



Frequently Asked Questions

1. Information about Momentum Insurance, MSTI and the business transfer

1.1 Who is Momentum Insurance?

Momentum Insurance Company Limited (registration number 1976/001547/06) ("Momentum Insurance") is a subsidiary of Momentum Metropolitan Holdings Limited and a licensed non-life insurer that forms part of Momentum Metropolitan Holdings Limited, listed on the Johannesburg Stock Exchange (JSE). Momentum Metropolitan Holdings Limited provides life and non-life insurance, asset management services, investments and savings, healthcare administration, health risk management, employee benefits and a wellness and rewards programme.

1.2 Who is MSTI?

Momentum Short Term Insurance Company Limited (registration number 2005/026378/06) ("MSTI") is a subsidiary of Momentum Metropolitan Holdings Limited and a licensed non-life insurer that forms part of Momentum Metropolitan Holdings Limited, listed on the Johannesburg Stock Exchange (JSE). Momentum Metropolitan Holdings Limited provides life and non-life insurance, asset management services, investments and savings, healthcare administration, health risk management, employee benefits and a wellness and rewards programme.

2. Transfers of policies from Momentum Insurance to Momentum Short Term Insurance

2.1 Why is the insurer of my policy changing?

Momentum Insurance is currently the insurer of your policy. In a move aimed at improving client experience, faster operations and easier processes, by combining our unique strengths, Momentum Insurance will be transferring all Momentum Insurance policies and business to Momentum Short Term Insurance subject to approval by the Prudential Authority as required in terms of the sections 50 of the Insurance Act, 2017 ("Insurance Act"). MSTI will accordingly become the new insurer of your policy after approval of the transfer by the Prudential Authority ("Proposed Transfer"). This is a necessary step in the integration of MSTI and Momentum Insurance, following the acquisition of Momentum Insurance (previously Alexander Forbes Insurance) by Momentum Metropolitan Holdings in July 2019.

2.2 Which policies fall within the scope of the transfer?

All insurance product ranges underwritten by Momentum Insurance, including:

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| 1. Priceless; | 6. Collector's Cars; | 10. Pogir; and |
| 2. Envoy; | 7. Commercial (business insurance); | 11. Personal Accident and Disability. |
| 3. 55 Plus; | 8. Mercedes Benz Insurance; | |
| 4. Easisure; | 9. Meridian; | |
| 5. Platinum Woman; | | |

Collectively referred as the "Transfer Policies" hereinafter fall within the scope of the proposed Transfer.

2.3 How will the policies be transferred?

The Momentum Insurance policies that will be transferred, will be transferred in terms of a sale of business agreement entered between Momentum Insurance and MSTI in terms whereof the entire business of Momentum Insurance is sold to MSTI. This means that MSTI will become the new insurer of the transferred policies.

This proposed transfer is subject to the approval by the Prudential Authority (as required in terms of the Insurance Act) and must follow a detailed regulatory process.

After the approval of the proposed transfer by the Prudential Authority, MSTI will become the insurer of the transferred policies and provide policyholders with cover in terms of the policies. All the terms and conditions of your Momentum Insurance policy will remain the same immediately after the transfer except MSTI will become the insurer of your policy. MSTI may at a later stage amend your policy. However, if MSTI implements such an amendment, they will appropriately notify you and provide you with full details thereof in accordance with legislation.

3. Do you have to give consent to the transfer of your policy or cover?

No. Consent by a policyholder is not required for a transfer in terms of section 50 of the Insurance Act. You may object through the various complaints channels that have been provided.

4. What does this mean for my policy if the Proposed Transfer is approved?

A detailed regulatory process is prescribed in the Insurance Act and the Prudential Authority must approve the Proposed Transfer in order for policyholders' policies to move to another insurer.

Cover in terms of the transferred policies will remain unchanged and benefits will remain the same.

The only change will be that after the approval of the Proposed Transfer by the Prudential Authority, the Transfer Policies will be underwritten by MSTI but you will still be engaging with your existing service consultant or financial advisor under the MSTI brand for all benefits provided in terms of your policy.

5. Will policy benefits remain secured?

Yes. Policy benefits will remain secured and will be unchanged. No additional charges or costs will be levied against any policy following the Proposed Transfer.

6. Where can I find financial information about MSTI?

A Head of Actuarial Function's report for Momentum Insurance and MSTI is available to all policyholders on www.momentum.co.za in post-login, should you have questions regarding the solvency of the two businesses.

7. How will the Proposed Transfer take place?

The transfer of the business of an insurance company is subject to a detailed regulatory process in terms of the Insurance Act and must be approved by the Prudential Authority.

The following steps in respect of the Proposed Transfer have already occurred:

1. Momentum Insurance and MSTI have lodged an application for approval of the Proposed Transfer with the Prudential Authority;
2. The heads of the actuarial function of Momentum Insurance and MSTI have issued reports regarding the soundness of the Proposed Transfer;
3. The Prudential Authority has given its preliminary support for the Proposed Transfer and has allowed Momentum Insurance and MSTI to communicate with the policyholders regarding this change, as they are required to in terms of the Insurance Act; and
4. Notice of the Proposed Transfer has been published in various newspapers and other forms of communication to ensure that all policyholders receive adequate notice of the Proposed Transfer.

Any policyholder of a Transfer Policy or other interested party may contact the Prudential Authority on any matter in connection with the Proposed Transfer by no later than 31 May 2021.

If you have an objection to the Proposed Transfer, you must make representations to the Prudential Authority by calling and/or emailing and/or writing to the Prudential Authority. These representations must reach the Prudential Authority by no later than 31 May 2021. If you do not have an objection to the Proposed Transfer, you do not have to make representations.

Once the Prudential Authority approves the Proposed Transfer, your policy will be automatically transferred to MSTI. You may also object directly to Momentum Insurance or MSTI via the communication channels which will have been communicated to you.

Please note that the Ombudsman for Short-term Insurance and the Ombud for Financial Advisory and Intermediary Services will not be able to assist you in this matter.

8. What is the Transfer process?

8.1 The process of the Transfer will be as follows:

Action	Date
Initial discussion with the Prudential Authority in respect of the Proposed Transfer	27 November 2020
Submit the following application form (including annexures, eg Communication Plan, etc) to the Prudential Authority: Application Form IF024	Week commencing 8 February 2021
Prudential Authority to consider the Application Forms and provide feedback on Communication Plan and other issues arising from Application Forms.	22 February 2021
Respond to queries received from the Prudential Authority and FSCA and send responses to the Prudential Authority and the FSCA.	26 February 2021
The Prudential Authority to provide in-principle approval of the implementation of the timeline and proposed Communication Plan.	3 May 2021
Prudential Authority to confirm list of documents to be made available for inspection.	3 May 2021
Implementation and roll-out of approved Communication Plan.	4 May 2021
Documents made available via the websites.	9 May – 31 May 2021 (3-week inspection period)
Communicate with intermediaries.	7 May 2021
Communicate with affected policyholders.	10 May 2021 – 21 May (for 2 weeks)
Submit notice for publication to newspapers as required by the Prudential Authority and as set out in the approved Communication Plan.	4 May 2021
Notice appears in newspapers as required by the Prudential Authority.	10 May 2021
Notice appears in the Sunday newspaper as required by the Prudential Authority.	9 May 2021

Action	Date
Tear-sheets of all publications to be delivered to the Head of Internal Audit Function.	12 May 2021
Documents made available for inspection on the websites from 9 May to 31 May 2021 ("the Inspection Period"), during which all persons who have an interest in the Proposed Transfer may make representations to the Prudential Authority.	9 May - 31 May 2021 (3-week inspection period)
<p>Compile the final report on the implementation of the approved policyholder communication plan and furnish such reports to the Heads of the Internal Audit Function.</p> <p>Heads of Internal Audit Function to review and report on the process.</p> <p>Final submission to the Prudential Authority including the report of the Head of Internal Audit Function.</p>	1 June 2021 - 7 June 2021
Prudential Authority to handle possible complaints and enquiries received during the Inspection Period.	9 May 2021 - 1 June 2021
Final submission to the Prudential Authority including the report of the Heads of Internal Audit Function.	25 June 2021

9. What if I do not want MSTI to underwrite any cover relating to me?

You can make representations to the Prudential Authority, to Momentum Insurance or to MSTI if you have any concerns about the Proposed Transfer. These representations must reach the Prudential Authority, Momentum Insurance or MSTI by no later than 31 May 2021. The contact details are set out below.

10. Where can I obtain more information about the Proposed Transfer?

10.1 Copies of the various supporting documents between Momentum Insurance and MSTI, and other documents relevant to the Proposed Transfer will be made available from 9 May 2021 until 31 May 2021 ("Inspection Period") on www.momentum.co.za.

The documents available for inspection by the public will include:

- 10.1.1 Copy of the Application Form (excluding annexes);
- 10.1.2 Frequently Asked Questions document;
- 10.1.3 The Formal Notice; and
- 10.1.4 Any other documentation as prescribed by the Prudential Authority.

Documents available to Momentum Insurance and MSTI policyholders via the post-login platform:

- 10.1.5 Summary of the Transfer Agreement;
- 10.1.6 A policyholder Head of Actuarial function's report for Momentum Insurance and MSTI;
- 10.1.7 Policyholder communication notices; and
- 10.1.8 Any other documentation as prescribed by the Prudential Authority.



11. Who can I contact if I have enquiries regarding the Proposed Transfer?

11.1 Please direct all queries as follows:

Contact your Momentum Insurance Service Consultant, MSTI Client Care department or local Momentum Insurance office.

Email : mitransfer@momentum.co.za

Dial : 0860 100 000; or alternatively, please direct your enquiries to the Prudential Authority via email at SARB-PA@resbank.co.za.