

4 March 2014

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

CIRCULAR LETTER: I/STI & LTI/02/2014

Effective date: 1 June 2014

SUBJECT: DIRECTIVE ON POLICY FEES PAYABLE BY POLICYHOLDERS

This circular is issued with reference to Circular Letter PI/ST /1/2005 dated 15 November 2005. The aforementioned directive allows the charging of a Policy Fee and caps it at 10%, VAT exclusive, of the gross premium payable by policyholders.

The insurance industry is herewith informed that Circular Letter PI/ST /1/2005 is hereby revoked and withdrawn with effect from the Effective Date stated above.

The insurance industry must strictly comply with Regulation 13 to the Long-term Insurance Act No. 5 of 1998 and Regulation 6 to the Short-term Insurance Act No. 4 of 1998 and therefore no Policy Fee shall be charged, paid, allowed, given or accepted with effect from the Effective Date.



The Registrar therefore requires full cooperation and support in this process by all industry players and stakeholders at large. Should you still need more clarity, please do not hesitate to contact either the Long-term Insurance manager or the Short-term Insurance manager.



Phillip N. Shiimi

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

