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| **NOTIFICATION FORM IF035**  **NOTIFICATION FOR FAILING TO MEET OR THE RISK OF FAILING TO MEET THE MINIMUM OR SOLVENCY CAPITAL REQUIREMENTS** |

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| **Purpose of this document**  This notification form needs to be completed by or on behalf of a controlling company to notify the Prudential Authority of any deteriorating circumstances that could lead to a failure or risk of failure to meet the financial soundness requirements within the following three months, as required in terms of section 39(4) 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 notification

* 1. Provide the following details for this notification:

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| **Insurance group number** |  |
| **Insurance group name** |  |
| **Date of failure or risk of failure to meet the requirements** | YYYY/MM/DD |
| **Date of most recent dividend payment** | YYYY/MM/DD |
| **Effective date for notification** | YYYY/MM/DD |

* 1. Provide reason(s) for this notification

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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 2.3

**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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| **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. Specific information on the failure or risk of failure to meet the requirements

#### When did the controlling company become aware of any possible failure or risk of failure to meet the requirements?

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#### Provide details regarding the extent of the failure or risk of failure to meet the requirements, including the group SCR cover ratio after the failure meet the requirements.

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#### Furnish full reasons for the failure or expected failure to maintain a financially sound condition, including the cause(s) thereof.

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#### If the date of the most recent dividend payment is after the date of the date of failure or risk of failure to meet the requirements, provide the reason(s) for paying the dividend?

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#### Which insurers within the group, if any, are experiencing/expected to experience a failure or risk of failure to meet the requirements? The relevant notification form must be completed for each insurer, if applicable.

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#### Provide details regarding the financial position of the insurers referred to in question 3.1.5, including the Minimum Capital Requirements (“MCR”) and Solvency Capital Requirements (“SCR”) cover ratios.

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#### Which method is used for assessing the group-wide capital adequacy?

**Deduction and aggregation method**

**Accounting consolidation method**

#### Does the head of actuarial function believe that the method used to assess the group-wide capital adequacy, as indicated in question 3.1.7, is still appropriate?

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#### Has the failure to meet the requirements occurred, or is it expected to occur within the next three months?

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* 1. Information on group SCR

#### Is management action assumed in the group SCR

**No** 🡺 Continue to question 3.2.3

**Yes** 🡺 Complete question 3.2.2

#### Is the assumed management action still believed to be appropriate given the failure or risk of failure to meet the requirements?

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#### Provide details of any capital add-on in the group SCR for potential double counting of the loss absorbing capacity within the technical provisions.

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* 1. Proposed actions by the group to restore financial soundness

#### What action(s) are proposed by the group to restore financial soundness?

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#### What is the expected impact of the proposed actions in question 3.3.1?

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#### Explain the expected timeframe required to implement the proposed actions and to restore financial soundness.

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* 1. Further specific information on the failure or risk of failure to meet the requirements

#### Describe the current controls in place to monitor financial soundness.

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#### What improvements, if any, will be made to controls in future to detect the deterioration in financial soundness position earlier?

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#### Was the potential failure or risk of failure to meet the requirements identified in the most recent ORSA?

☐ **No** 🡺 Complete questions 3.4.4

☐ **Yes**  🡺 Complete questions 3.4.5

#### Why was the potential failure or risk of failure to meet the requirements not included in the most recent ORSA?

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#### Provide details of any findings in the most recent ORSA report relating to a possible failure or risk of failure to meet the requirements.

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## 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 | 5 | Consent and Declarations |  |  |

* 1. Other Attachments

Complete the following table with details of the attachments provided, also indicating the number of pages/sheets 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.