



## 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

2021/07/01

<b>Transferor Insurer number</b>	I156
<b>Transferor Insurer name</b>	Momentum Insurance Company Limited
<b>Transferee Insurer number</b>	I233
<b>Transferee Insurer name</b>	Momentum Short Term Insurance company Limited

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

In 2019, Momentum Metropolitan Strategic Investments Proprietary Limited acquired the issued shares of Momentum Insurance Company Limited (formerly known as Alexander Forbes Insurance Company Limited), with the intention to integrate the Momentum Insurance Company Limited ("Transferor") and Momentum Short Term Insurance Company Limited ("Transferee") businesses into a combined business, managed by a single management team

The Transferor is a wholly-owned (100%) subsidiary of Momentum Metropolitan Strategic Investment Proprietary Limited and is part of the MMH group of companies ("MMH Group"). The Transferee is a wholly-owned (100%) subsidiary of Momentum Metropolitan Life Company Limited and is also a member of the MMH Group.

[REDACTED]

The MMH Group still intends to integrate the Transferor and Transferee into one business with a single non-life insurance licence, operating under the Momentum brand as "Momentum Insure". As part of this integration process, the Transferor intends to sell all 'Sale Assets' and 'Sale Liabilities' (as defined in the sale of business agreement attached ("Sale Agreement")) to the Transferee ("Sale of Business").

[REDACTED]

The Transferor hereby submits this application for approval to sell all the Sale Assets and Sale Liabilities to the Transferee.

[REDACTED]

[REDACTED]

[Redacted content]

**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.

<b>Title</b>	Mr
<b>First names</b>	Pierre
<b>Surname</b>	Brugman
<b>Position</b>	Chief Risk Officer
<b>Business address</b>	268 West Avenue, Centurion, 0157
<b>Contact number</b>	(+27)126845795
<b>Email address</b>	Pierre.Brugman@momentum.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.:

<b>Name of firm</b>	Webber Wentzel
<b>Title</b>	Mr
<b>First names</b>	Johan
<b>Surname</b>	Henning
<b>Position</b>	Partner
<b>Business address</b>	90 Rivonia Road, Sandton, Johannesburg,2107
<b>Contact number</b>	+2711 530 5385
<b>Email address</b>	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 and the reasons for its inclusion (as recorded in brackets) relate to:

[REDACTED]

### 3. Specific Information

#### 3.1 Details of the transfer

##### 3.1.1 Which assets and/or liabilities will be transferred?

The sale consists of Sale Assets and Sale Liabilities as stipulated in the Sale Agreement. The Sale of Business effectively involves the sale of the entirety of the Transferor's business except for the 'Excluded Cash' and 'Excluded Liabilities' (both as defined in the Sale Agreement).

The Sale Assets and Sale Liabilities comprise the insurance business, including all policies with policyholders and other contracts, arrangements, mandates and commitments concluded by the Transferor and forming part of its business.

The policies forming part of the Sale Assets and Sale Liabilities of the Transferor are spread between the following classes of businesses as described and approved in terms of the Insurance Act: Personal Lines and Commercial Lines.

[REDACTED]

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

The Sale Assets mentioned in 3.1.1 above which necessitate this application consist of all the assets used or owned by the Transferor in relation to the operation of the Business (as defined in the Sale Agreement) as at the Closing Date (as defined in the Sale Agreement), including, without limitation comprise:

- the Fixed Assets (as defined in the Sale Agreement);
- Cash (as defined in the Sale Agreement) excluding the Excluded Cash;



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.

Please see attached hereto as a detailed communication plan that sets out the parties' proposals to communicate the intended transfer.

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
<b>Assets</b>	██████	██████
<b>Liabilities</b>	██████	██████
<b>Date as at which assets and liabilities were taken</b>	██████████	██████████

### 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	66	<input checked="" type="checkbox"/>
A2	4.2.3	Written agreement	73	<input checked="" type="checkbox"/>
A3	4.2.4	Board resolutions	5	<input checked="" type="checkbox"/>
●	●	●		●
A5	4.2.6	ORSAs	82	<input checked="" type="checkbox"/>
A6	4.2.7	Timetable	1	<input checked="" type="checkbox"/>
A7	4.2.8	Head of actuarial function's report	25	<input checked="" type="checkbox"/>
A8	6	Consent and Declarations	3	<input checked="" 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
B1	1.3	Application Cover Letter	2	X
B2	2.3.2	Index List	1	X
●	●	●	●	●

Attachment Number	Question Number	Description	Number of pages/sheets	Attached
●	●	●	●	●
B5	4.2.1 and 4.2.2	Independent Auditors Report	11	X
B6	3.2.4	MMH Group Organogram	1	X
B7	1.3	Shareholder resolutions	2	X
B8	1.3	MMH M&A Committee approval	1	X
B9	3.2.4	Communication plan	53	X
B10	N/A	Proof of Payment	1	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.