

20 April 2015

TO: The Board of Trustees of all registered Medical Aid Funds
CC: Principal Officers of all registered Medical Aid Funds
Namibia Association of Medical Aid Funds (NAMAF)
Administrators of all registered Medical Aid Funds

DIRECTIVE : PI/MAF/DIR/01/2015
EFFECTIVE DATE: 20 April 2015
SUBJECT : Medical Aid Fund Operations

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 medical aid funds in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) and is applicable to all medical aid funds registered under the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) ("the MAF Act").
- 1.2 The issuance of this Directive was necessitated after a reconsideration of Circular letter no. 6 of 2002, dated 2 September 2002, pertaining to "medical aid funds operations" was done and a need to align same with the current developments in the medical aid funds industry was identified. As such the said Circular letter no. 6 of 2002 is hereby revoked and replaced with this Directive no. PI/MAF/DIR/01/2015 with immediate effect.

2 The law

- 2.1 In terms of section 3 of the NAMFISA Act, one of the functions of NAMFISA is to exercise supervision, in terms of that Act or any other law, over the business of financial institutions and over financial services.



- 2.2 In terms of section 28 (a) of the MAF Act, every registered fund shall carry on its business in accordance with sound business principles.

3 The Directive

- 3.1 In light thereof and in line with good corporate governance principles and to avoid possible conflicts of interest, all boards of trustees of registered funds are hereby directed to comply with the following requirements with immediate effect:

3.1.1 Only a principal officer who is a suitable person for purposes of executing his or her duties under the MAF Act, must be appointed;

3.1.2 A principal officer of a fund may not be a director, partner, member, employee or other officer of the administrator of that fund. A principal officer may also not be a director, partner, member, employee or other officer of an entity that renders services to the administrator of the said fund;

3.1.3 The remuneration of a principal officer must be determined by the board of trustees in accordance with the qualifications and/or experience of the said principal officer;

3.1.4 The board of trustees of a fund must ensure that proper registers, books and records of the operations of the fund are kept; and

3.1.5 The board of trustees of a fund must ensure that the affairs of the fund are properly managed at all times and that the best interests of the fund and its members are served at all times.

The Registrar therefore requires full cooperation and support in this process by all industry players and stakeholders at large.



Should you require more clarity on this Directive, kindly contact the Manager of the Medical Aid Funds and Friendly Societies Department at telephone number 061-290 5000.

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

Phillip N. Shiimi
Registrar of Medical Aid Funds