

## LONG-TERM INSURANCE AMENDMENT ACT 12 OF 2016

[ASSENTED TO 10 NOVEMBER 2016] [DATE OF COMMENCEMENT: 28 NOVEMBER 2016]

*(Signed by the President)*

### EXPLANATORY NOTE

\_\_\_\_\_ Words underlined with a solid line indicate insertions in existing provisions.

[ ] Words in bold type in square brackets indicate omissions from existing provisions.

### ACT

**To amend the Long-term Insurance Act, 1998, so as to replace the Minister with the board of appeal as the authority to hear appeals against decisions of the Registrar or staff members; to remove the requirement of a bank guarantee that is deposited by insurance brokers and reinsurance brokers; to increase the minimum amount of the professional indemnity policy maintained by insurance brokers and reinsurance brokers; and to provide for incidental matters.**

BE IT ENACTED as passed by the Parliament, and assented to by the President, of the Republic of Namibia, as follows-

#### **1 Amendment of section 1 of Act 5 of 1998**

Section 1 of the Long-term Insurance Act, 1998 (in this Act referred as the "principal Act") is amended by the insertion after the definition of "auditor" of the following definition-

"'board of appeal' means the board of appeal established by section 19 of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act 3 of 2001);".

#### **2 Substitution of section 10 of Act 5 of 1998**

The principal Act is amended by the substitution for section 10 of the following section-

##### **"10 Appeal against decisions of Registrar or staff members**

A person aggrieved by a decision of the Registrar, or of any staff member acting by virtue of a delegation or an assignment under section 9, may appeal against the decision to the board of appeal in terms of section 24 of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act 3 of 2001).".

#### **3 Substitution of section 56 of Act 5 of 1998**

The principal Act is amended by the substitution for section 56 of the following section-

**"56 Insurance brokers and reinsurance brokers [to make deposit with Treasury and] to maintain professional indemnity insurance policy**

**[(1) No person shall be registered as an insurance broker or a reinsurance broker unless such person has, subject to such conditions as may be determined by the Registrar, deposited with the Treasury a bank guarantee, or other securities approved by the Registrar having an aggregate value, of not less than N\$25 000 or such greater amount as may be determined by the Registrar in any particular case.]**

(2) Every insurance broker and reinsurance broker shall have and maintain a professional indemnity insurance policy-

(a) with a limit of liability of not less than-

(i) ~~[N\$500 000]~~N\$1 000 000; or

(ii) 50 per cent of his or her brokerage income from long-term insurance commission during his or her last preceding financial year,

whichever is the greater amount; and

(b) carrying an excess of not more than 10 per cent of the sum insured.

(3) Every policy in respect of professional indemnity insurance contemplated in subsection (2) shall be issued by a registered insurer in Namibia."

#### **4 Short title**

This Act is called the Long-term Insurance Amendment Act, 2016.