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| **APPLICATION FORM IF023**  **APPLICATION FOR APPROVAL TO USE THE ACCOUNTING CONSOLIDATION METHOD TO CALCULATE GROUP-WIDE CAPITAL ADEQUACY** |

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| **Purpose of this document**  This application form needs to be completed when applying for approval to use the Accounting Consolidation (AC) method instead of the Deduction and Aggregation method to calculate group-wide capital adequacy, as required in terms of section 1.1 of Financial Soundness Standards for Insurance Group Accounting Consolidation Method (FSG 3) 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. Please note: this application could include a prescribed fee, in accordance with [Prudential Standard IAF](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Prudential%20Standard%20IAF.pdf), 2019 with the process for payment found [here](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Process%20for%20payment%20of%20fees%20prescribed%20in%20terms%20of%20the%20Insurance%20Act.pdf) |

## Company information and reason for approval

### Provide the following details for this application:

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

### Describe the reason for seeking this approval

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## Contact and Basic Information

### 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** |  |

### Details of professional advisors

#### 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

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

### 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

### Entities included in the AC group

#### Provide the information required in the Excel template accompanying this form (sheet *List of Insurers*) for all the insurers that are licensed by the Prudential Authority.

### Fungibility and transferability

#### Will the insurance group assume full fungibility and transferability of own funds within the AC group?

**No** 🡺 Continue to question 3.2.3

**Yes** 🡺 Answer question 3.2.2

#### Explain why it is appropriate to assume full fungibility and transferability of own funds within the AC group.

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#### Explain why full fungibility and transferability of own funds within the AC group is not assumed.

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#### Explain how the lack of full fungibility and transferability of own funds is allowed for within the AC group.

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### Use of internal model for AC group

#### Is it the insurance group’s intention to use a full or partial internal model for the calculation of the AC group’s SCR?

**No**

**Yes**

## Results

### Results of AC method

#### Are the SCR results of the AC group, as required by this section, based on the internal model that is referred to in question 3.3.1?

**No**

**Yes**

#### Provide the SCR results for the AC group. This information should be included in the Excel template accompanying this form (sheet *AC Group SCR*).

#### You are required to submit two group Quantitative Reporting Templates (QRTs) as described below.

* A full group QRT that is based on the Deduction Aggregation method.
* An abridged group QRT that is based on the proposed AC method, for which the following sheets do ***not*** need to be completed: G5, G5.1, G5.2, G5.3 and G6.

## Attachment Checklist

### Compulsory attachments

Complete the following table with details of the attachments provided.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| A1 | 3.1.1  4.1.2 | Excel template |  |  |
| A2 | 4.1.3 | Group QRTs |  |  |
| A3 | 6 | Consent and Declarations |  |  |

### 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 | Contact details of professional advisors | 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.