

NO. I/LTI/01/2024 & I/STI/01/2024

**TO: ALL REGISTERED LONG-TERM INSURERS AND REINSURERS
ALL REGISTERED SHORT-TERM INSURERS AND REINSURERS**

DATE: 25 APRIL 2024

EFFECTIVE DATE: 25 APRIL 2024

**SUBJECT: EXTENSION REQUESTS FOR THE SUBMISSION OF
INFORMATION BY REGISTERED INSURERS AND REINSURERS**

1. INTRODUCTION

- 1.1 This Circular is issued by virtue of the functions and powers of the Namibia Financial Institutions Supervisory Authority ("NAMFISA") and those of its Chief Executive Officer in his capacity as the Registrar of all registered long-term insurers and reinsurers in terms of the Long-Term Insurance Act, 1998 (Act No. 5 of 1998) (the LTI Act) and registered short-term insurers and reinsurers ("the Registrar") in terms of the Short-Term Insurance Act, 1998 (Act No. 4 of 1998) ("the STI Act"), read with the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001).
- 1.2 This Circular is applicable to all long-term and short-term insurers and reinsurers ("insurers" and "reinsurers", respectively) registered under the LTI and STI Acts.

2. THE CURRENT PRACTICE

- 2.1 The Directives I/STI/01/2018 and I/LTI/01/2018, which mandate all registered insurers and reinsurers to complete and submit their Quarterly Returns within 30 calendar days of the quarter's end to NAMFISA, attached hereto, refer.

- 2.2 In addition, the requirements in terms of section 22 of the LTI and STI Acts- require that registered entities provide the listed information as provided in terms of section 22 on an annual basis, within six months after the end of the financial year, bear reference.
- 2.3 The Registrar is empowered to extend certain submission periods as contemplated in section 7 of the STI Act and LTI Act.
- 2.4 It has been noted that there is an increase in the number of requests from insurers and reinsurers, seeking extensions for the submission of the Quarterly Returns and Audited Annual Financial Statements referred to in paragraphs 2.1 and 2.2 hereinabove.
- 2.5 The following behaviours of registered entities have been observed by NAMFISA:
- submission of extension requests on or shortly before the due date for submission;
 - submission of extension requests recurrently; or
 - submission of extension requests without grounds that could be considered just and equitable.
- 2.6 Although registered entities may apply for an extension for the submission of returns or other information, compliance with prescribed timelines remains critical and the repeated inability to submit data when it falls due impedes the Registrar's prudential supervision duties which include the assessment of the financial soundness of the insurance sector. The timely submission of data to the Registrar is instrumental in facilitating the seamless flow of information to other reporting structures within the financial system. Any delays in the submission of data hamper the Registrar's overall ability to carry out his functions efficiently and may have a cascading effect on the overall integrity of the financial reporting framework.
- 2.7 This Circular therefore serves to implore registered insurers and reinsurers to take every effort to adhere to prescribed timelines as per the Directives and applicable provisions and submit Quarterly Returns within 30 calendar days and Audited Annual Financial Statements within six months after their financial year has ended. Extension requests will only be granted if the Registrar has satisfied himself that it is just and equitable to grant an extension in any particular case, based on grounds provided.

3. THE PRACTICE GOING FORWARD

- 3.1 Failure to comply with the timelines stipulated in paragraph 2.1 and 2.2. above may result in the imposition of penalties in terms of section 69(1)(a) of the Short-Term Insurance Act or section 70(1)(a) of the Long-Term Insurance Act.
- 3.2 NAMFISA thus discourages registered entities from some of the observed practices, in terms of which they:
- submit extension requests on or shortly before the due date for submission;
 - submit extension requests recurrently; or
 - submit extension requests without grounds that could be considered just and equitable.
- 3.3 The submission of an incomplete and or inaccurate quarterly return or Account Statement will be treated as a non-submission until such time as the return has been validated and approved. In this regard, daily penalties may be imposed until such non-compliance is remedied.

We trust that all registered insurers and reinsurers will give their full cooperation to ensure compliance with the above.

Yours sincerely,

Kenneth S. Matomola
CHIEF EXECUTIVE OFFICER