

## Frequently Asked Questions

### 1. Information about Guardrisk, Santam and the Proposed Transfer

#### 1.1 Who is Guardrisk?

1.1.1 Guardrisk Insurance Company Limited (registration number: 1992/001639/06) ("**Guardrisk**"), is a public company and a licenced non-life insurer incorporated in South Africa.

1.1.2 Guardrisk forms part of the Momentum Metropolitan Holdings Limited ("**MMH**") group of companies and 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 classes of 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 device insurance policy sold by Mobile Telephone Networks Proprietary Limited (registration number: 1993/001436/07) ("**MTN SA**") or one of the other MTN SA companies was placed in a Guardrisk cell that belongs to MTN SA. Guardrisk now intends to transfer the device insurance policies marketed and distributed by MTN SA to Santam Limited.

#### 1.3 Who is Santam Limited?

Santam Limited (registration number: 1918/001680/06) ("**Santam**") is a public company, an authorised financial services provider, a licensed non-life insurer incorporated in South Africa and a controlling company of its group of companies.

### 2. Transfers of Policies from Guardrisk to Santam

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

It has been agreed between Guardrisk, MTN SA and Santam to transfer the policies referred to below to Santam, subject to approval by the Prudential Authority as required in terms of the section 50 of the Insurance Act 2017 ("**Insurance Act**").

Santam will accordingly become the underwriter of the policies after approval of the transfer by the Prudential Authority ("**Proposed Transfer**").

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

The policies constitute device insurance policies underwritten and issued by Guardrisk ("**MTN Policies**"), which are marketed and distributed by MTN SA through Worldwide Advisory Services Proprietary Limited ("**WWAS**").

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

2.3.1 The MTN Policies will be transferred to Santam as part of a sale of business transaction concluded between Guardrisk, MTN SA and Santam. This means that Santam will become the new underwriter of the MTN 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, Santam will become the underwriter of the MTN 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 MTN 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 MTN Policies will be underwritten by Santam and no longer by Guardrisk.

## 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.

**6. How will the Proposed Transfer take place?**

6.1 The transfer of a portion 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 and Santam 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 and Santam 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 and Santam 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 MTN Policy, or other interested party affected by the Proposed Transfer, may contact WWAS as follows:

6.3.1 Telephonically: 083 123 6084

6.3.2 Email: [mtninfo@admyntec.co.za](mailto:mtninfo@admyntec.co.za)

6.4 If you do not have an objection to the Proposed Transfer, you do not have to file representations. Once the Prudential Authority approves the Proposed Transfer, your policy will be automatically transferred to Santam.

6.5 Please note that the Short-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	Revised dates
1.	Initial discussion with the Prudential Authority in respect of the proposed transfer of the MTN Portfolio from Guardrisk Insurance Company Limited (" <b>Guardrisk</b> ") to Santam Limited (" <b>Santam</b> ") (" <b>Proposed Transfer</b> ").	16 September 2022
2.	Submit the application form IF024 (including annexures such as the proposed policyholder communication plan (" <b>Communication Plan</b> "), etc.) to the Prudential Authority.	30 March 2023
3.	Prudential Authority and the Financial Sector Conduct Authority to consider the application and provide initial feedback.	8 May 2023
4.	Respond to queries received from the Prudential Authority and Financial Sector Conduct Authority.	15 May 2023
5.	Prudential Authority and the Financial Sector Conduct Authority to consider responses submitted to the queries.	25 May 2023
6.	Meeting with Prudential Authority to discuss further queries received subsequent to initial responses submitted.	20 June 2023
7.	Respond to further queries received from the Prudential Authority on 25 May 2023.	23 June 2023
8.	Prudential Authority to consider responses submitted and provide feedback.	4 August 2023
9.	Respond to 04 August 2023 email from the Prudential Authority, and provide updated and finalised timeline.	11 August 2023
10.	Prudential Authority and Financial Sector Conduct Authority to provide approval to execute the Communication Plan.	On or before 24 August 2023
11.	Prudential Authority to confirm list of documents to be made available for inspection.	24 August 2023
12.	Implementation and roll-out of approved Communication Plan.	With effect from 25 August 2023

Item	Action	Revised dates
13.	Submit notice for publication to newspapers as required by the Prudential Authority and as set out in the approved Communication Plan.	Submission of notices no later than 25 August 2023 to ensure publication
14.	Call center of WWAS to become operational in relation to complaints and/or enquiries received in respect of the Proposed Transfer.	1 September 2023
15.	WWAS to commence sending of SMSs and e-mails in respect of the Proposed Transfer. SMSs and emails will be sent in batches of 45 000 messages per day, and will therefore be rolled out over a 1-week period.	1 September 2023 to 8 September 2023
16.	WWAS to consolidate report on SMSs and e-mails successfully delivered and commence distribution of second attempt SMSs and e-mails in respect of undelivered messages applying the same staggered approach.	8 September 2023 to 11 September 2023
17.	Notice appears in newspapers as required by the Prudential Authority.	1, 2 and 3 September 2023
18.	Tear-sheets of all publications to be delivered to the Heads of Internal Audit Function at Guardrisk.	4 September 2023 or as soon as possible thereafter
19.	Report on successful distribution of SMSs and e-mails sent to be delivered to the Heads of Internal Audit Function at Guardrisk.	13 September 2023
20.	Documents made available for inspection on the websites of Guardrisk, MTN SA and Santam with effect from 1 September 2023 until 25 September 2023 (" <b>the Inspection Period</b> ").	1 September – 25 September 2023
21.	Head of Internal Audit Function of Guardrisk to submit report on the implementation of the Communication Plan to the Prudential Authority.	17 October 2023
22.	Prudential Authority to consider audit report on Communication Plan and provide queries to Guardrisk and Santam on audit report.	18 October 2023– 8 November 2023
23.	Guardrisk and Santam to respond to queries on audit report to Prudential Authority	15 November 2023

Item	Action	Revised dates
24.	Prudential Authority to provide written approval of the Transfer.	1 December 2023
25.	Effective date of transfer	On or before 1 January 2024

## 8. What if I do not want Santam to underwrite any cover relating to me?

8.1 You are allowed to make representations if you have any concerns about the Proposed Transfer. These representations must be directed to WWAS by no later than **25 September 2023**. The contact details are as follows:

8.1.1 Telephonically: 083 123 6084

8.1.2 Email: [mtninfo@admyntec.co.za](mailto:mtninfo@admyntec.co.za)

## 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 at <https://guardrisk.co.za/>.

9.1.2 Santam at <https://www.santam.co.za/>.

9.1.3 MTN SA at <https://www.mtn.co.za/insurance/device-cover/>.

9.2 The documents available for inspection will include:

9.2.1 Copy of the Application Form (excluding annexes);

9.2.2 All communication notices;

9.2.3 Links to the latest Annual Financial Statements of Guardrisk and Santam; and

9.2.4 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 to WWAS as follows:

10.1.1 Telephonically: 083 123 6084

10.1.2 Email: [mtinfo@admyntec.co.za](mailto:mtinfo@admyntec.co.za)