Notification IF021

APPLICATION FOR APPROVAL TO AFFECT MATERIAL ACQUISITIONS OR DISPOSALS

Pick one of the following:

Select Group Name		
Select Insurer Name	**HOLLARD INSURANCE COMPANY LIMITED,THE**	**I029**

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Valuation date	2020/06/30

HOLLARD INSURANCE COMPANY LIMITED,THE (I029)

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All amounts in R'000

Statement of Solvency Position

	If approval is NOT granted	If approval is granted
Solvency Cover		
MCR	2,59	2,64
SCR	1,32	1,34
Summary of Solvency Position		
Total Assets	10 115 953	10 059 611
Total Liabilities	6 826 819	6 767 575
Basic Own Funds / Excess Assets	3 289 135	3 292 037
Own funds eligible to meet MCR	2 907 443	2 912 762
Own funds eligible to meet SCR	3 289 135	3 292 037
Summary of Liabilities		
BEL	4 476 432	4 415 471
Risk Margin	151 602	147 572
Other liabilities	2 198 785	2 204 532
Summary of Capital Requirements		
MCR	1 121 994	1 103 626
SCR	**2 493 321**	**2 452 502**

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All amounts in R'000

SCR Summary - if approval not granted

Market Risk

Select whether the capital requirement for nominal interest rate risk is zero, or driven by the upward or downward shock	Downward shock
Select whether the capital requirement for currency risk is derived from the risk of the Rand appreciating/depreciating (i.e. downward shock / upward shock)	Downward shock

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Interest Rate Risk	8 219	-	-	8 219
Equity Risk	335 165	-	-	335 165
Property Risk	-	-	-	-
Spread & Counterparty Default Risk	646 215	-	-	646 215
Currency Risk	147 226	-	-	147 226
Concentration Risk	104 131	-	-	104 131
Illiquidity Premium Risk	-	-	-	-
Single Equivalent Scenario adjust to management action	-	-	-	-
Undiversified Capital Charge	**1 240 957**	**-**	**-**	**1 240 957**
Diversification factor	**-269 546**			**-269 546**
Diversified Capital Charge	**971 411**			**971 411**

Life Underwriting Risk

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Mortality Risk	-	-	-	-
Longevity Risk	-	-	-	-
Disability / Morbidity Risk	-	-	-	-
Life Lapse Risk	-	-	-	-
Life Expense Risk	-	-	-	-
Life CAT Risk	-	-	-	-
Retrenchment Risk	-	-	-	-
Undiversified Capital Charge	-	-	-	-
Diversification factor	-			-
Diversified Capital Charge	**-**			**-**

Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge

Non-Life Underwriting Risk

Premium & Reserve Risk	2 371 303	-701 143	8 001	1 678 161
Lapse Risk	-	-	-	-
Catastrophe Risk	3 295 933	-2 872 749	11 756	434 940
Undiversified Capital Charge	**5 667 236**	**-3 573 891**	**19 756**	**2 113 101**
Diversification factor	**-1 151 255**			**-277 251**
Diversified Capital Charge	**4 515 981**	**-2 680 130**		**1 835 851**

Risk Mitigation from Stop-Loss Reinsurance Arrangements (RM_{SL})	-
Risk Mitigation from Other Reinsurance Arrangements (RM_{Other})	-
Impairment of Counterparty Default Risk ($IMP_{SL\&Other}$)	-
Optional Adjustment ($ADJLoss_{abs}$)	-
Simplification for First Party Insurance Structures (SCR_{nl_fp})	11 484
Capital Requirement for Non-Life Underwriting Risk (SCR_{NL})	**1 847 334**

BSCR Calculation

Market Risk	971 411
Life Underwriting Risk	-
Non-Life Underwriting Risk	1 847 334
BSCR	**2 292 061**

SCR Calculation

BSCR	2 292 061
Operational Risk	351 991
Loss Absorbing capacity of deferred taxes	-275 240
Participations	124 510
SCR Adjustment: Cells	-
SCR Adjustment: Other RFFs	-
SCR	**2 493 321**

COMMENTS

Approach used	Standard Formula

HOLLARD INSURANCE COMPANY LIMITED,THE (I029)

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All amounts in R'000

SCR Summary - if approval is granted

Market Risk

Select whether the capital requirement for nominal interest rate risk is zero, or driven by the upward or downward shock	Downward shock
Select whether the capital requirement for currency risk is derived from the risk of the Rand appreciating/depreciating (i.e. downward shock / upward shock)	Downward shock

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Interest Rate Risk	7 432	-	-	7 432
Equity Risk	335 165	-	-	335 165
Property Risk	-	-	-	-
Spread & Counterparty Default Risk	645 714	-	-	645 714
Currency Risk	147 226	-	-	147 226
Concentration Risk	104 229	-	-	104 229
Illiquidity Premium Risk	-	-	-	-
Single Equivalent Scenario adjust to management action	-	-	-	-
Undiversified Capital Charge	**1 239 766**	**-**	**-**	**1 239 766**
Diversification factor	**-269 262**			**-269 262**
Diversified Capital Charge	**970 504**			**970 504**

Life Underwriting Risk

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Mortality Risk	-	-	-	-
Longevity Risk	-	-	-	-
Disability / Morbidity Risk	-	-	-	-
Life Lapse Risk	-	-	-	-
Life Expense Risk	-	-	-	-
Life CAT Risk	-	-	-	-
Retrenchment Risk	-	-	-	-
Undiversified Capital Charge	-	-	-	-
Diversification factor	-			-
Diversified Capital Charge	-			-

Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge

Non-Life Underwriting Risk

Premium & Reserve Risk	2 341 585	-703 558	8 029	1 629 998
Lapse Risk	-	-	-	-
Catastrophe Risk	3 295 933	-2 872 749	11 756	434 940
Undiversified Capital Charge	**5 637 518**	**-3 592 364**	**19 784**	**2 064 939**
Diversification factor	**-1 142 515**			**-275 932**
Diversified Capital Charge	**4 495 003**	**-2 705 996**		**1 789 006**

Risk Mitigation from Stop-Loss Reinsurance Arrangements (RM_{SL})	-
Risk Mitigation from Other Reinsurance Arrangements (RM_{Other})	-
Impairment of Counterparty Default Risk ($IMP_{SL\&Other}$)	-
Optional Adjustment ($ADJLoss_{abs}$)	-
Simplification for First Party Insurance Structures (SCR_{nl_fp})	11 484
Capital Requirement for Non-Life Underwriting Risk (SCR_{NL})	**1 800 490**

BSCR Calculation

Market Risk	970 504
Life Underwriting Risk	-
Non-Life Underwriting Risk	1 800 490
BSCR	**2 248 852**

SCR Calculation

BSCR	2 248 852
Operational Risk	351 991
Loss Absorbing capacity of deferred taxes	-272 850
Participations	124 510
SCR Adjustment: Cells	-
SCR Adjustment: Other RFFs	-
SCR	**2 452 502**

COMMENTS

Approach used	Standard Formula

HOLLARD INSURANCE COMPANY LIMITED,THE (I029)

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All amounts in R'000

Statement of Assets, Liabilities and Basic Own Funds

1)Assets

Balance Sheet - Assets	If approval is NOT granted	If approval is granted
Goodwill		
Intangible assets	-	-
Equipment	145 561	145 561
Owner occupied property	218 057	218 057
Deferred Acquisition Costs		
Reinsurance deposits	-	-
Total Reinsurance recoverables	1 286 907	1 286 893
Reinsurance share of TP - non-life	786 434	786 420
Reinsurance share of TP - life	-	-
Other reinsurance recoverables	500 473	500 473
Total Participations	401 126	401 126
Total in Asset Holding Intermediaries	33 938	33 938
Total Investments	6 266 723	6 213 862
Government Bonds	-	-
Corporate Bonds	279 805	279 805
Equity	1 495 889	1 495 889
Investment Funds	2 688 790	2 688 790
Structured Notes	-	-
Collateralised Securities	-	-
Cash and Deposits	1 612 291	1 559 430
Mortgages and Loans	189 948	189 948
Property	-	-
Total Derivatives	-	-
Futures	-	-
Call Options	-	-
Put Options	-	-
Swaps	-	-
Forwards	-	-
Credit Derivatives	-	-
Deferred tax assets	122 023	122 023
of which realisable in year 1	122 023	122 023
of which realisable after year 1	-	-
CGT	-	-
Current assets	1 641 618	1 638 151
Other assets	-	-
Total Assets	10 115 953	10 059 611

2)Liabilities

Balance Sheet - Liabilities		
Gross Technical provisions – non-life	4 628 034	4 563 043
TP calculated as a whole ***or***	-	-
Best Estimate ***and***	4 476 432	4 415 471
Risk margin	151 602	147 572
Gross Technical provisions – life	-	-
TP calculated as a whole ***or***	-	-
Best Estimate ***and***	-	-
Risk margin	-	-
Subtotal technical liabilities	4 628 034	4 563 043
Reinsurance deposits	583 705	583 705
(Re)insurance accounts payable	26 767	26 767
Debentures/Mortgages/Linked units/Loan stocks	-	-
Subordinated liabilities	-	-
of which Dated	-	-
of which undated with a call option	-	-
of which Undated with no contractual opportunity to redeem	-	-
Bank overdraft	-	-
Amounts due to holding company and subsidiaries	-	-
Payables (trade, not insurance)	1 449 069	1 453 688
Contingent liabilities	-	-
Provision for current taxation	23 310	23 310
Deferred tax liabilities	115 933	117 061
of which realisable in year 1	115 933	117 061
of which realisable after year 1	-	-
CGT	-	-
Other liabilities	-	-
Total Liabilities	6 826 819	6 767 575
Assets less Liabilities	3 289 135	3 292 037

3) Basic Own Funds

Basic Own Fund Items

Ordinary share capital (net of own shares)	1 580 686	1 580 686
Paid up	1 580 686	1 580 686
Called up	-	-
The initial fund (less item of the same type held)	-	-
Paid up	-	-
Called up	-	-
Callable	-	-
Share premium account	55 914	55 914
Other capital movements	-	-
Retained earnings including profits for the year net of foreseeable dividends	1 158 293	1 164 441
Other reserves from accounting balance sheet	4 012	4 012
Reconciliation reserve	(115 771)	(119 016)
Adjustments to assets	-241 472	-241 472
Adjustments to technical provisions	276 933	272 425
of which equalisation provisions		
less surrender value gap (SVG excl. risk margin)	-	-
Adjustments to other liabilities	-151 231	-149 969
Others	-	-
Surrender value gap (SVG excl. risk margin)	-	-
Other paid in capital instruments	606 000	606 000
Preference shares	6 000	6 000
of which Dated	-	-
of which undated with a call option	3 000	3 000
of which Undated with no contractual opportunity to redeem	3 000	3 000
Subordinated liabilities	600 000	600 000
of which Dated	600 000	600 000
of which undated with a call option	-	-
of which Undated with no contractual opportunity to redeem	-	-
Subordinated mutual member accounts	-	-
Other items not specified above	-	-
Total basic own funds before adjustments	3 289 135	3 292 037

COMMENTS