

Frequently Asked Questions

1. Information about Guardrisk Life, Emerald Life and the Transfer

1.1 Who is Guardrisk Life

1.1.1 Guardrisk Life Limited, registration number 1999/013922/06 ("**Guardrisk Life**"), is a public company and a licenced life insurer incorporated in South Africa.

1.1.2 Guardrisk Life forms part of the Momentum Metropolitan Holdings Limited ("**MMH**") group of companies and presently operates as a cell captive insurer.

1.2 What is a cell captive insurer?

1.2.1 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 owner shareholders". The "cell owner 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.

1.2.2 Your policy sold by Emerald Life or one of the other Emerald companies was placed in a Guardrisk cell that belongs to Emerald Life. Emerald Life now wants to transfer your policy from its cell in Guardrisk Life to its own micro-insurance licence.

1.3 Who is Emerald Life?

Emerald Life Proprietary Limited (registration number 2016/534835/07) ("**Emerald Life**") is a private company and a licensed micro-insurer incorporated in South Africa and is a member of the Emerald group of companies.

2. **Transfers of Policies from Guardrisk Life to Emerald Life**

2.1 **Why will the insurer of my policy change?**

It has been agreed between Guardrisk Life and Emerald Life to transfer the policies referred to below to Emerald Life, subject to approval by the Prudential Authority as required in terms of the section 50 of the Insurance Act 2017 ("**Insurance Act**"). Emerald Life will accordingly become the insurer of the policies after approval of the transfer by the Prudential Authority ("**Proposed Transfer**").

2.2 **Which policies are affected by the transfer?**

The Transfer Policies all constitute funeral insurance policies underwritten by Guardrisk Life, sold and administered by Emerald Life (the "**Transfer Policies**").

2.3 **How will the policies be transferred?**

2.3.1 The Transfer Policies will be transferred to Emerald Life as part of a transfer of business transaction concluded between Guardrisk Life and Emerald Life. This means that Emerald Life will become the new insurer of the Transfer Policies.

2.3.2 The agreement is subject to the approval by the Prudential Authority (as required in terms of the Insurance Act) and has to follow a detailed regulatory process as described below.

2.3.3 After approval of the Proposed Transfer by the Prudential Authority, Emerald Life will become the insurer of the Transfer Policies.

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

No. Consent by a policyholder is not required for a transfer in terms of section 50 of the Insurance Act.

4. **What will happen if the Proposed Transfer is approved?**

4.1 As consent is not required, a detailed regulatory process is prescribed in the Insurance Act and the Prudential Authority must approve the Proposed Transfer.

4.2 Cover in terms of the Transfer Policies will remain unchanged and benefits will remain secured.

4.3 The only changes will be that after the approval of the Proposed Transfer by the Prudential Authority, the Transfer Policies will be underwritten by Emerald Life and no longer by Guardrisk Life.

5. Will policy benefits remain secured?

5.1 Yes. Policy benefits will remain secured and will be unchanged. No additional charges or costs will be levied against any policy pursuant to the Proposed Transfer.

5.2 A micro-insurer with a micro-insurance licence may only issue particular benefits under the policies that it underwrites. Emerald Life (as micro-insurer) has obtained approval from the Prudential Authority to provide the same benefits as previously enjoyed by the policyholders (in particular, loyalty benefits, no-claim bonus and rebate of premiums) in respect of the policies underwritten by Guardrisk Life.

6. How will the Proposed Transfer take place?

6.1 The transfer of the business of an insurance company is subject to a detailed regulatory process in terms of the Insurance Act and must be approved by the Prudential Authority.

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

6.2.1 Guardrisk Life and Emerald Life have lodged an application for approval of the Proposed Transfer with the Prudential Authority;

6.2.2 The heads of the actuarial functions of both Guardrisk Life and Emerald Life have issued reports regarding the soundness of the Proposed Transfer;

6.2.3 The Prudential Authority has given its preliminary support for the Proposed Transfer and has allowed Guardrisk Life and Emerald Life to communicate with the policyholders regarding this change, as they are required to do in terms of the Insurance Act; and

6.2.4 Notice of the Proposed Transfer has been published in various newspapers and other forms of communication to ensure that all policyholders receive adequate notice of the Proposed Transfer.

6.3 Any policyholder of a Transfer Policy, or other interested party affected by the Proposed Transfer, may contact the Prudential Authority on any matter in connection with the Proposed Transfer by no later than 23 June 2022.

6.4 If you have an objection to the Proposed Transfer, you must make representations to the Prudential Authority by calling and/or emailing and/or writing to the Prudential Authority. These representations must reach the Prudential Authority by no later than 23 June 2022. If you do not have an objection to the Proposed Transfer, you do not have to file affidavits or make representations. Once the Prudential Authority approves the Proposed Transfer, your policy will be automatically transferred to Emerald Life.

6.5 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 Proposed Timeline

7.1 The Proposed Timeline will be as follows:

Item	Action	Date
7.1.1	Initial discussion with the Prudential Authority in respect of the transfer of the Proposed Transfer.	10 June 2021
7.1.2	Submit the following application form (including annexures, e.g. Communication Plan, etc.) to the Prudential Authority: <ul style="list-style-type: none">• Application Form IF024• Application Form IF021	8 September 2021
7.1.3	Prudential Authority to consider the Application Forms and provide feedback on Communication Plan and other issues arising from Application Forms.	27 September 2021 to 4 November 2021

Item	Action	Date
7.1.4	Respond to queries received from the Prudential Authority and FSCA and send responses to the Prudential Authority and the FSCA (submit revised Communication Plan incorporating the Setswana translations).	13 October 2021 to 15 December 2021
7.1.5	Prudential Authority and FSCA to receive and consider feedback.	04 February 2022
7.1.6	Submit supplementary documents to the Prudential Authority reflecting new Effective Date and respond to queries.	22 March 2022 to 4 May 2022
7.1.7	Emerald to arrange the final translations of the timeline in all other languages and submit a copy to the Prudential Authority and FSCA.	6 May 2022
7.1.8	FSCA to communicate in-principle communication approval to Prudential Authority	13 May 2022
7.1.9	The Prudential Authority to provide in-principle approval of the implementation of the timeline and proposed Communication Plan.	20 May 2022
7.1.10	Prudential Authority to confirm list of documents to be made available for inspection.	20 May 2022
7.1.11	Implementation and roll-out of approved Communication Plan.	With effect from 25 May 2022
7.1.12	Formal Notice to be displayed at all Emerald Branches	25 May 2022 to 23 June 2022
7.1.13	Documents made available on the websites of Guardrisk Life and Emerald.	25 May 2022 to 23 June 2022
7.1.14	Call center of Emerald to become operational in relation to complaints and/or enquiries received through Emerald call center in respect of the Proposed Transfer.	25 May 2022 to 23 June 2022

Item	Action	Date
7.1.15	Submit notice for publication to newspapers as required by the Prudential Authority and as set out in the approved Communication Plan.	25 and 26 May 2022
7.1.16	Notice appears in newspapers as required by the Prudential Authority	27, 28, 29 and 30 May 2022
7.1.17	Tear-sheets of all publications to be delivered to the Head of Emerald Life Internal Audit Function.	31 May 2022
7.1.18	Documents made available for inspection on the websites of Guardrisk Life and Emerald from 25 May 2022 to 23 June 2022 (" the Inspection Period "), during which Inspection Period all persons who have an interest in the Proposed Transfer may make representations to the Prudential Authority.	25 May 2022 to 23 June 2022
7.1.19	Documents made available for inspection at the offices of Emerald during the Inspection Period, together with an inspection register to be completed by all persons inspecting the documents.	25 May 2022 to 23 June 2022
7.1.20	Guardrisk Life and Emerald Life to compile a report on the implementation of the approved policyholder communication plan and furnish such reports to the Head of the Internal Audit Function of Guardrisk Life and Emerald Life.	6 July 2022
7.1.21	Prudential Authority to deal with possible complaints and enquiries received during the Inspection Period.	25 May 2022 to 23 June 2022
7.1.22	Heads Internal Audit Function of Guardrisk Life and Emerald Life to submit report with the Prudential Authority for consideration	23 June 2022
7.1.23	Receive the Prudential Authority's written approval of the Application Forms.	25 July 2022

Item	Action	Date
7.1.24	Closing date, as amended	29 July 2022

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

You are allowed to make representations to the Prudential Authority or to Emerald Life if you have any concerns about the Proposed Transfer. These representations must reach the Prudential Authority, Guardrisk Life or Emerald Life no later than 23 June 2022. The contact details are set out below.

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

9.1 Copies of the documents mentioned below shall be available for inspection on the websites of:

9.1.1 Guardrisk Life at <https://guardrisk.co.za/policyholder-notifications/>;

9.1.2 Emerald Life at https://emerald.life.co.za/gr_transfer.

9.2 Copies of the documents mentioned below shall be available for inspection at the head offices of:

9.2.1 Emerald Life at 86 Edward Street, 3rd Floor, Sterling Place, Bellville 7530.

9.3 The documents available for inspection will include:

9.3.1 Copy of the Application Form (excluding annexes);

9.3.2 Copy of the Transfer Agreement (excluding annexe);

9.3.3 All communication notices; and

9.3.4 Any other documentation as prescribed by the Prudential Authority.

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

10.1 Please direct all queries as follows:

10.1.1 Telephonically: Emerald Life at 0861 666 333

10.1.2 Email: Emerald Life at info@emeraldlife.co.za

10.2 Alternatively, please direct your enquiries to the Prudential Authority per email at SARB-PA@resbank.co.za.