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| **APPLICATION FORM IF021**  **APPLICATION FOR APPROVAL TO AFFECT MATERIAL ACQUISITIONS OR DISPOSALS** |

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| **Purpose of this document**  This application form needs to be completed when applying for approval to affect material acquisitions or disposals, as required in terms of section 51 of the Insurance Act, 2017 (the Act) and section 10.4 of the Governance and Operational Standards for Insurers: Miscellaneous Regulatory Requirements (GOI 7). |

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| **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 contains important information on consent and declarations required. |

1. **Company information and reason for approval**
   1. **Does this application relate to:**

**Insurer**

**Controlling company**

* 1. **Does this application relate to:**

**Acquisition**

**Disposal**

* 1. **Provide the following details for this application:**

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| **Insurer/Insurance group number** |  |
| **Insurer/Insurance group name** |  |
| **Valuation date of results** | YYYY/MM/DD |
| **Effective date for which approval is requested** | YYYY/MM/DD |

* 1. **Describe the reason for seeking this approval**

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1. **Contact and Basic Information**
   1. **Contact details of the person for correspondence related to this form**

This must be someone who works for the company and not a professional advisor.

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| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. **Details of professional advisors**
     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

* + 1. 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.:

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| **Name of firm** |  |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. **Other information**
     1. Is there any additional information that is not requested elsewhere in this form and is relevant for the Prudential Authority to assess this form?

**No** 🡺 Continue to section 3

**Yes** 🡺 Complete question 2.3.2

* + 1. Provide a summary or list of the additional information, including the reasons for providing this additional information and attach to this form.

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1. **Specific Information**
   1. **Details regarding the planned acquisition/disposal**
      1. Name of entity applicable to the acquisition/disposal.

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* + 1. Describe the main business conducted by the entity referred to in question 3.1.1?

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* + 1. What jurisdiction does the entity referred to in question 3.1.1 operate in?

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* + 1. Please specify the level of materiality of the acquisition or disposal:

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|  | Another insurer or any other financial institution that is subject to prudential requirements. |
|  | Any entity with assets in excess of 5% of the total assets of the insurer |
|  | Any entity with net income after tax in excess of 5% of the total net income after tax of the insurer, at acquisition or disposal or within the projected business plan period. |
|  | Any entity that will result in intra-group exposure with the insurer in excess of 10% of the total amount of an intra-group exposures of all the entities owned by the insurer. |

* + 1. Was a due diligence or similar investigation in respect of this application conducted?

**No** 🡺 Continue to question 3.1.9

**Yes** 🡺 Complete question 3.1.6

* + 1. Describe why a due diligence or similar investigation was not deemed necessary.

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* + 1. Describe the extent of the due diligence, or similar investigation, as well as who conducted the investigation.

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* + 1. Summarise the findings of the due diligence conducted for the new acquisition (where relevant).

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* + 1. How will the acquisition/disposal affect the current business offering of the insurer?

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* + 1. State the price to be paid for the acquisition/amount to be received from the disposal.

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* + 1. Select an option below indicating how the acquisition (where relevant) will be financed:

**Encumbrance of assets**

**Loan funding**

**Excess assets**

* + 1. Provide details of additional approvals required for the acquisition/disposal.

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* + 1. Describe the impact on the insurer if the Prudential Authority does not consider the application favourable.

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* + 1. Indicate why the acquisition/disposal is material (select all that apply):

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|  | **Impacts the risk profile of the insurer/insurance group** | 🡺 | Complete question 3.1.15 |
|  | **Impacts the profitability of the insurer/insurance group** | 🡺 | Complete question 3.1.16 |
|  | **Impacts on the quality of the operational soundness framework of the insurer/insurance group, including the ability to manage its risks and meet its legal and regulatory obligations** | 🡺 | Complete questions 3.1.17 and 3.1.18 |
|  | **Increases the risk to policyholders** | 🡺 | Complete questions 3.1.19, 3.1.20 and 3.1.21 |
|  | **Impacts the ability of the Prudential Authority to monitor the insurer’s/insurance group’s compliance with its regulatory obligations** | 🡺 | Complete question 3.1.22 |

* + 1. Provide a summary of the changes to the risk profile as a result of the acquisition/disposal.

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* + 1. Quantify the expected impact of the acquisition/disposal on the profitability of the insurer/insurance group, outlining the method and the most important assumptions used.

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* + 1. Provide details regarding the impact of the acquisition/disposal on the quality of the operational soundness framework of the insurer/insurance group, outlining the impact on the ability to manage its risks and meet its legal and regulatory obligations.

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* + 1. How will the insurer/insurance group manage the impacts described in question 3.17 above?

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* + 1. Explain why the acquisition/disposal will result in an increase in risk to the policyholders?

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* + 1. Has the increase in risk been communicated to the affected policyholders?

**No**

**Yes**

* + 1. How does the insurer plan to manage the risks described in question 3.19 above?

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* + 1. Explain why the acquisition/disposal will impact the ability of the Prudential Authority to monitor the insurer’s/insurance group’s compliance with its regulatory obligations, including ways in which the insurer/insurance group will assist the Prudential Authority in effectively monitoring its compliance.

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* + 1. How will the acquisition/disposal affect the current business offerings of the insurer?

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1. **Documents Submitted**
   1. **Attachments Included**
      1. Complete the attached Excel spreadsheet showing details of the current financial soundness as well as the financial soundness should approval be given.
      2. Attach the latest annual financials, if this application is in respect of a new acquisition.
      3. Attach an out-of-cycle ORSA report as an attachment accompanying this form.
      4. Attach timelines for the governance structures of the group to be embedded in the acquired entity, if applicable.

1. **Attachment Checklist**
   1. **Compulsory attachments**
      1. Complete the following table with details of the attachments provided.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| A1 | 4.1.1 | Excel template |  |  |
| A2 | 4.1.3 | ORSA |  |  |
| A3 | 6 | Consent and Declarations |  |  |

* 1. **Other Attachments**
     1. 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 |  |  |  |
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1. **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