



MULTIPLE CESSIONS ON A SINGLE LIFE INSURANCE COVER



NAMFISA COMIC BOOKLET: PART 16 • 03/2022

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MISSION

The Authority mission is to regulate and supervise financial institutions and financial intermediaries to foster a stable. fair non-banking financial sector and to promote consumer protection and provide sound advice to the Minister of Finance. This was revised to align the new NAMFISA act.

VISION

The vision remains, to have a safe, stable and fair financial system contributing to the economic development of Namibia in which consumers are protected.

VALUES

TEAMWORK

We have a shared urgency to achieve our vision. We support, respect and care for each other and are collectively responsible for our actions. We recognize that success depends on a skilled, diverse, coordinated team committed to the highest standards of trust, hard work, cooperation and communication.

SERVICE EXCELLENCE

We commit to operational, regulatory and supervisory excellence. We provide quality service and on time. We are courteous, professional and respectful.

ACCOUNTABILITY

We are accountable to our customers and stakeholders. We are prudent in the management of our resources. We take accountability for our decisions

INTEGRITY

We act with honesty, fairness and transparency We treat information confidentially. We act independently and consistently.

AGILITY

We commit to be adaptable to our changing environment. We commit to embrace change whilst maintaining regulatory certainty. We commit to creating innovative solutions.

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Contributions to this booklet are welcome. The Editor reserves the right to edit submissions. Send contributions to the Editor at info@namfisa.com.na

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House chores are everywhere. I was busy at home arranging my insurance contracts.

I actually only have two contracts.

One I ceded to the bank for my son Johnny's study loan and another ceded to my bond. I read a public notice issued by Namibia Financial Institutions Supervisory Authority and Bank of Namibia that Banks and Insurers can now accommodate multiple cessions on a single life insurance cover.

If it was a public notice, it might be found on their corporate and consumer websites. It's always updated and very informative. Let's go to Flavour Cafe and Google for information.

My cellphone could do the same. I want to sit and drink tea while we search.

What's the long name again? I can really see that you read a notice. Are you referring to NAMFISA?

Yes,
NAMFISA and BoN.
Never mind, it was a public notice in last month's newspaper. I can't remember much.

AT FLAVOUR CAFE,
THE LADIES SEARCH
ONLINE FOR INFORMATION

This is the information that you are referring to. I got it from the NAMFISA website.

Oooh yeaa, I also found it on the NAMFISA and BoN websites. This is too good to be true. The public notice states that Banks and Insurers can now accommodate multiple cessions on a single life insurance cover. I have multiple covers because I was not allowed to use one life cover as multiple cessions.

That is still not an issue if one of your covers could not provide protection to all your different facilities. From now on,
it's not necessary to cede the entire
value of the policy, if the insurance policy
is sufficient to serve as a collateral/
security for different facilities acquired
by the policyholder.

But one of my

life insurance covers had

a value to the tune of N\$2

million and it is ceded to the

property to the value of

N\$800 000 only.

Yeaaah,
this is a good change, bestie.
The policyholder can choose to only cede
part of the policy cover corresponding with
the credit facility obtained.

They also state that for more information, we may contact NAMFISA and BoN. I will make time for more clarity.

LATER THAT DAY,
EMMA GOES TO NAMFISA
TO GET MORE INFORMATION
Good day Madam.
Welcome to NAMFISA.
How can I be of assistance
to you today?

I came across
a public notice on
multiple cessions on a single
life insurance cover on your
website. I want to have more
clarity on how it will work.

Keep me posted dear friend and thanks for sharing this important information.





revisit the value of one of your insurance policy for me to advice you accordingly.

Thank you officer. Here are my life insurance covers and my various credit

Looking at your life cover, the value of this insurance policy is sufficient to serve as a collateral/security for all of this banking facilities you acquired.

this facility that needs to be covered as well. Do I have to go buy another life cover as a collateral?

No. not at all The same life cover is still ifficient to stand in as a security, as such consult your respective banking institutions on accepting multiple Thank you very cessions of a single much once again, insurance policy.



What have you learned?

- Banks and Insurers can now accommodate multiple cessions on a single life insurance cover.
- If the value of insurance policy is enough to serve as a collateral/security for several facilities obtained by the policyholder, there is no need to transfer the entire value of the policy.
- The policyholder can choose to only cede part of the policy cover commensurate with the credit facility obtained.
- Banking institutions and other lenders no longer require that the original policy document be handed over to the institution for the duration of the loan period.

Should you have any queries, please contact the relevant financial institution;

NAMFISA Corporate Communications and Consumer Education Department, Tel: (061) 290 5000, Toll Free: 0800 290 500, email: info@namfisa.com.na or www.educates.namfisa.com.na

OR

The Corporate Communication Division at the Bank of Namibia, Tel: (061) 283 5114, Fax: (061) 283 5546 or email: info@bon.com.na





Multiple cessions on a single life insurance cover

Banks and Insurers can now accommodate multiple cessions on a single life insurance cover. It is not necessary to cede the entire value of the policy, if the insurance policy is sufficient to serve as a collateral/security for different facilities acquired by the policyholder. The policyholder can choose to only cede part of the policy cover commensurate with the credit facility obtained.

We trust that this practice will bring relief to individuals since it will no longer be required to take multiple life covers, if a single life cover can serve as security for various credit facilities extended by lenders. Consequently, Banking institutions and other lenders no longer require that the original policy document be handed over to the institution for the duration of the loan period.

NAMFISA and the Bank of Namibia wishes to thank the banking institutions and registered insurers for their willingness and commitment to implement multiple cessions of a single insurance policy.





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