

Dear Valued Intermediary

As previously communicated to you, Guardrisk Insurance Company Limited ("**Guardrisk Insurance**") is obliged, due to the changes to the Insurance Act, 18 of 2017 ("**Insurance Act**"), to transfer all consumer credit policies ("**the Transfer Policies**") underwritten by it, to Guardrisk Microinsurance Limited ("**Guardrisk Microinsurance**") in terms of section 50 of the Insurance Act ("**Proposed Transaction**").

The Transfer Policies contains insured events comprising of life events (death events, disability events, unemployment, or other insurable risks that are likely to impair the policyholder's ability to earn an income or meet credit obligations) ("**Life Component**") and non-life events (material damage events) ("**Non-Life Component**"). Guardrisk Insurance is however no longer permitted to underwrite the Life Component as a non-life insurer as a result of the promulgation of the Insurance Act.

Guardrisk Microinsurance is able to underwrite both life insurance policies and non-life policies (and thereby the Life Components and the Non-Life Components of the Transfer Policies) and it would therefore be well suited to underwrite the Transfer Policies.

It has therefore been agreed between Guardrisk Insurance and Guardrisk Microinsurance to transfer the Transfer Policies to Guardrisk Microinsurance subject to approval by the Prudential Authority as required in terms of the section 50 of the Insurance Act.

Because the Proposed Transaction involves a transfer of the Transfer Policies from Guardrisk Insurance to Guardrisk Microinsurance without the policyholders' consent, a detailed regulatory process is required in terms of the Insurance Act, which includes, amongst others, the approval of the Proposed Transaction by the Prudential Authority.

Guardrisk Insurance is therefore obliged to implement a fully-fledged communication plan towards the policyholders informing them of the Proposed Transaction and the transfer of the Transfer Policies. Guardrisk Insurance intends to make use of the Monitor Administrators (Proprietary Limited) as binder holder to communicate with the policyholders. A copy of the letter to be sent to the policyholders, is attached as **Annexe 1** for your information.

If you receive any enquiries or complaints regarding the Proposed Transaction, we request that refer these enquiries promptly to the binder holder, or directly to Guardrisk at per email to [**Transfer@Guardrisk.co.za**](mailto:Transfer@Guardrisk.co.za);

or per telephone to **0800 167 634**. More information about the Proposed Transaction is contained on the website of the Guardrisk Group at <https://guardrisk.co.za/transfer-of-credit-guardrisk-microinsurance/>. You are directed to refer policyholders of the Transfer Policies to the website if more information about the Proposed Transaction is required.

Once the Prudential Authority approves the Proposed Transaction, Guardrisk Microinsurance shall be responsible for carrying out all the obligations of Guardrisk Insurance that relate to the Transfer Policies.

It should also be noted, once the Prudential Authority approves the Proposed Transaction, that Guardrisk Microinsurance will be responsible for payment of commission in terms of the Transfer Policies, which commission will be adjusted in accordance with the statutory commission permissible.

If you have any questions, or require any assistance, please contact your Guardrisk contact at any time.

Kind regards

Guardrisk Insurance