



**NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY**

— Safeguarding the Nation's Wealth! —

December 31, 2002

The Chairperson
Adv. V. Rukoro
LAAN
Windhoek

Attention: All Principal Officers
Long-term Insurance Companies

RE: DIRECTIVES FOR 2003

Our invitation to the consultative meeting dated December 5, 2002 refers.

Due to non-attendance of all the representatives of the industry, with exception of Investment Solutions, we cancelled the meeting. The following points are however worth noting.

1. Levies

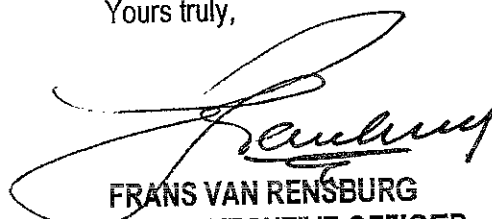
- We are still busy with our budget and will finalize it in January to determine what the cost will be for regulating the long-term insurance industry.
- Based on the first draft budget, we anticipate an increase in the levies for the levy year 2003/2004. However, it will not exceed the 0.2% as prescribed in Section 4 (a)(ii) of the Government Notice No. 154 of 2002 (Amendment of GN No. 82 of 2002).
- Kindly, budget at 0.2% to make adequate provision for the levies.
- We are also estimating/projecting an increase in the liabilities under un-matured long-term policies, based on the previous year figures. However, it will be highly appreciated, if you could give as your projected final liabilities under un-matured long-term policies for the financial year 2002/2003.

2. Attached is a circular on the following:

- Financial Reporting
- Namibianization

We are planning a meeting in January to inform you about the levies, once we have completed our budget exercise and determined the cost of regulating the industry.

Yours truly,


FRANS VAN RENSBURG
CHIEF EXECUTIVE OFFICER



NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

– Safeguarding the Nation's Wealth! –

December 31, 2002

Enquiries: J Uusiku

TO: PRINCIPAL OFFICERS
LONG-TERM INSURANCE COMPANIES

CIRCULAR: PI/LT/1/2003

PART 1- FINANCIAL REPORTING

In terms of section 6 of the Long-term Insurance Act, 1998 (Act No. 5 of 1998) the Registrar herewith requires all registered insurers to submit to the Registrar quarterly returns subject to the terms and conditions set out in the Schedule below. The return must be submitted 30 days after the end of the quarter.

SCHEDULE

For the purposes of prudential supervision, the Registrar is hereby requiring all insurers to submit quarterly returns as prescribed hereunder, **effective January 1, 2003.**

1.1 The prescribed return must be submitted by all insurers registered to transact Long-term Insurance business in terms of the Long-term Insurance Act, 1998.

1.2 For the sake of consistency and completeness of statistical information compiled from the returns, it is essential that insurers complete all items which are applicable.

1.3 No item(s) may be deleted and other item(s) inserted in the place thereof.

1.4 How to complete and submit the quarterly spreadsheet:

- a) The spreadsheet must be completed in LOTUS 123 (release 5 for windows or later) or Excel.
- b) The return is cumulative from the start of the insurer's financial year to the latest quarter end.
- c) The return must be submitted for the last quarter of the insurer's financial year end.
- d) Income and expenditure figures should exclude value added tax (VAT).
- e) All figures should be rounded off to the nearest thousand Namibian dollars.

- f) An originally signed copy of the return must be submitted and the electronic return must be e-mailed to juusiku@namfisa.com.na.

1.5 Required figures or information to be entered:

Assets: To be reflected at fair value.

Fund: Means "fund policy" as defined in section 1 of the Act.

Group business: Means insurance where a Long-term policy is issued to a policyholder other than an individual that covers a group of persons identified by reference to their relationship to the entity buying the contract, provided that this excludes grouped individual business.

Grouped individual: Means insurance where a long-term policy is issued to a policyholder other than an individual, business under which an identifiable individual or member is the life insured and the policy is entered into by the policyholder for the purpose of providing benefits to the individual or the individual's dependants.

Individual business: Means insurance where a policy is issued to an individual.

Non-recurring: Means all business which is purchased with a single premium or business where the payment of a series of premiums is not obligatory.

Policy liabilities: Estimated liabilities calculated in accordance with the financial soundness valuation basis excluding capital adequacy requirements.

Recurring: Means business where the policyholder is obliged to pay a series of fixed or pre-determined premiums to the Long-term insurer to keep the policy in force.

PART 2: NAMIBIANIZATION

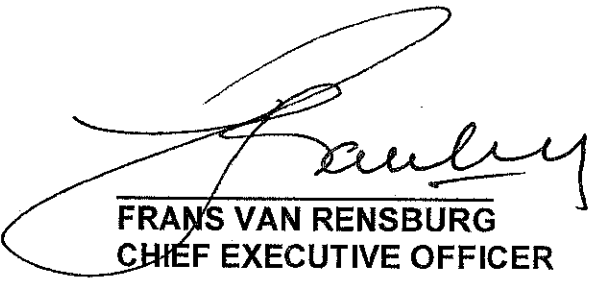
In terms of section 5 of the Long-term Insurance Act, 1998 the Registrar has to ensure that long-term insurance business in Namibia is administered, controlled and regulated efficiently, and carried on in accordance with the provisions of that Act.

Section 19 of the Act 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 purposes of ensuring that the insurers adhere to the provisions of the Act, the Registrar is hereby issuing the following directives **effective January 1, 2003**.

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 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 note that you have six (6) months from the effective date of this circular to rectify and fully comply with Part 2 of this circular.



**FRANS VAN RENSBURG
CHIEF EXECUTIVE OFFICER**

NAMFISA - REGISTRAR OF LONG-TERM INSURANCE

LONG-TERM INSURANCE QUARTERLY RETURN IN TERMS OF THE LONG-TERM INSURANCE ACT, 1998

THE PRESCRIBED RETURN MUST BE SUBMITTED BY ALL INSURERS
REGISTERED TO TRANSACT LONG-TERM INSURANCE BUSINESS IN
TERMS OF THE LONG-TERM INSURANCE ACT, 1998

FOR THE SAKE OF CONSISTENCY AND COMPLETENESS OF STATISTICAL
INFORMATION COMPILED FROM THE RETURNS, IT IS ESSENTIAL THAT

THEREOF.

DISCLAIMER:

This spreadsheet was designed by NAMFISA and it may be copied.

However, NAMFISA accepts no responsibility for any loss or damage arising from
its use, nor for any decision made by the insurer or any other person based on
information or calculations made by, or obtained from the spreadsheet

INFORMATION REGARDING THE QUARTERLY RETURN

This return does not have to be audited.

This return will not be available for public inspection. However, this does not
prevent NAMFISA from making available the aggregate figures for the industry in
its entirety.

This return must be submitted within 30 days of the end of the quarter to which it relates.

HOW TO COMPLETE AND SUBMIT THE QUARTERLY SPREADSHEET:

1. The spreadsheet must be completed in LOTUS 123 (release 5 for windows or later) or Excel.
2. The return is cumulative from the start of the insurer's financial year to the latest quarter end.
3. The return must also be submitted for the last quarter of the insurer's financial year end.
4. Income and expenditure figures should exclude value added tax (VAT).
5. All figures should be rounded off to the nearest thousand Namibian dollars.
6. An originally signed copy of the return must be submitted and the electronic
return must be e-mailed to juusiku@namfisa.com.na
7. This information page need not be printed.
8. See the circular for the description of the terms.

NOTE:

**ONLY SHADED AREAS, e.g. XXXXXX
REQUIRE FIGURES OR INFORMATION TO BE ENTERED
WHERE APPLICABLE. ALL OTHER AREAS (PROTECTED
CELLS) WILL CONTAIN AUTOMATIC CALCULATIONS,
INFORMATION OR DATA OR MUST REMAIN BLANK.
NO CHANGES MAY BE EFFECTED TO THESE PROTECTED AREAS (CELLS).

THE RETURN MUST BE PRINTED AND SUBMITTED, EVEN IF NIL.**

SCHEDULE 1: CURRENT QUARTER																																					
NAMFISA		LONG-TERM INSURANCE ACT, 1998		LTQ																																	
NAME OF INSURER: _____		TO _____																																			
UNAUDITED RETURN FOR THE PERIOD		Prepared by: _____																																			
Telephone No. and ext. _____																																					
REVENUE ACCOUNT - TOTAL		N\$'000																																			
GROSS:		MOVEMENT STATISTICS - INDIVIDUAL & GROUPED INDIVIDUAL BUSINESS																																			
		N\$'000																																			
NET:		<table border="1"> <thead> <tr> <th></th> <th>Number of policies</th> <th>Policy liabilities</th> </tr> </thead> <tbody> <tr> <td>Premiums received and outstanding</td> <td></td> <td></td> </tr> <tr> <td>Claims paid and outstanding</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Beginning of quarter</td> <td></td> <td></td> </tr> <tr> <td>New policies issued</td> <td></td> <td>-</td> </tr> <tr> <td>Policies lapsed</td> <td></td> <td>-</td> </tr> <tr> <td>Policies terminated</td> <td></td> <td>-</td> </tr> <tr> <td>Policies matured</td> <td></td> <td>-</td> </tr> <tr> <td>Deaths and disabilities</td> <td></td> <td>-</td> </tr> <tr> <td>End of quarter</td> <td>0</td> <td></td> </tr> </tbody> </table>				Number of policies	Policy liabilities	Premiums received and outstanding			Claims paid and outstanding						Beginning of quarter			New policies issued		-	Policies lapsed		-	Policies terminated		-	Policies matured		-	Deaths and disabilities		-	End of quarter	0	
	Number of policies	Policy liabilities																																			
Premiums received and outstanding																																					
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Beginning of quarter																																					
New policies issued		-																																			
Policies lapsed		-																																			
Policies terminated		-																																			
Policies matured		-																																			
Deaths and disabilities		-																																			
End of quarter	0																																				
LESS: Claims paid and outstanding(net)		0																																			
- Annuities																																					
- Surrenders/withdrawals																																					
- Other lumpsums																																					
Commission(net)																																					
Reinsurance Premium																																					
Management expenses																																					
ADD: Investment income																																					
Realised investment surplus(loss)																																					
Unrealised investment surplus(loss)																																					
Other income/(expenses)																																					
Excess of income over expenses		0																																			
LESS: Taxation																																					
LESS: Transfer to (from) shareholder fund																																					
INCREASE/(DECREASE) IN LONG-TERM FUND		0																																			
FINANCIAL POSITION STATEMENT		N\$'000																																			
	Linked	Non-linked	Market related	Total																																	
Assets:																																					
Cash				0																																	
Balances with banks				0																																	
Gifts				0																																	
Policy loans				0																																	
Mortgage bonds				0																																	
Debentures				0																																	
Claims/Debtors				0																																	
Shares: Listed				0																																	
Shares: Unlisted				0																																	
Fixed assets				0																																	
Foreign assets-CMA				0																																	
Foreign assets-Offshore				0																																	
Total assets	0	0	0	0																																	
Liabilities:																																					
Policy liabilities				0																																	
Current liabilities				0																																	
CAR				0																																	
Excess assets	0	0	0	0																																	
MOVEMENT STATISTICS - FUND & GROUP BUSINESS		N\$'000																																			
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Beginning of quarter																																					
New schemes issued		-																																			
Schemes terminated		-																																			
End of quarter	0																																				
INFORMATION PER CLASS OF BUSINESS		N\$'000																																			
	Premiums (net)	Claims (net)	Comm. & expenses (net)																																		
Assistance																																					
Funeral																																					
Disability																																					
Fund																																					
Health																																					
Life																																					
Sinking fund																																					
TOTAL	0	0	0																																		
AUTOMATIC CALCULATIONS:																																					
CAR cover		0.00																																			
Funding level (before CAR)		0.00%																																			
Funding level (after CAR)		0.00%																																			
Management expenses: premium income		0.00%																																			
Commission: premium income		0.00%																																			
Claims ratio		0.00%																																			
Retention		0.00%																																			
1. Give the minimum and maximum percentages of the gross exposure (positive and negative) that derivative transactions had to the value of total assets during the past quarter.																																					
Positive: Minimum		Maximum																																			
Negative: Minimum		Maximum																																			
2. Has any trading in derivatives taken place outside the mandate provided by the board of directors? Yes/No																																					
3. Has the mandate provided by the board of directors changed? Yes/No																																					
If yes to either 2 or 3, furnish details: _____																																					
PRINCIPAL OFFICER (sign:)		DATE																																			

NAMFISA		SCHEDULE 2: YEAR-TO-DATE FIGURES (CUMULATIVE)				LONG-TERM INSURANCE ACT, 1998		LTQ	
NAME OF INSURER: _____		TO _____				Telephone No. and ext. _____			
UNAUDITED RETURN FOR THE PERIOD									
Prepared by: _____									
REVENUE ACCOUNT - TOTAL		N\$'000		MOVEMENT STATISTICS - INDIVIDUAL & GROUPED INDIVIDUAL BUSINESS					
GROSS:								N\$'000	
Premiums received and outstanding								Number of policies	
Claims paid and outstanding								Policy liabilities	
NET:									
Premiums received and outstanding		0							
- Recurring									
- Non-recurring									
LESS: Claims paid and outstanding (net)		0							
- Annuities									
- Surrenders/withdrawals									
- Other lumpsums									
Commission (net)									
Reinsurance Premium									
Management expenses									
ADD: Investment income									
Realised investment surplus (loss)									
Unrealised investment surplus (loss)									
Other income/(expenses)									
Excess of income over expenses		0							
LESS: Taxation									
LESS: Transfer to (from) shareholder fund									
INCREASE/(DECREASE) IN LONG-TERM FUND		0							
FINANCIAL POSITION STATEMENT		N\$'000		MOVEMENT STATISTICS - FUND & GROUP BUSINESS					
Assets:								N\$'000	
Cash								Number of schemes	
Balances with banks								Policy liabilities	
Gifts									
Policy loans									
Mortgage bonds									
Debentures									
Claims/Debtors									
Shares: Listed									
Shares: Unlisted									
Fixed assets									
Foreign assets-CMA									
Foreign assets-Offshore									
Total assets		0							
Liabilities:									
Policy liabilities									
Current liabilities									
CAR									
Excess assets		0							
INFORMATION PER CLASS OF BUSINESS									
Assistance									
Funeral									
Disability									
Fund									
Health									
Life									
Sinking fund									
TOTAL		0							
AUTOMATIC CALCULATIONS:									
CAR cover								0.00	
Funding level (before CAR)								0.00%	
Funding level (after CAR)								0.00%	
Management expenses: premium income								0.00%	
Commission: premium income								0.00%	
Claims ratio								0.00%	
Retention								0.00%	
1. Give the minimum and maximum percentages of the gross exposure (positive and negative) that derivative transactions had to the value of total assets during the past quarter.									
Positive: Minimum								Maximum	
Negative: Minimum								Maximum	
2. Has any trading in derivatives taken outside the mandate provided by the board of directors?								Yes/No	
3. Has the mandate provided by the board of directors changed?								Yes/No	
If yes to either 2 or 3, furnish details:									
PRINCIPAL OFFICER (sign):									