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| **APPLICATION FORM IF028**  **APPLICATION FOR APPROVAL TO USE REINSURANCE PARENT COMPANY CREDIT RATING IF THERE IS A NOVATION AGREEMENT IN PLACE** |

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| **Purpose of this document**  This application form needs to be completed when applying for approval to use a reinsurer’s parent company rating as opposed to the local reinsurer’s rating for the purposes of assessing counterparty default risk, as required in terms of Attachment 3 section B.3 of Financial Soundness Standard for Insurers Valuation of Technical Provisions (FSI 2.2) made under section 36(6)(a) of the Insurance Act, 2017 (the Act). |

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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. |

## Company information and reason for approval

* 1. Provide the following details for this application:

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| --- | --- |
| **Insurer number** |  |
| **Insurer 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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## 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

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

**No** 🡺 Continue to section 2.2.2

**Yes** 🡺 Complete the remainder of this section

#### 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

#### 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

#### 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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## Specific Information

* 1. Details of the novation agreement

#### Provide details of the novation agreement in place between the locally registered reinsurer and parent company of the reinsurer.

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#### Attach the signed novation agreement as mentioned in question 3.1.1 above.

#### For the novation agreement to be effective for statutory purposes, the reinsurer has to obtain policyholder consent for the novation agreement. Provide as an attachment to this form proof of policyholder consent received.

#### Provide details of the triggers of the novation agreement.

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#### Describe possible future events, which could possibly affect the enforceability of the novation agreement.

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* 1. Details of the parent and local reinsurance company

#### Provide the following details relating to the local reinsurance company for this application:

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| **Insurer number** |  |
| **Insurer name** |  |

#### Provide the following details relating to the parent company for this application:

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| **Parent company name** |  |
| **Parent company jurisdiction** |  |
| **Name of the supervisory authority if the parent company is an insurer/reinsurer** |  |

#### Provide evidence of the parent company’s most recent credit rating, not older than two years, and the name of the rating agency. Include the credit quality step assigned to the parent company by the insurer.

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#### Indicate whether the parent company is a direct or an indirect parent company.

**Direct parent company** 🡺 Continue to question 3.2.5

**Indirect parent company** 🡺 complete question 3.2.6

#### What is the percentage holding of the parent company in the local reinsurer?

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#### Describe the relationship of the parent company’s holding in the local reinsurer.

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## Results

* 1. Results

#### Provide the information in the Excel template accompanying this form.

## Attachment Checklist

* 1. Compulsory attachments

Complete the following table with details of the attachments provided.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| A1 | 3.1.2 | Novation agreement |  |  |
| A2 | 3.1.3 | Policyholder consent |  |  |
| A3 | 4.1.1 | Excel template |  |  |
| A | 6 | Consent and Declarations |  |  |

* 1. 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 |  | 8 |  |

## 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