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SOUTH AFRICAN RESERVE BANK
Prudential Authority

Insurance Act No. 18 of 2017

Notice of variation of licensing conditions in terms of section 26 of the Insurance Act, 2017 (Act No. 18 of 2017): Oasis Crescent Insurance Limited

I, Fundi Tshazibana, with the concurrence of the Financial Sector Conduct Authority, and acting in terms of section 126(1)(a) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA) read with section 26(1)(c) and 26(4) of the Insurance Act, 2017 (Act No. 18 of 2017) (the Insurance Act), hereby give notice of the variation of licensing conditions of Oasis Crescent Insurance Limited (Oasis).

In terms of this notice, the Prudential Authority (PA) hereby, in terms of Section 26(1)(c) of the Insurance Act amends the current license conditions of Oasis, as set out in Annexure A, with the revised licence conditions as set out in Annexure B attached hereto.

Fundi Tshazibana
Chief Executive Officer

Date:

Annexure A

Licence conditions as per section 25(8) of the Insurance Act

1. The classes and sub-classes specified in Annexure A may only be written for business in South Africa.
2. No business may be written through a cell structure.

Annexure B

Licence conditions as per section 25(8) of the Insurance Act

1. The classes and sub-classes specified in Annexure A of the licence certificate may only be written for business in South Africa.
2. No business may be written through a cell structure.
3. In respect of the linked insurance business and where material business activities¹ are outsourced the following conditions will apply:

General conditions

- The linked life insurer shall where any senior management function² is outsourced to related parties and which function is required to perform other functions for that related party, establish protocols to ensure that adequate time and resources are allocated to that senior management function as may be required to discharge the respective outsourced function of the linked life insurer.
- The linked life insurer shall in its report to the Board of Directors provide information on time expended and resources allocated by the senior management function on other functions being performed for the related party.
- The linked life insurer shall where any Head of Control function³ is outsourced to a related party and which function is required to perform similar functions for the related party, establish protocols to ensure that adequate time and resources are allocated as may be required to discharge the respective outsourced function of the linked life insurer.
- The linked life insurer shall in its report to the Board of Directors provide information on time expended and resources allocated by the Head of Control function⁴ on other functions being performed for the related party.
- The Head of the Risk Management Control function and the Head of the Compliance Control function of the linked life insurer will ensure adequate monitoring of any related parties and/or independent 3rd parties performing material business activities and that the PA has access, where requested, to any such reports issued by the Head of the Risk Management Control function and the Head of the Compliance Control function.
- The Head of the Internal Audit Control function of the linked life insurer shall on an annual basis report to its Board of Directors on the efficiency and any shortcomings in the control environment of any related parties and/or independent 3rd parties performing material business activities, and that the PA has access, where requested, to any such reports issued by the Head of the Internal Audit Control function.

¹ Material business activities are defined to include, inter alia, Taking on clients, Client administration, Investment Management, Balance sheet management, Fund and Investment Administration and Outsourcing of IT functions / IT systems.

² senior manager" means—

(a) the chief executive officer or the person who is in charge of an insurer; or (b) a person, other than a director or a head of a control function -

(i) who makes or participates in making decisions that - (aa) affect the whole or a substantial part of the business of an insurer or (bb) have the capacity to significantly affect the financial standing of an insurer (ii) who oversees the enforcement of policies and the implementation of strategies approved, or adopted, by the board of directors, and "senior management" has a corresponding meaning;

³ Excluding the Head Actuarial control function

⁴ Excluding the Head Actuarial control function

Operational Risk Management conditions

- The Head of the Risk Management Control function of the linked life insurer shall on an annual basis report to its Board of Directors on its operational risk exposure from any related parties and/or independent 3rd parties performing such material business activities, including risk appetite statements established for these activities and breaches thereto. This report must also be included in the Own Risk and Solvency Assessment report (ORSA) of the linked life insurer.
- The Head of the Risk Management Control function of the linked life insurer must report all material⁵ operational risk incidents to the PA as soon as is reasonably possible for any related parties and/or independent 3rd parties performing such material business activities. These material operational risk incidents must be included in the ORSA report of the linked life insurer.
- The linked life insurer shall in the ORSA include a stress scenario event assuming a material failure by any related parties and/or independent 3rd parties performing such material business activities and the proposed management action to address such failures.
- The linked life insurer shall in the ORSA include an assessment of the operational risk of the group it belongs to, and where group risk appetites were breached the resultant management action that was taken.

Business Continuity Management conditions

- The linked life insurer must develop and establish the required disaster recovery contingency processes that will define its role and responsibilities for documenting, maintaining and testing its contingency plans and recovery procedures for any related parties and/or independent 3rd parties performing such material business activities.
- The linked life insurer shall formulate and maintain a business continuity plan that includes specific risk management protocols for the operational failure of any related parties and/or independent 3rd parties performing such material business activities.
- The linked life insurer shall on an annual basis stress test the resilience of its business continuity planning with specific reference to any related parties and/or independent 3rd parties performing such material functions. The outcome of this assessment must be included in the ORSA report of the linked life insurer.

Intra-Group Transactions conditions

- The linked life insurer shall in its ORSA provide an explicit overview of the following:
 - Assets / Liabilities / capital requirements of any related parties performing such material functions; and
 - Intra-group transactions which include Other fees / income / Loans / investments between the linked insurer and any related parties providing such material business activities.

⁵ Materiality consideration shall be interpreted by each linked insurer according to its own reporting requirements respect of materiality.