

22 May 2014

To: Principal Officers – All registered insurers and reinsurers
All insurance agents and brokers and reinsurance brokers

Chairperson – LAAN

Chairperson – NIBA

Chairperson – AIM

Chairperson – NIA

CIRCULAR LETTER: I/STI & LTI/06/2014

Effective date: 1 December 2014

SUBJECT: DIRECTIVE ON ADMINISTRATION FEES PAYABLE TO SHORT-TERM & LONG-TERM INSURANCE BROKERS AND RE-INSURANCE BROKERS

The insurance industry is hereby instructed to discontinue the current practice whereby insurance brokers are performing the functions of the insurers. Furthermore, brokers should only be remunerated by way of commission and no administration fees should be paid to them.

The insurance industry must strictly comply with Regulation 13 to the Long-term Insurance Act No. 5 of 1998 and Regulation 6 to the Short-term Insurance Act No. 4 of 1998 and therefore no Administration Fee shall be charged, paid, allowed, given or accepted with effect from the Effective Date.

The Registrar therefore requires full cooperation and support in this process by all industry players and stakeholders at large. Should you still need more clarity, please do not hesitate to contact either the Long-term Insurance manager or the Short-term Insurance manager.



Phillip N. Shiimi

CEO of NAMFISA and Registrar of Short-Term and Long-Term Insurance