 4.3: Non-Life Underwriting Risk Capital Requirement (Guidance Notice). The Guidance Notice aims to assist insurers in complying with the requirements as outlined in the Prudential Standard FSI 4.3 (Non-life Underwriting Risk Capital Requirement). This Guidance Notice is aimed at illustrating approaches that may be adopted for the treatment of insurers' eligible risk mitigation instruments in addition to the impairment of those instruments for counterparty default risk.

A handwritten signature in black ink, appearing to read 'Kuben Naidoo'.

Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 6 April 2021