
BOARD NOTICES

BOARD NOTICE 241 OF 2013

FINANCIAL SERVICES BOARD

LONG-TERM INSURANCE ACT NO. 52 OF 1998:

AMENDMENT OF BOARD NOTICE 133 OF 2012:

RETURNS TO REGISTRAR

I, Dube Phineas Tshidi, Registrar of Long-term Insurance, acting in terms of section 36(1) of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), hereby amend Board Notice 133 of 2012, published in *Government Gazette* No. 35585 of 17 August 2012, by substituting Statements B5 and G3 of the LT2012 statutory return (i.e. Long-term Insurance Annual Quantitative Return (LT2012) and Long-term Insurance Annual Qualitative Return (LT2012)) for the statements set out in the schedule.

The complete composite LT2013 statutory return (i.e. Long-term Insurance Annual Quantitative Return (LT2013) and Long-term Insurance Annual Qualitative Return (LT2013) incorporating the statements set out in the schedule into the schedule to Board Notice 133 of 2012) is available in electronic format on the website of the Financial Services Board, Insurance division (<http://www.fsb.co.za>).

This Board Notice takes effect on the date of publication thereof and applies to every registered long-term insurer whose financial year ends on or after 1 January 2013, and applies in respect of the full financial period that ends on the aforementioned date.



DP TSHIDI

Registrar of Long-term Insurance

SCHEDULE

LONG-TERM INSURANCE ANNUAL QUANTITATIVE RETURN (LT2013)

LT2013

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SHEET REFERENCE NUMBER
REGISTRAR OF LONG-TERM INSURANCE REFERENCE NUMBER
FINAL PRINTOUT DATE

BOS-93-A
10/10/1000/8
2013/11/21 14:30

Statement B5 MOVEMENT IN LONG-TERM BUSINESS IN FORCE of ABC Life Insurance Limited as at the end of the financial period 31/01/2013						
DESCRIPTION	IN RSA				IN & OUTSIDE RSA	
	CURRENT YEAR				TOTAL CURRENT YEAR	
	TYPE OF BUSINESS				TOTAL	
	Investments No. of policies	Risk No. of policies	Annuities No. of policies	Universal Life No. of policies	No. of policies	No. of policies
1	2	3	4	5	6	7

1. INDIVIDUAL

NUMBER OF POLICIES AT START OF FINANCIAL YEAR

plus: New policies

Non-recurring

Recurring

less: Death claims

Disability terminations

Health terminations

Maturity claims

Surrenders

Lapses

Transfers i.t.o. the Act

Policies expired

Adjustments: Specify

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2. GROUP

NUMBER OF SCHEMES AT START OF FINANCIAL YEAR

plus: New schemes

less: Terminations

Transfers i.t.o. the Act

Adjustments: Specify

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NUMBER OF SCHEMES AT END OF FINANCIAL YEAR

ACTUARY

AUDITORS (initial)

LONG-TERM INSURANCE ANNUAL QUALITATIVE RETURN (LT2013)

LT2013

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SHEET REFERENCE NUMBER
 REGISTRAR OF LONG-TERM INSURANCE REFERENCE NUMBER
 FINAL PRINTOUT DATE

CONFIDENTIAL STATEMENT NOT AVAILABLE TO PUBLIC
 G03-99-A
 10/10/1/000/8
 2013/11/21 14:34

Statement G3
REPORT by STATUTORY ACTUARY
of ABC Life Insurance Limited
 as at the end of the financial period 31/01/2013

VALUATION RESULT

1. Please attach a copy of the latest PGN 103 report.

NEW BUSINESS

2. Did the statutory actuary satisfy himself/herself that new business undertaken during the period was entered into on conditions and premium rates that will not endanger the financial soundness of the insurer, bearing in mind, amongst other things, the following:

- * The expected experience of the insurer as regards the mortality and morbidity rates;
- * Actual and expected costs;
- * Lapses and surrenders;
- * All guarantees and options provided for in such business;
- * The expected net investment return on future investments;
- * The standards applied in the underwriting of risks, including the effect of possible anti-selection;
- * The arrangements made as regards reinsurance;
- * The reasonable benefit expectations of policyholders;
- * The expected return on the capital invested in new business in the form of new business strain;
- * The expected volume of new business to be sold;

If "NO", the statutory actuary must provide the steps that will be taken to rectify this position.

INVESTMENTS

3. What did the statutory actuary do to satisfy himself/herself of the suitability of the assets of the insurer in relation to the nature of the liabilities?

In answering the question, please mention specifically the matching of the annuity book (if annuity business are written) and the matching of any embedded derivatives. If the answer refer to any report, please attached a copy of the said report.

STATUTORY VALUATION METHOD**CAR**

4. Give a description of all management actions envisaged in calculating the Capital Adequacy Requirement, with an indication of the magnitude of further management actions that can be utilised. Furthermore, separately quantify the effect of each of the management actions used to reduce the Capital Adequacy Requirement (from the figures shown in statement C5 to the figures shown in statement C6).

5. State whether the Board of Directors has been made aware of the management actions envisaged and the conditions under which the management actions would be required.

STRESS TESTING

6. Give a description of all management actions envisaged in calculating the Capital Adequacy Requirement after a stress event, with an indication of the magnitude of further management actions that can be utilised. Furthermore, separately quantify the effect of each of the management actions used to reduce the Capital Adequacy Requirement.

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7. State whether the Board of Directors has been made aware of the management actions envisaged and the conditions under which the management actions would be required.

MARGINS

8. Define and quantify all explicit discretionary margins used in the statutory valuation method and give the reason(s) why they have been added. Define all implicit discretionary margins.

9. Quantify, separately for each prescribed margin, the prescribed margins used in the statutory valuation.

BONUSES

10. Was the bonus rate(s) last declared assumed for all future years? If not, please elaborate.

REPORT

11. When did/will the statutory actuary present his/her report to the Board of Directors and Management to the Board of Directors?

GENERAL

12. Please give detail of your attendance of Board meetings and attendance of subcommittee(s) of the Board.

13. What, in the opinion of the statutory actuary, are the major risks facing the insurer?

14. Were there any instances where the advice of the statutory actuary was not followed?

STATUTORY ACTUARY _____

DATE _____

AUDITORS (*initial*) _____