

28 March 2017

To: Principal Officers - All registered insurers and reinsurers
All registered insurance agents, brokers and reinsurance brokers
Chairperson - LAAN
Chairperson - NIBA
Chairperson - AIM
Chairperson – NIA

DIRECTIVE LETTER: I/STI/02/2017 & LTI/01/2017.

Effective date: 1 June 2017

**SUBJECT: REGISTRATION OF AGENTS OPERATING FROM FOREIGN BASED
CALL CENTERS**

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1. The Directive Letter I/STI<I/01/2014 issued on 1 September 2014, directing that all persons (legal and natural) who solicit, advice and supply insurance products must be registered, refers.
 2. The requirement to register persons who solicit, advice and supply insurance products as set out in section 53 of the Short-Term Insurance Act, 1998 (Act No. 4 of 1998) ("Short-Term Act") and section 55 of the Long-Term Insurance Act, 1998 (Act No. 5 of 1998) ("Long-Term Act") extends to the call center employees of a foreign entity which render these services in Namibia on behalf of a registered insurer in terms of an agreement between the foreign entity and the registered insurer.
 3. The definition of insurance agent as contained in section 1 of the Short-Term Act and the Long-Term Act, excludes the non-commission earning employees of an

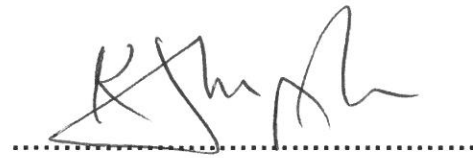


insurer. Therefore the non-commission earning employees (i.e employees whose remuneration does not include commission) of a **registered insurer are not subject to the obligation to register as insurance agents** in terms of the Short-Term Act and the Long-Term Act.

4. The employment relationship referred to in the definition of “insurance agent” in section 1 of the Short-Term Act and the Long-Term Act, is a direct employment relationship between an agent and the insurer and not one where the employment services are rendered in favour of the insurer through another entity (e.g a foreign insurer).
5. If the call center employees are to be considered as employees of the registered insurer there should be legal consequences flowing from the employment relationship between the call center salespersons and the registered insurer.
6. On the basis of the above, the Registrar hereby directs all insurers who solicit, advice and supply insurance products through call center salespersons who are employed by someone other than the registered insurer to ensure that such salespersons are registered in terms of section 53 of the Short-Term Act and section 55 of the Long-Term Act.
7. Section 65 of the Short-Term Act read with section 58 thereof and section 66 of the Long-Term Act read with 60 thereof respectively provide that no person shall transact short/long-term insurance business with an unregistered person and doing so may result in a criminal conviction.
8. All relevant registered insurers must ensure that they are in compliance with the above-mentioned provisions of the Short-Term Act and the Long-Term Act by **1 June 2017**.



I trust that all registered insurers will give their full corporation in respect of the above.

A handwritten signature in black ink, appearing to read 'K. Matomola', is written over a horizontal dotted line.

KENNETH S. MATOMOLA

REGISTRAR SHORT-TERM AND LONG-TERM INSURANCE