

07 March 2018

To: Principal Officers of Registered Insurers and Reinsurers

DIRECTIVE LETTER: I/STI/01/2018 & I/LTI/01/2018

Effective Date: With Immediate Effect

**SUBJECT: SUBMISSION OF QUARTERLY REPORTS AND REINSURANCE
ACCOUNTING DATA**

1. Introduction

- 1.1. This Directive 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, 2001 (Act. No. 3 of 2001), and is applicable to all registered insurers, and registered reinsurers under the Short-Term Insurance Act, 1998 (Act No. 4 of 1998) ("Short-Term Insurance Act") and the Long-Term Insurance Act, 1998 (Act No. 5 of 1998) ("Long-Term Insurance Act").
- 1.2. The quarterly information submitted by insurers and reinsurers is used by NAMFISA to assess the financial soundness of the insurance sector and is vital for the implementation of risk-based supervision. The quarterly data is used to populate the early warning system of registered insurers and registered reinsurers and for corrective supervisory measures to be put in place by the Registrar of insurance.



- 1.3. This directive amends Circular 1 of 2002 and Circular 1 of 2003 in so far as the aforesaid circulars relate to the submission of quarterly reports by registered insurers and registered reinsurers. Circular 1 of 2002 and Circular 1 of 2003 are attached hereto for ease of reference.

2. The Law

- 2.1. In terms of section 6(a) of the Short-Term Insurance Act and section 6(a) of the Long-Term Insurance Act, the Registrar may by written notice require any registered insurer and registered reinsurer to submit any document or information relating to the affairs of the insurer or reinsurer as the Registrar may require in the performance of his functions in terms of the Short-Term Insurance Act and the Long-Term Insurance Act.
- 2.2. In terms of section 69(1)(a) of the Short-Term Insurance Act and section 70(1)(a) of the Long-Term Insurance Act, any person who fails to submit or furnish to the Registrar any, statement, report, return or other information or document within the period requested, shall be liable for a fine of N\$1000.00 for each day during which such failure continues.

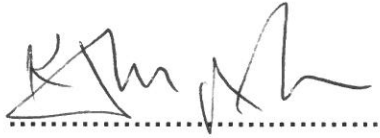
3. The Directive

- 3.1. The Registrar hereby directs:
 - 3.1.1. all registered insurers to complete and submit to the Registrar within 30 calendar days of the end of each quarter, the quarterly return as created by NAMFISA on its Electronic Regulatory System; and



- 3.1.2. all registered reinsurers to complete and submit to the Registrar within 60 calendar days of the end of each quarter, the quarterly return as created by NAMFISA on its Electronic Regulatory System.
- 3.2. To enable a registered reinsurer to comply with the timelines within which it must submit its quarterly return to the Registrar, all registered insurers must ensure that the reinsurance accounting data is submitted to registered reinsurers within 30 calendar days of the end of each quarter.
- 3.3. Failure to comply with the timelines stipulated in clause 3.1 above may result in penalties being charged in terms of section 69(1)(a) of the Short-Term Insurance Act or section 70(1)(a) of the Long-Term Insurance Act.
- 3.4. The submission of an incomplete and/or inaccurate quarterly return will be treated as a non-submission until such time as the return has been corrected and resubmitted. A penalty will therefore be applied for each day until the resubmission date.
- 3.5. A submission will be regarded as incomplete and/or inaccurate if it exhibits any of the following features:
- 3.5.1. where the Statement of Financial Position does not balance;
 - 3.5.2. material inaccuracies in the quantitative data;
 - 3.5.3. inconsistencies noted between the return and other information filed with the Registrar (i.e. annual financial statements);
 - 3.5.4. where the retained earnings is not reconciled between reporting periods; i.e. opening balance plus profit less dividends should be the closing balance of the current reporting period; or
 - 3.5.5. any other inaccuracies that inhibit the Registrar's reliance on the data contained in the return.

I trust that all registered insurers and reinsurers will give their full cooperation to ensure effective compliance with 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