

Frequently Asked Questions

1. Background to Guardrisk Life Limited and its relationship with African Bank

1.1 WHO IS GUARDRISK LIFE LIMITED?

Guardrisk Life Limited (registration number 1999/013922/06) ("**Guardrisk Life**") is a public company and a registered long-term insurer incorporated in 1992 and forms part of the MMI group of companies, one of the largest insurance groups in South Africa.

Guardrisk Life operates as a cell captive insurer.

1.2 WHAT IS A CELL CAPTIVE INSURER?

A cell captive insurer is an insurance company comprising of various "cells" which are "ring-fenced" by means of different shares in the insurance company. These "cells," are owned by different "cell owners shareholders". The "cell owners shareholders" or companies in the same group refer insurance business to the insurance company and based on the profits generated from the referred insurance business, the "cell owner shareholder" is entitled to dividends determined by the referred insurance business.

1.3 HOW IS AFRICAN BANK RELATED TO GUARDRISK?

African Bank Limited (registration number 2014/176899/06) ("**African Bank**") refers credit life policy insurance business to Guardrisk Life and a company in the African Bank group, namely African Insurance Group Limited (registration number 2014/1774242/06) is one of the "cell owner shareholders" in Guardrisk Life.

1.4 IS THIS THE AFRICAN BANK THAT WAS IN PLACED UNDER CURATORSHIP

No, Residual Debt Services Limited (registration number 1975/002526/06) ("**RDS**") was placed under curatorship in 2014.

RDS was previously known as "African Bank"

African Bank referred to in these FAQs is a newly established bank following the curatorship of RDS.

After RDS was placed under curatorship, a portion of its business was transferred to a newly established banking group which purchased the "African Bank" brand and of which African Bank now forms part.

2. Transfers of credit life policies from Stangen to Guardrisk Life

2.1 WHY DID THE INSURER OF MY POLICY CHANGE?

RDS and The Standard General Insurance Company Limited ("**Stangen**") were sister subsidiaries in the same group of companies.

Following the curatorship of RDS, a new banking group was established and the new bank purchased the African Bank brand.

This new banking group decided to rather use Guardrisk Life for its insurance needs instead of incorporating and licencing a new insurer in the new banking group or acquiring an existing insurance company.

2.2 HOW ARE THESE CREDIT LIFE POLICIES AFFECTED BY THE CURATORSHIP OF RDS?

As part of the resolution of the business of RDS, following its curatorship, certain credit agreements were transferred to African Bank in terms of section 54 of the Banks Act, 94 of 1990 ("**the African Bank Business**").

Certain credit agreements were, however, not transferred as part of the resolution of RDR and remained with RDR ("**the Residual Business**").

After the transfer of the African Bank Business, Stangen continued to provide cover to customers of RDS in respect of the Residual Business and customers of African Bank in respect of the African Bank Business in terms of -

a credit life insurance policy, number ABL/COM/11/08 issued on 28 October 2008 ("**the 2008 Master Policy**"); and

a credit life insurance policy, number ABL/COM/04/10 issued on 22 April 2010 ("**the 2010 Master Policy**"),

(collectively referred to as "**the Master Policies**")

Stangen also continue to provide cover to customers of RDS in terms of two group policies issued to RDS namely -

group policy number ABL/GRP/08/12 concluded on 23 August 2012 ("**the 2012 Group Policy**"); and

group policy number ABL/GRP/08/15 concluded between Stangen and Residual Debt Services on 30 July 2015 ("**the 2015 Group Policy**"),

(collectively referred to as "**the Group Policies**").

As a further step in the resolution of RDS, Stangen and Guardrisk Life entered into a reinsurance agreement on 12 May 2016.

In terms of the reinsurance agreement, Stangen reinsured all its liabilities in terms of the Master Policies and the Group Policies to Guardrisk Life.

The final step in the resolution of RDS is to transfer all the rights and obligations of Stangen remaining in respect of the Master Policies and the Group Policies to Guardrisk Life ("**the Transfer**").

2.3 HOW WILL THE POLICIES BE TRANSFERRED?

Stangen and Guardrisk have concluded a transfer agreement that will transfer rights and obligation of Stangen, in terms of the Master Policies and Group Policies, to Guardrisk.

This agreement is subject to the approval by the Registrar of Long-term Insurance (as required in terms of the Long-term Insurance Act, 52 of 1998 ("**the Long-term Insurance Act**") and has to follow a detailed regulatory process as described in paragraph 6 below.

After approval of the Transfer by the Registrar of Long-term Insurance, Guardrisk Life will become the insurer of the policies.

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

No, consent by a policyholder or life assured is not required for a transfer in terms of section 37(1) of the Long-term Insurance Act.

However, as consent is not required, a detailed regulatory process as set out in the Long-term Insurance Act and the requirements of the Registrar of Long-term Insurance must be followed before the transfer may take place. This detailed regulatory process is to ensure that your interests are protected at all times.

Stangen and Guardrisk have taken all reasonable measures to fully comply with the detailed regulatory process. Guardrisk has, and will continue to, ensure that your interests are protected at all times.

Lastly, one of the requirements of the detailed regulatory process is that the transfer must be approved by the Registrar of Long-term Insurance. The Registrar of Long-term Insurance will only approve the transfer if he is satisfied that Guardrisk has ensured the protection of your interests and that Stangen and Guardrisk have complied with the detailed regulatory process. .

4. What will happen if the transfer is approved?

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

The Statutory Actuaries of both Stangen and Guardrisk Life confirmed that all policy benefits will remain secured and unchanged.

The only change will be that after the approval of the Transfer by the Registrar of Long-term Insurance, the policies will be underwritten by Guardrisk Life and no longer by Stangen.

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 pursuant to the transfer.

The Statutory Actuaries of Stangen and Guardrisk Life have confirmed that all policy benefits will remain secured and unchanged following the Transfer.

6. How will the transfer take place?

The transfer of the business of an insurance company is subject to a detailed regulatory process

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

1. Stangen and Guardrisk Life have given notice of their intention to conclude the Transfer to the Registrar of Long-term Insurance;
2. the Statutory Actuaries of Stangen and Guardrisk Life complied a report to the Registrar of Long-term Insurance indicating the impact (if any) on the Transfer policies, policyholders and assured lives. The

report confirms that if the Transfer is approved that policyholder and assured life interests remains secured and unaffected by the Transfer;

3. the Registrar of Long-term Insurance has given its preliminary support of the Transfer and has allowed Stangen and Guardrisk Life to communicate with the policyholders and assured lives regarding this change, as they are required to do in terms of the Long-term Insurance Act;
4. notice of the Transfer has been published in various newspapers and other forms of communication to ensure that all policyholders and assured lives receive adequate notice of the Transfer;
5. Stangen and Guardrisk Life intend to apply to the Registrar of Long-term Insurance for final approval of the Transfer on 24 May 2017;
6. any owner of a policy to be transferred or member who enjoyed cover in terms of a such policy, can write to the Registrar of Long-term Insurance, by no later than 3 April 2017, on any matter in connection with the transfer. If you do not have an objection to the Transfer, you do not have to write to the Registrar of Long-term Insurance..

Once the Registrar of Long-term Insurance approves the Transfer, your policy or cover in terms of any group policy, will automatically transfer to Guardrisk Life. Please note that the Long-term Insurance Ombudsman and the Ombud for Financial Services Providers will not be able to assist you in this matter;

7. The Transfer process

- 7.1 The process of the Transfer can be illustrated as follows:

Step	Action	Date to be completed
1	Submit Notification to the FSB	29 November 2016
2	Submit a full set/list of documents to be made available for inspection.	6 February 2017
3	FSB to confirm list of documents to be made available for inspection.	20 February 2017
4	Implementation of the communication plan *. [* This entails, e-mailing of letters send SMSs, placing notices in various newspapers etc.]	Commence 3 March 2017 until 10 March 2017
5	Documents made available for inspection at the offices of Guardrisk and Stangen for a period of 20 (twenty) business days (15 (fifteen) business days as required by the Registrar in terms of section 38(1)(b) of the LTIA and an additional 5 business days, prior to the statutory 15 day period) and a register of submissions made by interested parties must be kept by both Guardrisk, African Bank and Stangen throughout the inspection period.	With effect from 6 March 2017 to 3 April 2017 excluding Saturdays, Sundays and public holidays
6	Policyholders who have an interest in the matter may, by notice given to the Registrar within 20 (twenty) business days after publication of the notices, submit to the Registrar such representations concerning the transaction as are relevant to his or her interests.	For the period 6 March 2017 to 3 April 2017
7	Registrar to deal with possible complaints and enquiries received either through the inspection registers or directly at Registrar's offices.	For the period 6 March 2017 to 13 April 2017
8	Formally lodge the complete formal application to with the Registrar at least 10 (ten) working days	24 May 2017

	before the application is due to be heard by the Registrar.	
9	Receive Registrar's written approval.	8 June 2017

8. What if I do not want Guardrisk Life to underwrite any cover relating to me?

You are allowed to make representations to the Registrar of Long-term Insurance, to Stangen or to Guardrisk Life if you have any concerns about the Transfer. These representations must reach the Registrar of Long-term Insurance, Stangen or Guardrisk Life no later than 3 April 2017. The contact details are set out below.

9. Where can I obtain more information about the Transfer?

- 9.1 Copies of the following documents shall be available for inspection for a period of 20 (twenty) business days commencing 6 March 2017 until 3 April 2017 from 09h00 to 17h00 at the reception areas of the head offices of:

Stangen

Wanderers Office Park
 52 Corlett Drive
 1st Floor Grant Thornton Building
 Illovo
 Gauteng
 2196;

Guardrisk Life

102 Rivonia Road
 Ground Floor, 2nd Tower
 Sandton
 2196

African Bank

59, 16th Road
Midrand
Johannesburg

9.2 The above information will also be available during the above period on the websites of:

9.2.1 Stangen at www.stangen.co.za

9.2.2 Guardrisk Life at www.guardrisk.co.za

9.2.3 African Bank at www.africanbank.co.za.

9.3 The documents available for inspection will include:

9.3.1 The Transfer Agreement concluded between Stangen and Guardrisk Life;

9.3.2 The reports of the Statutory Actuaries of Guardrisk Life and Stangen indicating, amongst others, the impact of the Transfer on policyholders and assured lives;

9.3.3 All communications notices;

9.3.4 A copy of the formal notification to the Registrar of Long-term Insurance; and

9.3.5 Any other documentation as prescribed by the Registrar of Long-term Insurance.

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

10.1 Please direct all queries as follows:

10.1.1 Telephonically:

10.1.1.1 Please direct your queries to Stangen at 086 100 7966;

10.1.1.2 Please direct your queries to Guardrisk Life at (011) 669 1000;

10.1.1.3 Please direct your queries to African Bank at 0861 111 011

10.1.2 Email:

10.1.2.1 In respect of African Bank to insuranceclaims@africanbank.co.za;

10.1.2.2 In respect of Stangen to enquiries@stangen.co.za

10.1.2.3 In respect of Guardrisk Life to info@guardrisk.co.za.

10.2 Alternatively you can also contact the Registrar of Long-term Insurance at:

Mandla Magubane

012 428 8046

Mandla.Magubane@fsb.co.za