

FINANCIAL SERVICES BOARD

Riverwalk Office Park Block B 41 Matroosberg Road Ashlea Gardens Extension 6
Pretoria South Africa 0081 PO Box 35655 Menlo Park Pretoria South Africa 0102
Tel +27 12 428 8000 Fax +27 12 347 0221 E-mail info@fsb.co.za
Toll free 0800 110443/0800 202087 Website: www.fsb.co.za



ENQUIRIES:	Reuben Mahlare	D. DIALLING NO.:	(012) 428 8129
OUR REF:	10/25/2	FAX:	(012) 422 2966
DATE:	12 March 2010	E-MAIL:	reubenm@fsb.co.za

Dear Sir/Madam

SHORT-TERM INSURANCE ACT, ACT 52 OF 1998 (“ACT”): SECTION 35 - STATUTORY ANNUAL RETURN AND QUARTERLY RETURN

1. The purpose of this letter is to inform you of the amendments made to the annual statutory return (ST2010) and the guidance manual for the completion of the ST2010 return. The changes were necessary in order to achieve consistency with international regulatory developments as well as developments in the South-African short-term insurance industry.
2. Please note that the revised ST2010 must be completed for all financial year ending on or after 1 January 2010.
3. Please note that the revised quarterly statutory return must be submitted for each quarter ending on or after 1 January 2010.
4. STATUTORY ANNUAL RETURN
 - 4.1 The following amendments were made to the ST2010 (also refer to the issue dates on the ST2010 index):
 - **Statement A1** – The drop-down list with the names of the registered short-term insurers was update to cater for name changes and newly registered short-term insurers/reinsurers.

In addition, the statement is updated to include details of the statutory actuary and alternate statutory actuary.

- **Statement A2** – Table was inserted in respect of the particulars of the statutory actuary and alternate statutory actuary.
- **Statement B1** –The statement is updated to include total reserve for any type of cash-back bonus.
In addition, the line item "*Premiums in respect of Portfolio Transfer*" is deleted in the statement.
- **Statement D3** – Line item "cash back bonus" is included within the calculation of unearned premium provision.
- **Statement F1** – The additional minimum capital amount referred to in section 29(1)(b) and 29(2)(b), is increased to R5 000 000.
- **Statement G3** – In respect of credit life insurance, an additional column was included for claims outstanding.

4.2 Your annual submission of information to the Registrar should include the following:

- An electronic copy of the ST2010;
- An original hardcopy printout of the ST2010 with all supporting documents requested, all duly signed;
- A copy of the printout of the ST2010 with all supporting documents requested, all duly signed; and
- One certified copy of the published annual financial statements (PAFS) as well as a copy of PAFS.

4.3 Please note that the statutory annual return, ST2010, is a work-in-progress document and changes will only be done on an annual basis.

5. **GUIDANCE MANUAL TO THE STATUTORY ANNUAL RETURN (ST2010)**

5.1 Please note that the guidance manual has been updated.

6. **SHORT-TERM QUARTERLY RETURN FOR 2010**

6.1 The drop-down box with the names of the registered short-term insurers was amended to include name changes and newly registered short-term insurers.

6.2 The additional minimum capital amount referred to in section 29(1)(b) and 29(2)(b), is increased to R5 000 000.

7. Please note that all the above mentioned documentation will also be available on the website of the Financial Services Board, Insurance division. Please refer to <http://www.fsb.co.za> in this regard.

Yours faithfully



¹ REGISTRAR OF SHORT-TERM INSURANCE