



NAMIBIA FINANCIAL

INSTITUTIONS SUPERVISORY AUTHORITY

— Safeguarding the Nation's Wealth! —

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CIRCULAR LETTER

PI/MA/2/2003

**REQUIREMENTS & GUIDELINES TO BE COMPLIED WITH FOR REGISTRATION
OF A MEDICAL AID FUND IN TERMS OF THE MEDICAL AID FUNDS ACT, 1995
(ACT NO 23 OF 1995)**

- 1) Submission of a written application for registration as contemplated in Section 23 of the Medical Aid Funds Act No. 23 of 1995, signed by the person managing the business of the proposed fund together with the prescribed fee.
- 2) Submission of a written business plan duly motivated which should include:
 - 2.1 A time schedule for achieving the objectives of the venture with regard to enrolling the required number of members.
 - 2.2 A detailed analysis of arrangements with managed care practices, intermediaries, and other contracting services to be provided, whether directly or indirectly, on behalf of the fund and its members.
 - 2.3 The application must be accompanied by a certificate issued by an expert, like an actuary, on the appropriateness of the contributions in relation to the benefits offered by the proposed fund.
- 3) Submission of two copies of the rules of the proposed fund which are certified as correct and signed by the applicants. Full particulars with regard to the capacity in which they apply for registration of the fund as promoters, must be disclosed in respect of such applicants.
- 4) Compliance with the provisions of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) and regulations framed there under.
- 5) Compliance with the resolutions and rules adopted by the Registrar from time to time.

- 6) Membership Compliance
 - 6.1 Proof of membership of at least five hundred (500) principal members.
 - 6.2 Compliance with the prescribed membership base (five hundred [500] members) within three months of registration.
- 7) Submission of a guarantee by a financial institution in compliance with the recommended guideline of seven hundred and fifty thousands Namibian Dollars (N\$750 000.00) for first 1000 or less members which is to be held by the office of the Registrar. The amount of the guarantee may be increased according to circumstantial factors such as the risk profile of the fund, the proposed membership profile or any other matter, which has been identified in considering the application for registration. A medical fund is not in a position to guarantee itself for this purpose and its investments or other equity is unacceptable for use as security for this purpose.
- 8) Submission of the full names, physical and postal addresses and curriculum vitae of the Principal Officer and trustees of the proposed fund.
- 9) Written confirmation is sought that the Principal Officer and the members of the Board of Trustees of the fund are fit and proper to act as such, that is to say:
 - 9.1 he/she is prevented from holding office whilst being an unrehabilitated insolvent;
 - 9.2 he/she must not have been disqualified under any law from carrying on a profession;
 - 9.3 he/she must not have been convicted, whether in Namibia or elsewhere, of theft, fraud, forgery or uttering a forged document, or not having committed any offence involving dishonesty and sentenced therefore to imprisonment without the option of a fine or to a fine exceeding N\$100;
 - 9.4 he/she must be a Namibian citizen permanently resident in Namibia.
- 10) Details of the physical and postal addresses, telephone and facsimile numbers and e-mail address of the registered office of the fund
- 11) The full name under which the proposed fund is to be registered and the date on which the proposed fund is to come into operation.
- 12) Details of the auditors of the fund

- 13) Details of the administrator of the fund, if applicable, including a copy of the articles of association pertaining to its business, the latest audited financial statements in respect of the organization and a copy of the proposed administration agreement between the fund and the administrator
- 14) Full details of the infrastructure, computer facilities, systems and expertise in terms of which the business of the fund is to be conducted or administered.
- 15) Full details and copies of all reinsurance agreements relating to the fund, if applicable
- 16) Statistical analyses showing the proposed membership admitted, participating employers, a projected income statement, cash flow statement and balance sheet reflecting the financial position of the fund are to be submitted to this office quarterly or within such other period as may be directed for in year to enable this office to monitor the growth and the financial stability of the fund.
- 17) Proof that assets equal in value to at least 35% of total assets will be kept in Namibia.

Consequently, all existing medical aid funds registered under the provisions of the Medical Aid Fund Act, 1995 (Act No. 23 of 1995), will not be affected by the number of membership, as long as they comply to all other requirements, especially the financial soundness of the fund, and the subsequent legislations to the satisfaction of the Registrar.

Yours truly


Marcelina Igaaoses

Deputy Registrar (GM): Provident Institutions
FOR REGISTRAR: MEDICAL AID FUNDS

