BOARD NOTICE 61 OF 2007

FINANCIAL SERVICES BOARD

LONG-TERM INSURANCE ACT, 1998 (ACT NO. 52 OF 1998): RETURNS BY LONG-TERM INSURERS TO REGISTRAR

I, Robert James Gourlay Barrow, Registrar of Long-term Insurance, hereby notify, in terms of section 36 of the Long-term Insurance Act, 1998, that every long-term insurer shall furnish the Registrar, -

- (a) within a period of four months after the expiration of each financial year with an audited return relating to its business;
- (b) within a period of one month after the expiration of each quarter of its financial year with a return relating to its business; and
- (c) within a period of six months of the expiration of each financial year, with a copy of any duly audited account or balance sheet or any other statement or report relating to its finances which it is in terms of the Companies Act, 1973 (Act No. 61 of 1973) or any other law under which it is incorporated, required to submit to an annual general meeting of shareholders or policyholders, whether or not such insurer has complied with the requirements of the said Act or such other law.

This Board Notice is applicable to all registered long-term insurers with financial years ending on or after 1 January 2007 and relates to the financial year under review in its entirety.

The returns must be submitted on A4 paper and also electronically.

The returns referred to in paragraphs (a) and (b) above must contain the following information and be submitted in the following form:

1. Annual Statutory Return (Refer Annexure A)

2. Quarterly Return (Refer Annexure B)

RJG BARROW REGISTRAR OF LONG-TERM INSURANCE

FINANCIAL SERVICES BOARD - REGISTRAR OF LONG-TERM INSURANCE

LONG-TERM INSURANCE QUARTERLY RETURN IN TERMS OF SECTION 36 OF THE LONG-TERM INSURANCE ACT, 1998

THE PRESCRIBED RETURN MUST BE SUBMITTED BY ALL INSURERS REGISTERED TO TRANSACT LONG-TERM INSURANCE BUSINESS IN TERMS OF THE LONG-TERM INSURANCE ACT, 1998.

FOR THE SAKE OF CONSISTENCY AND COMPLETENESS OF STATISTICAL INFORMATION COMPILED FROM THE RETURNS, IT IS ESSENTIAL THAT INSURERS COMPLETE ALL ITEMS WHICH ARE APPLICABLE. NO ITEMS MAY BE DELETED AND OTHER ITEMS INSERTED IN THE PLACE THEREOF.

DISCLAIMER:

This spreadsheet was designed by the Financial Services Board and it may be copied.

However, the Financial Services Board accepts no responsibility for any loss or damage anising from its use, nor for any decision made by the insurer or any other person based on information or calculations made by, or obtained from the spreadsheet.

INFORMATION REGARDING THE QUARTERLY RETURN

This return does not have to be audited

This return will not be available for public inspection. However, this does not prevent the Financial Services Board from making available the aggregate figures for the industry in its entirety. This return must be submitted within 30 days of the end of the quarter to which it relates.

HOW TO COMPLETE AND SUBMIT THE QUARTERLY SPREADSHEET:

1. The spreadsheet must be completed in Exce

The return is cumulative from the start of the insurer's financial year to the latest quarter end. This will include the section on movement statistics as well.

The return must be submitted for the last quarter of the insure 's financial year end as well.
 This return consists of four sheets with "Prudential" relating to financial matters, "Spreading of assets" relating to the kind and spread of assets as contemplated in Section 31 of the Act and " Directors, Officers and Auditors" to the statutory

information on the directors, executive management, public officer and the auditors.

4. Income and expenditure figures should exclude value added tax (VAT).

4. Income and expenditure injures another solution solution and the electronic return must be e-mailed to the Financial Services Board

7. This information page need not be printed

GUIDANCE REGARDING THE INFORMATION REQUESTED

to the long-term insurer to keep the policy in force.

1 Financial position statemen

Non-linked business includes market-related business

* For policyholder purposes the deferred taxation asset can be deducted from the policyholder liabilities * For shareholders purposes deferred taxation asset cannot be reflected as an insurance asset

* Paragraph 7 to Schedule 3 to the long-term insurance act, regarding the valuation of other liabilities, Indicates that for Section 30 and 31 other liabilities shall be determined in accordance with

Generally Accepted Accounting Practice ("GAAP").

* In the case where a deferred tax liability is created it should be valued according to GAAP

DEFINITIONS

To be reflected at fair value. Means "lund policy" as defined in section 1 of the Act. Means insurance where a long-term policy is issued to a policyholder other than an individual, that covers a group of persons identified by reference to their relationship to the entity buying Assets: Fund: Group business the contract, provided that this excludes grouped individual business. Means insurance where a long-term policy is issued to a policyholder other than an individual, under which an identifiable individual or member is the life insured and the policy is entered into by Grouped individual : husiness the policyholder for the purpose of providing benefits to the individual or the individual's dependants. Means insurance where a policy is issued to an individual. Individual business: A policy is said to "lapse" when the premiums are not paid within the required period of grace and the policy has no cash value the debt against the policy exceeds the cash value. Means a "market related policy" as defined in paragraph 1 of Schedule 1 to the Act and includes a "linked policy" Market Related : as defined in paragraph 1 of Schedule 1 to the Act and a long-term policy where the amount of policy benefits is guaranteed and is to be determined in whole or in part by reference to the value of particular assets or categories of assets but where the portion of the guarantee to the value of the assets is not material. Minimum Capital Adequacy Requirement as referred to in Section 31 of the Act. Also, refer to Notice 38 of 2004 and Directive 140.A.i (LT). Minimum CAR: Means all business which is purchased with a single promium or business where the payment of a series Non-recurring: of premiums is not obligatory. This refers to credit life policies, term assurance policies etc that reached the end of their terms without any claim being paid. The policy is also not continued or renewed by an additional premium. Policy expiring. A policy is said to "lapse" when the premiums are not paid within the required period of prace and the policy has no cash value Policies lapsed: the debt against the policy exceeds the cash value Maturity relates to a specified date in the policy contract where the policy comes to an end and on which date the Policy matured: benefits / proceeds of the policy are paid out to the policyholder. This refers mostly to endowment policies where the benefit is paid out on a specified date (the maturity date) on the survival of the life insured, or his/her death if earlier. Policy liabilities: Estimated liabilities calculated in accordance with the financial soundness valuation basis excluding capital adequacy requirements. Recurring: Means business where the policyholder is obliged to pay a series of fixed or pre-determined premiums

NOTE:

ONLY SHADED AREAS, e.a.

REQUIRE FIGURES OR INFORMATION TO BE ENTERED

AREAS (CELLS) THE RETURN MUST BE PRINTED AND SUBMITTED, EVEN IF NIL

FINANCIAL SERVI	CES BOARD.	<u> </u>	LONG-TERM INS	URANCE, ACT 1998 - SE	ECTION 36	<u> </u>				
	NAME OF INSU	RFR	AAA Long-term in	surer			10/10/xxx/8/	,		
UNAUDITED RETU			And Long-termin	TO				2		
Prepared by :				Telephone No. and ex	st		<u>·</u> ,			
REVENUE ACCOU	INT - TOTAL		R'000	MOVEMENT STATIST		UAL &		· ·		1.1
GROSS:	5			GROUPED INDIVIDUA	L BUSINESS				1	R'000
	Premiums receive Claims paid and o			-					Number of policies	Policy liabilities
_ · ·	Claima para ana o	braterie ing		Beginning of financial ye	ar					naonates
NET:				New policies issued						
	Premiums receive	d and outstanding		Policies lapsed	•		•		{	
· ·	- Recurring			Policies terminated				•		
1	 Non-recurring 		· · · ·	Policies matured Policies expiring						-
LESS	Claims paid and o	utstanding(net)		Deaths and disabilities						
	- Annuities			End of quarter					C	
li -	 Surrenders/with 								·	
	- Other lumpsur	ns	<u>_</u>	MOVEMENT STATISTI	CS - FUND &					
ſ	Commission(net)		└ -	GROUP BUSINESS	·					R'000
	Management expe	inses		4	•				Number of schemes	Policy liabilities
ADD:	Investment incom	9		Beginning of financial ye	ar				<u> 31 30161063</u>	incidentities
	Realised investme			New schemes issued			•			•
	Unrealised investr		· · · · · · · · · · · · · · · · · · ·	Schemes terminated						
	Other income/(exp	enses)	L	End of quarter		-			0	L
1	Excess of income	nuer avriances		5	•					
4		ordi experiada	L	INFORMATION PER CI	LASS					
LESS:	Taxation			OF BUSINESS			R'000			
	Transfer to (from)			<u>-</u>	Premiums	Premiums		Claims	Commission	
INCREASE/(DECRI	EASE) IN LONG-TE	RM FUND			(gross)	(net)	Retention	(net)	(net)	expenses
FINANC	AL POSITION ST		R'000	Assistance	·		#DIV/0i			(net)
	Linked	Non-	Total	Disability			#DIV/01			
Assets:		linked		Fund			#DIV/01			
Cash & Krugerrands			C C	Health			#DIV/01			
Balances with banks			<u> </u>				#DIV/01		<u> </u>	
Gills		·	0		0	0	#DIV/01 #DIV/01	0		·. 0
Policy loans Morigage bonds							#010/0;		l.,0	
Debentures			0						·	
Claims/Debtors				AUTOMATIC						
Shares: Listed		· · · <u> </u>		CALCULATIONS:						
Shares: Unlisted Immovable Properties)0	CAR cover						0.00
Fixed assets				Funding level (before CA	R)					0.00%
Foreign appr. assets				Funding level (after CAR						0.00%
Total assets	0	0	0	Management expenses:		me				0.00%
Liabilities:	<u> </u>			Commission: premium in Claims ratio	ICDITIE					0.00%
Policy liabilities				Retention						0.00%
Excess assets	0	0								0.0070
CAR			0	· ·						
Free Assets	0	0	0							-
Caroadian of Ac	1 -									l
Spreading of Asse Does the insurer cur		he kinds and some	d of assets as contr	emplated in terms of S 31	of Act	Г	Yes			1
If yes furnish the foll				in place in terms of 0 of	R'000	L				
Total domestic Non-	linked Assets				0					
Total domestic Non-		Minimum CAR			0					
Total Admitted Asse		total damentie lichill	tion		0					
Surplus of overall ac	anateo assets over	iotal domestic liabili	4163							ľ
FIC Compliance										
Kindly complete the	following table:									
	, 				1					
				Number of Customers						
Total Customers		- <u></u>								
Clients sourcert dire	ctly									
Clients sourced from	other accountable									
institutions		Exemption 4 - Prim Institutions	iary Accountable							1
		11130000013		·						
Reported Transact	ions to Financial l	telligence Centre								
Number of Suspiciou	us and U <u>nu</u> sual Tr <u>a</u>	nsactions reported								
PUBLIC										
OFFICER (sign:)			DATE			_				

	SI	READ OF	ASSETS II AAA L	N OR DÉEMÉD ong-term Insu 0	TO BE IN TH	E RSÁ								
DESCRIPTION	Total assets	Linked assels	Non-linked assets	ADD: Assets of asset- holding intermediaries & investments in linked products	LESS: Individual excesses e.g. banks, debtors, investments & properties	Assels held, less individual excesses	per Regulation 2 to the Act	ssible for each ro	em of this statement Total non-linkéd liabilities x greater of column (8) or column (9)	Admitted for eac item (the lesser column (10) or column (7))	h of			
	R'000	R'000	R000	R'000	R'000	R'000	%	%	R'000	R'000		TE - ITEMS		
<u> </u>	2	3	4	5	6.	7	8	9	10	11			re the lesser of	
1 Morigage bonds		0		<u> </u>	<u> </u>	a	a					ndividual, or t e previous co	the total amounts	
2 Non-convertible debentures	<u> </u>	- 0									- "" ""	previous co	ilumn.	
3 Any other debiors	<u> </u>										Items	13+14	Individual	·
SUBTOTAL	0	0						0%			0	U · • • •	Total	Č
					·	·				·	-		Admitted	č
											CALC	ULATION OF	F FURTHER EXCE	SSES AND FINAL
4 Shares - listed ordinary, convertible debentures & unit trusts - Domes		0	c	0				<u> </u>	<u> </u>			TTED VALUE	ES .	
5 Shares - unlisted - Domestic	0		C								0			
SUBTOTAL	0	0	0	0	0	C	75%	0%	0		0			R'000
Childred and with a Richard Frankrik designed to be demonite		0		0	<u> </u>			r	<u> </u>		<u>_</u>			
<u>6 Listed securities & shares - Foreign, deemed to be domestic</u> <u>7 Policyholders' loans</u>		0					10 10						9+10+11+12 excee	d 90%
8 Policies with other long-term insurers											0 exces	non-linked li	abdines, me	
9 Property investments	0										o exces	115;		<u> </u>
10 Related party(ies) & associated companies	0											ame 6+14+1	8+20 exceed 15%	
11 Computer equipment	0	0			<u>_</u>					<u> </u>		non-linked li		
12 Other equipment & motor vehicles	0	0	c	0 0	0	0	2.5%	0%	0		0 excess			
SUBTOTAL OF ITEMS 1 to 12	0	Ö	C	00	0	0	95%	0%	0		0			
			-										alue of Items 1	
13 Margin deposits - Domestic	0			0								exceeds:		5%
14 Margin deposits - Foreign, deemed to be domestic	0												ked liabilities, the	
SUBTOTAL	0	0		00	0		2.5%	0%	0	ـــــــــــــــــــــــــــــــــــــ	0 excess	3 is:		
15 Cash		0						<u> </u>	,		<u>_</u>			
16 Krugemands									0			anitled		
17 Bank balances & deposits - Domestic	0											a commit (11	1) less 1, 2 & 3 abo	
18 Bank balances & deposits - Foreign, deemed to be domestic											히 5.:	Gualut of a	werall admitted as:	
19 Government & semi-government securities - Domestic		-0	<u> </u>				100%				尚니카		al non-linked liabl	
20 Government securities - Foreign, deemed to be domestic				<u> </u>	- °						응	0.61 101		
SUBTOTAL OF ITEMS 13 to 20	- 0								<u> </u>		ਰੀ 			<u> </u>
				<u> </u>		·	1				<u>ـــا لتـ</u>			
TOTAL		0	<u> </u>	0		(1				0			
DOMESTIC ASSETS MUST EXCEED THE FOLLOWING:														
Total Liabilities	0													
Less: Linked liabilities														
Plus: Minimum CAR	0													
Plus: Asset-holding intermediaries' liabilities	- <u></u>													
Total Non-linked Labilities	0									•				
· · · · ·		•							PUBLIC OFFICER	2				
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EPORTING PERIOD	1900/01/00	ng-term Insurer TO	Ο				
Full Names & Surname	Date appointed	Date resigned	Identity/ Passport Number	er Position held			
1	2	3	4	5			
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DIRECTORS	<u> </u>			· · · · · · · · · · · · · · · · · · ·			
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ALTERNATE DIRECTORS	·			۰ <u>–</u>			
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MANAGING EXECUTIVES							
		·					
PUBLIC OFFICER	- <u> </u>						
tials and surname							
lephone (including area code)							
x (including area code)							
liphone							
mail							
AUDITOR	L						
RESPONSIBLE PARTNER	L			I.			
ACTUARY							