



SHOPRITE INVESTMENTS LTD  
REG NO : 1985/000928/06

15 September 2021

Dear Customer

**Credit Notice: Effect of the transfer of your insurance policy from Shoprite Insurance Company Limited to Centriq Life Insurance Company Limited**

As you are aware, your Consumer Protection Policy: Death, Disability, Loss of Employment or Inability to Earn an Income ("**your Policy**"), insured by Shoprite Insurance Company Limited (registration number: 1948/030484/06) ("**Shoprite**") will be transferred to Centriq Life Insurance Company Limited (registration number: 1943/016409/06) ("**Centriq Life**"), once the transfer is approved by the Prudential Authority in terms of section 50 of the Insurance Act, 18 of 2017 ("**Insurance Act**").

Your Policy is currently underwritten as a short-term policy in terms of the Short-term Insurance Act, 53 of 1998. As a short-term policy, 15% value added tax ("**VAT**") is charged on all premiums paid in terms of your Policy ("**the VAT charge**").

Once your Policy is transferred to Centriq Life, your Policy will no longer qualify as a short-term policy but will be underwritten by Centriq Life as a life policy in terms of the Insurance Act.

As a life policy, VAT is no longer charged on the premiums payable, which means that your premiums will reduce with the 15% VAT charge previously paid in terms of your Policy.

However, as the credit provider of your credit agreement, please note that it is unfortunately not possible for Shoprite Investments Limited, trading as Rainbow Finance ("**Rainbow Finance**"), to reduce your monthly instalment with the reduction in the premium due to the fact that the VAT charge is no longer payable. Instead, the VAT charge will be applied by Rainbow Finance as an early repayment of the overall debt due in terms of your credit agreement as contemplated in section 126 of the National Credit Act, 34 of 2005.

This means, whilst your premiums will reduce, that your instalment amount will stay the same. However the VAT charge will be applied by Rainbow Finance for your benefit towards your outstanding credit balance, which means that you may be able to repay your outstanding credit earlier.

We trust this is acceptable. If you have any questions, please contact us on 0861 00 88 61 or at [policytransfer@shoprite.co.za](mailto:policytransfer@shoprite.co.za) for more information.

Kind regards

***Shoprite Investments Limited trading as Rainbow Finance***



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