



05 October 2011

Communiqué No: 24

To all Sasria Agents and Intermediaries

Sasria policy fee structure and Returns

This communiqué provides an update on the planned changes that will be effected in April 2012. The changes will be on the commission structure as well as the Sasria audits returns.

Sasria policy fee structure:

In March 2011 Sasria Limited (Sasria) implemented a new commission structure for the Sasria wrap ie the broker commission was increased from 7.5% to 15%, the Sasria Agents' commission remained unchanged.

Following the recent changes in legislation, it became necessary for Sasria to review the entire commission structure. The terminology of the commission structure will be amended to 'Sasria policy fee structure'.

The current commission structure under the R500m Coupon will be amended to a fee structure where the brokers' fee will be increased by 2.5% (from 7.5% to 10%) for **all classes of business**. The 12.5% currently paid to the Agent companies will remain unchanged. The fee structure payable under the Sasria wrap will remain unchanged at 15% to brokers and 12.5% to Agent companies and Sasria's total exposure is 27.5%.

Sasria Audit Returns:

In terms of the Sasria Regulations Sasria Agents are required to submit audit certificates two times a year. The first audit certificate is to cover the six months ending 30 September and the second audit certificate the six months ending 31 March. The audit certificates are due



not later than 60 days after the end of each period. The purpose of the audit returns is to certify that inter alia the premiums due to Sasria have been paid by the Agent in terms of the Sasria Regulations.

Sasria met with representatives from SAICA who requested that the aforementioned requirement be reviewed. Sasria discussed the matter internally and obtained approval for the aforementioned changes from the Board of Sasria:

1. Agent Companies generating Sasria premium of R5 million per annum or less and all Captives are exempt from providing two audit certificates per annum. These institutions are now only required to submit one return per annum covering the 12 month period ending March. The audit return remains due no later than 60 days after the end of the financial year.
2. Where the said institutions have had a qualified audit certificate in the last two years, the above does not apply, the requirement of two audits will apply until such time that Sasria is comfortable with the administration of its business by that Agent.

The process for internal audit reviews conducted by Sasria's internal auditors remains unchanged. Sasria reserves the right to call for an audit where it is deemed necessary.

Sasria would like to extend their heartfelt appreciation to all Agents and Brokers for their continued support in the administration of the Sasria business as well as giving advise on the product.

Kindly distribute the communiqué to all relevant people in your organization.

Should you have any queries please contact Thokozile Ntshiqqa at 011- 881 1334 or at thokon@sasria.co.za.

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