

## **INDEPENDENT AUDITOR'S REPORT OF *[INSERT NAME OF LONG-TERM INSURER]* TO THE REGISTRAR OF LONG-TERM INSURANCE**

We have audited the following statements of the Long-term Insurance Statutory Return (the Return) of *[insert name of long-term insurer]* (the Insurer) for the year ended *[insert date]*, in compliance with section 19(7) read with sections 19(8) and 19(9) of the Long-term Insurance Act, 1998 (the Act):

- Statement B1 (totals of items 1, 2, 3 and 4 of column 3 only).
- Statement C1 (total assets as per column 10 only)
- Statement C2 (totals of items 1 and 2 as set out in column 10).
- Statement C2.1 (column 3 items 1.1 to 1.6 only)
- Statement C9 (column 9 only, excluding the split between approved and non-approved reinsurance premiums paid and outstanding)
- Statement D1 (column 3 only, excluding the detailed information provided under premiums and expenses in item 1)
- Statement D3
- Statement D4 (column 3 only).
- Statement D5 (column 2 only).
- Statement E1 to E11.1
- Statements F1 to F2
- Statement H1 to H2.1

Our opinion on the Return extends only to that information and those statements in the Return as indicated above. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Registrar of Long-term Insurance, for our work, for this report, or for our opinion expressed.

### **Director's Responsibility for the Return**

The directors are responsible for the preparation of the Return derived from information contained in the accounting records of the Insurer. This responsibility includes: ensuring that the Return is prepared in terms of the Act, related Regulations and Board Notices; in terms of the guidance manual for the completion of the Return; as well as applicable Directives issued by the Financial Services Board.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Return based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain sufficient appropriate audit evidence that the amounts and disclosures in the statements of the Return listed in the first paragraph of this report are in compliance with the provisions of the Act, related Regulations and Board Notices; the guidance manual for the completion of the Return; as well as the applicable Directives issued by the Financial Services Board.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Return in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Return.

For the purposes of clarity we confirm that our audit included the following procedures and such other procedures as we considered necessary in the circumstances:

- Agreed the information contained in the statements of the Return listed in the first paragraph of this report to the books and records of the insurer.
- Determined, through inspection of appropriate documentation and enquiry of the management of the Insurer, whether the information contained in the statements of the Return listed in the first paragraph of this report was prepared in accordance with the provisions of sections 30, 31, 32, 33, 34 and Schedules 1 and 3 and Regulations 2 to the Act.

We believe that the audit evidence we have obtained as part of our audit of the annual financial statements for the year ended [*insert date*], together with additional evidence obtained as part of our audit of the Return is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the above information and Schedules included in the Return of [*insert name of long-term insurer*] has been properly prepared, in all material respects, in accordance with the provisions of the Act, related Regulations and Board Notices; the guidance manual for the completion of the Return; as well as the applicable Directives issued by the Financial Services Board.

## **Regulatory Matters**

We have complied with the provisions of section 19(5) of the Act.\*

## **Restriction on Distribution or Use of the Auditor's Report**

Our report is presented solely for the purposes set out in the first paragraph of the report and for the information of the Registrar of Long Term Insurance, and is not to be used for any other purpose, nor to be distributed to any other parties without our prior written permission. Our report relates only to the information and statements included in the Return specified above, and does not extend to the annual financial statements of the insurer, taken as a whole.

[Name of registered audit firm]

[Individual Registered Auditor's name and signature]  
*Registered Auditor*

[Date of the registered auditor's report]  
[Registered Auditor's address]

\* Section 19(5) of the Act refers to a material irregularity as defined in the Public Accountants and Auditors Act, 1991, Act 80 of 1991. This Act has been repealed by the

Auditing Profession Act, 2005, Act 26 of 2005, which replaces Section 20(5) of the Public Accountants and Auditors Act with a new Section 45 dealing with Reportable Irregularities. Guidance on reporting a Reportable Irregularity can be found in the Independent Regulatory Board for Auditors Guide, *Reportable Irregularities: A guide for Registered Auditors*, issued on 30 June 2006.