

## Frequently Asked Questions

### 1. Information about Shoprite Insurance, Centriq Life and Centriq Insurance and the Transfer

#### 1.1 Who is Shoprite?

Shoprite Insurance Company Limited (registration number 1948/030484/06) ("**Shoprite Insurance**") is a public company incorporated in terms of the Companies Act, 2008 ("**Companies Act**").

Shoprite Insurance holds a licence for short-term insurance in terms of the Short-term Insurance Act, 53 of 1998 ("**Short-term Insurance Act**").

Shoprite Insurance did not apply for its insurance licence under the Short-term Insurance Act to be changed to an insurance licence in terms of the new Insurance Act, 18 of 2017 ("**the Insurance Act**"). Shoprite can thus no longer act as an insurer, and must transfer all its policies to other insurers who have a licence in terms of the Insurance Act.

#### 1.2 Who is Centriq Life?

Centriq Life Insurance Company Limited (registration number 1943/016409/06) ("**Centriq Life**"), is a public company established in terms of the Companies Act.

Centriq Life holds a licence for life-insurance in terms of the Insurance Act and is able to underwrite the Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income of Shoprite Insurance.

#### 1.3 Who is Centriq Insurance?

Centriq Insurance Company Limited (registration number 1998/007558/06) ("**Centriq Insurance**"), is a public company duly incorporated in terms of the Companies Act.

Centriq Insurance holds a licence for non-life insurance in terms of the Insurance Act and is able to underwrite the Consumer Protection Policies: All Risk Insurance and Extension of the Manufacturer's Warranty or Guarantee Policies of Shoprite Insurance.

### 2. Transfers of Policies from Shoprite Insurance to Centriq Life and Centriq Insurance

## 2.1 **Why is the insurer of my policy changing?**

Shoprite Insurance is currently the insurer of your policy.

Shoprite chose to not change its licence from a licence for short-term insurance under the Short-term Insurance Act to a licence for non-life insurance under the Insurance Act, and can no longer underwrite any policies.

Shoprite Insurance will therefore be transferring all

- Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income to Centriq Life, who holds a licence for life insurance, and may underwrite your policy; and
- Consumer Protection Policies: All Risk Insurance; and Consumer Protection Policies: Extension of the Manufacturer's Warranty or Guarantee Policies to Centriq Insurance, who holds a licence for non-life insurance, and may underwrite your policy,

Because of a change in the insurance laws, the Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income can no longer be underwritten by an insurer that holds a licence for non-life insurance, but must be underwritten by an insurer that holds a licence for life-insurance. That is why these policies are transferred to Centriq Life (who holds a licence for life insurance), and the Consumer Protection Policies: Extension of the Manufacturer's Warranty or Guarantee Policies to Centriq Insurance (who holds a licence for non-life insurance).

## 2.2 **Can I choose whether my policy must be transferred to Centriq Life or Centriq Insurance?**

No. The benefits provided in terms of the policies will, as required by the insurance laws, determine whether the policy must be provided by an insurer who holds a licence for life insurance (like Centriq Life) or an insurer who holds a licence for non-life insurance (like Centriq Insurance).

## 2.3 **Will anything change on my policy?**

*The Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income*

- The terms and conditions of your policy will not change, except for some changes in order to improve consumer protections as required by the insurance laws.
- In addition, you will no longer have to pay VAT on the premiums in respect of the Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income after the transfer.
- The credit provider, Rainbow Finance, a division of Shoprite Investments Limited (registration number 1985/000928/07) ("**Rainbow Finance**") will however not be able to reduce the instalment amount with the amount of VAT that you no longer have to pay, and Rainbow Finance will apply the amount that you used to pay for VAT, as a pre-payment on the instalment amount. This means that the VAT amount will be used to repay your debt quicker.

*The Consumer Protection Policies: All Risk Insurance and Extension of the Manufacturer's Warranty or Guarantee Policies*

- The terms and conditions of your policy will not change, except for some changes in order to improve consumer protections as required by the insurance laws.

Shoprite Checkers Proprietary Limited (registration number 1929/001817/07) (an authorised FSP with FSP number 7732) ("**Shoprite Checkers**"), who currently provides services in terms of the policies, will continue to provide services in terms of the policies after the transfer of the policies.

All the terms and conditions of your policy will remain the same, except i) some changes in order to enhance consumer protection in terms of the applicable laws, ii) a reduction in premiums in respect of the policies transferred to Centriq Life, as VAT will no longer be payable in respect of such policies and iii) Centriq Life and/or Centriq Insurance will become the insurer of your policy. The premiums under your policy will not increase for a period of 12 months after approval of the transfer by the Prudential Authority.

#### 2.4 **How will the Transfer Policies be transferred?**

The Transfer Policies will be transferred from Shoprite Insurance to Centriq Life and Centriq Insurance in terms of an agreement entered into between Shoprite Insurance, Centriq Life and Centriq Insurance.

This means that Centriq Life and Centriq Insurance will become the new insurers of the policies when the agreement is implemented.

The Insurance Act requires a specific process to be followed by the insurers (including that they must communicate with the policyholders) before they can implement their agreement. The Insurance Act also requires that the Prudential Authority must consider the process the insurers followed, and the Prudential Approval must approve the transfer.

**3. Do you have to give consent to the transfer of your Transfer Policy?**

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

Because the Insurance Act allows for policies to be transferred without your consent, the Act requires that the insurers must follow a detailed regulatory process, and that the Prudential Authority must approve the transfer.

Once the Prudential Authority approves the transfer, Centriq Life and Centriq Insurance respectively will be the new insurers of the policies, and must comply with all Shoprite's obligations under the policies.

You can submit questions, comments or complaints to Shoprite or the Prudential Authority about the transfer of your policy, which they will consider.

**4. What does this mean for my policy if the Prudential Authority approves the transfer?**

Your policy will be transferred to Centriq Life and/or Centriq Insurance, who will be the new insurers of the policies, and must comply with all Shoprite's obligations under the policies.

Shoprite Checkers as the FSP will continue to provide services in terms of your policy.

**5. What if I do not want Centriq Life or Centriq Insurance to underwrite any cover relating to me?**

You are allowed to submit comments, enquiries or complaints about the transfer to the Prudential Authority, to Shoprite Insurance, to Centriq Life or Centriq Insurance before 7 October 2021.

These persons will consider your comments, enquiries or complaints. If the Prudential Authority approves the transfer of the policies, your policy will be transferred. This is provided for in section 50 of the Insurance Act.

Please note that the Ombudsman for Short-term Insurance, the Ombudsman for Long-term Insurance and the Ombud for Financial Advisory and Intermediary Services will not be able to assist you in this matter.

## **6. How will my existing claims be dealt with?**

Any claim that has been submitted but not settled on the date that your policy is transferred, will be transferred to Centriq Life or Centriq Insurance. Centriq Life and Centriq Insurance will then continue to deal with your claim

The process for submitting any claims you may have will remain the same after the date of transfer, which is by submitting your claims at the information counter at your closest OK Furniture, OK Power Express or House & Home store. The claims will then be considered and if valid, paid by Centriq Life and/or Centriq Insurance.

## **7. Where can I get more information about the transfer of my policy?**

7.1 More information and some documents relevant to the transfer of the Policies will be posted on the Facebook pages of OK Furniture and House and Home, as well as the websites of OK Furniture and OK Power Express ([www.okfurniture.co.za](http://www.okfurniture.co.za)) and House and Home ([www.houseandhome.co.za](http://www.houseandhome.co.za)) from 15 September 2021 to 7 October 2021 for you to review.

7.2 The documents which you can review on the websites of OK Furniture and OK Power Express and House and Home are the following:

7.2.1 Copy of the application for approval of the transfer of policies to the Prudential Authority (excluding annexes);

7.2.2 Copy of the transfer agreement entered into between Shoprite Insurance, Centriq Life and Centriq Insurance;

7.2.3 Copy of the pro forma financial positions of Shoprite Insurance, Centriq Life and Centriq Insurance after the transfer;

7.2.4 Copy of the annual financial statements for the year ended 30 June 2020 for Shoprite Insurance;

- 7.2.5 Copy of the financial statements (excluding directors emoluments) for the year ended 31 December 2020 for Centriq Life;
- 7.2.6 Copy of the financial statements (excluding directors emoluments) for the year ended 31 December 2020 for Centriq Insurance;
- 7.2.7 A copy of the head of actuarial function's report for Centriq Life;
- 7.2.8 A copy of the head of actuarial function's report for Centriq Insurance;
- 7.2.9 All communication notices; and
- 7.2.10 Any other documentation as prescribed by the Prudential Authority.

**8. Who can I contact if I have comments, enquiries or complaints about the transfer of my policy?**

- 1.1 You may submit any comments, complaints or enquiries to Shoprite (call 0861 00 88 61 or email [policytransfer@shoprite.co.za](mailto:policytransfer@shoprite.co.za)) or the Prudential Authority (email [SARB-PA@resbank.co.za](mailto:SARB-PA@resbank.co.za)) before 7 October 2021.