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Government Notice

MINISTRY OF FINANCE

No. 155 1999

**NAMIBIA NATIONAL REINSURANCE CORPORATION ACT, 1998:
REGULATIONS RELATING TO SHORT-TERM AND LONG-TERM
REINSURANCE BUSINESS**

The Minister of Finance has under section 47(1) of the Namibia National Reinsurance Corporation Act, 1998 (Act No. 22 of 1998), and after consultation with the Board of Directors of the Namibia National Reinsurance Corporation, made the regulations set out in the Schedule.

SCHEDULE

Preliminary

Definition

1. In these regulations any word or expression to which a meaning has been assigned in the Act, shall have the meaning so assigned to it, and unless the context otherwise indicates -

“the Act” means the Namibia National Reinsurance Corporation Act, 1998 (Act No. 22 of 1998), and includes the regulations made thereunder.

Consent to act as director of Corporation

2. A form of consent contemplated in section 4(4) of the Act shall be in a form similar to the form contained in Annexure A.

Part I

Short-term reinsurance business

Application of Part I

3. The regulations contained in this Part shall apply in respect of short-term reinsurance business.

Payment of premiums in respect of policies ceded to Corporation

4. (1) Every registered insurer and registered reinsurer shall, in respect of each class of insurance business required to be ceded in reinsurance to the Corporation in terms of section 39(1) of the Act, close off its records of all policies issued or renewed in Namibia by it and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 39(3) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

Payment of premiums in respect of reinsurance contracts ceded to Corporation

5. (1) Every registered insurer and registered reinsurer shall, in respect of reinsurance contracts required to be ceded in reinsurance to the Corporation in terms of section 39(4) of the Act, close off its records of all reinsurance contracts placed by it with any other insurer or reinsurer, whether within or outside Namibia, and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 39(6) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

Payment of premiums in respect of insurance business accepted by Corporation

6. (1) Every registered insurer and registered reinsurer shall, in respect of insurance business required to be offered to the Corporation for reinsurance in terms of section 40(1)(b) of the Act, close off its records of all policies and reinsurance contracts accepted from it by the Corporation in terms of section 40(1)(a) of the Act and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 40(2) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

Returns and information to be supplied by registered insurers and reinsurers

7. Every registered insurer and registered reinsurer shall, within 15 days after closing its records in terms of regulation 4(1), 5(1) or 6(1), as the case may be, supply to the Corporation full details and any relevant information relating to all policies and reinsurance contracts ceded to, or offered to and accepted by, the Corporation during the month to which such records relate, including -

- (a) in respect of insurance business referred to in regulation 4(1) -
 - (i) a cession bordereaux of all policies issued or renewed in Namibia by it during that month, showing class of insurance business, policy number, name of insured, risk location, period of insurance, total sum insured and currency, estimated maximum loss percentage figure and premiums due, and any endorsements made on such policies (if any);
 - (ii) a claims bordereaux showing class of insurance business, policy number, date of loss, cause of loss, original gross loss figure (split between paid or outstanding and incurred); and
 - (iii) a statement of account comprising a technical account in respect of policy cession business, setting out all premiums due to the Corporation and all claims paid in respect of each class of insurance business conducted during that month;
- (b) in respect of insurance business referred to in regulation 6(1) -
 - (i) a bordereaux showing full details of all reinsurance contracts placed by it with any other insurer or reinsurer, whether within or outside Namibia, during that month; and
 - (ii) a technical account setting out the Corporation's portion of each reinsurance contract's account balance; and
- (c) in respect of insurance business referred to in regulation 6(1), returns and information similar to the returns and information required -
 - (i) in the case of policies, in terms of paragraph (a); and
 - (ii) in the case of reinsurance contracts, in terms of paragraph (b).

Notification of claim or loss events

8. Every registered insurer and registered reinsurer shall, in respect of insurance business ceded to or accepted by the Corporation in terms of sections 39 and 40 of the Act, respectively, immediately upon notification to it of a claim or loss event with a gross estimate exceeding N\$100 000 notify the Corporation of such claim or loss event, and shall simultaneously supply full details relating to such claim or loss event to the Corporation.

Payment of reinsurance claims

9. Provided the claim is admitted by the Corporation, the Corporation shall in respect of -

- (a) any policy ceded to it in reinsurance by a registered insurer or registered reinsurer, as contemplated in regulation 4(1), pay any claim exceeding N\$100 000 within seven working days of the day on which the registered insurer or registered reinsurer submitted a detailed claim to the Corporation;

- (b) any reinsurance contract ceded to it in reinsurance by a registered insurer or registered reinsurer, as contemplated in regulation 5(1), subject to sound insurance practices and principles, pay any claim in accordance with the terms and conditions of the relevant reinsurance contract;
- (c) any policy or reinsurance contract accepted by it for reinsurance from a registered insurer or registered reinsurer, as contemplated in regulation 6(1), pay any claim exceeding N\$100 000 within seven working days of the day on which the registered insurer or registered reinsurer submitted a detailed claim to the Corporation.

Matters incidental to the payment of claims

10. (1) Any registered insurer or registered reinsurer may, in respect of any policy or reinsurance contract ceded to or accepted by the Corporation in terms of sections 39 and 40 of the Act, respectively, adjust, settle, compromise or contest any claim relating to any such policy or reinsurance contract, and the Corporation shall –

- (a) follow the registered insurer or registered reinsurer in all respects, including *ex gratia* settlements; and
- (b) indemnify the registered insurer or registered reinsurer for the Corporation's portion of each such claim.

(2) The Corporation shall to the extent of its portion of any claim referred to in subregulation (1) indemnify the registered insurer or registered reinsurer concerned for any expenses incurred in connection with investigating, adjusting, settling, compromising or contesting the validity of any such claim.

(3) The Corporation shall to the extent of its portion of any claim referred to in subregulation (1) participate in all salvage and recoveries.

(4) The provisions of subregulations (1), (2) and (3) shall not apply to the Corporation if any such claim exceeds an intimated gross loss of N\$100 000 or if any *ex gratia* settlement exceeds N\$5 000, unless the Corporation admits such claim or settlement.

Compliance with reinsurance contracts

11. The terms and conditions of each reinsurance contract ceded to or accepted by the Corporation in terms of sections 39(4) and 40(1) of the Act, respectively, shall, except to the extent otherwise provided in these regulations and subject to sound insurance practices and principles, be binding on the Corporation and on the registered insurer or registered reinsurer concerned.

Certificate of inability to accept insurance business

12. A certificate contemplated in section 40(5) of the Act shall be in a form similar to the form contained in Annexure B.

Design of documentation

13. The form and design of all documentation required for the performance by the Corporation of its functions in terms of the Act shall be determined by the Corporation, and shall be commensurate with international standards and practices.

Offences and penalties

14. Any registered insurer or registered reinsurer which –

- (a) fails to comply with a provision of regulation 4, 5, 6, 7 or 8; or
- (b) furnishes or submits returns or information required for the purposes of regulation 7, knowing such returns or information to be false in any material respect,

shall be guilty of an offence and on conviction be liable to a fine not exceeding N\$15 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Part II

Long-term reinsurance business

Application of Part II

15. The regulations contained in this Part shall apply in respect of long-term reinsurance business.

Definition

16. In this Part "net amount at risk", in relation to a policy or reinsurance contract, means -

- (a) the sum insured less the value of the investment account for universal life type of business; or
- (b) the sum insured less the actuarial reserve held by the reinsurer for conventional business; or
- (c) the sum insured less the actuarial reserve held by the reinsurer for reinsurance business,

and has a minimum value of zero.

Payment of premiums in respect of policies ceded to Corporation

17. (1) Every registered insurer and registered reinsurer shall, in respect of each class of insurance business required to be ceded in reinsurance to the Corporation in terms of section 39(1) of the Act, close off its records of all policies issued in Namibia by it and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 39(3) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

(3) For the purposes of this regulation, the premium due to the Corporation on each policy ceded to it, shall be calculated in proportion to the net amount at risk of such policy.

Payment of premiums in respect of reinsurance contracts ceded to Corporation

18. (1) Every registered insurer and registered reinsurer shall, in respect of reinsurance contracts required to be ceded in reinsurance to the Corporation in terms of section 39(4) of the Act, close off its records of all reinsurance contracts placed by it with

any other insurer or reinsurer, whether within or outside Namibia, and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 39(6) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

Payment of premiums in respect of insurance business accepted by Corporation

19. (1) Every registered insurer and registered reinsurer shall, in respect of insurance business required to be offered to the Corporation for reinsurance in terms of section 40(1)(b) of the Act, close off its records of all policies and reinsurance contracts accepted from it by the Corporation in terms of section 40(1)(a) of the Act and of all premiums due thereon not later than the last day of the month during which cover attached.

(2) Every registered insurer and registered reinsurer shall, within 30 days after closing the records referred to in subregulation (1), pay to the Corporation all premiums due to it in terms of section 40(2) of the Act, less any reinsurance commission payable in terms of section 43(1) of the Act by the Corporation to the registered insurer or registered reinsurer concerned at the rate specified in a notice issued in terms of section 43(2) of the Act.

Returns and information to be supplied by registered insurers and reinsurers

20. Every registered insurer and registered reinsurer shall, within 15 days after closing its records in terms of regulation 17(1), 18(1) or 19(1), as the case may be, supply to the Corporation full details and any relevant information relating to all policies and reinsurance contracts ceded to, or offered to and accepted by, the Corporation during the month to which such records relate, including -

- (a) in respect of insurance business referred to in regulation 17(1) -
 - (i) a cession bordereaux of all policies issued in Namibia by it during that month, showing class of insurance business, policy number, name and age of insured, period of insurance, total sum insured and currency, special underwriting conditions, net amount at risk calculations and premiums due, and any endorsements made on such policies (if any);
 - (ii) a claims bordereaux showing class of insurance business, policy number, date of loss, cause of loss, original gross loss figure (split between paid or outstanding and incurred); and
 - (iii) a statement of account comprising a technical account in respect of policy cession business, setting out all premiums due to the Corporation and all claims paid in respect of each class of insurance business conducted during that month;
- (b) in respect of insurance business referred to in regulation 18(1) -
 - (i) a bordereaux showing full details of all reinsurance contracts placed by it with any other insurer or reinsurer, whether within or outside Namibia, during that month; and
 - (ii) a technical account setting out the Corporation's portion of each reinsurance contract's account balance; and

- (c) in respect of insurance business referred to in regulation 19(1), returns and information similar to the returns and information required -
 - (i) in the case of policies, in terms of paragraph (a); and
 - (ii) in the case of reinsurance contracts, in terms of paragraph (b).

Notification of claim or loss events

21. Every registered insurer and registered reinsurer shall, in respect of insurance business ceded to or accepted by the Corporation in terms of sections 39 and 40 of the Act, respectively, immediately upon notification to it of a claim or loss event with a gross estimate exceeding N\$250 000 notify the Corporation of such claim or loss event, and shall simultaneously supply full details relating to such claim or loss event to the Corporation.

Payment of reinsurance claims

22. Provided the claim is admitted by the Corporation, the Corporation shall in respect of -

- (a) any policy ceded to it in reinsurance by a registered insurer or registered reinsurer, as contemplated in regulation 17(1), pay any claim exceeding N\$250 000 within seven working days of the day on which the registered insurer or registered reinsurer submitted a detailed claim to the Corporation;
- (b) any reinsurance contract ceded to it in reinsurance by a registered insurer or registered reinsurer, as contemplated in regulation 18(1), subject to sound insurance practices and principles, pay any claim in accordance with the terms and conditions of the relevant reinsurance contract;
- (c) any policy or reinsurance contract accepted by it for reinsurance from a registered insurer or registered reinsurer, as contemplated in regulation 19(1), pay any claim exceeding N\$250 000 within seven working days of the day on which the registered insurer or registered reinsurer submitted a detailed claim to the Corporation.

Matters incidental to the payment of claims

23. (1) Any registered insurer or registered reinsurer may, in respect of any policy or reinsurance contract ceded to or accepted by the Corporation in terms of sections 39 and 40 of the Act, respectively, adjust, settle, compromise or contest any claim relating to any such policy or reinsurance contract, and the Corporation shall -

- (a) follow the registered insurer or registered reinsurer in all respects, including *ex gratia* settlements; and
- (b) indemnify the registered insurer or registered reinsurer for the Corporation's portion of each such claim.

(2) The Corporation shall to the extent of its portion of any claim referred to in subregulation (1) indemnify the registered insurer or registered reinsurer concerned for any expenses incurred in connection with investigating, adjusting, settling, compromising or contesting the validity of any such claim.

(3) The Corporation shall to the extent of its portion of any claim referred to in subregulation (1) participate in all salvage and recoveries.

(4) The provisions of subregulations (1), (2) and (3) shall not apply to the Corporation if any such claim exceeds an intimated gross loss of N\$250 000 or if any *ex gratia* settlement exceeds N\$5 000, unless the Corporation admits such claim or settlement.

Compliance with reinsurance contracts

24. The terms and conditions of each reinsurance contract ceded to or accepted by the Corporation in terms of sections 39(4) and 40(1) of the Act, respectively, shall, except to the extent otherwise provided in these regulations and subject to sound insurance practices and principles, be binding on the Corporation and on the registered insurer or registered reinsurer concerned.

Certificate of inability to accept insurance business

25. A certificate contemplated in section 40(5) of the Act shall be in a form similar to the form contained in Annexure B.

Design of documentation

26. The form and design of all documentation required for the performance by the Corporation of its functions in terms of the Act shall be determined by the Corporation, and shall be commensurate with international standards and practices.

Offences and penalties

27. Any registered insurer or registered reinsurer which -
- (a) fails to comply with a provision of regulation 17, 18, 19, 20 or 21; or
 - (b) furnishes or submits returns or information required for the purposes of regulation 20, knowing such returns or information to be false in any material respect,

shall be guilty of an offence and on conviction be liable to a fine not exceeding N\$15 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

ANNEXURE A
(regulation 2)

CONSENT TO ACT AS DIRECTOR OF THE NAMIBIA NATIONAL REINSURANCE CORPORATION

A. Consent

I hereby consent to my appointment as director of the Namibia National Reinsurance Corporation.
I certify that I am not disqualified in terms of section 6 of the Namibia National Reinsurance Corporation Act, 1998, from being a director.

Signed _____

Date _____

(To be signed by director personally)

B. Personal particulars

1. Surname:
 2. Full forenames:
 3. Former surname and forenames: None:
 4. Identity number, or if not available, Year Month Day
date of birth
 5. Date of appointment:
 6. Residential address:
 7. Business address:
 8. Postal address:
 9. Nationality:
(if not Namibian)
 10. Occupation:
 11. Resident in Namibia:
-

C. Other directorships

Attach list hereto

ANNEXURE B
(regulations 12 and 25)

CERTIFICATE OF INABILITY TO ACCEPT INSURANCE BUSINESS

The Namibia National Reinsurance Corporation herewith declines the invitation to participate in the following proffered risk:

Insured: _____

Registered insurer or reinsurer: _____

Date of offer: _____

Risk: _____

Rating: _____

Reason: _____

Signed at _____ this _____ day of _____ 19 _____

Managing Director
