

Date: 2<sup>nd</sup> December 2024

Subject: Suspension of New Era Life License

We are writing to inform you of a regulatory development concerning New Era Life Insurance Company Limited (“New Era Life”). On 26<sup>th</sup> November 2024, the Prudential Authority (PA), supported by the Financial Sector Conduct Authority (FSCA), issued a directive to suspend the license of New Era Life under section 27(1)(c) read with section 27(1)(g) of the Insurance Act, Act 18 of 2017.

### **Clarification: This is Not Curatorship**

It is important to emphasize that this suspension is not curatorship. Unlike curatorship, which involves the appointment of a curator to take over management of a company, this suspension is a regulatory action aimed at providing New Era Life an opportunity to address specific compliance issues while retaining its autonomy to resolve these matters.

The company remains under its current management structure and is actively implementing measures to meet the requirements outlined by the PA.

### **Reason for the Suspension**

Key contributing factors include:

- The shareholder is actively in the process of appointing a robust and experienced Board of Directors to strengthen governance.
- The company is finalizing the completion of IFRS 17 financial results to meet global accounting standards and regulatory requirements.
- Efforts to onboard a strategic equity partner are well underway, aimed at bolstering New Era Life's capital position and ensuring its long-term sustainability.

### **Impact on Operations**

The suspension is for a period of **90 days**, during which New Era Life is focused on addressing the outlined regulatory concerns. This timeframe provides the company with an opportunity to ensure compliance without the intervention of external curatorship.

Please note:

**Existing Policies:** All current policies remain in force, and New Era Life is committed to honoring its obligations to policyholders.

**Policyholders' Interests:** The company continues to prioritize the interests of its clients and intermediaries during this period.

**Suspension conditions:** New Era Life is temporarily restricted from taking on new business until the regulatory concerns have been addressed and resolved.

**Claims :** We have sufficient capital reserves to meet our obligations and ensure the seamless payment of all valid claims during this period.

### **Support for Intermediaries**

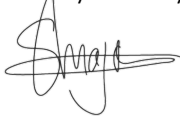
We recognize the potential concerns this may raise for you and your clients. Please rest assured that:

The company is actively working to resolve these matters within the prescribed timeframe. Regular updates will be shared to keep you informed of progress and outcomes.

Should you have any immediate questions or require support, please do not hesitate to contact our me at [mmajake@neweralife.co.za](mailto:mmajake@neweralife.co.za)

We value your partnership and appreciate your understanding as we take proactive steps to strengthen New Era Life's position.

Thank you for your continued support.



Sincerely,

Motseki Majake

Chief Executive Officer

New Era Life Insurance Company Limited

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