



NAMFISA

NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

- Safeguarding the Nation's Wealth! -

Enquiries: T. Lombardt
J. Uusiku

September 16, 2003

TO: ALL PRINCIPAL OFFICERS OF THE SHORT & LONG-TERM INSURANCE COMPANIES

RE: REMINDER: CIRCULARS, PI/ST/1/2003 & PI/LT/1/2003

Reference is made to the Circular PI/ST/1/2003 and PI/LT/1/2003 respectively dated 31 December 2002 with regard to Part 2 on Namibianization.

Please, take note of the following directives:

PART 2: NAMIBIANIZATION

In terms of section 5 of the Short-Term Insurance Act No. 4 of 1998 as well as section 5 of the Long-Term Insurance Act No. 5 of 1998, the Registrar has to ensure that short & long-term insurance business in Namibia is administered, controlled and regulated effectively.

Section 19 of both aforementioned Acts makes provision for the establishment of a fully operational Principal Office of an insurer and a fully empowered Principal Officer for such office. For the purpose of ensuring that the insurers adhere to the provisions of the Act, the Registrar had issued the following directives effective January 1, 2003, to be implemented no later than June 30, 2003.

SCHEDULE

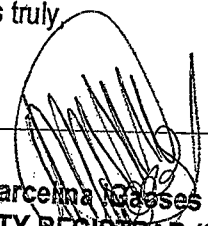
- 2.1 Every registered insurer shall appoint a Namibian Citizen as the Principal Officer with full authority to act and make business decisions according to the provisions of the Act.
- 2.2 Every registered insurer shall ensure that the Principal Office is fully operational as a separate entity of any Group and/or Parent company not registered and operational in Namibia.
- 2.3 Every insurer shall ensure that the policy contracts signed with Namibian policy holders are drawn up and signed according to the applicable laws of Namibia.
- 2.4 Every insurer shall ensure that the said contracts are kept in safe custody at the registered office in Namibia of the insurer.

- 2.5 Every insurer shall ensure that the policy claims of Namibian policy holders are processed and paid in Namibia in order to meet obligations on time.

Please, take note that the six month grace period up to the **June 30, 2003** has lapsed and as of the date of this letter some insurers are still not in full compliance with the Act. You have until September 30, 2003 to comply with the law, failure to do so will result in penalties being imposed starting October 01, 2003, for each day in non-compliance. You are kindly advised to strictly comply with the above directives by the latest **September 30, 2003**.

If you require additional information, please contact us.

Yours truly



Ms. Marcelina Giese
DEPUTY REGISTRAR (GM): PROVIDENT INSTITUTIONS
FOR REGISTRAR: SHORT & LONG-TERM INSURANCE COMPANIES