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1. Definitions

- 1.1 Sasria agent: an insurance company that has entered into an agreement with Sasria to manage the day to day administration of the Sasria business
- 1.2 Sasria Annexure 1 return: remittance form that details the premiums collected on behalf of Sasria per class of business per month or annual
- 1.3. Customer Web Portal (CWP): a web portal that is made available to the Sasria agent to bring ease in the administration of the Sasria business
- 1.4. Audit return: an audit certificate signed off by the Sasria agent's external auditor as verification of the premiums collected within a particular period

2. Premium management

2.1. Remittance of Sasria premiums

Remittance of the Sasria premiums by Sasria agents is due within 30 days from the end of the month in which Sasria cover commences. E.g. If cover incepts on the 1st April the premium is due to Sasria within 30 days from the 30th April, being the 31st May. The remittance timelines apply to both monthly and annual policies.

Remittance of the Sasria premiums is to be done through an Annexure 1 return (sample under downloads) which must be completed in full with the following mandatory details:

- Name of Sasria agent,
- Address,
- VAT number,
- Year of account,
- Month of business,
- Collection month, and
- Frequency of the payment

The Annexure return is made available to the finance departments of the various Sasria agents; the Annexure 1 return should not be amended, namely the Outsource Fee and Commission formulae. The formulae are to ensure accurate calculations. The Annexure 1 return is submitted by email to the Sasria Finance department or submitted through CWP.

When submitting the Annexure 1 Returns, Sasria agents must ensure that a Tax Invoice relating to Sasria Commission is completed in the format of the specimen.

The electronic transfer of premiums payable into the Sasria bank account should be accompanied with the submission of the Annexure 1 return. A clear description of the transaction should be incorporated when the transaction is processed e.g. ABSA-Feb18 (Agent – Month/Year) this will ensure prompt allocation of premiums.

2.2. Penalties for late premium payment

A fixed non pro-rata penalty fee of ten per cent (10%) of your nett premium per month, will be imposed on all premium transferred late into the Sasria bank account. Penalty Fees are payable on presentation of invoice.

Example of late payment: If cover incepts on the 1st April the premium is due to Sasria within 30 days from the 30th April, being the 31st May. Payment received in the Sasria bank account after the 2nd June constitutes a late payment. The remittance timelines apply to both monthly and annual policies.



2.3. Value Added Tax

2.3.1 Sum insured

All premiums and Sums Insured are inclusive of Value Added Tax (VAT). All Fees payable to Sasria agents and to intermediaries are also inclusive of VAT. Where the underlying policy (e.g. Money and Transit risk) is arranged on a VAT exclusive basis, the Sasria sum insured must be increased by the VAT element

2.2.1. VAT invoices All Schedules attaching to and forming part of Sasria Coupons and Policies are Tax Invoices entitling the Vendor Insureds to the claim Input Tax Credits on premium paid. All such schedules must conform to the provisions of Section 20 of the Value Added Tax Act. No.89 of 1991.

2.4 Minimum premium entries

2.4.1 The minimum premium payable to Sasria per policyholder is per class of business as stated in the rating schedule.

2.4.2 The minimum premium may not be pro-rated.

2.4.3 The minimum premium as per section 2.4.1 is applicable to both individual policies as well as Group Scheme policy (per policyholder).

2.4.4 The minimum premium is calculated per Sasria rating class.

2.5 Pro-rata premiums

Minimum premiums may not be pro-rated.

Prorating of premiums is **ONLY** allowed in the following instances:

2.5.1 If the Insured is taking out a Sasria Coupon or Policy for the first time and the Period of Insurance is less than 12 consecutive calendar months,

2.5.2 To align the period of insurance of the Coupon or Policy with the underlying Policy renewal date. This is effected utilizing a **renewal warranty**,

2.5.3 Where the expiry of the Coupon or Policy is being aligned to the Insured's Financial Year-end. This is effected utilizing a **renewal warranty**

2.5.4 Where the expiry date of the coupon or policy is being extended or retracted,

2.5.5 Where the Sum Insured is adjusted,

2.5.6 Where there is a change of insurer midterm,

2.5.7 Sasria agents may, at their discretion, waive a pro-rata additional, or refund premium as follows:

- a. Annual Coupons/Policies (including Annual Group Schemes) - if the pro-rated additional or refund premium is less than R10.00
- b. Monthly Coupons/Policies - If the pro-rated additional or refund premium is less than R1.00

NOTE:

- a. Should there be any other reason for pro rata not stated above, Sasria must be contacted for permission to effect same.
- b. Should there be a need to waive the calculated pro rata premium other than as indicated in 2.5.7, Sasria must be contacted for permission.



2.6 Refunds of premium

Minimum premiums may not be refunded. Refund of Sasria premiums is only permissible in the following instances:

- 2.6.1 When the interest of the Insured in the insured property ceases by virtue of sale of the property or insolvency of the Insured;
- 2.6.2 In the case of a final transfer of ownership in terms of a Take Over Certificate or similar legal transfer of risk;
- 2.6.3 Where the Sasria agent elects to cancel the underlying Policy due to adverse claims experience and/or underwriting considerations;
- 2.6.4 Where there is a change of Insurer in mid-term;
- 2.6.5 In respect of reductions in the Sum Insured;
- 2.6.6 Retraction of Expiry Date;
- 2.6.7 Where there is Dual insurance;
- 2.6.8 Annual declarations on a Sasria Coupon/Policy (subject to the provisions as detailed on the Sasria Declaration Endorsement);
- 2.6.9 Sasria agents may, at their discretion, waive a pro-rata additional, or refund premium as follows:
 - a. Annual Coupons/Policies (including Annual Group Schemes) - if the pro-rated additional or refund premium is less than R10.00
 - b. Monthly Coupons/Policies - If the pro-rated additional or refund premium is less than R1.00

NOTE:

- a. Should there be any other reason for refund of premiums not stated above, Sasria must be contacted for permission to effect same.
- b. Under no circumstances will refunds be done for previous periods more than one year, unless written confirmation has been granted by Sasria.

2.7 Premium reversals

Premium reversals are only permissible upon application to Sasria together with supporting documentation. In instances where premium reversals are effected without approval, the Sasria agent will be required to submit reasons for the premium reversals as well as supporting documentations. Should a loss occur during a time when unauthorised premium reversals have been effected and such reversal resulted in Sasria being prejudiced, Sasria reserves the right to dishonour the claims.

2.8 Unpaid premiums (lapsed coupons/policies)

If the premium is not received by the Sasria agent within the legal time frame prescribed in the Short-Term Insurance Act No. 53 of 1998, the Coupon/Policy will automatically lapse, and the Sasria agent may reverse the relevant premium raised.

If, however a claim arose during that period, the claim will be considered, provided the premium is paid.

3. Sasria policy fee structure

3.1 Non motor classes of business

Sasria agents are entitled to retain **27.5%** of the premium, of which no more than **15%** may be rebated to the Intermediary.

For the Sasria Wrap, Sasria agents are entitled to retain **27.5%** of the premium of which no more than 15% may be rebated to the Intermediary.



3.2 Motor Vehicle and Motor Fleet

Sasria agents may retain 25% per policy of which no more than **12.5%** may be rebated to Intermediaries.

4. Monitoring

4.1 Sasria Reviews

Sasria Internal Audit performs periodic reviews on the Agents (inclusive of their intermediaries where applicable). The objective of the reviews is to verify that Sasria related processes at the Sasria agents are governed adequately and appropriately in line with the Sasria Regulation, legislative requirements and the contract governing the relationship between Sasria and the Sasria agents.

4.2 External Audits

Sasria agents that generate an annual estimated nett premium of R5 million are required to submit audit certificates compiled by their own external auditors at half yearly intervals in line with Sasria's financial year. The purpose of the Sasria agent external audit is to verify and certify that the Sasria premiums raised and due has been paid by the Sasria agents in terms of The Short-Term Insurance Act No. 53 of 1998 for the period covered by the certificate.

Sasria agents that generate an annual nett premium of less than R5 million and all Captives are exempt from providing two audits certificates per annum. These institutions are only required to submit one audit certificate per annum covering the 12 months period ending 31 March. Where said institutions have had a qualified audit certificate in the last two years, they will be required to still provide Sasria with two audits certificates per annum until such time that Sasria is comfortable with the administration of its business by that Sasria agent.

The Sasria agent external audit certificate must be submitted to Sasria not later than 60 days after the end of each period; the first half yearly interval ends on the 30th September and the certificate is due on the 30th November; whereas the second half yearly interval ends on the 31st March and the certificate is due on the 31st May.

4.3 Penalties for late submission of external Audit Certificates

A penalty of R500.00 per day for Audit Certificates received after the expiration of the specified period. All requests for extensions must be made prior to the expiration of the specified period in writing to the Finance Director. Penalty Fees are payable on presentation of invoice.