

5 February 2015

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

DIRECTIVE: I/STI/02/2015 & I/LTI/02/2015

Effective date: With Immediate Effect

**SUBJECT: INSURANCE AGENTS AND BROKERS CARRYING ON THE
BUSINESS OF AN INSURANCE AGENT OR BROKER IN NAMIBIA**

1. Introduction

- 1.1. This Directive Letter is issued by virtue of NAMFISA's functions and powers, and those of its CEO in his capacity as the Registrar of Long- and Short-term Insurance, in terms of the Namibia Financial Institutions Supervisory Authority Act No. 3 of 2001, and is applicable to all registered insurers, insurance agents and brokers under the Long-term Insurance Act No. 5 of 1998 ("LTI Act") and the Short-term Insurance Act No. 4 of 1998 ("STI Act").
- 1.2. The purpose of this Directive Letter is to inform the insurance industry that only registered insurance agents and brokers can carry on the business of an insurance agent or broker in Namibia.



1.3. This Directive Letter is not applicable to reinsurance business.

2. The current insurance practice

2.1. South African and other foreign insurance agents and brokers are giving advice to policyholders of Namibian registered insurers, on such policies, although they are not registered as insurance agents or brokers in Namibia.

3. The law

3.1 Section 55(1) of the LTI Act and section 53(1) of the STI Act state that no person shall carry on the business of an insurance agent or broker in Namibia, unless such person is registered to carry on such business.

3.2 Furthermore, in terms of section 73(3)(a) and (b) of the LTI Act, read with the definition of a "domestic policy", any policies issued in Namibia by an existing long-term insurer in the course of carrying on long-term insurance business in Namibia on or after 21 March 1990 but before the commencement of the LTI Act, and in the circumstances enumerated in the aforementioned sections, are deemed to be Namibian domestic policies.

3.3 A person is in terms of section 2(3) of the LTI Act and the STI Act, in the absence of evidence to the contrary, is deemed to carry on long- or short-term insurance business in Namibia if such person performs in Namibia -

a) any act the object or result of which is that another person enters into or varies a long- or short-term policy in terms of which such first-mentioned person undertakes to provide policy benefits; or

b) in relation to a long- or short-term policy in terms of which such first-mentioned person has undertaken to provide policy benefits, any act directed towards -



- i) maintaining, servicing, surrendering, or otherwise dealing with, or providing a loan in respect of, or on the security of, such policy; or
- ii) collecting or accounting for premiums payable under such policy; or
- iii) receiving, submitting, settling, assisting or otherwise dealing with, a claim under such policy.

4. Conclusion

- 4.1. From the above quoted sections it is clear that to conduct long- or short-term insurance business in Namibia, the insurance agent or broker must be registered as such in terms of the LTI Act and/or the STI Act.
- 4.2. It is therefore clear that only registered insurance agents or brokers shall carry on the business of an insurance agent or broker in Namibia.

5. The directive

- 5.1. All persons carrying on the business of an insurance agent or broker in Namibia must be registered as such.
- 5.2. Only Namibian registered insurance agents and brokers may give advice in Namibia.
- 5.3. Foreign registered insurance agents or brokers are not allowed to conduct insurance business in Namibia.



Should you still need more clarity, please do not hesitate to contact either the Long-term Insurance manager or the Short-term Insurance manager.

A handwritten signature in black ink, appearing to read 'Shiimi', is positioned above a horizontal line.

Phillip N. Shiimi

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