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| **NOTIFICATION FORM IF038**  **NOTIFICATION OF CONTINGENT LIABILITIES HELD BY THE INSURER** |

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| **Purpose of this document**  This notification form needs to be completed for all contingent liabilities held by the insurer, as required in terms of section 44(1) of the Insurance Act, 2017 (the Act) and:   * In respect of an insurer, section 6.2 of Financial Soundness Standards for Insurers Valuation of Assets and Liabilities Other than Technical Provisions (FSI 2.1); * In respect of a microinsurer, section 6.1 in Financial Soundness Standards for Microinsurers Valuation of Assets Liabilities and Eligible Own Funds (FSM 2); and * In respect of a branch of a foreign reinsurer, section 4.1 in Financial Soundness Standards for Branches Valuation of and limitations on assets held as security (FSB 2). |

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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. Does this notification relate to:

**☐ Insurer**

**☐ Microinsurer**

**☐ Branch of a foreign reinsurer**

* 1. Provide the following additional details for this notification:

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| **Insurer number** |  |
| **Insurer name** |  |
| **Valuation date of results** | YYYY/MM/DD |

* 1. Provide the 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. Information on contingent liabilities

#### Does this notification relate to a new or existing contingent liability of the insurer?

**☐ New contingent liability**

**☐ Existing contingent liability**

#### Provide details on the nature of the contingent liability applicable to this notification.

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#### Provide details of the past events whose occurrence has led to the possible realisation of the contingent liability.

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#### Provide details of the future event(s) whose occurrence/non-occurrence may result in the realisation of the contingent liability, if applicable.

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#### Provide details of the impact on the insurer’s liquidity position as a result of the recognition of the contingent liability.

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#### Provide the names of the entities that are party to the contingent liability.

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#### Provide the value of the contingent liability as a percentage of the total liabilities for financial soundness purposes.

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#### Provide an explanation of the methodology used to value the contingent liability, highlighting assumptions made as well as the basis for those assumptions.

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#### Describe the control mechanisms that are in place to monitor the ongoing exposure of the contingent liability.

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#### Provide the contractual agreement of the contingent liability relating to this notification as an attachment accompanying this form.

## 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 | 3.1.10 | Contractual agreement |  | ☐ |
| A2 | 5 | Consent and declarations |  | ☐ |

* 1. 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 |  | 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.