

**Notices and Regulations issued by the Minister in terms of the Namibia National Reinsurance Act, 22 of 1998 on 29 December 2017****Introduction**

1. On 14 February 2017, the Minister of Finance (“the Minister”) announced a consultative process regarding measures proposed to be implemented under the Act. This process took place during the course of the year, culminating in a final meeting held on 20 October 2017 at Ministry of Finance Building convened by the Minister with parties which had made submissions in the course of the process. The parties that attended the meeting referred above were attended by society of Actuaries of Namibia, other professional bodies, interested entities and stakeholders and Namibia Reinsurance corporation (NamibRe), played an active role throughout the process.
2. Following the meeting of 20 October 2017 convened by Minister, on 29 December 2017, the Minister gazetted six notices and a set of regulations (“the Notices and Regulations”).
3. NamibRe has thought it may be helpful to the public and to participants in the industry, and in the interests of transparency, for it to make available guidelines relating to its own procedures in seeking to implement the Notices and the Regulations. The guidelines have been prepared taking into account representations made in the consultative process and made available to all by the Minister – in particular, the representations made by the Society of Actuaries of Namibia.
4. The guidelines are not themselves statutory instruments but meant to facilitate implementation of the notices and regulation. They are merely administrative guidelines, which NamibRe intends to apply in implementing the notices and regulations. They may be adapted or supplemented as circumstances require, and departed from, where this is reasonably necessary. In the event of any conflict between the guidelines and the Notices and Regulations, the Notices and Regulations prevail.

**Short-term insurance business*****Commission payments***

5. Commission owing to registered insurers and registered reinsurers by NamibRe will be deducted from the bordereaux when returns are submitted to NamibRe.

### ***Quarterly premium and bordereaux returns***

6. Every registered insurer and registered reinsurer must submit quarterly bordereaux to NamibRe within 30 days of the end of each quarter.
7. The bordereaux to be submitted to NamibRe must include the following details:
  - Name of insured;
  - Transaction type (New policy endorsement or renewal policy);
  - Transaction date;
  - Broker;
  - Territorial scope of the policy;
  - Currency;
  - Maximum Probable loss and EML;
  - Type of risk;
  - Policy number;
  - Any extension and warranties;
  - Wording (standards or special wording);
  - Period of insurance;
  - Class of business;
  - Risk details;
  - The sum insured;
  - Commission rate;
  - Brokerage;
  - 100% annual/renewal premium, additional and return premiums, if any, and NamibRe's subsequent proportions of the same;
  - Any other information as may be required.
8. All information referred to above must be submitted to NamibRe electronically, but on the letterhead of the Insurer, in the form of an excel spreadsheet, on or before the due date of the bordereaux.
9. Every registered insurer and registered reinsurer must submit to NamibRe a quarterly claims bordereau within 30 days of the end of each quarter.
10. The claims bordereaux, in addition to the information set out in paragraph 7 above, must provide information about the date of loss, claim number, nature and cause of claim, 100% (i.e from ground-up) claims amount outstanding/reserve, excess or deductibles, insurer retention, reinstatement premium and NamibRe's proportion of the claim.

### ***Statements of accounts***

11. The quarterly bordereaux referred to in paragraphs 6 7 and 10 above shall be submitted to NamibRe together with a summary statement of accounts indicating premium, claims and balances due to either party in respect of all policies issued/renewed during the quarter.

### ***Notification of large risk reporting***

12. The Regulations require every registered insurer and registered reinsurer to report any risk insured under the insurance policy where such risk exceeds the maximum amounts

set out in Annexure 2 of the Regulations to NamibRe not less than seven days prior to accepting such risk.

13. **NamibRe shall subsequently confirm its participation in that risk within a period not exceeding two business days.** *Should NamibRe fail to respond within a period of two business days, the registered insurer or registered reinsurer may take it that NamibRe has no objection to accepting its share of the additional risk.*
14. **In respect of large risks which are co-insured between two or more insurers, the duty of advising NamibRe of all underwriting details, including co-insurance participatory shares, shall rest with the lead insurer.**
15. **For claims affecting all such large risks that are co-insured between two or more insurers, the duty of notifying NamibRe of a potential large loss shall be on the lead insurer.**

#### *Confirmation of bordereaux and quarterly statements*

16. NamibRe shall confirm the quarterly bordereaux returns rendered to it by the ceding company within 15 business days of receipt thereof.

#### *Payment of balance*

17. Settlement of balances due to either party shall be made on confirmation of quarterly bordereaux returns as per paragraph 16 above.

#### *Ex gratia payments*

18. NamibRe shall not be obliged to contribute to *ex gratia* claims settlements made by the registered insurer or registered reinsurer to any of its insured unless it has given prior consent.

#### *Requests for information*

19. Every registered insurer and registered reinsurer shall upon request furnish NamibRe with detailed information on the risks ceded to it under sections 39(1), 39(4) and 40(1) of the Namibia National Reinsurance Corporation Act, 22 of 1998.

### **Long-term insurance business**

#### *Cessions in terms of section 39(1) of the Act*

20. All cessions shall be administered on a Risk Premium Annual Renewable Basis.

#### *Administration*

#### Cessions in terms of section 39(1) of the Act

21. All cessions under sections 39(1) of the Act shall be administered on Risk Premium Yearly Renewable Terms.
22. The applicable Risk Premium Rates shall be those currently in life treaties of the ceding companies as provided by their Lead Life Reinsurers or alternatively the Risk Premium Rates that would be provided by NamibRe's Actuaries and agreed with the ceding company.
23. The amount assured (Policy Cession) shall be determined in accordance with the relevant notices issued under the Act.
24. Each year the sum-at-risk will be determined by the sum assured less the reserve. For non-cash value policies such as term assurance policies (i.e. life insurance policies that do not accumulate cash value), the sum-at-risk will be equal to the sum assured (i.e. no allowance for reserve).
25. The reinsurance premium will each year be determined according to the attained age and sum assured of the life assured for that year.
26. Thus, the insurer shall advise NamibRe of the sum-at-risk for each year by means of a bordereaux, which shall show the attained age of the insured and the risk premium rate for that age.
27. The actual premium due to NamibRe each year is the product of the risk premium rate according to the age attained and the sum at risk for that year.
28. NamibRe's liability is limited to its proportion of the sum at risk in the year that the life assured dies.
29. NamibRe shall not participate in surrender, paid-up policy to which the original assured is entitled.
30. NamibRe has no liability for maturity claims under endowment policies

Cession in terms of 39(4) and 40(1) of the Act

31. The reinsurance done on risk premium basis provides cover solely for the death strain i.e. the difference between the sum assured and the reserve attributable to the policy.
32. The amount reassured each year is the original sum assured less the ceding company's retention less the reserves applicable to that policy.
33. Each year the amount at risk decreases and so the reinsurance reduces accordingly.
34. The rate of premium for each year of reinsurance increases with the age of the life reassured while the sum reassured decreases.
35. The actual reinsurance premium is the product of the risk premium rate according to the age attained and the sum at risk for that year.



- Payment Frequency; and
  - All information is to be provided exclusive of VAT.
41. All information referred above must be submitted to NamibRe electronically, in the form of an excel spreadsheet, on or before the due date of the bordereaux.
  42. Every registered insurer and registered reinsurer, shall submit to NamibRe quarterly claims bordereaux within 30 days at the end of each quarter. However, detailed information will only be provided by the registered insurer or registered reinsurer in respect of all claims where the amount exceeds 75% of the Cash Call Limit and all claims regardless of size which relate to policies which are over the reporting limits specify in Regulation 6 Annexure 3.
  43. The claims bordereaux, in addition to re-stating some of the above details, shall provide information on date of loss, claim number, nature and cause of claim, 100% (i.e from ground-up) claim amount outstanding/reserve and NamibRe's proportion of the claim.

#### *Statements of accounts*

44. The quarterly bordereaux referred to in paragraph 6 and 7 above shall be submitted to NamibRe together with a summary statement of account indicating premium, claims and balances due to either party in respect of all policies issued/renewed during the quarter.

#### *Notification of large risk reporting*

45. The Regulations require every registered insurer and registered reinsurer to report any risk insured under the insurance policy where such risk exceeds the maximum amounts set out in Annexure 2 to NamibRe not less than seven days prior to accepting such risk.
46. **NamibRe shall subsequently confirm or decline its participation in that risk within a period not exceeding two business days.** *Should NamibRe fail to response within a period of two business days, the registered insurer or registered reinsurer may take it that NamibRe has no objection to accepting its share of the additional risk.*
47. **For large risks which are co-insured between two or more insurers, the duty of advising NamibRe of all underwriting details including co-insurance participatory shares shall be the responsibility of the lead insurer.**
48. **For claims affecting all such large risks that are co-insured between two or more insurers, the duty of notifying NamibRe of a potential large loss shall be the responsibility the lead insurer.**

#### *Confirmation of bordereaux and quarterly statements*

49. NamibRe shall confirm the quarterly bordereaux returns and the rendered to it by the ceding company within 15 business days of receipt thereof.

***Payment of balance***

50. Settlement of balances due to either party shall be made on confirmation of quarterly bordereaux returns as per paragraph 49 above.

***Ex gratia payments***

51. NamibRe shall not be obliged to contribute to *ex-gratia* claims settlements made by the registered insurer or registered reinsurer to any of its insured unless it has given prior consent.

***Requests for information***

52. Every registered insurer and registered reinsurer shall upon request furnish NamibRe with detailed information on the risks ceded to it under sections 39(1), 39(4) and 40(1) the Namibia National Reinsurance Corporation Act, 22 of 1998.