

**CLARIFICATION ON REQUIREMENT FOR CERTIFICATION - RULE 6(1) OF SOLVENCY
MARGIN (RISK BASED CAPITAL) RULES, 2015**

Annual Reporting

1. Annual Returns shall be certified by the Principal Officer, Specified Officer, Head of Finance/CFO and by the External/Appointed Actuary (Actuary acceptable to the Board in terms of the Act).

Quarterly/Monthly Reporting

1. Quarterly Returns shall be certified by the Principal Officer, Specified Officer and Head of Finance/CFO. Further,
 - (a) in the event valuations are performed internally, the Head of Actuarial / the person in-charge of RBC reporting (Actuarial) shall certify; and
 - (b) in the event valuations are performed externally, the External/Appointed Actuary (Actuary acceptable to the Board in terms of the Act) shall certify.
2. The Board may require Returns of an insurer to be certified by the External/Appointed Actuary (Actuary acceptable to the Board in terms of the Act) on a quarterly basis/half yearly basis if the Board has reason to believe that such a certification is necessary. This requirement will be decided on a case-by-case basis and may include the following:
 - I. Size of the company with reference to its long term fund / technical provision and or market share;
 - II. Nature and complexity of the company's business;
 - III. Risk the company is exposed to and the adequacy of the risk management systems & processes in place;
 - IV. Capital Adequacy Ratio (CAR) of the previous submission or the deterioration of the CAR over a period of time;
 - V. Quality of information submitted;
 - VI. Availability of adequate internal resources at a level of quality acceptable to the Board. Internal resources include software/models/systems used for the RBC computations and reporting; qualifications, experience, capabilities (including modeling capabilities) of actuarial, risk, investment and accounting staff involved with RBC computations and reporting;
 - VII. Changes in the external environment.
3. IBSL reserves the right to review the above annually and advise the companies of any amendments to the same.