

MMI Holdings acquires 100% stake in Momentum Short-term Insurance

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MMI Holdings announced today its intention to acquire a 100% stake in Momentum Short-term Insurance. The boards of MMI Holdings and OUTsurance Holdings have given their approval for the transaction to go ahead. The transaction will be subject to regulatory approvals, including the Financial Services Board and the competition authorities.

Momentum Short-term Insurance was created in January 2006 as a joint venture between Momentum Group and OUTsurance Holdings. OUTsurance Holdings provided the back office support and certain administration services to Momentum Short-term Insurance whilst Momentum Group was responsible for marketing and distribution.

In December 2010 Momentum merged with Metropolitan to form MMI Holdings, the third largest insurer listed on the JSE, providing financial services products to a wide spectrum of consumers. MMI's vision is to be a leader in meeting financial services needs. MMI is currently underrepresented in the short-term insurance market in South Africa.

Nicolaas Kruger, Group CEO of MMI Holdings says, 'we are very excited about the transaction as it will enable Momentum Short-term Insurance to realise its full potential within MMI and the broader market'

'Full ownership and control of Momentum Short-term Insurance will enable MMI to effectively leverage its shareholding in Momentum Short-term Insurance. The transaction will allow MMI to closer align short-term insurance products with its other products and optimise the use of MMI's strong intermediary-based distribution channels. We plan to create the necessary skills and capacity within MMI to assist Momentum Short-term Insurance in achieving its objectives,' says Kruger.

Momentum Short-term Insurance provides personal and commercial lines cover to individuals and business owners through a network of registered and affiliated intermediaries. It has developed from being a new player in the market, to a profitable and fast growing business in the industry, renowned for its service ethic and innovative products.

Brand Pretorius, CEO of Momentum Short-term Insurance says, 'Momentum Short-term Insurance will stay true to our commitment of putting intermediaries at the centre of what we do. We believe that the expert advice provided by financial intermediaries plays an important role in ensuring the financial wellness of our clients. We will continue to keenly focus on our current offering and maintain our high standard of service, accurate pricing and innovative products'.

