

Breakdown - Industry Comments

Chapter.2 – Insurance

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INSURANCE STANDARDS					
done	General Definitions	The definition of “Financial institutions and markets sector” does not specify whether international markets are also included in this definition.	Recommendation for the definition to clarify whether markets not registered under the Act - specifically international markets are included or excluded		The term “Financial Institutions” is defined for the purposes of the Act, and should not include international markets outside of NAMFISA's jurisdiction.
		Definition of “key person ”- a key person is restricted to an employee of a financial institution/intermediary. therefore there needs to be an employment contract in place - this would then exclude key persons/functions such as "auditors", the Board as these are subject to other terms of contract and not employment relationship	Recommendation that NAMFISA clarifies whether persons that have contracts with the financial institution or financial intermediary can also be regarded to be a key person.	The definition has been amended to mean any person responsible for managing or overseeing, either alone or together with another responsible person, the activities of a regulated entity. Refer to GEN.S.2.10	

		Definition of “material business activity”	Recommendation to include reference to Standard GEN. 10-10 for the determination of materiality.		The term “material business activities” is not used in Chapter 2 standards and therefore it is not necessary to reference to the term as defined in GEN.10.10
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.1 CAPITAL ADEQUACY REQUIREMENTS FOR REGISTERED INSURERS AND REINSURERS					
	Standard No. INS.S. 2.1 Clause 1 (e)	Word missing	'....used to demonstrate...'	The missing word has been inserted as suggested.	
	Clause 3(6)(a)(i)	Specify 'short-term reinsurer'	Short-term insurers or short-term reinsurers		It is not necessary to specify as suggested as the word “or” is used to imply that the word “short term” is applicable to both insurer and reinsurer in this sentence
	Clause 3(6)(a)(ii)	Specify 'long-term reinsurer'	Long-term insurers or long-term reinsurers		It is not necessary as the word “or” is used to imply that the word “long term” is applicable to both insurer and reinsurer in this sentence
	Clause 6 (2)	“Adversely” not defined.	The term “adversely” needs to be defined as this can be subjective. As long as the capital is above the required CAR there should be no		The literal dictionary meaning applies to the use of the word

			requirement to get NAMFISA'S approval.		"adversely" in the context of the clause. In other words, the insurer(s) must not take decisions that negatively or harm the solvency of the entity.
	Clause 7(1)	In terms of this clause, NAMFISA may, in its discretion, vary the SCR of a registered insurer or registered reinsurer if NAMFISA deems it necessary or appropriate to do so. It must not be based on discretion, something must have happened where NAMFISA has oversight to justify varying the SCR.	NAMFISA must specify in what instances it would be justifiable to vary the SCR.		The instances will be based on the facts on hand, prevailing circumstances and background behind the risk based approach, so instances cannot be determined beforehand. This determination is done once an assessment takes place, thus it is not done in an arbitrary manner but the action must be deemed necessary or appropriate. It is also worth noting that any amendments to standards will follow the due process of gazetting of standards and subsequent consultations.

	Clause (9)(1)(b)	The clause does not provide for electronic submission of the annual actuarial report details its CAR	Recommendation to submit these actuarial reports electronically.	The clause has been amended to allow for electronic submission of documents unless where it is not possible to do so.	
	Clause 10(2)	<p>The clause requires a registered insurer or registered reinsurer to publish a notice of the breach of the Capital Adequacy Requirement in a newspaper circulating at the place where the principal office of the registered insurer or registered reinsurer is located.</p> <p>Clarity is needed on whether publications is still required where the breach has been corrected by the time that it was identified.</p> <p>Publication in newspaper seems to be too sever and may cause unnecessary panic to the policyholder and will result in ill-informed complaints.</p>	<p>Where the breach has been corrected by the time it is identified, it is recommended that publication should not be required.</p> <p>There needs to be some sort of adjudication and finding before advertising as this will cause unnecessary panic to the policyholder and will result in ill-informed complaints. Only severe breaches should be published.</p>	<p>The publication will only apply in instances where the breach <u>persists beyond 21 days</u>. It is also required that the public notice must be published in its local circulating newspapers and on the insurers social media pages. The notice must not be placed in the "Classifieds section" sections of the newspapers.</p>	
	Clause 10(4)	NAMFISA to confirm whether penalty is still payable in the instance where a breach has been reported within specified timeframe and remedial plan has also been submitted on time as required by the standard.	NAMFISA needs to clarify when the penalty becomes payable and in the instance where the remedial plan has been submitted outside the 30 day period, clarity needed on when the penalty starts running. Whether it is from the date of non-compliance with the 30 day period or whether it is from the date that the breach occurred.	<p>Failure in terms of this clause results in an immediate penalty and an immediate payable on demand.</p> <p>Failure to comply with the 30day</p>	

				requirement and continued breach results in a monthly penalty of N\$25000 and runs for as long as breach continues. This is clarified in the clause.	
	Clause 10(5)(a)	In terms of the clause the registered insurer or registered reinsurer has 30 days to submit a remedial plan. No mention has been provided for the period of the approval of the plan by NAMFISA.	It is recommended that the approval period be stipulated in the standards.	NAMFISA's response timelines are communicated to the regulated entities through an agreed upon SLC	
	Clause 10(6)	Is the intention that when a remedial action plan is submitted, there's no penalty?	The clause should be specific with regards to the date when the penalty starts running.	The penalty starts to run for as long as non-compliance exists and will continue to run if such noncompliance is not remedied in respect to required actions per the applicable clause.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.2 The determination, calculation and valuation of the assets and liabilities of registered insurers for the purposes of capital adequacy, including NAMFISA's right to change a valuation under circumstances determined in such standard					
	Standard No: INS.S.2.2 Clause 3(a)	BEL and MoBEL being used for the first time, however not defined	Need to define up front what is BEL and MoBEL	.	It also acceptable to define certain terms in the body of the standard. The nature of the

					definition warrants the definition to be in the body.
	Clause 9(a)	appropriate Recommendation to replace suited	Recommended to replace "suited" with "relevant"	The word is amended	
	Clause 10 (c)	Can it be 'relevant' and then be justifiable to exclude - this seems contradictory	Propose delete "if relevant", as any exclusion should be justified.		The exclusion is only permissible to the extent that it can be justified.
	Clause 12(2)	Inaccurate referencing	Reference should be made to sub-clause 12. (1).		The referencing style is maintained for the sake of conformity with the rest of the standards. There is no need to repeat "12" as sub clause 1 already means 12(1) unless the reference was made in the clause prior or subsequent to where the sub clause being referred to is contained
	Clause 12(3)	Inconsistency in drafting.	best estimate' or 'best-estimate' - just need to be consistent.	word corrected	
	Clause 12(4)	Inconsistency in drafting.	best estimate' or 'best-estimate' - just need to be consistent.	word corrected	
	Clause 12(5)	Word missing	Where necessary, the underwriting year basis may be used to calculate technical liabilities, and then apportion to the appropriate accident year.		placed comma after "liabilities"
	Clause 14(5)	The clause requires that in case the valuator decides to change the method previously adopted, sufficient explanation on the reason	Recommendation to forgo the requirement that NAMFISA must approve the new method, it should suffice that NAMFISA be notified with	There is no need for NAMFISA to approve before adoption. Deleted	

		and impact need to be provided and the new method has to be approved by NAMFISA prior to adoption. There is no provision for the initial method to be approved by NAMFISA	sufficient explanation on the reason and the impact.	wording after "provided".	
	Clause 16(2)	URR being used for the first time at that point, however not defined	Define upfront what URR is.		The definition is contained under the Definitions clause 1 in the standard.
	Clause 18(2)	The term "mark to model" is not a term generally used for valuation approaches - this may be a typo.	Propose "mark to model valuation" be changed to "mark-to-market valuation approach", or "market consistent valuation approach"	It was not a typo. That was the intended method. However, we have adjusted to "market consistent valuation approach"	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.4 Registration requirements for insurance broker					
	Schedule 1 – clause 7(i)	Drafting - missing space between words Currently, NAMFISA does not prescribe for documents certified outside the borders of Namibia	'..... be accepted.' Recommended that the standard provides that documents certified outside the borders of Namibia should be notarized in terms of the laws of that country. they	inserted a footnote requiring notarized documents as recommended	
	Schedule 1 – clause 8	Drafting – missing space between words	By signing the document, I declare that:		No space missing
	Schedule 1 - clause 9.3	Why is a Namibia policy required, this can result in premiums being higher than	Recommendations – since this is specialized, in order to act in the best interest of the policyholder, recommend		Lloyds insurer is a registered insurer in Namibia. Secondly,

		required as there are no competition from eg Lloyds underwriters....or are Lloyds underwriting allowed but the policy should be issues locally.	that there be direct insurance with the foreign insurer or reinsurer without a Namibian insurer being a middleman.		should the local insurers not provide cover; the process to obtain foreign cover should be followed as set out in INS.S.2.5 for exemptions.
	Schedule 1 – Clause 3/13	Who needs to notify NAMFISA? The individual broker or Principal Officer?	NAMFISA to clarify who should give notification, whether it's a corporate broker or an individual broker (natural person).	Section 13 under schedule 1 has been deleted and no longer applicable for purposes of this standard	
	Schedule 2 clause 5(b)	Drafting - spacing	I will adhere to the requirements & conditions stated in this application form; and	Noted and adjusted	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS. 2.5 Chapter: Terms and conditions applicable to: - Foreign insurers and foreign reinsurers exempted under section 5(2) of the Act; - Registered insurers and registered brokers effecting or renewing insurance outside Namibia; and - Registered insurers reinsuring the whole or any part of their business					
	Clause 5(2)(b)	This clause does not specify what information is required.	The required information should be specified		Information can vary – it depends on the circumstances at hand. Cannot specify- circumstances varies and this clause offers flexibility to ask for anything else necessary.
	Clause 9(4)	Local company adds administration fees without adding insurance value.	Recommended that NAMFISA allows for a foreign reinsurer to directly write this business.		All insurers or reinsurers wishing to conduct

		Additional costs transferred to policy holder, therefore prejudicing policyholder			insurance in Namibia need to be registered in term of the Act. In order for a foreign insurer or reinsurer to write direct business, they must be exempted ito of this standard., or else they will not be able to do business.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirements for insurance brokers					
	Standard No. INS.S. 2.6 Clause 3(b)	Drafting – typing error	unaudited.	word has been corrected	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair Treatment of Clients and Policyholders by Registered Insurance Intermediaries					
	Standard No. INS.S. 2.7 Clause 4(a)	Advisor is mainly dependent on information disclosed by the client.....in past experiences, clients are not completely transparent	Recommended that it should read as 'declared circumstances by the client'		The onus is on insurance intermediary to obtain relevant information from client.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 AMOUNT OF COMMISSION THAT MAY BE PAID TO INSURANCE BROKERS					
	Standard No. INS.S. 2.9	It is noted that the commissions table has provided for lower commission payable. No justification for the change has been provided	It is recommended for NAMFISA to consider allowing for the current commission calculations under FIMA	Corrected the rate on the “not annuity and term cover” that was erroneously indicated as 7.5% instead of 2.5%.	

				The rates however remained same as in the Long-term Insurance Act 1998 Regulation 13.	
		<p>It is not clear how commission for funeral insurance is calculated.</p> <p>Table 1 Item 2 "Individual /group funeral policy" unclear whether group funeral should be calculated per table 1 % or per table 2 as stated in section 12 of the standard.</p>	NAMFISA to provide clarification/ or NAMIFSA to adopt the current commission calculations under FIMA.		Clarified. Funeral insurance commission is calculated in terms of table 1 item 2
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INS.S.2.1 CAPITAL ADEQUACY REQUIREMENTS FOR REGISTERED INSURERS AND REINSURERS					
	<p>Capital Adequacy: Standard No. INS.S. 2.1 Schedule 1 Section 2 – Market Risk Sub-section 6 (c) Section 3 – Credit Risk</p>	<p>One of the assets that the entity's group has is "Reinsurance asset" with NAMIBRE.</p> <p>This asset is based on a 12.5% reinsurance requirement set by the National Reinsurance Corporation Act, 1998 ("Act"). This Act requires the entity to reinsure 12.5% of all premiums received with Namibre. The nature of the 12.5% Re-insurance asset is based on the same terms as what entity has with its clients, and therefore NamibRe must "duplicate"</p>	<p>With the explanations provided, we feel that this asset cannot be classified into "Other" and need to be included section "1" "Cash and Cash equivalents" just to ensure that the risk is in line with the underlying criteria of this asset. Same goes under Credit Risk where we feel that this asset should be classified under "1" with a "Zero" credit risk because of its nature.</p>		<p>Reinsurance assets are not liquid asset therefore they are not equivalent to cash and cash equivalent except for items listed under table 2. Reinsurance assets are not risk free assets as cash is, hence carries zero risk.</p> <p>NamibRe liabilities do not also equate to government bonds.</p>

		<p>the accounting treatment by the entity. This means that the reinsurance asset we have with Namibre is a current</p> <p>asset (also classified this way in terms of IFRS) and the entity has the legal right to whenever a client institutes a claim against insurance funds, request for a downward endorsement or cancellation, that these funds (i.e., 12.5%) be repaid by Namibre to the entity within the same period as which the entity would have to pay the client. In practice this is what happens, and NamibRe has paid these claims upon request to date. In conclusion therefore the NamibRe asset is accounted for as Cash under the current Regulation 8.</p> <p>These categories of assets (Sub-section 6 (c)) inherently classifies this asset (Namibre Insurance Asset) under Asset class “Other” which has a 40% risk factor.</p> <p>The risk factors in Section 3 – Credit Risk inherently</p>			
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		<p>identifies this asset (Re-insurance asset) under section 5 which is 5.6% capital charge (less than 1 year) “B+ to B- BBB- to B-”. Namibre has a Credit rating (B+) but we feel that the nature of the asset and the fact that it is a mandatory requirement by law, that this should have the same rating as a GRN Bond (Namibian bond) = “Zero”.</p>			
	<p>Capital Adequacy Standard No. INS.S. 2.1 Schedule 1 Section 2 – Market Risk Sub-section 6 (c) Section 3 – Credit Risk</p>	<p>The issue is that one of the assets that the entity’s group has is “Secured Advances” to clients, backed 100% by the entity’s Insurance Policy. Due to the nature of the business, a loan is made to Futeni Collections (Pty) Ltd by the entity . Futeni on its part, then makes advances to individuals and corporate customers secured by cessions of the entity in favour of Futeni. These categories of assets (Sub-section 6 (c)) inherently classifies this asset (secured advances) under Asset class “Other” which has a 40% risk factor. The risk factors in Section 3 – Credit Risk inherently identifies this asset (secured advances) under section</p>	<p>Because these secured advances are backed by the entity policies and is 100% secured, we feel that this asset cannot be classified into “Other” and need to be included section “1” “Cash and Cash equivalents” just to ensure that the risk is 0%, because there is no risk to these assets. Same goes under Credit Risk where we feel that this asset should be classified under “1” with a “Zero” credit risk because it is 100% backed by the entity policies.</p>		<p>The asset type is not risk free nor the fact that it is backed by an insurance policy qualifies it to be risk free as cash. It can therefore not be classified as 100% secure as suggested.</p>

	No identified sections	7 "Unrated". The current Short-Term Insurance Act refers to Investment Subsidiaries and how the assets and liabilities of Investment subsidiaries are to be treated. No mention in the FIM Act and Regulation.	Corporate Guarantee group consists of a holding entity, Corporate Guarantee and Insurance Company of Namibia Ltd and two fully owned subsidiaries, Futeni Collections and Karas Securities. We prepare consolidated financial statements for this group and propose that we continue to use the same approach.		The standard only applies to registered entities and it is not clear what issue it is that the comment is trying to address; however, treatment of investment subsidiaries is provided for separately under Standard INS.S.2.2 (clause 18-22). Further, the registered entity is still required to prepare and submit financial statements relating to the insurance business.
	FIM ACT, 2021, Section 20 (4) (4) A registered insurer or reinsurer may not declare or pay a dividend to its shareholders - (a); (b)...; or (c) . ..	Is it not more cost effective / practical for our external auditor to perform this function?	Is it not more cost effective / practical for our external auditor to perform this function?		Section 20(5) of FIMA requires the valuator certification and not external auditors. The valutors and auditors perform different statutory functions for registered insurers. It should also be noted that this requirement is already a common and established practice that the valuator undertakes.

	(5) A registered insurer or reinsurer may not declare or pay a dividend to its shareholders unless its valuator has certified that the declaration or payment will not be contrary to subsection (4).				
	Capital Adequacy: Standard No. INS.S. 2.1 Schedule 1 Section 2 – Market Risk Sub-section 6 (c)	<p>One of the assets that the CG group has is “Right of Use Asset” and a Lease Liability.</p> <p>This asset is based on IFRS 16 which states that IFRS 16 defines a lease as “A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration”. In order for such a contract to exist the user of the asset needs to have the right to obtain substantially all of the economic benefits from the use of the asset.</p> <p>IFRS 16 states that a customer has the right to direct the use of an identified asset if the customer has the</p>	<p>Because this asset is purely an IFRS requirement based on the terms of the lease agreements and not being part of our normal day-to-day business, we feel that this asset cannot be classified into “Other” and need to be included section “1” “Cash and Cash equivalents” just to ensure that the risk is 0%, because there is no risk to these assets.</p> <p>Same goes under Credit Risk where we feel that this asset should be classified under “1” with a “Zero” credit risk because of its nature and it being an IFRS requirement and not because of our type of business.</p> <p>The same goes for the contra entry, Lease Liability, which also is not a liability that results from our day to-day business, and we therefore also recommend that it should not form part of our technical</p>	Right of use under property lease will be categorized under “4” – property.	

		<p>right to direct how and for what purpose the asset is used throughout its period of use</p> <p>The right of use asset is recorded as the lease liability, i.e. present value of the minimum lease payments. Corporate Guarantee leases a office building with a fixed term rental contract, longer than one year.</p> <p>These categories of assets (Sub-section 6 (c)) inherently classifies this asset (Right of use asset) under Asset class "Other" which has a 40% risk factor. The risk factors in Section 3 – Credit Risk inherently identifies this asset (right of use asset) under section 7 "Unrated".</p>	liabilities.		
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.3 Application for registration of Insurers and reinsurers					
	INS.S.2.3 (Page 29)	With regards to the application for registration of insurers and specifically the requirements for instance around a business plan, actuarial template to be completed etc, it is our view that these requirements should not be for already	<p>NAMFISA to consider concessions to be made for existing insurers upon application for re-registration.</p> <ul style="list-style-type: none"> i. Correct typing error ii. Correct numbering. iii. NAMFISA to consider method of submissions to be electronic only 	Sec 12 of FIMA deems already registered insurers/reinsurer registered subject to adjustments as may be necessary and any	

		<p>existing insurers that are required to reapply for registration under FIMA.</p> <p>i. Clause 4(e) – spelling mistake / typing error to be corrected.</p> <p>ii. There are two sub-clauses (f) under clause 4.</p> <p>iii. Clause 14 – the requirement to submit both hard copy and electronic copy submissions of the application. We kindly request that NAMFISA consider electronic submissions only.</p> <p>iv. Schedule 1 Footnote 2/3 – correct numbering / reference. Also, with regards to the requirement of attaching the original copy of the letter or document of authorisation – it is kindly requested that NAMFISA</p>	<p>(throughout all the standards). Perhaps only certain documents could be required to be submitted via hard copy where necessary.</p> <p>iv. Correction of numbering / reference of footnote. Also NAMFISA to kindly consider requirement to provide certified copy of documents, with the original readily available on request for inspection or submission where necessary.</p> <p>v. Update of numbering.</p>	<p>applicable standard.</p> <p>1. typo's in sub - par 4(e) fixed</p> <p>2. Duplication of 4 "f"</p> <p>3. Electronic submissions are provided for under clause 14, and only where necessary or so directed by NAMFISA would hardcopies copies be required.</p> <p>4. Footnote has been re-numbered 1 and not 2 and electronic submission of letters of authorization are allowed.</p> <p>5. Schedule 5 – amended to read FORM E.</p>	
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		<p>consider a copy or certified copy. The original to be made available upon request when necessary or inspected where required.</p> <p>v. Schedule 5, Form D to be changed to Form E.</p>			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.4 Registration requirements for brokers					
	INS.S. 2.4 (Page 50)	<p>i. Schedule 1, 7. Attachments – (ii) to (xi) incorrectly have a capital R before it.</p> <p>ii. Schedule 1, 7. Attachments (i) – registration fee indicated (N\$ 200) does not agree to registration fee in GEN.S.10.23 (N\$ 2500).</p> <p>iii. Schedule 1, 7. Attachments – (iii) – proof of annual fee (if</p>	<p>i. Delete “R”</p> <p>ii. Align registration fees.</p> <p>iii. Define “annual fee” ; amend requirement of attachment if previously registered because if registered under the old regime, there would be no such proof so amend requirement to provide proof of previous registration i.e. copy of certificate of registration</p> <p>iv. Update to reference made to legislation.</p>	<p>i..Removed letter “R” from sub-para 7.</p> <p>ii..Inserted amount N\$ 2500</p> <p>iii..Aligned it to the Fees Standard. Change term to “renewal fee”.</p> <p>v..Aligned as in 3 above.</p>	<p>iv. It is required that the applicant declares that they were not convicted under the previous dispensation in order to ensure that only fit and proper persons take office.</p>

		<p>previously registered). What is an annual fee? Is it the previous levy payment under previous regime, noting that brokers did not pay levies? Or is it the annual renewal fee under current regime? So what would need to be provided if previously registered in either instance?</p> <p>iv. Schedule 1, 8. Declaration – reference is made to repealed legislation i.e. Short and Long-term Insurance Acts.</p> <p>v. Schedule 1, 9.1 Payment of Annual Fees – what is meant by annual fees? Is it annual renewal fees? If yes, then the amount is not in aligned with GEN.S.10.23.</p>	<p>v. Define “annual fee”; or amend to state it as Annual Renewal Fee? Furthermore align amount to that of the Standard on fees and charges.</p>		
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		<p>vi. Schedule 1, 9.2 Submission of Annual Returns. There is now also the new requirement of quarterly returns, so it is suggested to refer to both to avoid omission/confusion. Also this application form relates to individual brokers most likely employed by a corporate broker, so the reporting requirements, especially the annual returns would fall on the corporate entity unless the individual broker is working independently / sole proprietor.</p> <p>Furthermore, there is a spelling mistake under item ii.</p>	<p>vi. Suggest to reword to refer to the financial reporting requirements (i.e. quarterly and annually returns) as prescribed in INS.S.2.6.</p> <p>vii. Confirm amount of PI Cover prescribed. Also, clarify exact requirements around Professional Indemnity and Fidelity Insurance as this is not specifically addressed elsewhere and previous Circular most likely to fall away with the repealing of previous laws.</p> <p>viii. Align registration fees to GEN.S.10.23 on fees and charges.</p> <p>ix. Remove clause or request for copy of precious registration certificate if required.</p>	<p>1. included the word “quarterly”</p> <p>2. 9.2 (ii) inserted the missing letter “s” to the</p> <p>3. PIC is N\$ 1000 000 and not n\$ 500 000 (as per amendment of STI Act, 2016).</p> <p>4. Amount of N\$ 2500 inserted clarified by amending the forms accordingly</p>	
		<p>vii. Schedule 1, 9.3 Professional Indemnity Policy</p>			

		<p>– the amount prescribed is not aligned to the current requirement i.e. N\$ 1 000 000. Also will the previous circular to that effect fall away or will a standard to that effect still be published?</p> <p>viii. Schedule 2, 4. Attachments (i) Registration fee differs from that provided for in GEN.S.10.23</p> <p>ix. Schedule 2, 4. Attachments (ix) - proof of annual fee (if previously registered). What is an annual fee? Is it the previous levy payment under previous regime, noting that brokers did not pay levies? Or is it the annual renewal fee under current regime? So what would need to be provided if</p>			
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		previously registered in either instance?			
		<p>x. Schedule 2, 5. Declaration – reference is made to repealed legislation.</p> <p>xi. Schedule 2, 6. A. Payment of Annual Fees – what is meant by annual fees? Is it annual renewal fees? Which then the amount is not in align with GEN.S.10.23.</p> <p>xii. Schedule 2, 6. B Submission of Annual Returns – it perhaps should be indicated that there are financial reporting requirements as prescribed in INS.S.2.6 of annual and quarterly reporting. Furthermore, there is a</p>	<p>x. Update to reference made to legislation.</p> <p>xi. Indicate whether it is Annual Renewal Fees? Furthermore, align amount to that of the Standard on fees and charges.</p> <p>xii. Reword to refer to both financial reporting requirements quarterly and annually as prescribed in INS.S.2.6.</p> <p>xiii. Clarify exact requirements around Professional Indemnity and Fidelity Insurance as this is not specifically addressed elsewhere and previous Circular most likely to fall away with the repealing of previous laws.</p> <p>xiv. Suggest to remove reference to Corporate Insurance Agents from this Schedule as this Standard speaks specifically to insurance brokers.</p>	<p>xi. Schedule 2.6.A amended to refer to renewal fee</p> <p>xii. Amended accordingly</p> <p>xiii Amended accordingly</p> <p>xiv. Amended to refer to Brokers</p>	<p>x. The PO must declare that they were not convicted under the previous dispensation to ensure that they are fit and proper to take office.</p>

		<p>spelling mistake under item ii.</p> <p>xiii. Schedule 2, 6.C Professional Indemnity Policy – the amount prescribed is not aligned to current requirements i.e. N\$ 1 000 000. Also will the previous circular to that effect fall away? Or where will those specific requirements of the details around the terms and conditions of what is covered by addressed?</p> <p>xiv. Schedule 3 – Corporate Insurance Agents – This standard speaks to brokers only.</p>			
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INS.S.2.5 Exemptions					
	INS.S.2.5 (Page 62)	As in other standards, this standard does not provide the detail around submission of an application of	Please provide information around the method of submission requirements.		Submission requirements are detailed in the Schedule 1

		exemption i.e. must it be electronically submitted or hard copy submission or both?			application and via an electronically on a designated address. Refer to clause 13.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirement for insurance brokers					
	INS.S. 2.6 (Page 68)	<p>i. 4(d) – an insurance intermediary includes an insurance agent which does not make sense as an insurance broker would not make remuneration payments to an insurance agent.</p> <p>ii. 4(f) – brokers do not have all the information regarding claims paid by insurers, as clients can go directly to insurers when claiming and claims are paid directly to clients. This information is held at the insurer level.</p> <p>iii. 4(h) – brokers do not have systems in place capturing the</p>	<p>i. Recommend to change “insurance intermediary” to “insurance broker”.</p> <p>ii. Recommend for deletion.</p> <p>iii. Recommend for deletion.</p> <p>iv. Recommended that Schedules be shared for comment before finalization of this standard.</p>	<p>i. Amended to exclude an insurance agent</p> <p>ii. Inserted the schedules</p> <p>The broker must still report to the extent of his knowledge claims that they have handled on behalf of the insurer. The clauses have been amended accordingly where necessary.</p>	

		<p>insurance agent, including a corporate insurance agent, an insurance broker including a corporate insurance broker”</p> <ul style="list-style-type: none"> • A registered insurance intermediary as defined in section 4 of Chapter 2, “means an insurance agent or an insurance broker” (own emphasis). <p>iii. In relation to point (i) made above and read with 5(1)(i) “in connection with a request for a quotation or an application for insurance made to a registered insurer that is an affiliate of the registered insurer by whom the registered insurance broker is employed or to whom the registered insurance broker</p>			
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		<p>is contractually bound an offer by an insurer that is an affiliate of the insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound to renew an existing policy</p> <p>...</p> <p>Brokers are not employed by an insurer and it is the view that this should be perhaps reworded to speak to agents in those instances or to collectively refer to a insurance intermediary (as the definition provides for "or") that is contractually bound in any way to the insurer.</p>			
		<p>iv. Clause 5(1)(d) – would a discount granted to a client be considered a payment, allowance or gift or offer of any money or thing of value?</p> <p>v. Clause 5(1)(h) – with regards to direct insurance</p>	<p>iv. NAMFISA to clarify whether a discounted premium (dependent on risk profiling of clients) would be deemed a payment, allowance, gift or offer which is prohibited?</p> <p>v. NAMFISA to clarify / provide for instances where insurers have direct models and how the requirements of insurance</p>	<p>iv. A discount would not be considered a payment, allowance or gift.</p> <p>v. An example is where young men between the ages of 20-35 are</p>	

		<p>models, a no-claim bonus could be considered a rebate, would this fall within this clause that speaks to an insurance intermediary not being allowed to do so?</p> <p>vi. Clause 5(1)(i) – NAMFISA to clarify this requirement in terms of scenarios where premiums are risk rated per client's profile as a blanket "lowest possible rate" would not be feasible in such instances.</p>	<p>intermediaries would relate to these models.</p> <p>vi. NAMFISA to clarify.</p>	<p>deemed risky drivers and for that purpose they are rated high risk and the lowest possible rate is not applicable in terms of inherent risks.</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.9 Amount of commission that may be paid to insurance agents and insurance brokers -					
	INS.S.2.9 (Page 80)	<p>i. 1(2)(3)(v) states that a "registered insurance intermediary" is defined in section 53 of the Act, which is not correct and it should be placed under 1(2)(b) as</p>	<p>i. Correction of reference.</p> <p>ii. Amend heading or delete references made to insurance agents and insurance intermediary.</p>	<p>i. corrected reference to section 4.</p> <p>ii. removed reference to intermediaries "</p> <p>iii.) removed reference to intermediaries</p>	

		<p>ii. defined under section 4 of the Act. 1(2)(e)(v) refers to a registered insurance intermediary which is not defined in section 53 as stated. Furthermore, the heading of this standard is applicable to insurance brokers so reference made to insurance agents is incorrect.</p>			
		<p>iii. Also, Clause 3 indicates that the Standard applies to all registered insurance intermediaries which should be corrected in line with the heading of the Standard i.e. insurance brokers.</p> <p>iv. Clause 13 refers to intermediary services. NAMFISA to define intermediary services or</p>		Amended by deleting the word “intermediary” and replaced with the word “broker” under clause 3 and 13 respectively.	

		clarify what is meant by it.			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	INS.S.2.10 (Page 86)	<p>i. Correct reference made to registered insurance intermediary under clause 1(2)(e) as this is defined under section 4.</p> <p>ii. 1(3) – spelling mistakes of insurance agents.</p> <p>iii. Clause 8 – The requirement of date and time to be recorded - what is the purpose of requiring the indication of time? Furthermore, it is kindly requested that NAMFISA consider the inclusion of recorded conversations in requirement of evidence of point of sale</p>	<p>i. Correction of registered insurance intermediary referral.</p> <p>ii. Correct spelling mistake.</p> <p>iii. Recommend to delete “time”. NAMFISA to consider the inclusion of recording as evidence of acknowledgement.</p> <p>iv. Update numbering for paragraph.</p> <p>v. Recommend for deletion of “risks involved” or perhaps reword to risks covered?</p> <p>vi. Correct numbering.</p> <p>vii. Correct numbering.</p> <p>viii. Include the words “where applicable”.</p>	<p>i. amended by deleting the word “intermediary”</p> <p>ii. amended as recommended</p> <p>iii. Numbering under Definitions of a, b,d to a, b, c”fixed</p> <p>iii. Removed requirement of “time”. (Date of Point of Sale). Also, recorded conversations can be included with consent of policy holder and consent must be provided in the recording.</p> <p>Amended clause 9 to include audio and visual recordings.</p> <p>iv. fixed numbering</p>	<p>viii. the list is non exhaustive but sets the minimum list of information to be covered, hence the use of the words “where applicable” does not suit the phrase.</p> <p>v..Reference to the word “risk” as ordinarily defined in the dictionary meaning the “pros and cons” in as far as they relate to, for example the whole contract terms and conditions and does not relate to insured risks. Note that the sentence should be read as a whole in context of the whole standard.</p>

		iv. information being acknowledged by a client. Next paragraph starts without a number. v. Clause 12 – what is meant by disclosure of risks involved with regards to insurance products? vi. Clause 15, first paragraph starts with (b). vii. Clause 17, correct reference to clause, with new numbering, to be 15(g). viii. Also in clause 17(i) to include the words “where applicable”, as excess amounts to be paid will only be with regards to certain insurance classes.		vi. Amended vii. Amended	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.11 Provisions governing the registration and on-going requirements for a corporate body to act as an agent					

	INS.S.2.11 (Page 90)	<p>i. Schedule 1, 10.1 (i), Aligned registration fee with that provided for in GEN.S.10.23</p> <p>ii. Schedule 1, 10.1(ix) – proof of annual fee (if previously registered). What is an annual fee? Is it the previous levy payment under previous regime, noting that agents did not pay levies? Or is it the annual renewal fee under current regime? So what would need to be provided if previously registered in either instance?</p> <p>iii. Schedule 1, 11 Principal Officer's Declaration makes reference to previous legislation.</p> <p>iv. Schedule 1, 12.1 Align fees to GEN.S. 10.23; also define annual fees or refer to annual</p>	<p>i. Align registration fee.</p> <p>ii. Clarify / define annual fee. Perhaps consider requesting a copy of previous registration certificate? Or delete.</p> <p>iii. Update references made to previous laws.</p> <p>iv. Align fees and wording.</p>	No response needed, draft standard withdrawn as it is no longer applicable.	
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		renewal fees as per the GEN.S.10.23			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.16 Registration of Lloyd's Intermediaries					
	INS.S.2.16 (Page 115)	i. Clause 4, the numbering needs to be corrected. ii. Clause 5, references are made to various clauses however references are not correct, there are no clauses 4(1), 4(2) or 4(3)(a)(b) or (d). iii. Clause 5(b) reference is made to GEN.S. 9.17. Also this clause should be numbered number 9. iv. Part III, clause 6 to be renumbered to clause 10.	i. Correct numbering. ii. Correct numbering and references. iii. Reference to GEN Standard and numbering to be corrected.	i.corrected as recommended ii.corrected as recommended iii.numbering corrected and reference to GEN.S.2.17 is correct iv.corrected as recommended	
Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.17 Voluntary cancellation of brokers registration					

	INS.S.2.17 (Page 119)	i. Schedule 1, Form A, 3. There is a requirement to attach proof of payment however the fee is N\$ 0 as per GEN.S.10.23.	i. Recommend for deletion of requirement for proof of payment.		The proof of payments requested is with respect to renewal or variation fee as per GEN.S.10.23 and not for cancellation.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
FIM Act – Subordinate Legislation					
	Overall General comment – Applicable to all Standards/Regulation	Notice was made of several grammar mistakes/spelling mistakes/omission of words or letters/incorrect use of words, refencing and formatting mistakes throughout the Standards/Regulation.	Care should be taken to review each Standard/Regulation and ensure that all mentioned mistakes/omissions are correct as some of these mistakes can denote a different meaning to a sentence/clause than the intended meaning.	Noted and spelling mistakes, numbering and omissions have been corrected.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirement for insurance brokers					
	CH 2 - Standard No. INS.S. 2.6	Information required: 4. A registered insurance and reinsurance broker is required to submit the following information to NAMIFSA on a quarterly basis, in the form and manner set out in clause 5: amount and number of claims paid by each registered insurer and registered reinsurer or foreign insurer and foreign reinsurer.	An insurance broker will not always be aware/have access to this information. What is the expectation with this subsection?	1. The Act requires the brokers to furnish financial information and this standard list the type of information that brokers must furnish.	

				<p>The information should pertain to information that the broker has access to and in their domain. Alternatively, the entity is encouraged to furnish further information to enhance the list or give substantive reasons why the information should not be included.</p>	
	<p>CH 2 - Standard No. INS.S. 2.6</p>	<p>Supporting Schedules: 11. The following supporting schedules are attached to and form part of this Standard: Schedule 1: SOCI Schedule 2: SOFP Schedule 3: Form(s)-AFI IB</p>	<p>Section 11 refers to supporting schedules however these schedules have not been included?</p>	<p>Inserted relevant Schedules</p>	

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair treatment of clients and policyholders by registered agents and registered brokers					
	CH 2 - Standard No. INS.S. 2.7	General requirements that the information given should comply with 4. A registered insurance intermediary must ensure that - (b) client, policyholders and potential policyholders are provided with such information, illustrations, explanations and responses to questions as may be sufficient for them to evaluate the meaning and importance of the insurance advice being offered, having careful regard for the client's, policyholder's and potential policyholder's knowledge of the subject matter and ability to analyze and assess it before, during and after point of sale;	Practically, this would prove difficult to implement. How should it be determined what a client's knowledge of the subject matter would be?		During the consultation, the intermediary should gauge this through asking the client certain insurance related specific questions. Not always possible, but certainly probable. NAMFISA also wants to follow a more principle-based approach by leaving this to the institution and not providing specific methods applied. The intention of this provision is to ensure that clients have all required information to make an informed decision.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 Amount of commission that may be paid to insurance agents and insurance brokers					
	CH 2 - Standard No. INS.S. 2.9	Definitions: (2) Words and phrases defined in the Act have the same meaning in	"(v) registered insurance intermediary" definition cannot be found in Section 53 and reference should be corrected.	i.corrected reference to section 4 of the	

		<p>this Standard, unless the context indicates otherwise, including without limitation, the following: (e) as defined in section 53 of the Act –</p> <ul style="list-style-type: none"> (i) insurance agent. (ii) Insurancebroker (iii) registered insurance agent; (iv) registered insurance broker; and (v) registered insurance intermediary. 		<p>Act by and deleted the reference to “intermediary”.</p> <p>ii.corrected the tile to read “broker”</p>	
	CH 2 - Standard No. INS.S. 2.9	<p>General information: 2. This Standard applies to all registered insurance intermediaries, Lloyd’s intermediaries, and registered insurers. (b) Standard No. GEN.S. 10.10 – Outsourcing.</p>	<p>“This Standard applies to all registered insurance intermediaries” however the FIMA section 410(3)(x) only refers to commission payable to brokers and not insurance intermediaries. Please clarify to whom this standard applies? Should the standard not apply to brokers only.</p>	<p>Rectified. The standard applies to brokers only.</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INSURANCE					
	Section 55(1)	<p>Subject to subsections 54(3) and 54(4), a registered insurer may apply to NAMFISA for the registration of certain individuals as insurance agents by submitting a copy of the list maintained by the insurer of those individuals, together with any required registration fee for each such individual (for the purposes of this</p>	<p>The FIM BILL makes it clear that an insurer registered with NAMFISA pursuant to the promulgation of the FIM Act shall be deemed as registered under the FIM Act. In the case of listed individuals/agents, it is unclear whether they would be deemed as registered or if they should be re-registered. Could you clarify please.</p>	<p>Section 60 (1) provides that an agent or broker previously registered under the LTI and STI Acts will be deemed to be registered and sub section 2, provides for</p>	

		section and section 56 referred to as a “listed individual”).		reregistration within 12 months.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
	INS.S.2.10: Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders				
	INS.S.2.10 – Clause 4, Clause 12 Clause 14(a)-(h) AND GEN.S.10-17 Description of Plain Language – Clause 3(4)	<p>5: The point of sale information must be disclosed or provided in good time before the policy contract is concluded, and the information should enable an informed decision to be made by the policyholder or potential policyholder before the conclusion of the sale of the insurance product.</p> <p>12: Registered insurance intermediaries and registered insurers must obtain acknowledgements, in writing, from policyholders or potential policyholders that they have received and understood the point of sale information provided.</p> <p>14: Disclosure of rights and obligations: Registered insurance intermediaries must inform policyholders or potential policyholders at the point of sale of their rights and obligations inherent in or</p>	<p>King Price has a modern, fast-paced on-boarding model for clients, which is in line with many trends world-wide. Our Personal Lines Direct sales are made via recorded telephonic correspondence, i.e. a verbal contract. General Ts & Cs are communicated within the sales call. Immediately after the sale is made, the client is informed to check his email for his policy schedule and the King Price Policy Document. Clients are expected to review the specifics on their policies and to contact client care if they have an issue. If a misunderstanding should arise in the future as to the “meeting of the minds” between insurer and client, we can pull the recorded calls to verify what was actually agreed upon.</p> <p>Additionally, this model is also based on our goal to go “paperless” and push for a more environmental friendly/“green” operation.</p> <p>Our on-boarding model is exactly the same as KP South Africa’s model which is also subject to the Treating Customers Fairly principles.</p>	<p>Amended the standard to permit audio or visual recordings as well as written. The intention of this clause is to ensure that all required information for the client to make an informed decision is availed to the client, before purchasing the product.</p>	

		incidental to a policy contract before conclusion of the sale of the insurance product, including but not limited to:-	If the provisions on the left would be strictly interpreted, our on-boarding model would fail to comply with the requirements. Can NAMFISA provide clarity on how these provisions would be interpreted and if exemptions can be made in this regard?		
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
GEN.S.10-10: Outsourcing of functions and responsibilities by financial institutions and financial intermediaries					
	GEN.S.10-10: Clause 5(2) Clause 5(4) Clause 9(1)-(2) Clause 14	<p>Requirements related to Outsourcing Agreements:</p> <p>9(1): An off-shoring arrangement means the outsourcing of a material business function by an industry participant to a service provider located outside Namibia or to a service provider located in Namibia but who conducts the material business function outside Namibia.(2) A regulated person must consult with NAMFISA prior to entering into an Outsourcing Agreement with any service provider referred to in sub-clause (1) so that NAMFISA may be satisfied that the risks of the off-shoring arrangement are adequately addressed by the industry participant's risk management framework.</p>	<p>What is meant by "Outsourcing" or "off-shoring" in these provisions?</p> <p>In light of the fact that almost all financial service providers are affiliated with South African companies under the same Group company and share many similar services, we would like to clarify when the service to be provided is seen as an "outsourced service".</p>		The terms "Outsourcing" and "Offshoring" are terms used to describe an arrangement or agreement where a registered entity uses a third party to provide services that it would otherwise have been providing to its clients regardless of any relationship with that third party. Please refer to GEN.S.10.10 Outsourcing standards on definitions and requirements to be met.

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
General Comment					
		The Gazette is silent on the timelines within which industry can expect feedback from NAMFISA in respect of the draft standards.	We would appreciate an indication as to when the final or amended standards will be published. Furthermore, we appeal to NAMFISA to publish these amended standards well in advance of the commencement date, so as to allow industry sufficient time to prepare for implementation. There is quite a bit of uncertainty around some of these standards and clarity should be provided before the commencement date, to allow industry sufficient opportunity to prepare for meaningful implementation and compliance.	Refer to the timelines in the implementation plan shared by NAMFISA with the industry	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Standard No. PRE.S.1.1					
	Standard No. PRE.S.1.1	The categories of professions and persons of which an expert must be a member for the purposes of the definition of "valuator" in section 1 of the Act		No comment or question here.	
	Section 3	Provides as follows: "Subject to clauses 4, 5, 6 and 7, and subject to the approval by NAMFISA, an individual who falls within any of paragraphs 3(a), 3(b) or 3(c) may be appointed, retained or employed as a valuator by a financial institution or financial intermediary or required by NAMFISA to make a valuation report with respect to a financial institution or	Kindly advise what the correct interpretation/position is. May the insurer employ its valuator? It is proposed that this should be allowed, as the valuator in the employ of an insurer has the knowledge and understanding of the business of the insurer, required under section 5 of this standard. Additional reasons in support of such employment is also advanced by MMN under our commentary on the General Standard on Independence, GEN.S.10.8. Kindly consider.		The insurer may not employ a valuator under its employ to avoid the risk of conflict of interest. The word "employ" is used in the general sense. Please read together with GEN.S.10.8. ,

		<p>financial intermediary under the Act”</p> <p>This creates the impression that it is possible for a valuator to be in the employ of the insurer, notwithstanding the provisions of the General Standard on independence, namely GEN S.10.8, which prohibits such employment.</p>			
	Section 3(b) and 3(c)	<p>Provides for other parties that may act as valuator. It is our submission that the actuarial profession is the only profession with established appropriate practice standards to perform valuations. The appointment of non-actuaries as valuator could compromise the quality of valuations.</p> <p>We take note of the White Paper by the Society of Actuaries of Namibia (SAN) in which this concern was also raised. NAMFISA responded that in respect of certain entities an actuary will not be required to fulfill the role of valuator – ie. friendly societies.</p>	Reserve the Valuator role for Actuaries or alternatively specify in which instances or entities it will not be necessary to appoint an actuary as valuator, so as to ensure consistency and remove uncertainty in this regard.		<p>We cannot reserve the valuator role to actuaries as there other professions that may perform the valuation that meet the requirements referred in the standard. The appointed valutors will still have to be approved by NAMFISA</p>
	Section 5	<p>“A person may not be appointed, retained or employed as a valuator unless, in the opinion of NAMFISA, the person:</p> <p>(a) has the necessary training, knowledge and</p>	We propose that this position be carried over to the General Standard on Independence, namely GEN.S.10.8, in order to allow for valutors to be employed by insurers in certain instances.		<p>GEN.S.10-8 deals with all other professions, whereas this one is specific to Valutors.</p>

		<p>experience to understand the business of financial institutions and financial intermediaries in Namibia; and</p> <p>(b) has the necessary training and knowledge to understand the specific business of the financial institution or financial intermediary concerned, and at least five years' experience working with:</p> <p>(i) such a financial institution or financial intermediary; or</p> <p>(ii) with another valuator who has been appointed, retained or employed as a valuator by such a financial institution or financial intermediary."</p> <p>As with section 3 above, this again suggests that a valuator may be employed by the insurer.</p> <p>Furthermore, it is indeed supported that such a valuator should have experience and understanding of the specific business of the insurer. It would follow that such experience and understanding can only truly be meaningfully gained by being employed within the insurer.</p>			<p>The requirement that the valuator be independent and should not be in employment of the insurer is stayed to avoid risk of conflict that may arise as a result of the relationship</p>

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Standard No. INS.S. 2.1 Capital Adequacy Requirements for Registered Insurers and Reinsurers					
	Standard No. INS.S. 2.1 General comment	As insurers that are already registered under the Long-Term Insurance Act will not be required to re-register within 12 months (ie. deemed registration) – by when will this standard become effective or by when will existing insurers need to apply therewith? Will it be on commencement of the FIMA? Is it possible to early adopt – ie. even before FIMA commencement?	Kindly advise as to the commencement date for this requirement and whether early adoption is possible.		It is not a requirement before but encouraged and the proposed implementation date is communicated in the implementation plan that was shared with industry.
	Section 4(6)	“...Each cell the registered insurer or registered reinsurer will be able take credit for the diversification benefit between the cell and the registered insurer or registered reinsurer of up to 15% when aggregating the SCR for cell captive business.” Does this mean equal to 15% or up to 15%? Does insurer have ability to apply discretion to apply diversification between 0%-15%?	More guidance required by regulator on how to derive diversification benefit to be applied across aggregated SCR for cells if interpretation is to mean “up to 15%” as opposed to equal to 15%.	Based on the level of risk taken, this can be between 0% and 15%. The formula for aggregating cell SCR is shown in 4(7).	
	Section 4(7)	The formula reference $0,0.3*OP$ expenses + $0.025*TL$ For this formula, it should be the operating expenses of the cell. The same for Technical Liabilities - it	Define operational expenses and technical liabilities for the cell and ensure that this is carried over to the formula.		Operational expenses is defined under Definitions in clause 1(1)(j) and 1(1)(p).

		should refer to the Technical Liabilities of the cell and not of the business.			
	Schedule 1, Section 3, Table 3	International and national scale ratings don't correspond e.g. AAA Namibian national scale does not equate to A+ to A- international scale rating	Amend national scale rating mapping such that it corresponds to international scale rating e.g. Namibia sovereign is rated BB (Jan 2022) on an international scale which would correspond to a Namibia national scale rating of AAA+ for example		The ratings do not necessarily need to be mapped to their equivalence. They don't always tally in that way. As per the note 5 under these tables: "National ratings should only be used if no international rating is available". Therefore, as long as there is an international rating, this is used first. The national rating will only be used where there is no international rating.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Standard No. INS.S.2.2 The determination, calculation and valuation of the assets and liabilities of registered insurers for the purposes of Capital Adequacy, including Namfisa's right to change a valuation under circumstances determined in such standard					
	Section 22(1)	"Generally, the valuation method of the assets and	Kindly clarify		The idea is to have the valuation

		liabilities of a registered insurer or registered reinsurer and the approach taken must, at a minimum, consider the following - (a) assets and liabilities must be valued on a consistent basis to obtain a meaningful insight into the solvency position of the insurer or reinsurer and to understand the financial position of the insurer or reinsurer relative to that of other insurers or reinsurers;" Kindly advise what is intended by 'consistent basis' – ie. how frequently must assets and liabilities be valued? Or is it intended that each insurer decides this for itself?			methodology of assets and liabilities that is consistent and not necessarily frequency.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.3 Manner and form of application for registration of insurers and reinsurers, and the manner in which Namfisa may approve additional classes of Long-term Insurance business and additional classes of Short-term Insurance business for the purposes of section 8					
	Section 6(1) and (2)	Provides that incomplete applications will be rejected and in the case of an incomplete application 7 days are afforded to rectify the incompleteness. The corresponding timeline / obligation for NAMFISA to respond to applications is not provided.	Propose that the Regulator also commits to responding within stipulated timelines.	NAMFISA's response timelines are communicated to the regulated entities through an agreed upon SLC	
	Schedule 2	There is a section to be completed by 'key persons'.	Kindly include a comprehensive definition for 'key persons' to be used	GEN.10.2 FAP standard defines	

		<p>Furthermore, there is a footnote which defines 'key persons' as: "those individuals with the ability to control a regulated institution in terms of AML and/or those individuals holding more than 20% of the company's voting rights, or who hold senior management positions, e.g. CEO, etc."</p> <p>Kindly note that, with the exception of the footnote, there is no consistent definition provided within the standards for 'key person'. It would allow for more consistency if 'key persons' was included in the definition section.</p> <p>Furthermore, would the person responsible for Compliance also be regarded as a key person, similar to the individuals controlling AML in the business and as is currently required under the Stock Exchange Determination in respect of compliance officers for Investment Managers?</p> <p>What is meant by senior management? Is it the executive or would it include middle management below executive level as well?</p> <p>There is some uncertainty as to who exactly would be regarded as a key person and the current explanation</p>	<p>consistently within all standards. Kindly also elaborate on whether Compliance functions will be included in this definition and on whether only executive management will be regarded as key persons.</p>	<p>key person and the definition in this standard has been aligned accordingly.</p> <p>Therefore, if the compliance officer functions in the specific entity fits the criteria as per the definition, then such a compliance officer will also be regarded as a key person.</p> <p>The term senior management has been defined as "a team of individuals at the highest level of a registered insurer or reinsurer's management who are involved in the day-to-day responsibilities of managing the insurer or reinsurer, and who hold specific executive powers conferred onto them, with and by authority of the board, and may include the principal officer</p>	
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		provided in the standard is open to interpretation.		and line management.”	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.4 Registration requirements for Insurance Broker					
	Schedule 1	Section 7 of this Schedule refers to the documents that need to be attached to the application. Kindly note that all these listed documents have a 'R' in front of them, which is a spelling mistake. For example: (ii) RProof of bank account (iii) RIf registered with NAMFISA previously, proof of payment of annual fee (iv) RAbridged or shortened CV (v) Rmarriage certificate Etc	Kindly remove the 'R' in front of the various document requirements – ie. remedy the spelling mistake.	The “R” has been deleted	
	Schedule 1	Section 13 on this form deals with the movement of insurance brokers within the industry and provides as follows: “NAMFISA must be notified immediately of any movement of an insurance broker from one insurance broker to another or upon an insurance broker exiting the industry.” This section does not stipulate who is responsible to inform NAMFISA of such movements. Is the ultimate	Kindly clarify who must notify Namfisa of movements and the maximum timeframe within which such notification will be required – suggest 30 days.	Section 13 under schedule 1 has been deleted and no longer applicable for purposes of this standard	

		responsibility with the broker, or with the insurer or both? Furthermore, whilst it requires notification to be immediate, it does not specify a timeframe within which notifications must, at the latest, be made to NAMFISA (as is standard practice when notification is required – ie. must inform NAMFISA within 30 days etc).			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.5 Exemptions					
	Section 2	<p>“This Standard applies to - (a) every foreign insurer and foreign reinsurer; (b) every registered insurance broker proposing to effect or renew insurance with a foreign insurer or foreign reinsurer pursuant to section 70(2) of the Act; and (c) every registered insurer or registered insurance broker proposing to reinsure the whole or any part of the business of a registered insurer.”</p> <p>The Standard appears to be silent on existing reinsurance agreements, as it applies only to ‘proposal’ to reinsurer or to the ‘effecting or renewing’ of reinsurance. Does that mean that the</p>	<p>Kindly confirm whether existing exemptions in respect of reinsurance will remain in force or whether insurers will be expected to re-apply for exemption?</p> <p>Propose that existing agreements should remain in force so as not to prejudice the insurer and its clients.</p>	<p>Matters with regards to existing contracts are dealt with under the transitioning provisions of FIMA. Ref to section 467(3) schedule 3 of FIM. In short Paragraph 3(3) of the schedule briefly, states that ...contracts that exits now remain valid under FIMA and its 3(5) so do any unfulfilled obligation or rights</p>	

		standard will not apply retrospectively and that existing reinsurance agreements will remain in force? Most treaties are open-ended and do not necessarily renew.			
	Section 3(2)	<p>“A registered insurance broker or registered insurer proposing to place reinsurance with a foreign reinsurer must make an application to NAMFISA for an exemption under section 5(2) of the Act, which application must be in the form of Schedule 1 to this Standard, and must contain -</p> <p>(a) evidence that -</p> <p>(i) the policy benefits required cannot be provided by a registered reinsurer; or</p> <p>(ii) an explanation of the reason that the terms of the policy benefits that could be provided by one or more registered reinsurers, are not equitable; and</p> <p>(b) evidence that every registered reinsurer was offered an opportunity to participate in a reinsurance arrangement before considering placing the policy with a foreign reinsurer or with one or more foreign reinsurers.”</p> <p>It is our interpretation that this means that no reinsurance may be placed</p>	It is requested, given the uncertainty around the constitutional challenge, that this provision either be suspended until the court challenge has been settled or, at a minimum, that subsection (b) be suspended until such time as the court challenge has been settled.		<p>The applicability of clause 5(2) will apply to NamibRe or future locally registered reinsurer. FIMA will still require approval to take place for any business to be placed outside Namibia and that there should exist conditions under which such approval would be granted, hence the requirements will still apply irrespective. In an instance where there will be no local reinsurer, then a no quote or proof thereof will have to be provided.</p>

		<p>with foreign reinsurers unless specifically approved by NAMFISA. As NAMIBRE is also the only local registered reinsurer, it thus forces insurers to reinsure with NAMIBRE and certainly, to offer the reinsurance to NAMIBRE first before approaching foreign reinsurers.</p> <p>What is the impact of the ongoing constitutional challenge between the insurance industry and NAMIBRE on the operation of this standard? Especially subsection (b), which gives NAMIBRE a pre-emptive right, might directly impact upon insurers that are challenging the NAMIBRE Act's provisions.</p> <p>Furthermore, the insurer must provide evidence that terms/benefits are not "equitable". This is vague and open to interpretation.</p>			
	Section 4(2)(f)	<p>Requires that "the specific policy and any related documents to be issued by the foreign insurer or foreign reinsurer are in plain language in accordance with section 29 of the Act and Standard No. GEN.S. 10.17, Description of plain language."</p> <p>Respectfully, by virtue of the very nature of a Reinsurance</p>	<p>Suggest that the plain language requirement be waived in respect of Reinsurance Agreements specifically, or that the wording be amended to provide for plain language 'as far as is reasonably possible' in respect of Reinsurance Agreements.</p>	<p>The clause has been deleted. Compliance to section 29 FIMA and GEN.S.10.17 excludes policies written for the clients that are financial institution or</p>	

		Agreement and how technical it can be, it is not always possible to use plain language. It is also to be noted that reinsurance contracts are entered into between specialist financial entities – namely insurer and reinsurer, and that therefore there is no real motivation or reason for the document to be in plain language, given that this contract is not intended for lay persons or the man on the street / client.		financial intermediary	
	Section 9(5)	<p>“The proportion of insurance business ceded by a registered insurer or registered reinsurer to any one exempted foreign reinsurer in respect of any one risk must not exceed 80% of the sum insured or the liability limit of the underlying insurance policy, except in the case of specialized insurance business as referred to in sub-clause (4) or start up insurers or reinsurers with less than 3 years of operations.”</p> <p>The Standard is silent on existing reinsurance agreements which exceed these limits.</p>	<p>What will be the position in respect of existing reinsurance arrangements/agreements? If the limits currently exceed this 80%, will insurers be expected to review their agreements and, if so, will they need to re-apply for exemption to place the reinsurance, even though these agreements were already previously exempted by Namfisa?</p> <p>Propose that existing agreements should remain in force so as not to prejudice the insurer and its clients.</p>	S467 FIMA deals with issues pertaining to transitioning. Paragraph 3(3) of the Schedule stays existing agreements in as far as they are valid and comparable to FIMA, Provisions also allows for time for entities to transition where practices / arrangements will be out of line or become non compliant to the FIMA.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirements for Insurance Brokers					

	Section 4	<p>Requires the broker to report on the following to NAMFISA, namely:</p> <p>“(e) the amount of any other fees paid to or received from any registered insurer and registered reinsurer; (f) amount and number of claims paid by each registered insurer and registered reinsurer or foreign insurer and foreign reinsurer;</p> <p>(g) a report on all complaints received inclusive of how each complaint was dealt with; and</p> <p>(h) full details on the volume and types of policies sold.”</p> <p>Kindly note that some of this data is not available to the broker. Specifically:</p> <p>e) the fees paid – is this only the fees paid by the broker to the insurer or all fees paid to the insurer?</p> <p>f) the claims paid – is this in respect of only those clients of the broker or all claims by the insurer?</p> <p>g) complaints received by the broker or the insurer? All complaints or only those from the broker's clients?</p> <p>h) details of policies sold by the broker or generally by the insurer?</p> <p>The above reporting requirements are not entirely clear and are open to</p>	Kindly provide greater clarity on these requirements to ensure the correct information is reported.	Clauses have been amended and clarified where necessary. Brokers will be expected to report on information in their domain whether for or against them.	
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		interpretation. Furthermore, the broker can only report on information /data at his disposal and in respect of his own functions, and will not have data that is specific to the insurer.			
	Section 11	“The following supporting schedules are attached to and form part of this Standard: Schedule 1: SOCI Schedule 2: SOFP Schedule 3: Form(s)-AFI IB Schedule 4: Form(s)-NFI” Kindly note that these are not attached to the standard that has been gazetted.	Kindly attach the documents and allow for sufficient time for industry to consider and provide input thereon.	Schedules inserted	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair Treatment of clients and policyholders by Registered Insurance Intermediaries					
	Section 4	“A registered insurance intermediary must ensure that – (b) client, policyholders and potential policyholders are provided with such information, illustrations, explanations and responses to questions as may be sufficient for them to evaluate the meaning and importance of the insurance advice being offered, having careful regard for the client’s, policyholder’s and potential policyholder’s knowledge of the subject matter and ability to analyse	Would suggest perhaps adding that a registered insurance intermediary must ensure, to the extent that is reasonable under the circumstances OR on a balance of probabilities ...in order to somewhat remove the element of subjectivity. Alternatively, kindly consider or advise of measures that can be put in place to prevent the abuse of this provision.	The insertion of “reasonable under the circumstances” at the end of the sentence removes the burden placed on the brokers. There is still a duty, it is just objective. NAMFISA also wants to follow a more principle-based approach by leaving this to	

		<p>and assess it before, during and after point of sale;”</p> <p>How will this be realistically/practically enforced? This is entirely subjective. Firstly, how will an intermediary realistically know what the level of understanding or knowledge of a client is? Secondly, who decides whether the information given was sufficient to enable the client to evaluate same – the client or the view of the intermediary? This opens up an avenue for a client or policyholder, who understood advice perfectly before, to now claim that they, subjectively speaking, did not actually understand. This is subject to abuse by savvy clients who no longer wish to be bound by their contractual arrangements.</p> <p>It is certainly agreed that client understanding is a core requirement for advice and integral to fair market conduct practices. However, what measures or mechanisms will be put in place to counter the inherent subjectivity in this requirement and to prevent abuse of the system? Will a statement by a client to the effect that they fully understood the advice, be</p>		<p>the institution and not providing specific methods applied. The intention of this provision is to ensure that clients have all required information to make an informed decision.</p>	
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		sufficient as an indication of their subjective understanding at the time?			
	Section 5 (1)(i)	<p>“in connection with - (i) a request for a quotation or an application for insurance made to a registered insurer that is an affiliate of the registered insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound; or (ii) an offer by an insurer that is an affiliate of the insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound to renew an existing policy, fail to provide the lowest rate available, within the meaning of sub-clause (2), from the insurer by which the registered insurance broker is employed or to whom the registered insurance broker is contractually bound or from any registered insurer that is an affiliate of that registered insurer;”</p> <p>What is the intention behind this requirement?</p>	Kindly clarify what is intended by this section		<p>The broker must not fail to give the lowest rate to the client even where they may be having an obligation to renewals. They must always act in the best interest of the client at all times.</p> <p>However, amended the clause by removing reference to employment relationship to make it more clear, noting the broker is not an employee of insurer.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):

NS.S.2.8 Matters with respect to entities commonly known as cell captives					
	Section 1(a)	Definition of “rent a captive” specifically excludes contingency policies.	Kindly define contingency policies and clarify treatment specifically with regard to CAR and solvency requirements.	1. Correct reference is 1(g).	Contingency policies are expressly excluded, therefore they are not relevant with regards to CAR treatment
	Section 3(3)	<p>Provides that subsection 2 “shall also apply to any amendment or renewal of an agreement, and to any amendment of the share conditions”.</p> <p>Subsection 2 provides:</p> <p>“A cell provider must, before</p> <p>-</p> <p>(a) entering into a shareholder’s agreement, business agreement or any other agreement governing its relationship with a cell owner; or</p> <p>(b) issuing shares to a cell owner, ensure that the terms and conditions of the agreement and the issuing of the shares comply with the provisions of this Standard and forthwith notify NAMFISA.”</p> <p>In other words, all new cell captive arrangements and all existing arrangements that are being amended or renewed, must comply with this standard and NAMFISA must be notified thereof. However, the standard is silent as to pre-existing cell</p>	<p>Kindly specify what the arrangements will be in respect of pre-existing cell captive arrangements that do not renew or are for an indefinite period of time.</p> <p>If the intention is that all cell captive arrangements must comply, we would propose that a period be included in the standard within which the insurer and cell owner must review their agreement and align to the standard – ie. a date by which pre-existing agreements must all be compliant with the standard.</p>	All arrangements/ agreements must comply with the current standard and s467 FIMA and schedule 3 which deals with the transitional arrangement matters.	

		<p>captive arrangements that do not renew or that are for an indefinite or undetermined period of time. Is it the intention that existing agreements that do not renew do NOT have to comply with this standard – ie. that the standard will not apply retrospectively? Or is it the intention that all cell captive arrangements, both existing and new, need to comply?</p>			
	Section 4(2)	<p>“A cell provider may not act or operate as a front by transferring all risk to any other entity without underwriting or incurring any liability, and policies issued by the cell provider must clearly indicate that the cell provider is the underwriter. “Fronting” or “fronting practices” do not appear to be defined, which renders this section vague. This is currently open to interpretation.</p>	<p>Kindly define ‘fronting’ and clarify this requirement.</p>		<p>The term fronting is not used in order to require a definition but rather clause 4(2) explain the conduct that is prohibited “A cell provider may not act or operate as a front by transferring all risk...”, “front” meaning to cover for, façade or pretend. Therefore, a literal meaning should be used for the word front.</p>
	Section 4(4)	<p>“A cell provider who underwrites unrelated insurance business risks within a cell captive should ensure that it has adequate risk management framework</p>	<p>Suggest that ‘unrelated insurance business’ be clarified or expanded upon, so that cell providers know exactly what business would fall foul of this requirement.</p>	<p>Unrelated insurance business risks would refer to insurance business risks not homogenous</p>	

		or policies and processes in places.” What is meant with ‘unrelated insurance business’? Does it mean insurance that is in respect of a different class of insurance than for which the cell provider/insurer is registered with NAMFISA?		across the cells. The words must be read together in context of the whole clause	
	Section 5(2)	“The cell provider must ensure that the cell owner adheres to and complies with:- (a) Standard No. GEN.S.10.3 - Corporate Governance; and” Kindly note that the Corporate Governance Standard has not yet been gazetted.	Publish the Corporate Governance Standard and allow sufficient time for industry input.	The standard is now published. also the proposal to consolidate be considered (2.19) insert under 5(2)(a).	
	Section 6	“Registered insurance intermediaries engaging or transacting in cell captive insurance or reinsurance business must disclose to clients or potential clients, prior to the purchase of any insurance or reinsurance product:- (b) that the client or potential client is entitled to obtain the insurance product from another registered cell captive insurer;” What about cell captive business where the insurance is built into or incorporated in the product – ie. Toyota warranties?	Kindly consider and advise.		Warranties in the ordinary course of insurance business to be treated differently from the insurance to cover the product. clause “d” is necessary as the existence of warranty must be disclosed to the client, therefore no need to exclude “d”.

	Section 9	<p>“Consistent actuarial assumptions must be used between the cell captives, where appropriate, to value each cell captive’s business, otherwise the valuator may take account of the experience of each cell captive when determining the basis for each cell captive.”</p> <p>It is unclear what this section means.</p>	Kindly clarify this requirement		The statement states that the basis must be consistent between cells and must take into account the experience of each cell.
	Section 13(2)	<p>“The dissolution clause in the shareholders agreement or policy contract must comply with the requirements of the section 449 of the Act.”</p> <p>Section 449 deals with the application for amalgamation or transfer.</p> <p>Is it the intention that the cell owner or insurer make application for an amalgamation / transfer of the cell captive business to the insurer/cell provider, or is this only intended for those instances where the cell captive business is to be transferred to a third party?</p> <p>It is unclear why / what the rationale is for applying for an amalgamation or transfer when the cell captive agreement terminates.</p>	Kindly clarify this requirement and explain the rationale behind this intended process.	The desired process to be followed relates to dissolution of a cell captive. reference has been corrected to refer to section 445 of FIMA, winding up as intended.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 Amount of commission that may be paid to Insurance brokers					

	Heading	Kindly note that the heading repeats the word 'insurance' in error.	Kindly delete the extra 'insurance' in the heading of the standard	deleted repeated word	
	Section 2	<p>States that this Standard applies to all registered insurance intermediaries. However, Section 54(5) of the FIMA states that the commission standard applies to insurance brokers. Also, Schedule 1 of the Standard on registration of insurance brokers provides that Commission payable to an insurance broker must be in accordance with the Standard on Commission. Note, however, that a similar requirement/reference is not to be found in the standard on registration of corporate insurance agents. The fact that the commission standard is only referenced as applicable to brokers in the FIMA and other standards (ie. and not referenced for agents) creates the impression that the commission standard only applies to brokers. It is unclear why the FIMA would only reference brokers, as the Standard on Commission applies equally to insurance agents as well (ie. to all insurance intermediaries).</p>	Kindly confirm the correct position. Consider including a reference to the commission standard when dealing with registration for agents as well.	Correct the reference, to indicate that the standard applies to brokers. It is only brokers whose remuneration for intermediary services is limited to commission only, agents remuneration can be structured anyhow and will not be limited to commission only.	

	Section 3	<p>"This Standard must be read in conjunction with: (b) Standard No. GEN.S. 10.10 – Outsourcing." It is unclear what the relationship or connection is between the Standard on Commission and outsourcing. The appointment of financial intermediaries does not constitute outsourcing and therefore that standard is not applicable.</p>	Kindly advise why there is a reference to the Outsourcing Standard or alternatively delete the said reference.	There are elements of outsourcing involved in the services that brokers may undertake on behalf of the insurers i.e premium collection, thus reference to this Standard is necessary.	
	Section 7	<p>"No commission shall be paid, allowed, given or accepted on a policy before the date on which the premium, in respect of which the commission is based, is paid to the registered insurer concerned, except that commission relating to any particular policy year may be paid, allowed, given or accepted at the commencement of that year and in advance of receipt of any premium for that year by the registered insurer, provided that:- (a) for the purposes of calculating the amount of the commission payable in advance, it must be assumed that the premium becomes due with the same frequency as the commission; and (b) if any such premium remains partially or wholly</p>	Kindly confirm the correct interpretation. Kindly advise whether there is a difference between savings and risk policies in respect of the payment of commission – ie. when commission is paid?	<p>Yes, there is a difference between the commission payment of savings and risk policies in the rates and formulas as depicted in the table. The risk policies are contained in under Table 1 (1-4), the saving policies, Table 1(5) and Table 2 ..</p> <p>The payment of commission is determined between the parties.</p>	

		<p>unpaid, the registered insurer shall reverse the commission relating to the unpaid amount or the whole, as the case may be, of such premium within 24 months.”</p> <p>It is our interpretation/understanding that this means that upfront commission is ONLY payable on policies where the premium is payable annually. Where premiums are payable monthly or in other intervals, the premium must be received first before we pay commission. Is this the correct interpretation?</p> <p>If commission is paid in advance of receipt of premium on policies where premium is not payable annually, will that then be a breach / non-compliance?</p> <p>It is unclear from this whether commission is only payable upon receipt of premium in respect of all policies (ie. savings and risk policies). Will commission still be payable only upon receipt of premium in respect of pure risk policies?</p> <p>Kindly note that clients enjoy cover from the moment the policy is accepted and not only when first premium lands/is received.</p>			

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point of Sale information to be provided by Insurers, Insurance agents and Insurance brokers to policyholders and potential policyholders					
	Numbering errors	Kindly note that section 1(c) is missing, the section goes from (b) directly to (d) – is something missing? Similarly there is no clause/section 2 – it jumps from clause 1 directly to clause 3. Clause 6 references clause 4, when the number is actually clause 5.	Kindly consider the numbering of this entire standard and correct same where needed.	numbering corrected	
	Section 1(3)	“This Standard applies to all registered insurers, registered insurance agents and registered insurance brokers.” Kindly note that there is a spelling mistake in this sentence. Furthermore, in the earlier standard on commission, Namfisa refers to ‘insurance intermediaries’. Now it refers to insurance agents and insurance brokers. Why not just use ‘insurance intermediaries’ – as used in commission standard?	Kindly amend ‘insurerance’ – must be ‘insurance’. Kindly consider the use of terminology across the standards and ensure that words and phrases are consistently applied throughout.	Corrected spelling	
	Section 9	“Point of sale information must be provided in writing.” We understand that the reason same must be in writing is as evidence of disclosure. However, what about those clients that cannot read? We have a	Suggest making provision for verbal disclosure in instances when it is not possible to disclose in writing.	amended the clause to include audio and visual recordings.	

		large client base that is in rural parts of Namibia and that cannot read or cannot read well.			
	Section 15	“Registered insurance intermediaries must inform policyholders or potential policyholders at the point of sale of their rights and obligations inherent in or incidental to a policy contract before conclusion of the sale of the insurance product, including but not limited to...” It is unclear whether this disclosure is also to be in writing?	Kindly advise / confirm	Written as well as audio and visual recorded, it will mainly depend on the mode of communication chosen by the parties (client and insurer)	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.11 Provisions governing the registration and on-going requirements for a corporate body to act as an agent					
	Section 8	“Any revisions to a code of conduct must be approved by NAMFISA in order to maintain the registration of the corporate agent.” This requires revisions of the code to be approved, but makes no mention of the approval of the main code. Is this an oversight or will only revisions be subject to approval? We note that there is only a requirement for approval of the code of conduct for	Kindly confirm the correct position as it pertains to the approval of codes of conduct for various industry participants, as this is not clear.	No response needed, draft standard withdrawn	

		corporate insurance agents. We cannot find a similar approval requirement for the codes of insurers and brokers. Kindly confirm whether this is correct and that no such approval is required?			
	Schedule 1 Section 12(6)	“NAMFISA must be notified immediately of any movement of a corporate insurance agent from one registered insurer to another, or upon a corporate insurance agent exiting the industry.” This section does not stipulate who is responsible to inform NAMFISA of such movements. Is the ultimate responsibility with the agent, or with the insurer or both? Furthermore, whilst it requires notification to be immediate, it does not specify a timeframe within which notifications must, at the latest, be made to NAMFISA.	Kindly clarify who must notify Namfisa of movements and the maximum timeframe within which such notification will be required – suggest 30 days.	No response needed, draft standard withdrawn	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.12 The determination of what constitutes a sound financial position of registered insurers or reinsurers					
	Section 3(e)	“the insurer or reinsurer maintains standards of corporate governance that	Kindly gazette the Governance Standard and allow for sufficient time for industry input.	The standard was published in April 2022	

		are at a minimum as high as those required by Standard No. GEN.S. 10.3 - Governance of financial institutions and intermediaries;" Kindly note that the said Governance Standard has not been gazetted			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
General					
	General		"(1) INS.S.2.17 makes reference to Broker Controlling Body requiring to issues confirmation that the membership to the Body has terminated. What is the role of the Broker Controlling Body under the provisions of FIMA as there is no obligation created for a broker, whether an individual or corporate, to be registered with the controlling body. If the expectation is that the broker's affiliation to the controlling body is mandatory, is it proposed that the confirmation of continued affiliation to the controlling body also be reference in GEN.S.10.25 (Annual Renewal)"	The reference to broker controlling body has been deleted as is not applicable	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.4 Registration requirements for brokers					
		General	"General: (1) Heading of the standard to make reference to both insurance and	Referencing and numbering errors fixed	The definition of "insurance brokers" includes corporate insurance brokers.

			corporate insurance brokers as the standard is applicable to both. (2) Cross referencing and number of the standard needs to be corrected"		Refer to section 53 of FIM.
	Clause 1(c)		What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons	
	Clause 4(1)	The heading should reference to both Insurance and Corporate Insurance Brokers as the Standard is applicable to both	Are individual brokers, affiliated to corporate brokers also required to register as the provisions are currently rather ambiguous	If they fall under the corporate brokerage, then the answer would be no. But all individual brokers must be registered as such.	
	Clause 4(2)		What are the expectations for FAP Statements as it relates to key persons? Current wording only implies either the individual broker or corporate broker submit a FAP statement. There is no expectation created that FAP statements should be submitted for key persons.	All key persons juristic and natural persons will be expected to complete the FAP forms under GEN.S.10.2 Fit and Proper Requirements standard.	

	Clause 6 (2) & (3)		Is the 'errors and omission insurance policy' the previously required Professional Indemnity Cover? Is the expectation that over and above the conventional Professional Indemnity Cover that a corporate insurance broker secure fidelity fund insurance.	No, the two insurance policies cover different risks. Section 58 of FIMA requires that brokers have in place the Errors & Omission covers as well as Fidelity Insurance cover for broker firms that have individual brokers working as employees. Refer to clause. Refer to schedule 1(9.3)	
	Clause 7		The requirements for registered of a corporate broker should align to the substantially the same requirements of an Insurer / Reinsurer.		The requirement cannot be aligned as an insurance broker conducts business as an intermediary while the insurer is the underwriter and do not conduct similar activities nor face similar risks.
	Schedule 1 – Part 7		Amend typing errors under the required attachments	Amended as recommended	
	Schedule 1 – Part 8		Remove reference to Long Term Insurance and Short Term Insurance Act	The clause has been amended and reference to the two Acts removed	
	Schedule 1 – Part 9.1		When is the annual fee payable? Is the annual fee the renewal fee reference in GEN.S.10.23	The clause has been amended, to delete the word “annual” and replace it with the	

				<p>“word renewal”. The renewal fee is payable in terms of section 59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.</p> <p>The clause has been amended, to delete the word “annual” and replace it with the “word renewal”. The renewal fee is payable in terms of section 59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.</p> <p>Note: Part 9 of schedule has been removed as it is no longer relevant</p>	
	Schedule 1 – Part 9.2 (ii)		Does this requirement extend to individual and corporate insurance brokers? Is the financial year being referenced to that of the insurance broker or the financial year-end of 29 February?	The clause 9 is deleted as the requirements no longer relevant under this standard	

	Schedule 1 – Part 9.3		<p>Does the professional indemnity cover referenced to in this clause related to the 'errors and omission policy' under clause 6(2). Is the amount of cover required in respect of both short-term and long-term or is it a combined amount and does it relate only to the individual broker?</p> <p>Provisions should be made for the issuing of PI insurance by foreign insurance companies acting under exception granted in terms of INS.S.2.5</p>	<p>Yes, clause amended to include both Errors & Omission and Fidelity insurance cover. it is required for both LTI and STI broker license.</p> <p>INS.S.2.5 will apply in terms of conditions or requirements to obtaining of foreign insurance</p>	
	Schedule 1 – Part 11		<p>Voluntary Cancellation of Registration</p> <p>It is proposed that reference be made to the provisions of INS.S.2.17</p> <p>Cancellation of Registration by NAMFISA</p> <p>Proposed that NAMFISA considers adopting a Standard that will address the procedure to be followed, similar as with INS.S.2.17, when NAMFISA invokes a unilateral cancellation.</p> <p>Should reference also not be made to variation in registration as provided for under INS.S.2.17</p>	<p>Reference to INS.S. 2.17 no longer necessary as part 11 of the schedule has been deleted. Cancellation and variation are solely dealt with under INS.S.2.17</p>	
	Schedule 1 – Part 13		<p>Under the provisions of Schedule 2 to INS.S.2.4 there is an expectation that a corporate insurance brokers is to notify NAMFISA of its intention to exit the industry – why is a similar obligation not</p>	<p>Part 13 of schedule 1 has been removed as it is no longer relevant under this standard</p>	

			applied for an individual insurance broker?		
	Schedule 2		Provisions that reference to the term 'applicant corporate broker' be removed. The application form in its heading already specifically references to Corporate Insurance Broker Footnote 14 still references to the incorrect principal place of business	Amended as recommended	
	Schedule 2 - Part 4		No reference is made to the need to submit the required FAP statements	Reference is made to GEN.S.10.2 Fit and Proper standard under which the form to be completed is contained	
	Schedule 2 – Part 5		Remove reference to Long Term Insurance and Short Term Insurance Act	The clause has been amended and reference to the two Acts removed	
	Schedule 2 – Part 6 (A)		When is the annual fee payable? Is the annual fee the renewal fee reference in GEN.S.10.23	The clause has been amended, to delete the word “annual” and replace it with the “word renewal”. The renewal fee is payable in terms of section 59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.	

				<p>The clause has been amended, to delete the word “annual” and replace it with the “word renewal”. The renewal fee is payable in terms of section 59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.</p> <p>Note: Part 6 of schedule has been removed as it is no longer relevant</p>	
	Schedule 2 – Part 6 (B)		What was the rationale for reducing the period from 180 days to 90 days?	<p>Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted.</p>	
	Schedule 2 – Part 6 (C)		Does the professional indemnity cover referenced to in this clause related to the ‘errors and omission policy’ under clause 6(2)	<p>Yes it related to the errors and omission policy clause</p>	

			<p>Is the amount of cover required in respect of both short-term and long-term or is it a combined amount and applicable to the legal entity (in other words, the individual broker including the corporate broker should each have PI cover to the value of N\$500,000?</p> <p>What does the requirement for the fidelity fund come into operation? What confirmation should be submitted?</p>	<p>The amount is in respect of both errors and Omission and Fidelity insurance cover, with each cover minimum of N\$1million</p> <p>The proof of cover should be submitted and the fidelity insurance cover will come into operation on the date to be communicated/gazetted.</p>	
	Schedule 2 – Part 6 (E)		<p>Voluntary Cancellation of Registration</p> <p>It is proposed that reference be made to the provisions of INS.S.2.17.</p> <p>Cancellation of Registration by NAMFISA</p> <p>Proposed that NAMFISA considers adopting a Standard that will address the procedure to be followed, similar as with INS.S.2.17, when NAMFISA invokes a unilateral cancellation.</p> <p>Should reference also not be made to variation in registration as provided for under INS.S.2.17?</p>	<p>Reference to INS.S. 2.17 no longer necessary as part 11 of the schedule has been deleted. Cancellation and variation are solely dealt with under INS.S.2.17</p>	
	Schedule 2- Part 6 (F) & (G)		<p>When is the required notice to be given? Is the expectation that it should be given prior to the change and if so,</p>	<p>Part 6(F) and (G) of schedule 2 of has been</p>	

			how long before the change? Do these provisions merely impose an obligation to inform or would NAMFISA be required to approve?	removed as it is no longer relevant under this standard	
	Schedule 3		Proposed that the format of the FAP statements be uniform (see different formats used for Insurer applications and corporate broker/agents applications) See INS.S.2.3	FAP requirements are adopted for either natural broker or juristic person and are aligned accordingly. Refer to GEN.S. 10.2 - Fit and Proper	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.5 Exemptions					
	General		The term "Person" as reference to in Clause 1(2)(a)(iii) is not defined	Deleted the word as recommended	
	Clause 3(b)		Why is a similar requirement not required under Clause 3(1) regarding the placing of foreign insurance?		It is not clear from the comment which similar requirements referred to. There is no clause 3(b) and the proposal refers to clause 3(1) which provides for exemptions by foreign insurers and the conditions to be fulfilled thereof. NIBA may need to clarify the comment.
	Clause 3(3)		There is no indication of the supporting documentation required. Under the current application forms, there is a clear expectations of what the required		The clause lists the information /details that must be provided in the

			documentation is (i.e. reinsurance slip, confirmation from local reinsurer, quotation)		application. The clause has been amended to include the reinsurance slips and quotation.
	Clause 8		Administrative sanctions should not only be imposed upon the financial intermediary but on the foreign insurer and reinsurance as well to whom the exemption was granted.		It would be a long drawn out battle if recourse is sought against the foreign insurer. A foreign insurer or reinsurance is not registered in Namibia and therefore this limitation impacts on Namfisa's ability to impose sanctions but places the responsibility on the intermediary to carry out due diligence and avoid exposing the prospective clients to uncertainties and risks
	Clause 9(3)		To what extent is NAMFISA able to determine limits (percentage) of reinsurance business accepted under the provisions of Section 39 of the National Reinsurance Corporation Act by NAMIBRE? This discretion does not sit within NAMFISA's mandate.	This is correct, it is a discretion exercised by Minister of Finance	
	Clause 10		Why aren't similar requirements imposed upon insurers placing business directly with foreign reinsurers.		The insurers are liable to policyholders for the risks they underwrite irrespective of

					whether the risk is reinsured or retained fully. Clause 5 process still applies.
	Schedule 1		Proposed that the application remains in substantial the same format as prior to FIMA	This is noted, however it must be updated to reflect FIMA's position	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirements for insurance brokers					
	General		<p>No reference and/or inconsistent use of the terms insurance broker / registered insurance broker / corporate insurance broker / registered corporate insurance broker.</p> <p>Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.</p> <p>No reference made to reinsurance brokers</p>	The errors and numbering has been fixed	
	Clause 1(2)		What is the rationale for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the	

				type of entity i.e. juristic person versus natural persons	
	Clause 3(1)		<p>What is the expectation of an individual insurance brokers not operating under a formal legal entity?</p> <p>Instead of using the abbreviations (Pty) Ltd and CC, full provide for the legal entity name (i.e. proprietary Limited and close corporation)</p>	<p>The clauses will state actions required i.e all should submit AFS reports. Clause 3(b) provides for "other", which includes a natural person broker.</p> <p>Clause however is amended as proposed.</p>	
	Clause 4(a)		<p>What would be considered 'latest certification' for purposes of this provision? Clause 3 above has already made reference to financial information required of a corporate entity.</p> <p>No reference has been made to an individual broker? Is there an expectation from NAMFISA to have sight of the financial soundness of individual brokers not operating under a corporate insurance or reinsurance broker?</p>	<p>Deleted the word "latest" as recommended.</p> <p>The clause 3(b) covers individual brokers included in "others"</p>	
	Clause 4(d)		An insurance broker will not have an insurance agent necessarily affiliated to it. Is the use of the term insurance intermediary correct?	Deleted the word "intermediary" and replaced with "broker"	
	Clause 4(f)		Is the expectation that insurance brokers are required to report on the claims paid of the insurer. This is an obligations that sits with the insurer and should not form part of the reporting	The broker must still report to the extent of his knowledge claims that they have	

			expectations of the insurance broker (both individual and corporate)	handled on behalf of the insurer.	
	Clause 4(g)		What complaints? Complaints lodged against the insurer or against the insurance broker (individual and corporate).	All complaints received and assisted by the broker	
	Clause 6		How does NAMFISA foresee an individual insurance broker to meet the reporting requirements under this clause? What was the rationale for reducing the period from 180 days to 90 days?	Clause 4 requires brokers dealing with brokering activities to report as required and that includes natural persons registered as brokers. Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted.	
	Supporting Schedules		No schedules attached to the Insurance standard	The relevant schedules have been inserted	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair treatment of clients and policy holders by registered insurance intermediaries					
	General		Treating Customers Fairly (TCF) does not only apply to a registered insurance intermediary but to all non-bank financial institutions ('NBFI') offering	Clause 2 has been amended so that the standard becomes	

			<p>financial services. Should this be an expectation be that the insurance intermediary only, what similar expectation is placed on the insurer and in terms of what provision under the Act.</p> <p>Within the insurance context, the term Client includes a policyholder? Why not merely reference to the term Client?</p>	<p>applicable to registered insurers in as far as it is applicable to them through the use of intermediaries. It should be noted that Treating Customers Fairly is a concept that is applicable to all financial services providers and that includes insurers</p> <p>The words used are deemed necessary and relevant to ensure clarity in this standard</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 Amount of commission that may be paid to insurance brokers					
	General		<p>Duplication - the word 'insurance' in the heading is repeated twice.</p> <p>Should the provisions of this Standard not be extended to insurance agents</p>	<p>The duplicated words have been deleted</p> <p>No, commission payments and the standard only applies to insurance brokers</p>	
	Clause 3(a)		<p>Why is there only an expectation surrounding fair treatment of client placed on insurance intermediaries? What level of TCF needs to be adopted by the insurer and where does</p>	.	There is a TCF standard that cuts across all sectors.

			NAMFISA pronounce itself of the standards to be adopted?		Treating Customers Fairly is a concept that is applicable to all financial services providers and that includes insurers.
	Clause 3(b)		To what extent are the provisions of GEN.S.10.10 (Outsourcing) applicable to insurance brokers and/or agents? Would the conclusion of brokering / agent agreements (individuals and corporates) be considered outsourcing of principal business or would it be construed as the outsourcing of a material business function?	It would be outsourcing of material business functions, not principal business functions. GEN.S.10.10 - Outsourcing of functions and responsibilities standard - applies to both financial institutions and financial intermediaries. What matters is the type of outsourcing model deployed by the financial institution or financial intermediary and how the relationship is managed	
	Clause 12 (read with Table 2)		Does this imply that registered insurance intermediaries can earn commission income from a registered medical aid thereby implying that medical aid schemes can enter into intermediary agreements (agents / brokers)		Medical Aid Funds (MAF) can enter into intermediary agreements with Medical Aid Funds brokers, that are now currently

					regulated under FIMA Table 2 applies to group schemes and health insurance business and not the business of MAFs.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point of sale information to be provided by insurers, insurance agents and insurance brokers to policy holders and potential policy holders					
	General		<p>Point of Sale information forms one of the 6 pillars of treating customers fairly (i.e. (1) governance and compliance; (2) product and service design; (3) disclosure; (4) suitable advise; (5) performance and service against expectations; and (6) claims, complaints and changes).</p> <p>What is the rationale for providing for a Standard (INS.S.2.7) that address the generic term 'treating customers fairly' but not addressing all aspects of what constitutes TCF and then address another concept of TCF in a further Standard.</p> <p>What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'</p>	<p>This Standard aims to ensure Point Of Sale is clear and fair which is only but part of the greater TCF regime. By placing the responsibility on insurers who have control over the information to be disclosed, and to clearly state the responsibilities or roles of the registered insurer or insurance intermediary in order to determine who</p>	

			<p>Would propose that the heading of the schedule be changed to refer to 'registered insurance intermediary'</p>	<p>should make the disclosures.</p> <p>.</p> <p>It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons</p>	<p>There is no Schedule in this Standard, the comment appears to be misplaced</p>
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	Clause 6		Determination of appropriate level of information should not be left to the subjective interpretation of an insurer or insurance intermediary but should be determined by the Regulator to avoid ambiguity and inconsistent application of the principals.		This cannot be determined by NAMFISA as it may be product specific and risk inter alia, etc. The objective is to ensure that the insurer/intermediary takes responsibility for ensuring the right information is communicated timely. For example, a rushed and ill informed customer is likely to lapse or terminate the policy prematurely as a result.
	Clause 8		<p>How would this expectation practically executable. Point of Sale information is primary provided to customers as a form of marketing material and recording the exact date and time POS information is provided would not be possible.</p> <p>Is it the intention of the regulator to disallow any form of telesales / telephonic marketing of insurance products? Or would the recording and acknowledgement for purposes of this clause allow various forms of recording mechanisms (i.e. telephonic, electronic etc.) with due consideration to the provisions of the Electronic Transaction Act</p>	The clause has been amended to include verbal, recorded (audio and visual).	
	Clause 11		What would be considered a tick-box questionnaire?		A "tick-box questionnaire"

			Does this provision intend to limit the use of simplified declarations?		<p>approach has no regard to fulfilling the customer needs and considerations of circumstance, but rather, where the intermediary does not explain or do a due diligence to assess the customer's needs and ensure affordability.</p> <p>No, the intention is to make sure all info is available and client is aware and able to make an informed decision.</p>
	Clause 12.3 & 17		Cross reference incorrect – there is no clause 14(b) and 14(h)	Reference has been corrected	
	Clause 17		There should be a reciprocal obligations on insurers to ensure that policy information is provided to intermediaries in plain language and in such a manner to meet the TCF requirements that the Regulator is trying to address under the provisions of the Standard.		<p>The intention is directed at ensuring that intermediaries/sales representative fully discloses the contents of the policy to policyholders to make decisions. Plain language section 29 of FIMA applies hence clause 3 references relevant.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):

INS.S.2.16 The requirements for the registration, operation and duties of a Lloyds's intermediary in Namibia					
	General		Numbering and cross referencing throughout the standard to be reviewed	The numbering has been fixed	
	Clause 5(b)		The policy wording is issued by the international insurers and therefore as broker, the policy wording cannot be prescribed by the broker. How would NAMFISA propose to regulate international insurers with regards to the policy wording. Policies of these nature are usually specialized policies issued to Corporate entities.		This comment is misplaced. Clause 5(b) provides for submission of applications instead.
	Schedule 1- Part II		Provision needs to be made for Aircraft Hull - war risk	Amended the schedule to include Marine and Aircraft Hull and "Ship Hull"	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.17 Application by registered insurance or reinsurance brokers, corporate insurance and reinsurance brokers for cancellation or variation of registration					
	General		Numbering and cross referring throughout the Standard incorrect Proposed that the term 'Registered Insurance Broker' and 'Registered Reinsurance Broker' be used to avoid overcomplicating the definition	The numbering and cross referencing has been fixed	The standard uses the collective term "applicants" for all except where necessary
	Clause 2		What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	It is necessary to distinguish between registered entities to whom the standard applies and can be enforced.	

				secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons	
	Clause 6		What is the lead time required by NAMFISA before publication of the notice as neither the Standard nor the Act provides a notice period. Or it is the intention that NAMFISA should firstly approve the notice before publication can be arranged?	A 30 day notice period will be required in order for NAMFISA to manage the potential regulator and supervisory risks that may arise as a result.	
	Clause 7		Section 65(3) of the Act does not provide for a specific period during which objections need to be lodged? What involvement would the applicant have in consideration of the objections? How long would any application be open for objection? Time periods need to be provided.	<p>The standard states when the notice and how long the notice must run before the application must be lodged.</p> <p>Clause 6 and 8 provides for the timelines and actions. NAMFISA considers the objections lodged and will take necessary regulatory or supervisory actions accordingly.</p>	

	Clause 8		What is the expectation? Should the communication plan be submitted to NAMFISA or the actual communication that will be submitted to the policyholders?	Insurer should communicate the plan to submit to the policyholders to NAMFISA as would be directed under schedule 2 section 11	
	Clause 9(1)		Does NAMFISA have the right to refuse voluntary winding-up based on objections received under clause 7?	Yes, despite the cancellation or variation being brought <i>mero motu</i> , it must be reasonable and not against public policy to do so. See section 65(5)	
	Schedule 1		To be expanded to incorporate the 'variation of registration' – there is no reference thereto other than in the title of the document. No reference and/or inconsistent use of the terms insurance broker / registered insurance broker / corporate insurance broker / registered corporate insurance broker.	Application for variation of conditions has been included	The terms are used when and where relevant with regards to direct and specific applicability of clauses/provision.
	Schedule 2 – Part 5		"INS.S.2.17 makes reference to Broker Controlling Body requiring to issues confirmation that the membership to the Body has terminated however the concept is not defined anywhere in the Standards or the Act. What is the role of the Broker Controlling Body under the provisions of FIMA as there is no obligation to be registered with the controlling body? If the expectation is that the broker's affiliation to the controlling body is mandatory, is it proposed that the	The reference to broker controlling body has been deleted as it is not applicable	

			confirmation of continued affiliation to the controlling body also be reference in GEN.S.10.25 (Annual Renewal) as well as during the Application for registration (INS.S.2.4)"		
	Schedule 2 – Part 6		Proposed that Part 6 precedes Part 5 List of supporting documentation should include: 1. A statement by the Auditor / Accountant regarding liabilities 2. Board Resolution approving cancellation (corporate broker)	The schedule has been amended accordingly	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.1 CAPITAL ADEQUACY REQUIREMENTS FOR REGISTERED INSURERS					
	1(1)(b)	“Annual premium equivalence” with respect to long-term insurance or reinsurance business means the sum of annual premiums for recurring business and approximate annualised premiums for single premium business, taking into account the average term of the policies for single premium business;	Definition included of “Annual premium equivalence” is not in line with global best practice. The internationally accepted term is “annual premium equivalent”, and the way this is defined also does not follow embedded industry practice nor international understanding of the term. 1. Change the defined term to “Annual premium equivalent” 2. Change definition to: “with respect to long-term insurance business or reinsurance business means, 100% of the annual premiums payable for recurring premium business and 10% of the premiums payable for single premium business.”	The words have been corrected accordingly	
	1(1)(h)	“Net written premium” means an amount received by and owed to a registered insurer or registered reinsurer in respect of gross written premiums, less an amount equal to the premiums paid and owed by the registered	The definition of “net written premium” makes reference to the gross written premium minus reinsurance premiums,	The definition of GWP has been inserted	There is no use of percentages (%) in respect of long term insurance business as it

		insurer or registered reinsurer in respect of any reinsurance business over a period of 12 months;	but “gross written premium” is not defined. Add definition: “gross written premium” means the total premium written by a registered insurer or reinsurer and paid or owed to such registered insurer or reinsurer over a period of 12 months constituting the financial year of such registered insurer or reinsurer		depends on the term of the policy
	General		The sentence should end with a full stop. Add a full stop at the end of the sentence.	The correction have been made	
	Clause 4(6)	Each cell the registered insurer or registered reinsurer will be able take credit for the diversification benefit between the cell and the registered insurer or registered reinsurer of up to 15% when aggregating the SCR for cell captive business.	Does this mean equal to 15% or up to 15%? Does insurer have the ability to apply discretion to the diversification benefit between 0%-15%? More guidance is required by the regulator on how to derive diversification benefits to be applied across aggregated SCR for cells if interpretation is to mean “up to 15%” as opposed to equal to 15%.	It’s up to 15% and the aggregation formula is shown in section 4(7)	
	Clause 4(7)	Beneath formulas, OP expenses as defined in clause 1(h), it is defined in clause 1(j)	Replace reference to clause 1(h) with 1(j).	The refereeing has been corrected	
	Clause 4 (7) Formula for cell underwriting long term business	The formula reference $0,0.3*OP \text{ expenses} + 0.025*TL$ Where operational expenses mean operational expenses as defined in clause 1(h).	This should be clause 1(j) wherein reference is made to the operational expenses of the insurer. For this formula, it should be the operating expenses of the cell. The same for Technical Liabilities - it should refer to the Technical Liabilities of the cell and not of the business. Define operational expenses and technical liabilities for the cell and	The definition for expenses and technical liabilities is the same for the insurer and the cell. However amended 4(7) to include: “for the	

			then make reference thereto in the explanation for abbreviations in the formula.	cell” just to be specific that the OP and TL are “for the cell”	
	Clause 4 (7) Formula - Technical Liabilities	Reference is made to the definition in clause 1(n) above. It should be clause 1(o) above.	Delete “n” and replace it with “o” in the reference to the clause in which Technical Liabilities are defined.	The clause had been amended	
	Schedule 1, Section 2, paragraph 2	The total admissible assets that are held to cover the total liabilities (current, technical and other), but excluding assets held to cover the capital requirement are used to calculate the MCR.”	Should read MRC and not MCR.	The clause has been amended	
	Schedule 1, Section 3, Table 3	Table 3: Credit risk factors	International and national scale ratings don't correspond e.g. AAA Namibian national scale does not equate to A+ to A- international scale rating Amend national scale rating mapping such that it corresponds to international scale rating e.g. Namibia sovereign is rated BB (Jan 2022) on an international scale, which would correspond to a Namibia national scale rating of AAA+ for example.		National ratings should only be used if no international rating is available
	Supporting schedule 1 & 2	Whole	Does this standard apply to Long-term Insurers? Supporting schedules 1 & 2 to this standard both apply to short-term Insurers, no schedule for Long-term Insurers?	Yes, the Standard applies to both insurers. Schedule 1 and 2 applies to short - term insurers.	

				In respect of Long- Term Insurers refer to 4(4)(b).	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.2 Asset Liability Valuation for CAR					
	3 (b)	All liabilities in respect of outstanding claims (whether reported or unreported), and future claims arising from unexpired exposures and is made up of BEL and MoBEL. “	Future claims arising from unexpired exposures in some way relates to the UPR but not very clear. The premium reserve includes more than just unexpired exposure for claims Reword to: “...all liabilities in respect of outstanding claims (whether reported or unreported), and unexpired exposures..”		The current definition is more adequate.
	19 (b) & (d)	For the purpose of meeting the Capital Adequacy Requirement, the following assets are unsuitable for inclusion (these are also unsuitable for backing technical and other liabilities) – (b) intangible assets, such as goodwill, whose realisable value may be uncertain even during normal business conditions and may have no significant marketable value in a wind-up scenario;	Consider expanding that “if the asset’s value can be demonstrated to be reasonably recoverable, it would be admissible to that extent. That is, if there is economic value that can be extracted, it does not have to be discounted in full.” Moreover, “inadmissible assets” seem to be limited to the asset side being disregarded and do not speak to the possible treatment of the liability leg of the event.		In terms of best practices, intangible assets and assets that derive value from expected future income are either totally disregarded or reduced in value. Therefore, the subjective nature of the said assets renders them inadmissible for purposes of CAR valuation and

		<p>(d) assets derived under some accounting models in which certain items regarding future income are included implicitly or explicitly as asset values, which future income, in the event of a wind-up scenario, may be reduced;</p>	<p>Refer to IFRS 16 for example. The implication may be that in instances where net accounting is not done that the asset is disregarded but the liability needs to be recognised – we believe this not to be the intention of the Act and hence propose the amendment as follows.</p> <p>The standard to should be amended to reflect that assets with uncertainty related to wind-up recovery be considered on a net basis, that is, accounting for the net balance sheet impact considering directly related liabilities as well.</p>		unfitting for the purposes thereto
	21(4)	<p>Net Asset Value of a Group Undertaking</p> <p>If the group undertaking carries on most of its business in Namibia, the net asset values must be calculated in accordance with the Generally Accepted Accounting Practice in Namibia</p>	<p>GAAP has been phased out since/before 2006. We propose the Standard refer to IFRS.</p>	<p>General accepted accounting practice is defined under section 1 of FIMA to mean accounting framework adopted by ICAN, which may currently refer to IFRS. It goes without saying that if the GAAP referred to in the comment was phased out, then it is not applicable under this standard</p>	

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.3 APPLICATION FOR REGISTRATION OF INSURERS AND REINSURERS TRUST ACCOUNTS AND RETURNS					
	6(1) and (2)	<p>(1) An application, not complete in all respects and not conforming to the instructions specified in Schedules 2, 3 and 4 and this Standard, may be rejected on the basis of being non-compliant with this Standard.</p> <p>(2) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within 7 working days, failing which the application shall be rejected.</p>	<p>Incomplete applications will be rejected, and in the case of an incomplete application, 7 days are afforded to rectify the incompleteness.</p> <p>There is no indicated time frame within which Namfisa must respond.</p> <p>This is a theme throughout the Standards. Timelines are prescribed for industry, but none for the Regulator. To be effective, productive and prudent, it is recommended that the Regulator also commits to responding within stipulated timelines.</p>	NAMFISA's response timelines are communicated to the regulated entities through an agreed upon SLC	
	7	Seeking additional information...for processing the application...	Consider adding "and approval" after the word "processing".		The word "processing" should be given a literal dictionary meaning and read in context with the statement to mean action NAMFISA undertakes to work on an application, the result of which may includes approval/ rejection

					of an application thereof.
	11(1)(a), (b) & (c)	General	Reference is made to reports that may be relied upon. In most cases, the business applying for registration would not have such reports available. Can "opinion of other supervisors" be clearly defined? Are we talking about foreign supervisory bodies?		<p>The opinion of other supervisors generally refers to the status, reports or other form of information with respect to the standing on the business affairs and general conduct of an entity applying to be registered in Namibia. The applicant may also be a registered or is a subsidiary/related to of an entity registered in another jurisdiction.</p> <p>Because the list is exhaustive, we cannot define what would be included in said opinion.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.4 REGISTRATION REQUIREMENTS FOR BROKERS					
	7(c) and (d)	Numbering	Clause 7 has no sub-clauses (a) or (b) but starts with (c). Documents to be appended seems to speak only to CC's and companies, but	The numbering and other corrections have been done	

			<p>section 53 of the Act states “corporate insurance brokers” are “entities” and “entities” as defined in Chapter 1 of the Act includes more than just CC’s and companies</p> <p>1.Fix numbering of subsections by replacing ‘(c)’ and “d” with respectively “(a)” and “(b)”</p> <p>2.Reword clause 7 from after “documents” to read “including (where applicable) the following:”</p>		
	Schedule 1,9 clause 7 (ii)-(xi)	General	All these sub-clauses start with an “R” that seems to be a typo. Delete “R’s” from sub-clauses (ii) – (xi).	The letter “R” has been deleted	
	Schedule 2, Clause 1	General	<p>Throughout the schedule, reference is made to “Corporate Body” and “Company Registration Number” whilst section 53 of the Act states “corporate insurance brokers” are “entities” and “entities” as defined in Chapter 1 of the Act include more than just CC’s and companies.</p> <p>Replace the words “Corporate Body” and “Company” throughout the form with “Entity”.</p>	The schedule has been amended to by deleting the word “company” and replaced with corporate	
	Schedule 2.4	Attachments	<p>Registration fee not aligned to GEN.S.10.23.</p> <p>What is meant by annual fee?</p> <p>Previously brokers no longer paid levies.</p> <p>Align registration fees to GEN.S.10.23 on fees and charges.</p> <p>Remove clause or request for copy of precious registration certificate if required.</p>	<p>The clause has been amended to ensure correct reference used</p> <p>The word “annual” and replaced with “renewal” fee and aligned to GEN.S.10.23</p>	
	Schedule 2.5	Declaration	<p>Reference is made to repealed legislation.</p> <p>Update to reference made to legislation.</p>	The clause has been amended and reference to	

				the two Acts removed	
	Schedule 2.6	Whole	<p>(a) Payment of Annual Fees – what is meant by annual fees? Is it annual renewal fees? Which then the amount is not in align with GEN.S.10.23.</p> <p>(b) Submission of Annual Returns – it perhaps should be indicated that there are financial reporting requirements as prescribed in INS.S.2.6 of annual and quarterly reporting. Furthermore, there is a spelling mistake under item ii.</p> <p>1. Indicate whether it is Annual Renewal Fees? Furthermore, align amount to that of the Standard on fees and charges.</p> <p>2. Rework to refer to both financial reporting requirements quarterly and annually especially since this has changed.</p> <p>3. Clarify exact requirements around Professional Indemnity and Fidelity Insurance as this is not specifically addressed elsewhere and previous Circular most likely to fall away with the repealing of previous laws</p>	<p>The word “annual” is deleted and replaced with “renewal” and aligned to GEN.S.10.23</p> <p>Schedule relating to conduct has been deleted as is no longer relevant</p>	
	Schedule 3	General	Corporate Insurance Agents – This standard speaks to brokers only. Suggest removing reference to Corporate Insurance Agents from this Schedule as this Standard speaks specifically to insurance brokers.	The title is amended to refer to brokers	
	Section B, Schedule for fit and proper	Whole	Affidavit also refers to “corporate body” whilst FIMA states “entities” can register as corporate brokers.		Word “entity” and is defined under s1 of FIMA and includes corporate body. For

			Replace “corporate body” with “entity” in the Affidavit portion.		consistency with other draft , the word “corporate body” the use of the word is retained as defined in clause 1 of the standard.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.5 EXEMPTIONS					
	2 (a) and (b)	This Standard applies to – (a) every foreign insurer and foreign reinsurer; (b) every registered insurance broker proposing to effect or renew insurance with a foreign insurer or foreign reinsurer pursuant to section 70(2) of the Act; and	Reference to “a policy” in one and “participate in an arrangement” in the other. We need clarity regarding the treatment of re-insurance treaties. This applies generally throughout the Standard.		<p>The word “policy” has the same meaning ascribed in section 4 of FIMA and is defined under clause 1 of the standard.</p> <p>The term participate in an arrangement carries the meaning as commonly understood in the insurance sector to mean taking part in a reinsurance arrangement/scheme. The standard does not however provide for the treatment of reinsurance treaties but rather provides for the process and sets requirements for exemptions as purported by section 5 of FIMA.</p>

	3 (2)(a)(ii)	Insurer must provide evidence that terms/benefits are not equitable.	Define “equitable” or provide clear criteria		The word should be interpreted literally and be given its literal dictionary meaning and ready in context of the statement as used in the standard
	4 (2)(c)	has capital equivalent at least to that which would be required for a registered insurer or registered reinsurer carrying on insurance business of the same class	Clarify whether the reference is to Namibian capital adequacy requirements and consider whether it is practical to require from a foreign re-insurer to comply with Namibian requirements as if it is conducting business in Namibia.	Yes, this means it must be equal to or above that which is in Namibia. It is not requiring them to comply, but to be appropriate for the circumstances under which it was sought	
	4(2)(f)	the specific policy and any related documents to be issued by the foreign insurer or foreign reinsurer are in plain language in accordance with section 29 of the Act and Standard No. GEN.S. 10.17, Description of plain language.	Requires plain language for certain documents. Are treaties included?	Clause 4(2)(f) has been removed.	

	4 (3)	In addition to the undertaking referred to in sub-clause (2), a foreign reinsurer must submit proof that it has a credit rating of at least BBB with Standard & Poor's or an equivalent rating with any other international rating agency, which rating must have been maintained for at least the immediately preceding two years.	Define a criterion for new start-ups.		The criteria refers to such entities. Startups that are not foreign insurers / reinsurers as defined in section 1 are excluded. Read with clause 9(5)
	5 (1)	Upon receipt of an application referred to in clause 3 and the undertaking referred to in clause 4, NAMFISA may, if it considers it appropriate to do so, issue an exemption to the foreign insurer or foreign reinsurer pursuant to section 5(2) of the Act.	Stipulate a timeline within which Namfisa would be required to respond.	NAMFISA's response timelines are communicated to the regulated entities through an agreed upon SLC	
	5 (2)(b)	NAMFISA may require any other information from - the registered insurance broker, registered insurer or registered reinsurer, as the case may be, as NAMFISA deems necessary or advisable.	This seems wide, consider narrowing the scope or specifying the information that might be required.	The clause allows NAMFISA where necessary to seek further information but this depends on the circumstance of each application that may arise beyond and over and above the basic requirements.	

	9 (3)	The following limits apply to the amount of insurance business a registered insurer or registered reinsurer may cede in total (net of NamibRe cession) to an exempted foreign reinsurer in a calendar year: Cession to a related party 50%	Why the distinction specifically in respect of related parties? What is the intention of imposing a lower cap?	The distinction is necessary to curb concertation risk. Its also the best practice as risk mitigating measures to limit the exposures	
	9 (5)	The proportion of insurance business ceded by a registered insurer or registered reinsurer to any one exempted foreign reinsurer in respect of any one risk must not exceed 80% of the sum insured or the liability limit of the underlying insurance policy, except in the case of specialized insurance business as referred to in sub-clause (4) or start up insurers or reinsurers with less than 3 years of operations.	What will be seen as specialized insurance? Clarify please. Also, make provision for being exempted from the 80% limit imposed in cases where practicality demands it and provide a criteria to be met in order to apply for such an exemption.	There is no other criteria except as stated but the clause 4 gives examples by placing limitations. Therefore no need to define. There are no other criteria except as stated in the standard.	
	11	A registered insurance brokers, registered insurers and registered reinsurers are prohibited from placing an insurance risk with a foreign insurer or foreign reinsurer unless that foreign insurer or foreign reinsurer has received an exemption from NAMFISA pursuant to clause 5 with	Delete "A" at the start of the sentence.	The letter "A" has been deleted	

		respect to the specific policy in question.			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.6 FINANCIAL REPORTING REQUIREMENTS FOR INSURANCE BROKERS					
	12(b)	If the “material information” is brought to Namfisa’s attention, there is no guideline as to when Namfisa would be obliged to respond. Being awarded the opportunity to provide cover is time sensitive.	Specify a timeframe within Namfisa which must respond.	NAMFISA’s response timelines are communicated to the regulated entities through an agreed upon SLC	
	11	The following supporting schedules are attached to and form part of this Standard: Schedule 1: SOCI Schedule 2: SOFP Schedule 3: Form(s)-AFI IB Schedule 4: Form(s)-NFI	Reference is made to 4 supporting schedules, but these Schedules are absent from the draft standard. Insert the referred to 4 schedules.	Inserted Schedules	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.7 FAIR TREATMENT OF CLIENTS AND POLICY HOLDERS BY REGISTERED AGENTS AND INSURANCE BROKERS					
	2	This Standard applies to all registered insurance intermediaries, corporate insurance broker corporate insurance agent and registered insurers and registered reinsurers..	Since “insurance intermediary” already by definition includes “insurance agents” and “insurance brokers”, it is superfluous to re-mention them. Also, given that this clause also makes the standard applicable to insurers/reinsurers, the rest of the standard only guides intermediaries as to what they should comply with, do and not do – in practice, the	, amend. Tied agents act on behalf of their principals. Insurers are therefore responsible for ensuring that agents are complying with this standard to	

			standard only applies to intermediaries and it is thus of no use to state that it also applies to insurers/reinsurers. Redraft clause 2 to read: "This standard applies to all registered insurance intermediaries."	the extent, the standard will apply i.e. insurers are to ensure the code of conduct is in place for the agent etc.	
	2	General	Numbering seems incorrect - 2 x clause 2. The second clause 2 reference intermediaries and then broker, agent... Brokers and agents to also be referenced in the plural form?	Amended to plural. The numbering is in order.	
	4(b)	A registered insurance intermediary must ensure that client, policyholders and potential policyholders are provided with such information, illustrations, explanations and responses to questions as may be sufficient for them to evaluate the meaning and importance of the insurance advice being offered, having careful regard for the client's, policyholder's and potential policyholder's knowledge of the subject matter and ability to analyse and assess it before, during and after point of sale; and	The clause requires that the information provided to clients as part of the insurance advice takes account of the client's knowledge of the subject matter and his/her ability to assess it before, during and after the point of sale. As a practical/objective exercise, this is almost impossible to do. How will the intermediary (and for that matter Namfisa and/or the insurer) be able to know what the client's level of knowledge and ability to understand is? What a client needs and what thus constitutes good advice should be an objective question and should not be influenced by the client's ability to understand it or his knowledge levels of the subject matter. Also, given that "point of sale" is defined and already includes all interaction from first contact to conclusion of the sale, it makes no sense to also require that the client's after-sale ability to know and		The advice given or offered must consider the potential policyholder or client's knowledge and therefore it is incumbent of the intermediary to ensure that the advice is provided in a plain language that the potential policyholder understands and at a level measured to be appropriate for the potential policyholder's peculiarity or special circumstances. It is important that intermediaries have a good appreciation of their potential

			<p>understand also be factored in. Lastly, clause 4(a) already adequately and quite comprehensively requires that advice be “suitable” and that it “takes account of the circumstances of the client.”</p> <p>The entire 4(b) should be deleted as it really adds nothing to what is already mandated under 4(a). Alternatively, reword clause 4(b) to read: “clients, policyholders, and potential policyholders are provided with adequate information to allow them to evaluate the importance and meaning of the insurance advice being offered.”</p>		<p>customers level of knowledge and understanding so that they are able to pitch the financial advice at the level that will enhance a better understanding/appreciation of the financial product or service offering to the potential policyholder.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.8 MATTERS IN RESPECT OF ENTITIES COMMONLY KNOWN AS CELL CAPTIVES					
	1(g)	<p>“rent a captive” means a captive insurance business arrangement, excluding contingency policies, where the cell captive is specifically formed to provide captive facilities to unassociated parties and the cell provider capitalises the cell captive for a fee;</p>	<p>Why does this definition specifically excludes contingency policies. What is the intention thereto? Can we define contingency policies and clarify treatment specifically with regard to CAR and solvency requirements?</p>	<p>Contingency policies include insurance that protects someone against risks that are not in the usual areas dealt with by insurance companies</p> <p>We exclude them specifically because they do not fall in any specific category and this lack of</p>	

				categorization is problematic. It is excluded and thus the CAR requirement falls away. It is not cell captive business.	
	4(4)	A cell provider who underwrites unrelated insurance business risks within a cell captive should ensure that it has adequate risk management framework or policies and processes in places.	...last word, "places". Delete the "s" - should be "...in place."	The clause has been amended as recommended	
	10	The assets required to cover the liabilities (including statutory capital requirements or solvency capital requirements) of a cell captive shall not include investments in a cell owner.	Is this prohibition per cell or are all investments in cell owners disqualified from being taken into consideration?		It is the investment in the cell owner's business that is disqualified. So it will be considered as an inadmissible asset.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.9 AMOUNT OF COMMISSION THAT MAY BE PAID TO INSURANCE BROKERS					
	1	General (Application): In this Standard, unless the context indicates otherwise "commission" means compensation paid by a registered insurer to a registered intermediary or Lloyd's intermediary in respect of	Standard applies to all insurance intermediaries (agents and brokers). This, however, is not in line with section 410(3)(x) of the enabling Act (FIMA), which only talks to issuing standards in relation to commission payable to brokers and not agents. Clarification is sought thereto. We recommend that the Standard be	. The standard has been amended accordingly	

		financial services rendered under Chapter 2 of the Act;	amended to refer to brokers only, and that agents/employees may be remunerated by means of commission, salary, or any other thing of value.		
		General	The first clause under the “heading General information” should be clause 4 and not clause 2. Change numbering and correct throughout.	The numbering has been fixed accordingly	
	4 ... 5	General	Check numbering Correct throughout the Standard.	The numbering has been fixed throughout the standards	
	1(2)	Definition	Clause only refers to FIMA and there are some useful definitions from the Income Tax Act also necessary later in the standard. Insert the words “or another act” in between the words “Act” and “have” in the existing clause 1(2).		The standard is subordinate to FIMA not the Tax Act and hence the definitions should be aligned to FIMA unless otherwise as would be stated in this standard. The standard must be read in line with the FIM Act.
	1(2)(b)	Definition	Reference to the definition of “insurance intermediary” in clause 4 of FIMA is missing. Insert a reference to “registered insurance intermediary” as subclause (ii) and renumber the other definitions listed accordingly.		The definition of insurance intermediary is found under section 4 of FIMA, however the term has not been used in this standard and it is not necessary to define it.
	1(2)(c)	Definition	Definition of “fund” from the Act is not referenced. Include as clause 1(2)(c)(i) “fund;” and renumber the other definitions		The word “fund” is defined under section 8 of FIMA to refer to different

			accordingly.		types of funds such as pension, medical aid etc but the use of the word here is in the context of insurance policies under clause 5 or membership to such funds thereof. It is not necessary to define the word "fund"
	1(2)(e)(v)	Definition	Standard here refers to a definition of "registered insurance intermediary" as found in section 53 of FIMA. There is no such definition in FIMA section 53. This is an important oversight, as the rest of this standard applies to "registered insurance intermediaries" and it is thus unclear whether this standard applies to "registered insurance brokers" and "registered insurance agents." Delete "(v) registered insurance intermediary" See comment and recommendation to clause 1(2)(b) above.	The clause has been amended by deleting the word "intermediary"	
	1(2)	General definition	Some pertinent definitions from the Act are missing. Insert the following sub-clauses under clause 1(2): (f) as defined in section 249 of the Act – (i) fund; (ii) member; (g) as defined in section 1 of the Income Tax Act, 1981 – (i) pension fund; (ii) preservation fund; (iii) retirement annuity fund.		The understanding is that the definitions in section 249 of the Act are pertinent to Retirement Funds under Chapter 5 and not under Chapter 2. No need to repeat definitions but where

					necessary definitions have been inserted or deleted where not used in the standard refer to clause 1 and 5.
	3(b)	This Standard must be read in conjunction with – Standard No. GEN.S. 10.10 – Outsourcing.	Requires that this commission standard must be read in conjunction with the outsourcing standard, and it is unclear why, as the commission regulated in this standard is payable by registered insurers to registered intermediaries – as such, it is not outsourcing as intended by GEN.S.10-10. Delete clause 3(b).		There is a relationship with GEN.10.10 in the sense that insurers may outsource sales and marketing functions to intermediaries in return for commission payment.
	4	Definition	Some of the definitions provided can be reworded to create greater clarity and certainty and some additional definitions should be added for the same purpose. 1. Replace the definition of “compulsory” with the following definition: “compulsory annuity” means a long-term policy purchased in either the name of a fund or in the name of a former fund member, where there is a duty in terms of legislation or the rules of a fund or both to take out such annuity; 2. Add the following definition: “deferred annuity” means a long-term policy to provide its owner retirement capital or retirement income at a future date and includes, but is not limited to, a retirement annuity policy;	The definitions have been inserted	

			<p>3. Add the following definition: “immediate annuity” means a compulsory annuity or a voluntary annuity;</p> <p>4. Add the following definition: “retirement annuity policy” means a long-term policy taken out by a retirement annuity fund for the purposes of meeting in whole or in part its liability to provide benefits to its members in terms of its rules, relating exclusively to a particular member of the fund or to the surviving spouse, children, dependants, or nominees of the particular member of the fund, but excludes a fund policy;</p> <p>5. Add the following definition: “scheme” means a retirement fund or group scheme underwritten by means of a life policy;</p> <p>6. Add the following definition: A “voluntary annuity” means a longterm policy where there is no duty in terms of legislation or the rules of any fund to take out such an annuity;</p>		
	7	Commission Claw back period limited to 24 months not in the best interest of the investor.	Extend Commission claw back period to 60 months (5years.) This matter was also discussed with the GM: Market Conduct at Namfisa.	The claw back period was adjusted from 24 to 60 months as recommended	
	7(b)	No commission shall be paid, allowed, given or accepted on a policy before the date on which the premium, in respect of which the commission is based, is paid to the registered insurer concerned, except	Extend Commission claw back period to 60 months (5years. This matter was also discussed with the GM: Market Conduct at Namfisa. Practical example can be gauged from South Africa, where much is left to the insurer to decide how to implement the claw back of	The claw back period was adjusted from 24 to 60 months as recommended	

		that commission relating to any particular policy year may be paid, allowed, given or accepted at the commencement of that year and in advance of receipt of any premium for that year by the registered insurer, provided that: (b) if any such premium remains partially or wholly unpaid, the registered insurer shall reverse the commission relating to the unpaid amount or the whole, as the case may be, of such premium within 24 months.	commission paid to an agent/broker/intermediary, save for the fact that the period in South Africa is 5 years and not two years as is currently the case in Namibia. The same is true for other jurisdictions like the United Arab Emirates. Replace clause 7(b) with the following: "if any premium remains partially or wholly unpaid within the first 60 months of the existence of the policy, the registered insurer shall reverse the commission relating to the unpaid amount or the whole, as the case may be, of such premium."		
	11(a)	Commission in respect of individual life insurance business shall be calculated as set out in Table 1 of the supporting schedule subject to the following conditions: (a) regular premium policies in respect of retirement annuity policies: no renewal commission.;	Clause 11(a) dictates that no renewal commission is payable on retirement annuities. The term "retirement annuity policy(ies)" is not defined. Also, it is unclear as to why no renewal commission on retirement annuity policies should be payable. Add a definition for "retirement annuity policy" as recommended under clause 4 above; Kindly clarify the reason why no renewal commission should be payable on RA policies?	Corrected spelling of "supporting" and defined retirement annuity policy	Renewal commission is not payable on retirement annuity policies for prudence purpose, to enhance capital growth, preservation and protection. It is aimed at providing incentives for the public to purchase the product.
	Supporting Schedule	General	Heading states "SUPPORTING SCHEDULE" whilst throughout the standard it is referred to as "Schedule 1."	The heading have all been aligned to	

			Replace the heading “SUPPORTING SCHEDULE” with the following: “SCHEDULE 1”	“ supporting schedule”	
	Table 1	In column 4 of the table it throughout states “85%” or “75%” where it does not state “n/a”. This can be made clearer and improved by showing that it must be “85% of P” or “75% of P” as the case may be.	Throughout table 1, column 4 wherever it currently states “85%” or “75%” replace with respectively “85% of P” or “75% of P”.	The table has been amended where necessary	
	Table 1, item 1	General	Headings can be clearer to align with definitions used. Replace “Individual life (not funeral) policy” with “Individual long-term policy (excluding funeral).	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 1.1	Wording in column 1 item 1.1. can be clearer. Also, maximum commission in respect of non-annuity single premium policies are stipulated to be 7.5% x P. We believe this is too high and not in the interests of clients.	Replace “Not annuity” with “Not annuity or credit life” Reduce max single premium commission under Table 1, item 1.1 in Column 2 to: 2.5% x P.	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 1.3.1	Wording can be improved for greater clarity and to align with new definition proposed under clause 4 of the standard.	Replace “not compulsory” with “voluntary annuity”	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 1.3.2	Wording can be improved for greater clarity and to align with new definition proposed under clause 4 of the standard.	Replace “compulsory – not tied” with “compulsory annuity – not tied”	The table has been amended to clarify heading and rates accordingly	

	Table 1, item 1.3.3	Wording can be improved for greater clarity and to align with new definition proposed under clause 4 of the standard.	Replace “compulsory – tied” with “compulsory annuity – tied”	The table has been amended to clarify heading and rates accordingly	
	Table 1	Item 1, Table 1 does not contain specific commission limits for credit life policies as are found in current commission regulations. It also does not make provision for long-term policies that are term policies but not credit life term policies.	a. Add Item 1.4 with the following wording: - In Column 1: Credit life policy only In Column 2: $20\% \times P$ In Column 3: $3.25\% \times n \times P$ In Column 4: $85\% \text{ of } P$ b. Add item 1.5 with the following wording: - In Column 1: All other single premium term policies In Column 2: $7.5\% \times P$ In Column 3: n/a In Column 4: n/a	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 2	Heading can be clearer to align with definitions used. Also, refers to both individual and group funeral policies. Group funeral policies' commission are prescribed under Table 2 and this item should thus only deal with individual funeral policies.	Replace “Individual/group funeral policy” with “Individual long-term policy (only funeral)”	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 3	Prescribes commission limits for individual disability and health policies, both for term and non-term cover. This is superfluous, as these types of policies are already defined as “long-term policies” and thus resort under the commission limits contained in Item 1 of Table 1	Delete the entire items 3, 3.1 and 3.2.	The table has been amended to clarify heading and rates accordingly	

	Table 1, item 4	Indicates that the commission limits on “fund policies” are as per Table 2. “Fund policies” are already included in the definition of long-term insurance policy and as such the commission limits on fund policies are already addressed under Table 1, item 1.1.	Delete entire item 4.	The table has been amended to clarify heading and rates accordingly	
	Table 1, item 5	This limits the commission on “Individual / group sinking fund insurance business.” Given that for both the single premium and recurring premium version of this type of policy, the commission is limited to 2.5% of each premium and may only be payable on an “as-and-when” basis (as per existing regulations), there is no need to limit commission in Column 4 also to 85% of P.	In column 2, replace “2.5% x P” with “2.5% x P (payable only as and when premiums are received)” In column 3 delete “85%”	The table has been amended to clarify heading and rates accordingly	
	Table 2	The values in Column 2 are very outdated and have in fact been updated in the current regulations in the year 2001 already by way of GN143/2001. Given that even this update was more than 20 years ago, it should be increased for inflation.	Replace the values in Items 1 – 5 with respectively 126,500, 218,000, 471,000 and 1380,000 as the case may be. It is, however, strongly recommended that even the values listed above be updated for inflation over the past 20 years.	The values have been adjusted for inflation	

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INS.S.2.10 POINT OF SALE INFORMATION TO BE PROVIDED BY INSURERS, INSURANCE AGENTS AND INSURANCE BROKERS TO POLICY HOLDERS AND POTENTIAL POLICY HOLDERS					
	1	General	Check numbering (a) (b) (d) Should be (a) (b) (c)	The numbering has been fixed	
	2(b)	Definition	The definition for “registered insurance intermediary” is missing here but is listed as if it is from section 53 of the Act. Add “registered insurance intermediary” as a sub-clause (iii) and renumber further down.	The referencing has been corrected	
	2(c)(iii)	Definition	States “registered insurance intermediary” is defined in section 53 of FIMA, but it is not. Delete sub-clause (iii).	The referencing has been corrected	
	4(d)	The information disclosed at point-of-sale should contain – (d)a description of the risk to be insured and all exclusions;	Requires that point of sale information must include a description of the risk to be insured as well as exclusions. Some long-term insurance policies (e.g endowments / savings policies) do not insure any risk at all – in those cases, there would be no risk insured to disclose. Replace with the following: “the description of the risk to be insured and all exclusions, unless the policy is a pure savings policy;”		Read the entire clause 4 (a-i) in totality to understand the context. The meaning of the term/word risk is used broadly in this context. The context under clause 4(d) is not to differentiate risk products and non-risk products.
	5 & 6	Timing of the provision of point-of-sale information to policyholder or potential policyholder- 5. The point-of-sale information must be disclosed or provided in good	In good time & appropriate level of information... Recommend being more specific.		The term “good time” is clarified under clause 6 The term <u>Appropriate Level of Information</u> is implied by reference – “the

		time before the policy contract is concluded, and the information should enable an informed decision to be made by the policyholder or potential policyholder before the conclusion of the sale of the insurance product. 6. For the purposes of clause 4, in determining what is “in good time”, registered insurance intermediaries and registered insurers should consider the appropriate level of information and its importance to the policyholder or potential policyholder’s decision-making process.			<i>information should enable an informed decision to be made by the policyholder or potential policyholder”</i>
	8	The date and time of the point-of-sale information provided to a client for consideration must be clearly recorded by the registered insurer or registered insurance intermediary and acknowledged, in writing, by the client.	Requires that date and time POS information is supplied be recorded by the insurer and confirmed in writing by the client. Whilst requiring the date is reasonable, getting to the granularity of also recording the time would create an extra burden without any improvement to the disclosure requirement. Delete the words “and time” from the clause. This requirement seems pedantic and impractical.	Removed requirement of “time”	
	12	Clear and simple disclosure is required for all insurance products, particularly regarding the fees, charges and risks involved.	Disclosure of, amongst other the “risks involved” in an insurance product is required. It is unclear what is meant by the “risks involved”? A policy has contractual terms, and anything under such a policy is	Risk as ordinarily defined in the dictionary in as far as they relate to the product and does not relate to	

			determined with respect to that. Clarify what risks should be disclosed?	insured risks, for example the whole contract terms and conditions including for example the “disclosing to the customer the chance that that if they default on premiums there will be no claim payout should the insured event arise, or if they lie the contract will be nullified etc.. What is good and bad about the product etc.	
	13	Registered insurance intermediaries and registered insurers must obtain acknowledgements, in writing, from policyholders or potential policyholders that they have received and understood the point of sale information provided.	Obtain acknowledgements in writing. Similarly, this seems impractical. What can constitute an “acknowledgement”?	The clause has been amended to allow for audio and visual recording in this regard	
	15	General	Numbering error – starts at (b) only. Change “(b)” to “(a)” and renumber accordingly.	The numbering has been corrected	
	17	General	Reference is incorrect. Replace “14(h)” with “15(g)” (Once the numbering issue in clause 15	The numbering has been corrected	

			has been corrected as indicated above.)		
	17	In long-term insurance there are no “excess amounts” payable, disclosure of which is mandated here.	Add “(in case of short-term insurance)” to the end:		Chapter 2 applies automatically to both short and lone term there is no need repeat
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.11 PROVISIONS GOVERNING THE REGISTRATION AND ON-GOING REQUIREMENTS FOR A BODY CORPORATE TO ACT AS AN AGENT					
	7(1)	If an applicant has or will have employees carrying on the activities of an insurance agent, the applicant must have in place a written code of conduct applicable to such employees in terms of Standard No. GEN.S. 10.9.	Does this apply to cell owners / JV partners as well? For the Standard to make provision for an insurer to comply on behalf of the cell owner or JV partner with this Standard.	No response needed, draft standard withdrawn	
	9(2)(b)	An application must be completed in hard copies, signed by the principal officer of the registered insurer or reinsurer or a duly authorised representative of the applicant and submitted manually and electronically to NAMFISA together with supporting documents to - (b) NAMFISA using either the postal or physical address	Why are hard copies still required? It results in additional time, effort, and admin. Can it not be held at the offices of the insurer and be available for review should NAMFISA want to see it?	No response needed, draft standard withdrawn	

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.12 SOUNDNESS OF FINANCIAL POSITION					
	3(f)	A registered insurer or registered reinsurer will be considered to have a sound financial position when – the insurer or reinsurer generally conducts its business in a manner that will enable it to meet all of its obligations to the public, clients and policyholders.	Mentions obligations to the public. This seems wide - what are those obligations and how will it be measured? Can we be more specific?	The clause has been amended, by deleting reference to the public	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.15 ACCOUNTS AND OTHER INFORMATION TO BE KEPT BY REGISTERED INSURERS AND REINSURERS					
	General numbering	General Comment	From clause 7 the numbering has gone totally haywire. Please correct the numbering as per the gazetted standard. (see at page 113-114)	The numbering has been fixed	
	2(d)(iii)	Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following: generally accepted accounting practice (GAAP);	GAAP is no longer a practice standard that is applied. We recommend removal the of this term - replace it with IFRS standards.		We cannot delete GAAP, as FIMA provides for it. GAAP means general accepted accounting practice and is defined under section 1 of FIMA to mean accounting framework adopted by ICAN, which may currently refer to IFRS.

	5(d)	Every registered insurer or reinsurer shall prepare in accordance with GAAP and IFRS for every accounting year — a valuation report; and	We recommend clarification of the expectations of financial institutions. Can “other information” be defined?		Clause is 5(e) and not (d), reads “additional “ and not “other”. Additional information cannot be defined because it will depend on various circumstances or need as would reasonably be determined by Namfisa from time to time. The list cannot be exhausted.
	6	The information required to be kept in terms of this Standard shall be maintained at the principal office of the registered insurer or reinsurer or such other place where it is easily accessible at the request of NAMFISA.	We recommend correcting the spelling of “easily”.	The spelling has been corrected	
	8(1)	A registered insurer or reinsurer is required to submit the information referred to in clause 4(a), (b) and (c) to NAMIFSA on a quarterly basis, in the form and manner set out in clause 8, and as set out in the Chart of Accounts on the NAMFISA ERS	We recommend clarification of the expectations of this clause. This seems impractical to perform.		Noted- current practice. Financial information referred to under 4(a-c) is already being submitted quarterly without much challenge. The expectation is to

					submit information as required. Clause 8(1) referenced is missing from the draft standard
	9(a)	Requires annual information to be lodged within 90 calendar days of financial year end. This is an unreasonably short period of time and is half of the current requirement. External audits often take longer than this.	Replace “90 calendar days” with “180 calendar days”		Submission time of audited financials has changed from 6 months to 3 months in FIMA and the standard is aligned accordingly. The 6 months period is way too long and defeats the usefulness of the data/information submitted. Clause inserted
	11	States that Namfisa may when it “considers it necessary and reasonable” require information more frequently from a particular insurer. No indication or guidance is provided under which circumstances this would be “necessary”. It constitutes an unreasonable, arbitrary and unbounded administrative power.	Delete the clause or include clear circumstances under which Namfisa may exercise this very broad power.		The clause is necessary to allow NAMFISA to request for information at any time outside the regular reporting dates in the furtherance of its functions and objectives. This will be determined by

					the merit of a case as it might be from time to time, for example it may be necessary where the entity is faced with financial challenges or crisis has arisen and NAMFISA will be required to take urgent action or when the entity is under liquidation to protect the public and the financial system stability etc
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.16 REGISTRATION OF LLOYD'S INTERMEDIARIES					
	4	General	The numbering needs to be corrected.	The numbering has been corrected	
	5	General	In section 5, reference is made to various clauses, however, the references are not correct. Thus, there are no clauses 4(1), 4(2) or 4(3)(a)(b) or (d). Kindly rectify. Section 5(b) reference is made to GEN.S. 9.17. Also, this section should be numbered "9". Correct numbering and references.	The referencing and numbering has been corrected	
	6	General	Part III, section 6 to be renumbered to section 10. Reference to GEN	Part III Section 6 has been renumbered	

			Standard and numbering should be corrected.		
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
VOLUNTARY CANCELLATION OF BROKERS REGISTRATION					
	Schedule 1, Form A, 3.	General	There is a requirement to attach proof of payment but the fee is N\$ 0 as per GEN.S.10.23. We recommend the deletion of requirement for proof of payment.		The proof of payments requested is with respect to renewal or variation fee as per GEN.S.10.23 and not for cancellation.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INSURANCE REGULATION 2.1 THE MEANING OF MICROINSURANCE					
	1	General Comment: Defines microinsurance and provides for the benefit thresholds microinsurance is limited to. The Namibia National Reinsurance Corporation Act, 1998 (Act No. 22 of 1998) act also refers to microinsurance, but the benefit threshold is different.	Creates uncertainty in law. We recommend that the standard be aligned with the Namibre Act or an exemption be added to say "other than as defined in the Namibia National Reinsurance Corporation Act, 1998 (Act No. 22 of 1998) act"	Whilst it is important to ensure that there is legal certainty, its vital to highlight that micro-insurance business is a specific targeted policy intervention by GRN to enhance broad access to affordable primary insurance coverage. This GRN policy intervention cannot be mixed up with the objectives under the Namibre Act which is a	

				secondary insurance offering	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.1 Capital Adequacy Requirements for Registered Insurers and Reinsurers					
		Kindly indicate how the “paid-up capital” and “retained earnings” were cumulatively determined to be the Minimum Capital Requirement Floor in comparison to previous method of determination, which included capital and reserves?		This is the correct position and adopted best insurance practice – MCR should consist of paid up shared capital’ The MCRF at registration will consist of paid-up share capital and on a going on concern, it will be paid-up share capital and retained earnings. Both assets must be unencumbered and is the bear minimum N\$ that an insurer is required to hold at all material times.	
	Capital Adequacy Requirements – section 3 5(e)	NamibRe is only permitted to invest in highly liquid (financial) investments and as such its capacity to generate income is significantly curtailed and hence the possibility of going below the N\$ 12 million Minimum Capital Requirement Floor is highly	Proposals will be submitted to NAMFISA after a stress test was conducted by the Actuaries (kindly see cover letter).		

		likely if underwriting losses are experienced. NamibRe wants to know how the MCRF of N\$12million was determined?			
		An SCR calculation needs to be done for NamibRe to determine if the compliance requirements are too onerous.	The results of the SCR calculation will determine which requirements are too onerous.		<p>MCR is set under FIMA sec 10. Therefore, MCR cannot adjusted in the standard to be lower than amount required under section 10 of FIMA. The requirements will apply to all registered entities.</p> <p>Entities were invited and most participated in the Quantitative Impact Study prior to publication of the draft standard and the results thereof were also considered during the drafting of this standard .</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.2 Asset Liability Valuation for CAR					

	Clause 6(b)	<p>In terms of the specified clause, the level of prudence is not prescribed and as such leads to a situation where registered insurers and reinsurers would be holding technical provisions at a different level hence not comparable between those entities.</p> <p>In terms of Table 1 of the Schedule reference is made to IBNR factors, NamibRe would like to establish as to how those factors were calibrated and whether they take into consideration the Namibian market and whether reinsurance data has been included in the calibration?</p>	<p>NamibRe would like to see that NAMFISA adds clarity on this point so that the level of technical provisions in the market is not arbitrary i.e. NAMFISA should endeavor to make the level of prudence more prescriptive.</p> <p>Please disclose how the IBNR factors were calibrated.</p>	<p>These are factors that can be used should the insurer decide that the other methods are not suited. The aim is that the methods are suited to the nature of the business and are less prescribed by the regulator.</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
NS.S.2.15 Accounts and other information to be kept by registered insurers and reinsurers -					
	Clauses 7 & 8:	<p>NamibRe obtained exemption for the filing format. The reporting format for NamibRe is not the same as for insurers. The Regulator is requested to take note of this exemption.</p>	<ul style="list-style-type: none"> • Hard copy filing should be avoided and replaced with electronic submissions only. • Permanent solution to the mischief should be explored. • If system problems are experienced for submission of electronic reports, then such must be solved prior to operationalization of the Act. • The physical address of NAMFISA must be corrected under clause 8. 	<p>The clauses have been amended to allow for electronic submission of documents unless where it is not possible to do so or NAMFISA directs otherwise</p>	
	Clause 9:	<p>Reinsurance due date for submission is 30 September, which is more than the 90</p>	<ul style="list-style-type: none"> • Align clause 9 to the PEGA i.r.o. PE's. 	<p>Financials must be submitted within 90 days in</p>	

		<p>days. The provisions of the Public Enterprise Governance Act, 2019 is applicable to NamibRe and stipulates "six months" after end of financial year.</p> <p>Clause 9 (b): NamibRe got an extension to 60 days (covered by clause 10, which provides for this extension).</p>		terms of FIMA, but exemption may be granted based on the merit of the case.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
NS.S.2.1 CAPITAL ADEQUACY REQUIREMENTS FOR REGISTERED INSURERS AND REINSURERS					
	General Comment	<p>Incorporate a List of Abbreviations either at the beginning or end of the schedule for reference purposes. While it is appreciated that the terms are defined within the text, the continued cross referencing between clauses not advisable as it might lead to confusion and possible ambiguities</p> <p>Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.</p> <p>Awaiting formal actuarial feedback on overall content of Standard</p>	Can you be more specific as to what you want to be changed/amended?	The errors, referencing and numbering has been corrected throughout all the standards	
	Clause 4 read with Clause 6	Is the expectation that a registered insurer should meet both the MCRF and MCR requirements or is it		Yes, the insurer is required to meet both.	

		either / or, whichever is more?		The MCRF is inclusive of the MCR. But the insurer/reinsurer should in addition look at what has been its 15% of the NPW during its last preceding FY.	
	SCR provisions (page 8 of GRN Notice 7713) Par. 4(4)(b) (page 9)	Referencing to a specific Practice / Standard not advisable. It is proposed that reference rather be made to the Standard through circular independent of the Standard as in this manner, a change in the Standard / numbering would not affect the wording in the gazette.			It is an established custom and drafting practice to just make reference to guidelines or standards issued by other bodies, that were when changes are done in the referenced documents, the standard to not have to be amended and regazetted etcetera.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.2 Asset Liability Valuation for CAR					
	General Comment	Incorporate a List of Abbreviations either at the beginning or end of the schedule for reference purposes. While it is appreciated that the terms are defined within the text, the continued cross referencing between clauses not advisable as it might lead			It is the adopted legal drafting format that is used consistently under FIMA for all subordinate pieces of legislation.

		to confusion and possible ambiguities.			
		Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.		The referencing, numbering and editorials have been fixed	
		Awaiting formal actuarial feedback on overall content of Standard		Refer to that feedback on comments and the final draft	
	Clause 1	See comment under SCR provisions (page 8 of GRN Notice 7713) Par. 4(4)(b) (page 9)		noted	
	Clause 21(6)	Is Standard INS.S.2.1 correctly referenced? Should it not be INS.S.2.19?			The reference is correct
	Clause 22(1)(d)	Has consideration been given to the provisions of IFRS19 when drafting the clause relating to insurance contracts?		IFRS 17 applies to insurers issuing risk policies with DPF – Clause 22(1)(d) merely speaks on when liabilities under insurance contracts are to measure and derecognize - Does not speak on the basis of measurement of the LRC and LFIC. IFRS 17 still not effective and would not be prudent for us to include the	

				measurement basis in this standard.	
	Clause 23(2)	What is the engagement process that will be followed should NAMFISA invoke the provisions of clause 23(2)		NAMFISA shall invoke such action if it of the opinion that an insurer/reinsurer has not complied with the requirements of this standard or any general standard issued by Namfisa from time to time with respect to the valuation methodology. The process is self-explanatory.	
	Clause 24(2)	Does this provision relate to the valuation report required under the provisions of INS.S.2.1 (Clause 9(1(b)? Would propose that the relevant standard be cross reference to ensure that reporting times can be formally linked.			No, these are separate reports. There is no need for cross-referencing, but the topic of discussion is different. Clause 24(2) is an over-arching provision which expand on the role of the Valuator of an insurer/reinsurer
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.3 Application for registration of Insurers and reinsurers					

	Clause 4(e)	Spelling mistake		The spelling errors have been fixed	
	Schedule 2 – Class of Insurance	Under which category would 'credit life' be classified?		<p>It would be classified under Schedule 2 section 3, B1 or B5.</p> <p>It can be under pure life or life and disability depending on the actual features of the credit life product.</p>	
	Schedule 2 – Part 4(3)	Isn't this a duplication of the requirements listed under the Fit and Proper Statement required by the PO?			Schedule 2 is an application form while schedule 4 for FAP requirement assessment has been deleted and will have to be completed under GEN.S.10.2 respective FAP forms.
	Schedule 2 – Attachments (Principal Officer – police clearance)	What is the rationale for requesting police clearance from country resident in the past 10 years? Has consideration been given to the difficulty associated to secure Police Clearance from foreign countries and the hindrance in the business operations?	Proposed that an alternative to police clearance be investigated to ensure efficiencies when it comes to the appointment of key persons that have been resident outside of the Republic of Namibia		The clause has been amended, the Police clearance is now upon request from NAMFISA, otherwise the PO makes a declaration to the effect.

	Schedule 2 – Attachments (Principal Officer – Educational Qualifications)	Reference is made to “Law” as being an acceptable tertiary education however no similar reference is made in GEN.S.10.2		Schedule under GEN.S.10.2 has been amended by inserting “law”	
	Schedule 2 – Attachments (Key Persons – Certificate of Service)	In instances where a director might be working as an independent consultant and not necessarily affiliated with a professional body, what should be submitted to meet this requirement?		Inserted this statement in a footnote “This is for self-employed Director’s, who must write in detail a submission to explain his/her special circumstances’. However, the relevant key persons requirements and forms will have to be completed under GEN.S.10.2	
	Schedule 3 – Business Plan – par. 7	What is the level of detail required by NAMFISA with regards to competitor analysis as an Applicant might not be privy to the information being requests.			The level of detail should be sufficient and left to the applicant’s discretions but should aims to demonstrate or show evidence about the viability of the business plan. The standard cannot be too prescriptive in this case as the information

					required will also be subject to many factors such as business type, model, prospective products
	Schedule 3 – PO declaration	Remove reference to Long Term Insurance and Short Term Insurance Act		The clause has been amended and reference to the two Acts removed	
	Schedule 4 – Section C	Duplication op page 45		Schedule 4 for Fit and Proper Form has been removed and incorporated under GEN.S.10.2. the forms must be completed under the relevant standard, and has also been amended accordingly	
	Schedule 4 – Section E	Why is a singular FAP statement being proposed for both NP and LP? It is proposed that NAMFISA considers following the existing framework whereby a separate FAP statement is required for a Natural Person (NP) and a Legal Person (LP) Add E.20 Name of Principal Officer / Key Person		The FAP forms have been amended and the forms provide for FAP for both NP and LP. The form will now be completed under GEN.S.10.2	
	Schedule 4 – Section E	Remove the requirement for the statement of the name of the legal person			The information is necessary as the LP could have

	(Honesty & Integrity)				previous other registered names or different trading names, all to be disclosed on the form. The form is to be completed under GEN.S.10.2
	Schedule 4 – Section G (Source of Funds)	Remove the requirement for statement of the name of the legal person.			The declarant should be identifiable and hence they will need to state their full names. The form is to be completed under GEN.S.10.2
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
NS.S.2.4 Registration requirements for brokers					
	General	The heading should reference to both Insurance and Corporate Insurance Brokers as the Standard is applicable to both Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.		The reference and grammatical inconsistencies have been fixed	A Broker in this case refers to both natural or corporate (juristic) and is defined as such under sec 53 of FIMA.
	Clause 1(c)	What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	Propose that only a single definition be considered under Section 53 of the Act. All insurance brokers and agents, irrespective of whether they are corporate entities or not, are required to register.	It is necessary to distinguish between registered entities to whom the standard applies and can be enforced.	

				secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons	
	Clause 4(1)	Are individual brokers, affiliated to corporate brokers also required to register as the provisions are currently rather ambiguous	Proposed that the provisions of the clause clearly articulate that irrespective of your affiliation to a corporate broker, registration remains mandatory and that your registration is not guaranteed by virtue of your affiliation to a corporate broker.	Yes both individual working for corporate broker and corporate broker need to be registered separately and are issued separate licenses	
	Clause 4(2)	What are the expectations for FAP Statements as it relates to key persons? Current wording only implies either the individual broker or corporate broker submit a FAP statement. There is no expectation created that FAP statements should be submitted for key persons.		All key persons juristic and natural persons will be expected to complete the FAP forms under GEN.S.10.2 Fit and Proper Requirements standard.	
	Clause 6 (2) & (3)	Is the 'errors and omission insurance policy' the previously required Professional Indemnity Cover? Is the expectation that over and above the conventional Professional Indemnity Cover that a corporate insurance broker secure fidelity fund insurance.		reference is made to section 58(4) requiring Errors and Omission and Fidelity insurance to be taken out for respective fraud and errors by individual broker employees and corporate broker..	

	Clause 7	The requirements for registered of a corporate broker should align to the substantially the same requirements of an Insurer / Reinsurer.	Proposed that NAMFISA considers aligning expectations (See Schedule 2 under INS.S.2.3)		The requirement cannot be aligned as an insurance broker conducts business as an intermediary while the insurer is the underwriter and do not conduct similar activities nor face similar risks. The 2 types of businesses are substantially different.
	Schedule 1 – Part 7	Amend typing errors under the required attachments	Remove reference to Long Term Insurance and Short-Term Insurance Act	The clause has been amended and reference to the two Acts removed	
	Schedule 1 – Part 9.1	When is the annual fee payable? Is the annual fee the renewal fee reference in GEN.S.10.23	At the end of the financial year. Annual fee is renewal fee.	<p>The clause has been amended, to delete the word “annual” and replace it with the “word renewal”. The renewal fee is payable in terms of section 59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.</p> <p>Note: Part 9 of schedule 1 has however been</p>	

				deleted as it is no longer relevant.	
	Schedule 1 – Part 9.2 (ii)	Does this requirement extend to individual and corporate insurance brokers? Is the financial year being referenced to that of the insurance broker or the financial year-end of 29 February?		<p>1. It all depends on the set up. It can be individual if trading as sole proprietary or corporate if trade under a corporate set up.</p> <p>2. The financial year end referred to in this clause is the 12 months period of each financial institution as defined under section 1 of FIM i.e. included individual and corporate broker).</p> <p>Note: However Part 9 of the schedule has been deleted as it is not longer relevant</p>	
	Schedule 1 – Part 9.3	Does the professional indemnity cover referenced to in this clause related to the 'errors and omission policy' under clause 6(2). Is the amount of cover required in respect of both short-term and long-term or is it a combined amount and does it relate only to the individual broker?		S58 of FIMA requires that brokers have in place the Errors & omission covers as well as Fidelity insurance cover for broker firms that have individual brokers	

		Provisions should be made for the issuing of PI insurance by foreign insurance companies acting under exception granted in terms of INS.S.2.5		<p>working as employees. Refer to clause. Refer to schedule 1(9.3)</p> <p>The Registrar may grant exemption if there are no insurers offering PI cover in Namibia.</p> <p>Note: Part 9 of the schedule has been deleted as it is no longer relevant</p>	
	Schedule 1 – Part 11	<p>Voluntary Cancellation of Registration It is proposed that reference be made to the provisions of INS.S.2.17</p> <p>Cancellation of Registration by NAMFISA Proposed that NAMFISA considers adopting a Standard that will address the procedure to be followed, similar as with INS.S.2.17, when NAMFISA invokes a unilateral cancellation.</p> <p>Should reference also not be made to variation in registration as provided for under INS.S.2.17</p>		<p>Part 11 of schedule 1 to this standard has been deleted as it is no longer relevant</p> <p>Cancellation and variation of insurance broker license is dealt with under INS.S.2.17.</p>	
	Schedule 1 – Part 13	Under the provisions of Schedule 2 to INS.S.2.4 there is an expectation that a		Section 13 under schedule 1 has been deleted and	

		corporate insurance brokers is to notify NAMFISA of its intention to exit the industry – why is a similar obligation not applied for an individual insurance broker?		no longer applicable for purposes of this standard	
	Schedule 2	Provisions that reference to the term 'applicant corporate broker' be removed. The application form in its heading already specifically references to Corporate Insurance Broker Footnote 14 still references to the incorrect principal place of business		Amended as recommended	
	Schedule 2 - Part 4 (attachments)	No reference is made to the need to submit the required FAP statements		Reference is made to GEN.S.10.2 Fit and Proper standard under which the form the from to be completed is contained	
	Schedule 2 – Part 5	Remove reference to Long Term Insurance and Short Term Insurance Act		The clause has been amended and reference to the two Acts removed	
	Schedule 2 – Part 6 A	When is the annual fee payable? Is the annual fee the renewal fee reference in GEN.S.10.23		The clause has been amended, to delete the word “annual” and replace it with the “word renewal”. The renewal fee is payable in terms of section	

				<p>59(7) FIMA and on the 31 March or the period as will/is prescribed in the Fee standard GEN.10.23.</p> <p>Note: Part 6 of schedule has been removed as it is no longer relevant</p>	
	Schedule 2 – Part 6 B	What was the rationale for reducing the period from 180 days to 90 days?		<p>Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted.</p>	
	Schedule 2 – Part 6 C	Does the professional indemnity cover referenced to in this clause related to the 'errors and omission policy' under clause 6(2). Is the amount of cover required in respect of both short-term and long-term or is it a combined amount and applicable to the legal entity (in other words, the individual broker including the corporate broker should each		<p>S58 of FIMA requires that brokers have in place the Errors & omission covers as well as Fidelity insurance cover for broker firms that have individual brokers working as employees. Refer to clause. Refer to schedule 1(9.3).</p>	

		<p>have PI cover to the value of N\$500,000?</p> <p>What does the requirement for the fidelity fund come into operation? What confirmation should be submitted?</p>		<p>Each license should hold cover of minimum N\$1 million and it could be more for corporate broker license as that will depend on the number of brokers employees being covered under the license.</p> <p>There is no prescribed format as that might differ per cover issuer but that a document to prove cover exist should be submitted to NAMFISA.</p>	
	Schedule 2 – Part 6 E	<p>Voluntary Cancellation of Registration</p> <p>It is proposed that reference be made to the provisions of INS.S.2.17.</p> <p>Cancellation of Registration by NAMFISA</p> <p>Proposed that NAMFISA considers adopting a Standard that will address the procedure to be followed, similar as with INS.S.2.17, when NAMFISA invokes a unilateral cancellation.</p>		<p>Part 6 of this standard has been removed because it is no longer relevant. Refer to INS.S.2.17 for cancellation of registration</p>	

		Should reference also not be made to variation in registration as provided for under INS.S.2.17?			
	Schedule 2- Part 6 F & G	When is the required notice to be given? Is the expectation that it should be given prior to the change and if so, how long before the change? Do these provisions merely impose an obligation to inform or would NAMFISA be required to approve?		Part 6 of this standard has been removed because it is no longer relevant.	
	Schedule 3	Proposed that the format of the FAP statements be uniform (see different formats used for Insurer applications and corporate broker/agents applications) See INS.S.2.3			The form is very simple and easy to use. FAP must be completed under GEN.S.10.2.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.5 Exemptions					
	General	The term "Person" as reference to in Clause 1(2)(a)(iii) is not defined Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.		Amended the referenced and deleted the word	
		Awaiting formal feedback on overall content of Standard from the Foreign Reinsurer			Noted but, there is no additional time for consultations.
	Clause 3(b)	Why is a similar requirement not required under Clause			It is not clear from the comment, which similar

		3(1) regarding the placing of foreign insurance?			requirements are referred to. There is no clause 3(b) and if the proposal refers to clause 3(1)(b), it already provides for the for exemptions requirement to be met by foreign insurers and the conditions to be fulfilled thereof.
	Clause 3(3)	There is no indication of the supporting documentation required. Under the current application forms, there is a clear expectations of what the required documentation is (i.e. reinsurance slip, confirmation from local reinsurer, quotation)		Amended the Clause 3(3) to include other documentations such as - reinsurance slip, confirmation from local reinsurer(s), quotations and any other form deemed necessary from time to time	
	Clause 8	Administrative sanctions should not only be imposed upon the financial intermediary but on the foreign insurer and reinsurance as well to whom the exemption was granted.		.	It would be a long drawn out battle if recourse is sought against the foreign insurer. A foreign insurer or reinsurance is not registered in Namibia and therefore this limitation impacts on Namfisa's ability to impose sanctions but places the

					responsibility on the intermediary to carry out due diligence and avoid exposing the prospective clients to uncertainties and risks
	Clause 9(3)	To what extent is NAMFISA able to determine limits (percentage) of reinsurance business accepted under the provisions of Section 39 of the National Reinsurance Corporation Act by NAMIBRE? This discretion does not sit within NAMFISA's mandate.		The determination is done by the Min of Finance. Namfisa may learn about contravention relating to Clause 9(3) through various sources.	
	Clause 10	Why aren't similar requirements imposed upon insurers placing business directly with foreign reinsurers.			Insurers automatically carries the inherent liabilities associated with the risk of placing business abroad and therefore it is not really necessary to impose same conditions similar to those imposed on brokers. Brokers and insurers are structurally different and hence the difference in the manner in which they are treated
	Schedule 1	Proposed that the application remains in substantial the same format as prior to FIMA		This is noted, however it must be updated to	

				reflect FIMA's position	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.6 Financial reporting requirement for insurance brokers					
	General	<p>No reference and/or inconsistent use of the terms insurance broker / registered insurance broker / corporate insurance broker / registered corporate insurance broker.</p> <p>Consideration to be given to the numbers of the clause, cross referencing and spelling / grammatical inconsistencies.</p> <p>No reference made to reinsurance brokers</p>	<p>Proposed that the definition of insurance broker be amended under the provisions of the Act to include both individual and corporate insurance brokers. Currently the use of the terms insurance broker and corporate insurance brokers aren't being used consistently thereby creating scenarios whereby a standard can be interpreted to not be applicable to either an insurance broker or corporate insurance broker.</p> <p>Alternatively, consistently apply the term registered insurance broker which address both the individual broker along with the corporate broker</p>	Amended, the term insurance broker defined under sec 53 of FIMA included both individual and corporate brokers.	
	Clause 1(2)	What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	Propose that only a single definition be considered under Section 53 of the Act. All insurance brokers and agents, irrespective of whether they are corporate entities or not, are required to register.		<p>It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons.</p> <p>Note the differentiation under</p>

					section 53 of an agent and broker although are together defined as insurance intermediaries under section 4 of FIMA.
	Clause 3(1)	<p>What is the expectation of an individual insurance brokers not operating under a formal legal entity?</p> <p>Instead of using the abbreviations (Pty) Ltd and CC, full provide for the legal entity name (i.e. proprietary Limited and close corporation)</p>	Would propose that provision be made for the submission of returns by an individual insurance brokers not operating under a legal entity	Provision should be made for submission of FS by all registered brokers whether natural or juristic person. The clause has been amended to provide the full description as recommended	
	Clause 4(a)	<p>What would be considered 'latest certification' for purposes of this provision? Clause 3 above has already made reference to financial information required of a corporate entity.</p> <p>No reference has been made to an individual broker? Is there an expectation from NAMFISA to have sight of the financial soundness of individual brokers not operating under a corporate insurance or reinsurance broker?</p>	Proposed that Clause 4(a) be amended to read as follows: 'Latest annual financial statements or annual financial statements of the registered'		<p>Clause 4 deals with submission of quarterly information and not annual information. 4(a) specifically requires submission of a certification of the financial soundness.</p> <p>Both individual and corporate brokers (collectively referred to as registered insurance brokers) in this standard</p>

					must submit the information
	Clause 4(d)	An insurance broker will not have an insurance agent necessarily affiliated to it. Is the use of the term insurance intermediary correct?		The reference is made to brokers and not agents. Clause has been amended accordingly.	
	Clause 4(f)	Is the expectation that insurance brokers are required to report on the claims paid of the insurer. This is an obligations that sits with the insurer and should not form part of the reporting expectations of the insurance broker (both individual and corporate)		The broker must still report to the extent of his knowledge claims that they have handled on behalf of the insurer.	
	Clause 4(g)	What complaints? Complaints lodged against the insurer or against the insurance broker (individual and corporate).	Proposed that insurance broker's reports on complaints received in lieu of its services rendered and that insurers report on complaints received against it.	All complaints received and assisted by the broker (individual and corporate).	
	Clause 6	How does NAMFISA foresee an individual insurance broker to meet the reporting requirements under this clause? What was the rationale for reducing the period from 180 days to 90 days?		Clause 4 requires brokers dealing with brokering activities to report as required and that includes natural persons registered as brokers. Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months	

				period is way too long and defeats the usefulness of the data/information submitted.	
	Supporting Schedules	No schedules attached to the Insurance standard		Schedules attached	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.7 Fair treatment of clients and policyholders by registered agents and registered brokers					
	General	<p>Treating Customers Fairly (TCF) does not only apply to a registered insurance intermediary but to all non-bank financial institutions ('NBFIs') offering financial services. Should this be an expectation be that the insurance intermediary only, what similar expectation is placed on the insurer and in terms of what provision under the Act.</p> <p>Within the insurance context, the term Client includes a policyholder? Why not merely reference to the term Client?</p>	<p>It is proposed that the provisions of this Standard be extended to all registered insurers, reinsurers and insurance intermediaries</p> <p>1. To be considered.</p>	<p>Clause 2 has been amended so that the standard becomes applicable to registered insurers in as far as it is applicable. It should be noted that Treating Customers Fairly is a concept that is applicable to all financial services providers and that includes insurers</p>	.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.9 AMOUNT OF COMMISSION THAT MAY BE PAID TO INSURANCE BROKERS					
	General	Duplication - the word 'insurance' in the heading is repeated twice.		The duplicate word have been deleted	

		Should the provisions of this Standard not be extended to insurance agents			No the standard only applies to insurance brokers
	Clause 3(a)	Why is there only an expectation surrounding fair treatment of client placed on insurance intermediaries? What level of TCF needs to be adopted by the insurer and where does NAMFISA pronounce itself of the standards to be adopted?			There is a TCF standard that cuts across all sectors. Treating Customers Fairly is a concept that is applicable to all financial services providers and that includes insurers.
	Clause 3(b)	To what extend are the provisions of GEN.S.10.10 (Outsourcing) applicable to insurance brokers and/or agents? Would the conclusion of brokering / agent agreements (individuals and corporates) be considered outsourcing of principal business or would it be construed as the outsourcing of a material business function?		It would be outsourcing of material business functions, not principal business functions. GEN.S.10.10 - Outsourcing of functions and responsibilities standard - applies to both financial institutions and financial intermediaries. What matters is the type of outsourcing model deployed by the financial institution or financial intermediary and how the	

				relationship is managed	
	Clause 12 (read with Table 2)	Does this imply that registered insurance intermediaries can earn commission from a registered medical aid thereby implying that medical aid schemes can enter into intermediary agreement?			<p>Medical Aid Funds (MAF) can enter into intermediary agreements with Medical Aid Funds brokers, that are now currently regulated under FIMA</p> <p>Table 2 applies to group schemes and health insurance business and not the business of MAFs.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.10 POINT OF SALE INFORMATION TO BE PROVIDED BY INSURERS, INSURANCE AGENTS AND INSURANCE BROKERS TO POLICYHOLDERS AN POTENTIAL POLICYHOLDERS					
	General	<p>Point of Sale information forms one of the 6 pillars of treating customers fairly (i.e. (1) governance and compliance; (2) product and service design; (3) disclosure; (4) suitable advise; (5) performance and service against expectations; and (6) claims, complaints and changes).</p> <p>What is the rationale for providing for a Standard (INS.S.2.7) that address the generic term 'treating customers fairly' but not addressing all aspects of what constitutes TCF and</p>	It is proposed that NAMFISA considers introducing a single Standard address the pillars of TCF as opposed to haphazardly referencing to TCF concepts across various Standards		<p>This Standard aims to ensure that point of sale information is clear and fair, which is only but a part of the greater TCF regime. Please see TCF general standard. By placing the responsibility on insurers who have control over the information to be disclosed, and to clearly state the responsibilities or roles of the</p>

		<p>then address another concept of TCF in a further Standard.</p> <p>What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'</p> <p>Would propose that the heading of the schedule be changed to refer to 'registered insurance intermediary'</p>	<p>Propose that only a single definition be considered under Section 53 of the Act. All insurance brokers and agents, irrespective of whether they are corporate entities or not, are required to register.</p>	<p>It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons</p>	<p>registered insurer or insurance intermediary in order to determine who should make the disclosures.</p> <p>There is no Schedule to this Standard.</p>
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	Clause 6	Determination of appropriate level of information should not be let to the subjective interpretation of an insurer or insurance intermediary but should be determined by the Regulator to avoid ambiguity and inconsistent application of the principals.			This cannot be determined by the NAMFISA as it may be product specific and risk inter alia, etc.
	Clause 8	How would this expectation be practically executable? Point of Sale information is primary provided to customers as a form of marketing material and recording the exact date and time POS information is provided would not be possible. Is it the intention of the regulator to disallow any form of telesales / telephonic marketing of insurance products? Or would the	Proposed that Insurance Product Sheet merely address the requirements relating to disclosure (See clause 18)	amended to include verbal, recorded (audio and visual). The purpose is to enable clients to sign acknowledgement of receipt of the information sheet at the time of selling the products.	

		recording and acknowledgement for purposes of this clause allow various forms of recording mechanisms (i.e. telephonic, electronic etc.) with due consideration to the provisions of the Electronic Transaction Act			
	Clause 11	What would be considered a tick-box questionnaire? In accordance with the principals of TCF and more particular plain language, the use of simplified forms promotes TCF and have been adopted to a large extend by insurers and insurance intermediaries to ensure importance information is relayed in an understandable manner. Does this provision intend to limit the use of simplified declarations?	Proposed that reference be made to the Insurance Product Sheet under Clause 18.		<p>A “tick-box questionnaire” approach has no regard to fulfilling the customer needs and considerations of circumstance, but rather, where the intermediary does explain or does a due diligence to assess the customers’ needs and ensure affordability.</p> <p>The intention is to make sure all info is available and client is aware and able to make an informed decision.</p>
	Clause 16 & 17	Cross reference incorrect – there is no clause 14(b) and 14(h)		The reference has been corrected	
	Clause 17	There should be a reciprocal obligations on insurers to ensure that policy information is provided to intermediaries in plain language and in such a manner to meet the TCF		S29 of FIMA deals with this aspect clearly and includes insurers. Refer to GEN.S.10.17	

		requirements that the Regulator is trying to address under the provisions of the Standard.		Intermediaries should be able to engage insurers to ensure that they fully understand the products, terms and conditions which they are selling/promoting to the general public	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.11 PROVISIONS GOVERNING THE REGISTRATION AND ON-GOING REQUIREMENTS FOR A CORPORATE BODY TO ACT AS AN AGENT					
	General	Why aren't individual agents referenced too under this Standard? There is no reference to the requirements under GEN.S.10.11		No response needed, draft standard withdrawn	
	Clause 5	Why is a singular FAP statement being proposed for both NP and LP	It is proposed that NAMFISA considers following the existing framework whereby a separate FAP statement is required for a Natural Person (NP) and a Legal Person (LP)	No response needed, draft standard withdrawn	
	Clause 8	What is the rational for NAMFISA needing to approve the code of conduct and any amendments thereto? Surely this can be addressed during the annual renewal period.		No response needed, draft standard withdrawn	
	Schedule 1	It is proposed that reference to the term 'corporate body' be removed. The application form in its heading already		No response needed, draft	

		specifically references to Corporate Insurance Broker Footnote 16 still references to the incorrect principal place of business		standard withdrawn	
	Schedule 1 – Part 10.2	It is proposed that points (xv) and (xvii) be combined, alternatively removed as this requirement is not consistently being reference too (i.e. not a requirement under INS.S.2.4)		No response needed, draft standard withdrawn	
	Schedule 1 – Part 11	Remove reference to Long Term Insurance and Short Term Insurance Act.		No response needed, draft standard withdrawn	
	Schedule 1 – Part 12.1	When is the annual fee payable? Is the annual fee the renewal fee reference in GEN.S.10.23?		No response needed, draft standard withdrawn	
	Schedule 1 – Part 12.2	What was the rationale for reducing the period from 180 days to 90 days?		No response needed, draft standard withdrawn	
	Schedule 1 – Part 12.3	Voluntary Cancellation of Registration It is proposed that reference be made to the provisions of INS.S.2.17. Cancellation of Registration by NAMFISA Proposed that NAMFISA considers adopting a Standard that will address the procedure to be followed, similar as with INS.S.2.17, when NAMFISA invokes a unilateral cancellation.		No response needed, draft standard withdrawn	

	Schedule 1- Part 12.4 & 12.5	When is the required notice to be given? Is the expectation that it should be given prior to the change and if so, how long before the change? Do these provisions merely impose an obligation to inform or would NAMFISA be required to approve?		No response needed, draft standard withdrawn	
	Schedule 2	Proposed that the format of the FAP statements be uniform (see different formats used for Insurer applications and corporate broker/agents applications) See INS.S.2.3		No response needed, draft standard withdrawn	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.12 DETERMINATION OF WHAT CONSTITUTES A SOUND FINANCIAL POSITION OF REGISTERED INSURERS OR REINSURERS					
	Clause 3(b)	Delete the name of the Standard 'The capital adequacy requirement for registered insurers' Throughout the standards, a standard is only reference using its numbering and not title – in this instance, the title is also reference.			INS.S.2.12 provides amplification and determination of Sound Financial position in line with INS.S.2.1, INS.S.,2.2 and INS.S. 2.3.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.14 Voluntary cancellation of insurers and reinsurers Registration					
	Clause 2	To be expanded to incorporate the 'variation of classes through cancellation' as there is a clear misalignment between clause 2 and clause 4.	Proposed wording: 'This Standard applies to all registered insurers or reinsurers (hereinafter referred to as "applicants") applying for cancellation of registration granted pursuant to section 11 of the Act or for	Amended to include variation	

			the variation of classes through cancellation		
	Clause 5(b)	Would propose that the following be deleted from the beginning of the sentence 'complete the form' Due to clause 5(a) already requiring application to NAMFISA, in writing as per a predefined form.		The clause has been amended accordingly	
	Clause 7	What is the lead time required by NAMFISA before publication of the notice as neither the Standard nor the Act provides a notice period. Or it is the intention that NAMFISA should firstly approve the notice before publication can be arranged?		A 30 day notice period will be required in order for NAMFISA to manage the potential regulator and supervisory risks that may arise as a result	
	Clause 8	Section 13(3) of the Act does not provide for a specific period during which objections need to be lodged? What involvement would the applicant have in consideration of the objections? How long would any application be open for objection? Time periods need to be provided.		<p>Section 13(3) requires the insurer to state in the notice the period within which the objections to the application may be lodged with NAMFISA.</p> <p>NAMFISA considers the objections according to sec13(5)</p> <p>The objection period will be for</p>	

				<p>as long as stated in the notice by the insurer.</p> <p>A period of at least 30 days notice prior and for lodging applications has been inserted in clause 7 and 8 of standard.</p>	
	Clause 9	What is the expectation? Should the communication plan be submitted to NAMFISA or the actual communication that will be submitted to the policyholders?		Both plans must be submitted to Namfisa. Refer to schedule 2 part 9.	
	Clause 10	Does NAMFISA have the right to refuse voluntary winding-up based on objections received under clause 8?			Clause 10 requires NAMFISA to approve, and that means NAMFISA can also reject the application. See clause 10 (1), (2) and (3)
	Clause 13	To be expanded to incorporate the 'variation of classes through cancellation'	Proposed wording: 'On and from the date of cancellation of the registration, the insurer or reinsurer, shall cease to either act as an insurer or reinsurer or cease in offering a specific class (es) of insurance products by virtue of it varying its insurance business through variation	Amended the clause 13(1) and the heading to make provision of the effect of both cancellation & variation so that both scenarios are dealt with.	

	Schedule 1	To be expanded to incorporate the 'variation of classes through cancellation' – there is no reference thereto other than in the title of the document.		The schedule has been amended accordingly	
	Schedule 1 – Part 11	<p>Original certificate of registration – does this refer to the NAMFISA license? If so, would propose that the wording be changed to avoid confusion with BIPA company registration documentation.</p> <p>Proof of communication in relation to 9.5 - proposed that it be more clearly referenced as to what is being required. See comment made under clause 9.</p> <p>Communication of communication to policyholder - What is the expectation? Should the communication plan be submitted to NAMFISA or the actual communication delivered to the policyholders as clause 9 seems to only reference to the communication plan that the applicant will adopt.</p>	<p>Proposed change 'NAMFISA Certificate of Registration'</p> <p>Proposed change 'Written confirmation from Auditor and Valuator that they have been notified of the intended cancellation'</p>	<p>Numbering is corrected under sub-section 9</p> <p>Part 11 of schedule 2 amended to clarify what must be submitted and attached as proof by the applicant , and includes certificate of registration and auditors certificates etc</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.15 ACCOUNTS AND OTHER INFORMATION TO BE KEPT IN NAMIBIA RELATING TO INSURANCE BUSINESS AND TO THE SUBMITTED TO NAMFISA, BY REGISTERED INSURERS AND REINSURERS					

	General	Numbering and cross referring through the Standard incorrect.		Amended numbering from "7"	
		<p>What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'</p> <p>What was the rationale for reducing the period from 180 days to 90 days in respect of annual information required?</p>	Propose that only a single definition be considered under Section 53 of the Act. All insurance brokers and agents, irrespective of whether they are corporate entities or not, are required to register.	<p>It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e. juristic person versus natural persons</p> <p>Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted. ubmissi on time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months</p>	

				period is way too long and defeats the usefulness of the data/information submitted.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.16 THE REQUIREMENT FOR THE REGISTRATION, OPERATION AND DUTIES OF A LLOYDS INTERMEDIARY IN NAMIBIA					
	General	Numbering and cross referring throughout the Standard incorrect		Clauses 2, "5" to 9 has been amended	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.17 APPLICATION BY REGISTERED INSURANCE OR REINSURANCE BROKERS, CORPORATE INSURANCE AND REINSURANCE BROKERS FOR CANCELLATION OR VARIATION OF REGISTRATION					
	General	Numbering and cross referring throughout the Standard incorrect Proposed that the term 'Registered Insurance Broker' and 'Registered Reinsurance Broker' be used to avoid overcomplicating the definition		The numbering has been corrected	
	Clause 2	What is the rational for distinguishing between 'registered insurance and corporate insurance broker' and a mere 'insurance and corporate insurance broker'	Propose that only a single definition be considered under Section 53 of the Act. All insurance brokers and agents, irrespective of whether they are corporate entities or not, are required to register.		It is necessary to distinguish between registered entities to whom the standard applies and can be enforced. secondly some clause requirements apply differently depending on the type of entity i.e.

					<p>juristic person versus natural persons</p> <p>It should be noted that the definitions of Insurance brokers and agents under section 53 of FIMA differs and this standard applies to insurance brokers only.</p>
	Clause 6	What is the lead time required by NAMFISA before publication of the notice as neither the Standard nor the Act provides a notice period. Or it is the intention that NAMFISA should firstly approve the notice before publication can be arranged?		A 30 day notice period will be required in order for NAMFISA to manage the potential regulator and supervisory risks that may arise as a result	
	Clause 7	Section 65(3) of the Act does not provide for a specific period during which objections need to be lodged? What involvement would the applicant have in consideration of the objections? How long would any application be open for objection? Time periods need to be provided.		<p>The standard states when the notice and how long the notice must run before the application must be lodged.</p> <p>2. Applicant has no say in the objections lodged.</p>	
	Clause 8	What is the expectation? Should the communication plan be submitted to NAMFISA or the actual communication that will be		Insurer should communicate the plan to submit to the policyholders. Refer to schedule 2 section 11	

		submitted to the policyholders?			
	Clause 9(1)	Does NAMFISA have the right to refuse voluntary winding-up based on objections received under clause 7?		Yes, despite the cancellation or variation being brought <i>mero motu</i> , it must be reasonable and not against public policy to do this.	Dealt with above.
	Schedule 1	<p>To be expanded to incorporate the 'variation of registration' – there is no reference thereto other than in the title of the document.</p> <p>No reference and/or inconsistent use of the terms insurance broker / registered insurance broker / corporate insurance broker / registered corporate insurance broker.</p>		<p>The schedule has been amended accordingly</p> <p>The references and use of terms have been corrected</p>	
	Schedule 2 – Part 5	<p>INS.S.2.17 makes reference to Broker Controlling Body requiring to issues confirmation that the membership to the Body has terminated however the concept is not defined anywhere in the Standards or the Act. What is the role of the Broker Controlling Body under the provisions of FIMA as there is no obligation to be registered with the controlling body?</p> <p>If the expectation is that the broker's affiliation to the controlling body is</p>		Reference to broker controlling body deleted as is not applicable	

		mandatory, is it proposed that the confirmation of continued affiliation to the controlling body also be reference in GEN.S.10.25 (Annual Renewal) as well as during the Application for registration (INS.S.2.4)			
	Schedule 2 – Part 6	Proposed that Part 6 precedes Part 5		The schedule has been amended	
		List of supporting documentation should include: 1. A statement by the Auditor / Accountant regarding liabilities 2. Board Resolution approving cancellation (corporate broker)		The list has been amended accordingly	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Standard INS.2.3 Application for registration of Insurers and Reinsurers					
	Standard INS.2.3	Form C: Business Plan and Acturial report – Actuarial is misspelt Form D: the fit and proper questionnaire contains the following question : “Are you of bad repute in any business or financial community or any market? “	Clarify what the meaning and intention behind the question is	The spelling errors have been corrected	The FAP schedule has been amended and the questionnaire is moved to GEN.S.10.2 and has to be completed under that standard

	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Standard No. INS.S. 2.7 FAIR TREATMENT OF CLIENTS AND POLICYHOLDERS BY REGISTERED INSURANCE INTERMEDIARIES –					
	Clause 2	<p>The Standard heading refers to Registered Insurance Intermediaries, similarly the content pertains to actions required of intermediaries. Clause 2, however, makes the Standard applicable to insurers and reinsurers as well, which is incorrect.</p> <p>2(2) registrerd insurers is misspelt – should be registered</p>		<p>Clause 2 has been amended so that the standard becomes applicable to registered insurers in as far as it is applicable. It should be noted that Treating Customers Fairly is a concept that is applicable to all financial services providers and that includes insurers</p> <p>The spelling errors have been corrected</p>	
	Clause 5	5(1) there are various restrictions on what insurance intermediaries can pay/ get paid and it also talks about some rebates. Do any of these restrictions prohibit intermediaries from charging lower commission or from not getting paid upfront commission and choosing as and when commission instead? of these restrictions prohibit intermediaries from charging	Amend clause 2 to only refer to insurance intermediaries	Commission will be treated as per the standard on remuneration INS.S.2.9. The standard only sets the maximum limits for commission and not the minimum.	Clause 2 has been amended so that the standard becomes applicable to registered insurers in as far as it is applicable. It should be noted that Treating Customers Fairly is a concept that is applicable to all financial services

					providers and that includes insurers
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.8 MATTERS WITH RESPECT TO ENTITIES COMMONLY KNOWN AS CELL CAPTIVES					
	Standard No. INS.S. 2.8 Clause 12	"No ordinary or preference shares may be issued, whether directly or indirectly, to any registered insurance or registered reinsurance brokers or its affiliate through cell captives."	Should this refer to "registered insurance brokers?"	The word "brokers" has been inserted	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 Amount of commission that may be paid to insurance agents and insurance brokers					
	Standard No. INS.S. 2.9 Clause 2	<p>The heading of the Standard- "The amount of commission that may be paid to Insurance Brokers..." refers to commission to be paid to Brokers, however Clause 2 states that the Standard is applicable to "all registered insurance intermediaries". The Act allows NAMFISA to issue Standards in relation to: "410(3)(x) the amount of commission that may be paid to insurance brokers;"</p> <p>We are of the view that an insurer should be able to remunerate its agents as it deems appropriate. There is no conflict that can be created as with brokers, and allowing agents to be remunerated by means of a salary or other means will</p>	Delete the second Insurance in the title.	<p>The reference to the words "intermediaries" ha been deleted and replaced with "broker".</p> <p>Agents remuneration is not regulated under FIMA and insurers have the discretion to structure and</p>	

		<p>eliminate the conflict that the agent may have when choosing between recommendations of products where some remunerate more than others.</p> <p>Do these requirements prevent a broker from getting as and when commission if they don't get upfront commission?</p> <p>If an insurer wants to allow hybrid solutions, will that be possible? If not, particularly for savings policies, it is not in policyholders' best interests to pay upfront commission.</p>		<p>remunerate agents at their will.</p> <p>No, insurers may pay as and when or commission to brokers within the threshold limitations</p> <p>The manner and form of remuneration is not prescribed, the standard only sets the rate limit and restricts payment to brokers to commission only</p>	
	Clause 13 and 14	Broker and intermediary are used throughout the Standard interchangeably. This creates confusion whether the limitation applies to agents as well or only brokers.	Amend to refer to brokers only.	The word "intermediary" has been deleted and replaced with "broker" as the standard only applies to broker remuneration	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	Standard No. INS.S. 2.10	"information must be disclosed or provided in good	Specify considerations to be used when considering "good time". What will be	Clause 6 clarifies what must be	

	Clause 5 and 6	<p>time” What is good time? This is vague. Does it relate to the specific product or the type of client?</p>	<p>the effect or consequences when ‘insufficient time’ is provided between provision of information and signing of a policy contract?</p> <p>It is recommended that provision be made that point of sale information be allowed in the quotation prior to contracting, or subsequently, by allowing the client to assess the information and be allowed to cool-off the policy within 30 days.</p>	<p>considered and the insurer has to use its discretion accordingly given the circumstances.</p> <p>Yes, it is a good practice. Inserted the suggested wording.</p> <p>Point of sale information be allowed and the quotation prior to contracting, allowing the client time to assess the information and be allowed to cool-off the policy within 30 days</p>	
	Standard No. INS.S.2.10 Clause 8	<p>The date and time of the point of sale information provided to a client for consideration must be clearly recorded by the registered insurer or registered insurance intermediary and acknowledged, in writing, by the client.</p> <p>Acknowledgment in writing can only be obtained once the quote is accepted and not in respect of all potential policyholders.</p> <p>What is the purpose of the time to be stated, sometimes</p>	<p>It is recommended that only date is provided, time to be removed.</p>	<p>The word “time” only has been deleted but the date is important and must be disclosed.</p>	

		information is provided over a period?			
	Standard No. INS.S.2.10 Clause 11	Reference is made to quality of disclosure vs quantity of disclosure. If clause 4 is provided on a per-policy basis to clients, what would amount to quality vs quantity. Does this clause prohibit intermediaries from providing factual information with pro's and con's which the client can use to decide, which would amount to ticking boxes? It seems to compel intermediaries to provide advice?	Clarity on what quality of information vs quantity of information refers to and how this will be measurable.		It is not necessary to define "quality as the word carries it literal dictionary meaning but it must be ready and understood in the context of the clause herein and how it is used. Also, refer to clause 4 and 15 as it clarifies what quality entails.
	Standard No. INS.S.2.10 Clause 12	"12. Clear and simple disclosure is required for all insurance products, particularly regarding the fees, charges and risks involved." Which risks are referred to? The requirement is vague.	Clarity is required as to what is expected.	Risk as ordinarily defined in the dictionary meaning the "pros and cons" in as far as they relate to, for example the whole contract terms and conditions and does not relate to insured risks. Note that the sentence should be read as a whole in context of the whole standard.	
	Standard No. INS.S.2.10 Clause 14	"14. In addition to the provisions of this Standard and upon any request made by a policyholder	Clarity on what is considered more or better information.		Refer to clause 4 and 15 for guidance.

		or potential policyholder, registered insurance intermediaries and registered insurers must deliver or make more or better information available to the policyholder or potential policyholder.”			
		The requirement is vague.			
	Standard No. INS.S.2.10	General question on the Standard – does the Standard imply that the information must only be provided by intermediated policyholders, or all policyholders that may be onboarded via online/alternative platforms as well?	Clarity to be provided whether only intermediaries must give the information, or also insurers.	Refer to section 3. The Standard applies to every form of products intermediation such as agents, brokers, insurance employees etc. whoever intermediate insurance products/services is covered under this standard	
	Standard No. INS.S.2.10 Clause 17	Reference to clause 14(H) is incorrect.	Change to clause 15(H)	The reference has been corrected	
	Standard No. INS.S.2.10 Clause 17	Can these items be specified in the general contract wording or must this be discussed with each client? “For the purposes of clause 14(h), in determining what exclusions or limitations are important, registered insurance intermediaries must, in particular, consider those that relate to the	Recommend that this be amended that the general exclusions and limitations be in the contract wording and quotation.		It is not necessary to state so in this clause. Clause 17 does not prohibit the list from being part of the contract but rather is focusing on the fact that these limits and exclusions must be communicated to

		significant features and benefits of a policy and factors which may have an adverse effect on the benefits payable under it, including but not limited to - (a) deferred payment periods; (b) exclusion of certain conditions, diseases or pre-existing medical conditions; (c) moratorium periods; (d) limits on the amounts of cover; (e) limits on the period for which benefits will be paid; (f) waiting periods; (g) restrictions on eligibility to claim, such as age, residence or employment; (h) surrender values; and (i) excess amount to be paid by the policyholder."			the client at the POS and that they become aware and make an informed decision
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.11 Provisions governing the registration and on-going requirements for a corporate body to act as an agent					
	Standard No. INS.S.2.11 Clause 7(3)	The clause requires that an entity applying to be a corporate insurance agent must ensure that it implements policies and procedures to assess, as an ongoing process, the competencies of its employees carrying on the activities of insurance agents. Which competencies are referred to, how are these	Clarify	No response needed, draft standard withdrawn	

		assessed and how often should this happen?			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.15 Accounts and other information to be kept by registered insurers and reinsurers					
	Standard No. INS.S.2.15	After clause 7, the clause numbers do not follow numerically anymore.	Correct clause numbers.	The numbering has been corrected	
	Standard No. INS.S.2.15 Clause 9(a) (assuming this is clause 9 because of the incorrect numbering)	Provision of an annual report, accompanied by audited financial statements within 90 calendar days of the end of each financial year, puts undue pressure on finance staff, actuaries, auditors, and those charged with governance. We are of the view that this deadline is not achievable due to existing reporting due to stakeholders, as well as the auditors being tasked with statutory audits, and procedures accompanying the annual report to NAMFISA. Additionally, the preparation for, and implementation of International Financial Reporting Standard (IFRS) 17 is expected to add more onerous accounting, as well as disclosure requirements, to an existing complex process.	Retain the current deadline of four months after year end, as per s22 (b) of the Short-Term Insurance Act 4 of 1998 and Long-Term Insurance Act of 1998, as amended. Within a month after year-end, unaudited financial information would be available on the basis of quarterly returns provided by each entity for the financial year in question.		Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted.
	Standards relating to applications to be submitted	The Standards require confirmation from the applicant that they have not been found guilty of an offence under the Long- and	Consider amending to refer to FIMA and the repealed legislation.		this comment appears misplaced as there is no such clause in this particular standard.

		Short-Term Insurance Acts, which will be repealed by the FIMA. When will these references be replaced by FIMA?			However, the references to to the two Acts in the declarations sections of the standard schedules have removed
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
PRE.S.1.1					
	Clause 4	Some actuarial societies issue Practicing Certificates. We suggest that NAMFISA should be allowed to place reliance on such certificates in order to form a view of the fit and proper status of the valuator.	Suggestion to include the following at the end of Clause 4: NAMFISA may place reliance on Practicing Certificates issued by actuarial societies, institutes or faculties in order to form a view of the fit and proper status of the valuator.		Clause 4 already refer to GEN.S.10.2 and may request additional information if deemed necessary.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.3 Application for registration of Insurers and reinsurers					
	General	We note in terms of the Act that short-term and long-term insurers currently licensed in terms of the Short Term and Long Term Insurance Acts are required to reapply for registration within 6 months of the date of commencement. Considering these insurers were registered and authorised to conduct business it is our submission that in these instances full compliance with all requirements set out in this Standard should not apply. As an example, these business has successfully	We request the Authority to consider some concessions regarding relicensing, since not distinction is currently made.	Insurers and reinsurers currently registered are deemed registered under s12 of FIMA and subject to adjustments or some standards. This means that no requirements to re-register but where there are provision that the insurers/reinsurers are misaligned to FIMA	

		operated therefore it would not make sense to require a business plan and actuarial template to be completed. We further request the Authority to consider whether a fee should be payable, considering these entities already paid the required fees upon the initial registration.		provisions, FIMA provides for the transition periods. The transitional provisions make provision for this process – section 467(3)	
	Clause 4(e)	It appears that there might be some formatting / typing errors in this clause.	d) be accompanied by a list of list(s) ed on nce on legal term to be used NAMFISA ERS user(s) nominees as set out under Schedule 5 FORM E, titled NAMFISA ERS Nomination form;	The clause has been amended	
	Clause 4(f)	There appears to be two subsections 4(f). We kindly request clarity	We recommend the second relating to application fee be labelled 4(g).	The numbering has been amended	
	Clause 14	We kindly request the Authority to consider accepting applications manually or electronically and not both.	We recommend the clause be amended as follow: An application must be completed in hard copies, signed by the principal officer of the registered insurer or reinsurer or a duly authorised representative of the applicant and submitted manually OR electronically to NAMFISA together with supporting documents to - (a) the designated NAMFISA ERS user account; OR (b) NAMFISA using either the postal or physical address.	Requirement for electronic and hard copies remains until legal framework has been fully established.	
	Schedule 1 Footnote 3	We kindly request the Authority to consider the attachment of a copy, alternatively certified copies only and the original may be made available on request.		Electronic submissions are provided for under clause 14, and only where necessary or so directed by	

				NAMFISA would hardcopies be required.	
	Schedule 5	The Heading should reflect Form E and not Form D.	We recommend the Heading to be updated in order to align with the requirements set out in the Standard: Schedule 4	The references in the schedules has been corrcted	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair treatment of clients and policyholders by registered agents and registered brokers					
	Clause 4(b)	This Standard in paragraph 4 (b) requires an insurance agent to provide policyholders both prospective and existing with clear information and kept appropriately informed before, during and after point of sale. There are complexities from a practical point of view from a direct insurer perspective when it comes to providing information prior and during the sale. Whilst we support disclosure and transparency and OUTsurance focus on key disclosure during the sales process, we have received feedback over the years from consumers that the line between too much and too little is very fine. We request clarity from the Authority on what is practically expected in terms of the direct insurer model considering the needs of consumers.	Clarity is sought on the application of this section.	<p>The clause is maintaining the importance of full disclosure and transparency of material information before, during and after point of sale.</p> <p>Provided for other modes of communication in terms of video and audio recordings</p>	

	Clause 5(1)(d)	<p>The clause states that an insurance agent is not allowed to provide the potential policy holder with a payment, allowance, and gift or offer any money or thing of value to lure potential policy holders into purchasing the insurance or to do something. Insurance intermediaries often have the ability to provide discount in some instances due to a customers' risk profile. Further clarity is required to understand if such a discount could be considered a payment, allowance, gift or offering of money or thing of value. It is</p>	<p>Clarity is sought on the application of this section.</p> <p>our submission that no clear definitions are provided in order to offer clarity at the moment.</p>	<p>Intermediaries do not offer discounts on insurance products. A discount is offered by the insurer, who underwrites the risk. The intermediaries simply serve as conduit for transmitting the discount to the potential client and therefore should not use this to induce customer in an unfair manner.</p>	
	Clause 5(1)(h)	<p>The clause provides that an insurance intermediary may not pay, allow or give, directly or indirectly, a rebate of all or part of the premium stipulated in a policy to a policyholder or potential policyholder, or offer or agree to do so, including allowing or giving, directly or indirectly any consideration or thing of value that is intended to be in the nature of such a rebate. A number of insurance policies has a no-claim bonus, which is in essence a product feature. The concept of this product feature is that</p>	<p>Clarity is sought on the application of this section.</p>	<p>If it's already part of the product offering by the insurer, the intermediary must not present it as a special offering. But should rather explain that it is part of the Insurer's contractual undertaking to refund part of premiums under certain circumstances. To avoid</p>	

		<p>a customer could get a portion of their premiums back if they do not claim for a specified period. This could constitute a rebate. We therefore kindly request clarity on whether a no-claim bonus would be considered a rebate in terms of this clause?</p> <p>It is our submission that this is not offered by the insurance intermediary but is part of the Insurer's contractual undertaking to refund part of premiums under certain circumstances depending on the risk profile of the client. Therefore it is our view that this clause should not apply to such no-claim bonuses, however we kindly seek clarity from the Authority.</p>		misrepresentation /enticement.	
	Clause 5(1)(i)	<p>This clause stipulates that no insurance intermediary may in connection with a request for a quotation or an application for insurance made to an insurer that is an affiliate of an insurer by which the insurance intermediary is employed or contractually bound, or an offer by such an affiliate to renew an existing policy fail to provide the lowest possible rate from the insurer which the intermediary is</p>	Clarity is sought on the application of this section.	<p>The broker must not fail to give the lowest rate to the client even where they may be having an obligation for renewals. They must always act in the best interest of the client at all times. This means that the brokers must search for more</p>	

		<p>employed or contractually bound or from any insurer that is an affiliate of that insurer. "Lowest possible rate" is defined as the lowest rate available having regard to all the circumstances, including the means of distribution through which a quotation, application or offer is made.</p> <p>The above seems to suggest that there should be no scope for discount and that the lowest premium must at all occasions be offered. Our concern is that this stipulation may not take into account insurers' retention efforts. In addition, the lowest possible rate is not a clear matter for the simple reason that there is a standard rate for a particular risk, but insurers may elect to give a discount to a client based on a particular underwriting reason or risk profile or in order to retain a good client. An insurer cannot possibly give discounts to all clients and as such the fact that a discounted premium is available does not mean that that is the lowest possible rate for all clients. We therefore seek clarity in this regard</p>		<p>quotations and get the lowest and best possible price that meets customer needs.</p>	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):

INS.S. 2.9 Amount of commission that may be paid to insurance brokers					
	Clause 13	<p>This clause dealing with Short Term Insurance prescribes the limitation of remuneration in that it states that:</p> <p>No consideration in respect of short term insurance business, directly or indirectly must be paid, allowed or given to, or accepted by or on behalf of a registered insurance agent, registered insurance broker, register reinsurance broker, Lloyds intermediary or any other person as remuneration for rendering intermediary services as an intermediary toward effecting, maintaining or servicing any short term insurance policy, otherwise than by way of commission. "Intermediary service" is not defined in the Act, it defines a "financial intermediary" which includes an "insurance agent".</p> <p>As a result our call centre agents may be seen as intermediaries providing intermediary services for which they will only be entitled to receive commission whilst they are remunerated on a performance based salary system.</p> <p>It is our view that our agents do not provide intermediary</p>	We require "intermediary services" to be clearly defined and distinguished from advice.	<p>The clause is properly quoted, it reads rather "rendering services as an insurance intermediary". Insurance intermediary is defined under section 4 FIMA and includes agents and broker.</p> <p>However the word "intermediary is deleted and replaced with "broker" in this standard because it applies to brokers only</p>	

		services as they act on behalf of the product supplier. We seek clarity from the Regulator in that if our agents provide financial advice and not intermediary services.			
	INS.S. 2.9. Heading	We note the heading of this standard only refers to insurance brokers. This could be misleading since it applies to insurance intermediaries, which includes both insurance brokers and agents. We therefore suggest the heading should be updated. The word insurance is also repeated in the heading, we suggested one should be deleted.	Amend heading to read: Amount of commission that may be paid to insurance intermediaries.	The word "intermediary" is deleted and replace with "broker"	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	General	Our general concern is that the requirements favour the intermediated distribution model and are not pragmatic from a call centre point of view. It will ultimately frustrate clients and result in them not being able to listen and take in the long list of information discussed.	Reconsider the practicality of the application of the requirements in light of direct insurance models.		PoS information is very critical irrespective of the mode of intermediation, be it via direct marketing or via intermediaries. The aim of this standard is really about ensuring that clients at a bare minimum provided with critical information as

					espoused under Clause 4.
	Clause 5	This clause, requires POS information to be disclosed or provided in “good time before the sale” to allow for an informed decision to be taken. It is not clear how “good time” prior to sale is defined in the context of a direct insurance model? Is it during the call or within a day or a week? What happens if the client requires immediate cover?	We kindly seek clarity on the application of this clause. We further suggest that direct insurers be allowed to share the information within 31 days of the initial sales conversation.	The term “good time” is clarified under clause 6 Point of sale information be allowed at the quotation prior to contracting, allowing the client time to assess the information and a cool-off period of 30 days allowed under clause 16.	
	Clause 4(d)	The Standard requires all exclusions to be disclosed at POS, prior to the policy being entered into, which in our view is not practical in a direct insurance environment. As mentioned above in our experience customers cannot process all of the information in a sales conversation. We are of the opinion that it may not be practically reasonable to ensure that all exclusions are made at POS. Full disclosures are made of all exclusions in the policy wording and not each and every disclosure is discussed with the policyholder since it is standard across the industry and most do not require further explanation,	We suggest this clause to be amended to read: a description of the risk to be insured and all material exclusions	Clause 4(d) has been amended as suggested	Reference to clause 1 (b) definition of POS , giving sufficient time for all considerations and what clause 4(d) requires. Clients must be furnished with necessary information , that allows him/her to make a decision, including material exclusions. This may not be common knowledge to all clients, hence the requirements for all disclosure, i.e. such

		<p>such as exclusions for driving under the influence.</p> <p>It is our respectful submission that only critical and material exclusions should be required to be disclosed at POS.</p> <p>We also request clarity on what is considered to be disclosures in writing as the definition further does not allow for voice recordings.</p>			<p>may be material , all exclusions must be communicated. Clause 4 states what should be disclosed as POS at a bare minimum. Note: what insurer may deem critical and material exclusions may not be viewed the same way by the client.</p> <p>Visual and audio recordings will be permissible.</p>
	Clause 8	<p>This clause requires that Acknowledgement must be obtained from policyholders in writing that they have received and understood the POS information provided, which could hinder the sales process and could prevent customers from obtaining immediate cover. We kindly request clarity if a recorded conversation would also be considered "in writing".</p>	<p>Clarity is sought if "in writing" includes recorded conversations which could easily be reduced to writing.</p>	<p>Audio and visual recordings acceptable</p>	
	Clause 9 and 13	<p>Clause 9 requires product information to be provided in writing, however Clause 13 requires a client to acknowledge that they have received and understood the information provided. Here again, would this be practical for direct insurers?</p>	<p>We require clarity on how this will apply to direct insurers.</p>	<p>Audio and visual recordings acceptable.</p>	

	Clause 15	Clause 15 regarding disclosures prior and at POS requires us to disclosure numerous points, most of which we do. Some of the requirements will keep a client in a telephonic conversation for extended periods such as the right to complain, arrangements for handling client complaints, which must include the insurers internal claims dispute mechanism and the existence of any independent dispute resolution mechanism. Such information could be provided in writing immediately after the conversation with the customer.	We recommend that it is allowed for some of the disclosures to be made within 30 days after the initial sale.	The 30 days is for the cooling-off period. Disclosure of rights and obligations must be done at PoS. Note that the definition of POS 1(b) must be noted.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.1 Capital Adequacy for Insurers					
	INS.S 2.1: Capital Adequacy Requirements (CAR)	The CAR requirements are extremely complicated, unnecessary so and difficult for non-finance Directors to measure or understand. Such complicated formulas may lead to unintentional breach.	We propose a simplified formula, easily implemented, easily measured and easily understood, but still achieving the same object of solvency: - Total admissible assets to exceed [Total accounting liabilities + Actuarial calculated liability + share capital] with ie 2.5% - 2.5% acting as a Cushion over and above total actuarial and total accounting liabilities + share capital The same formula can apply to Short-term, Long-term and re-insurers and simplify the calculations tremendously.		The dawn of RBS dictates a new methodology of calibrating CAR. Ref to section 18, 402 FIMA that requires appointment of valuator to value actuarial/policy liabilities Section 19 of FIMA requires insurers to employee sound

					insurance practices and the norm and standard insurance valuation and reserving practices should be adopted.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.2 Asset Liability Valuation for CAR					
	INS.S 2.2	INS.S.2.1 & INS.S 2.2 should be revised and much more simplified as the aim is to ensure solvency which does not need to be a complicated formula.	We propose a simplified formula, easily implemented, easily measured and easily understood, but still achieving the same object of solvency: - Total admissible assets to exceed [Total accounting liabilities + Actuarial calculated liability + share capital] with ie 2.5% - 2.5% acting as a Cushion over and above total actuarial and total accounting liabilities + share capital The same formula can apply to Short-term, Long-term and re-insurers and simplify the calculations tremendously.		The dawn of RBS dictates a new methodology of calibrating CAR in terms of INS.S.2.1
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirement for insurance brokers					
	INS.S. 2.6	Point 4(b) the sentence should be adjusted to read: A detailed schedule with policyholder names & product, the amount of premium (per policyholder), the collection date and the payment date, paid to... Point 11 – the supporting schedules are not attached	The exact details are important and the Broker should ensure correct and proper accounting of all information and be able to provide such information to the insurer on monthly basis or on demand. To be added	The clause has been amended and considered the details	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair treatment of clients and policyholders by registered agents and registered brokers					

	INS.S. 2.7	<p>Point 4(b) Where the Insurers documentation and brochures are presented, it will be difficult to “measure” the “knowledge” of a client. Furthermore, client does not always disclose all circumstances.</p> <p>How will points 4(a) & 4(b) be regulated when a dispute arises?</p> <p>Point 5 – General Conduct</p>	<p>When a Policyholder signs an application form it is a binding contract and the law of contract is rendered applicable to the prevailing set of facts and the Caveat subscriber rule will therefore apply. Will it therefore be acceptable to prepare a predetermined form (e.g list all questions to be added to application forms) to potential clients where they should accept and agree that sufficient information was provided and relevant questions were answered. The client or prospective client should also must have responsibility to ensure that they read the terms and conditions of each policy before they enter into a contract.</p> <p>Should an Employee appointed by the Insurer as a full-time sales employee (and any other employees e.g client service doing sales) be register as an insurance intermediary agent? It is assumed that the General code of Conduct will be applicable on them.</p>	<p>Caveat subscriber- when signing a contract, individual automatically agrees to the conditions within, whether or not they have read or understood them.</p> <p>Positive duty on clients to properly acquaint themselves before agreeing</p> <p>Yes, they must be registered as such</p>	<p>The intention is to place the responsibility on intermediaries to conduct themselves in a fair and reasonable manner.</p> <p>The adequacy shall be tested/measured in terms of what the intermediary has submitted to the client and what the client has signed as an acknowledgement for info received</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 Amount of commission that may be paid to insurance agents and insurance brokers					
	INS.S 2.9:	<p>Point 12. Table 1 refers to Fund Insurance with a reference to Table 2. Table1. All Funerals to be dealt with under Table 2 and Point12.</p> <p>Table 1. Are the values subject to annual CPI.</p> <p>Point 12. Given that “Health Insurance” forms part of</p>	<p>We propose that the correct allocation is made. Fund Insurance to be added to Rule 12 and Table 2 and removed in Table 1. As Table 1 only reference to Table 2.</p> <p>[Thus point 4 in Table1 to be removed as it is misleading and confusing]</p> <p>Funeral Commission adjustment proposed.</p> <p>Given the low monetary value of funeral premiums, most will earn 7.5% per Table2 which should really be an</p>		<p>Funeral insurance is paid as per Table 1, item 2. The rates are linked to CPI.</p> <p>Health policy commission is paid</p>

		<p>clause 12, remove the word “health policy” under point 3 in Table1 as it is confusing. Point 12. This point does not deal with renewal commission. Will renewal commission apply to point 12 or not?</p>	<p>acceptable commission on the funeral products. Clarity sought on annual CPI Correct allocation proposed [All Health Insurance to fall under Table 2]</p> <p>Renewal commission should be specified under point 12 whether applicable or not applicable.</p> <p>Clarity: If a broker take current policyholders already register at the Insurer to sign an appointment letter would the Insurer be liable to pay commission on already registered policyholders or can this be regulated by agreement between the Insurer and Broker?</p>		<p>as per Table 1, item no.3.</p> <p>If the commission was paid already, then no additional commission will be payable just because of an appointment letter.</p> <p>Table 1 and Table 2 rates and formulas have been clarified.</p>
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	INS.S. 2.10	<p>Clause 13 Registered insurance intermediaries and registered.....must obtain acknowledge in writing from Policyholders...understood the point of sale information.</p>	<p>Will it be sufficient to include such a section in the application form and let policyholder sign? Also See comments on INS.S 2.7 above.</p>	<p>It will be sufficient however the intermediary must make sure that the client read and understood what they are signing for. Just ticking boxes without care and consideration defeats the objective and goal</p>	

				to treating customers fairly	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.R.2.2 Insurance terms defined for the purposes of section 8 of the Act					
	Ins.R.2.2	<p>Point 4(1)(a) & (d) Emergency Evacuation and International Travel defined under short-term Insurance. Point 5(a) offer such benefits as a supplement towards existing fund benefits under the long term insurance under the class: Health Insurance Business of which emergency cover is one. Emergency cover is not predictable and can therefore be long term in nature. Converting current Long Term Insurance policies to short term will have a definite and severe cost impact on existing policies of up to 40% given the additional impact of VAT, Income Tax as well as Namibre Levies which does not /or only partly apply under the long term insurance and will impact its viability. This will result in an increase in premiums that will be to the detriment of the policyholder.</p> <p>Point (6) (5) (a) Refuse a claim because of pre-existing</p>	<p>Allowing Emergency Evacuation under both Long and Short Term Insurance. Allowing Emergency Evacuation (and where International Travel are offered in conjunction with Emergency Evacuation cover) to be offered under point 5(a) as part of Long Term Insurance or at least keep it under Long Term Insurance in the event that a person is a member of a Medical Aid or groups. Both emergency evacuation and international travel insurance products will have a significant increase in premiums, if moved from long term insurance to short term insurance. The impact will be in the order of at least a 40% increase in premiums due to the impact of Taxes, VAT and NamibRe levies. This will result in an increase in premiums that will be to the detriment of the policyholder. It is therefore recommended to have these policies retained under the long term insurance act as it will be advantages' to the policy holder and aligned to the long term nature of the policies.</p> <p>Emergency Evacuation is currently offered by both Long Term Insurers as well as Short Term Insurers as additional cover to their policies.</p>	<p>Cost implications and effect on policyholders ought to be considered.</p>	<p>The demarcation of the so-called hybrid class of insurance and/or insurance products is an essential element of the FIMA. FIMA requires a demarcation of LTI class from STI class. It must be however noted that at times, this demarcation is very blurred. This is the grey area when the NAMFISA must use its discretion in making the determination of what would fall under LT or ST insurance class.</p> <p>This is aimed at establishing regulatory clarity.</p>

		<p>conditions which was fully disclose...at inception</p> <p>Point 6 (3) ...a health policy does not include a contract for benefits that are included in the business of a medical aid.</p>	<p>Prosperity Life's Emergency Evacuation policies are provided to majority medical aid members buying regional evacuation cover as well as all as PSEMAS GAP policy holders, who also buys Emergency Evacuation cover. This is mainly due to the fact that the Public Service Employees Medical Aid Scheme only provides medical evacuation on pre-authorization and then mostly in the form of ambulance road transport.</p> <p>Should a member have pre-existing conditions, the insurer should be allowed to exclude that specific condition but still accept the member for all other conditions, similar to members on a Medical Aid Fund. It thus further allows for a member to still have some sort of cover, rather than nothing at all. Should the latter not be allowed, then then aspirant policyholders</p> <p>increasing the burden on the government healthcare structures. The main purpose to apply specific conditions exclusion on pre-existing conditions is the enable the insurer to manage its risk and to prevent deliberate anti-selection against the insurer.</p> <p>As many pre-existing conditions excluded are time/period based whereby the policy holders then can obtain cover for pre-existing conditions after a certain period as policy holder</p>		<p>All health policies such as emergency evacuation or transportation, 3rd party liability, international & domestic travel insurance shall fall under STI because they are .</p> <p>We believe a preexisting condition that was disclosed should not be reason for repudiating claim, if it was disclosed it is aimed to have been accepted and priced in the premium, unless if was expressly excluded</p> <p>However, the features of medical expense shortfall and those of Gap insurance have more similarities than differences. Medical expense shortfall is provided for under clause 5(3)(b)</p>
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			<p>has lapsed. The alternative is just to upfront reject the client which is in nobody's interest.</p> <p>After 30 years of independence, the current medical aid industry (inclusive of the Government Medical Aid Fund, Psemas), covers less than 18% of the total Namibian population and less than 45% of the employed population. The industry is slow growing and one of the main reasons why a vast number of people are excluded is due to the issue of affordability;</p> <ul style="list-style-type: none"> • Health policies under Long Term Insurance Business are not aimed to be competition for the Medical Aid Fund Industry but rather aims to be complementary and has been in co-existence and available in the Namibian market for many years. • People opting for a Health policy has different needs than what can be offered by a medical aid fund and demarcation will unduly protect medical funds at the cost of consumers and limit excess to private healthcare as NAMFISA will remove the consumer's right and option to choose. • Total demarcation will restrict innovation and tailor made medical insurance solutions which will remove the right of choice to enjoy private medical care. 		
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			<ul style="list-style-type: none"> • Such a restrictive regulation will not have any benefits to the Namibian citizens and public and will not contribute to the growth of medical aid which covers less than 18% of the total population as it has in general become unaffordable. • Using the example of provision for retirement, NAMFISA has created an equal basis of existence for both pension funds and retirement annuities within the insurance structures. • Similarly, both medical aid funds and medical insurance can co-exist with the main purpose to make private medical care available to the Namibian population at large. • The proposed legislation will be counterproductive to grow the private medical cover market and leave the population at large to depend on Government financed state facilities as choice of cover will become limited within medical aid funds only. Health policies is different to the medical aids in that it can allows for the following: <ul style="list-style-type: none"> • - Policyholders does not buy full comprehensive health cover and can distinguish between Out-of-Hospital cover (day to day cover) and In-Hospital cover; Benefits are offered at cost compared to 		
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			<p>tariffs within the medical aid funds;</p> <ul style="list-style-type: none"> - It is complementary to the medical aid funds offering. - also offers affordable access to primary healthcare insurance benefits to employees who may not be able to afford traditional medical aid fund cover. - Primary care members who are not able to afford traditional medical cover will need to be taken care of by the Government's already overburdened healthcare facilities. The allowance of primary care/entry level healthcare policies to operate under long term insurance have assisted greatly in other markets (for example South Africa) offering affordable healthcare solutions to the previously uninsured market. • The Medical Aid industry cannot be protected in detriment of the Insurance industry and should rather be formulated to support and complement each other. Both Industries has a place and a role to fulfill in providing suitable products for the broader Namibian population to at least have access to a minimum cover through various product offerings. • To this end, the South African legislation have exempted primary care policies from the 		
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			<p>prevailing demarcation legislation due to its ability to provide affordable access to private healthcare, which traditional medical aid funds failed to achieve.</p> <ul style="list-style-type: none"> As a result of the above reasons it is recommended that hospital plan policies, primary care medical insurance policies and defined medical insurance cover are allowed to continue under the long term insurance act and under the existing 'Health Insurance Business' class which was created for and allowed for this purpose Through this NAMFISA's main objective to enable the promotion of private medical cover through choice and a broader competition base, will benefit the Namibian consumer more than restricting choice only within a medical aid scheme offering. 		
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
PRE.S 1.1 Definition of valuator					
	PRE.S 1.1	Subject to clauses 4, 5, 6 and 7, and subject to the approval by NAMFISA, an individual who falls within any of paragraphs 3(a), 3(b) or 3(c) may be appointed, retained or employed as a valuator by a financial institution or financial intermediary or required by NAMFISA to make a	Revise propositions relating to the independence criteria as the Standards and Act contradict each other.		The Valuator can only be appointed if he or she meets the fit and proper requirements. See clause 4 and also refer to GEN.S.10.2 under Schedule 1, Part A (ii) k.

		valuation report with respect to a financial institution or financial intermediary under the Act. In terms of section 18(2) of FIMA and Chapter 10 section 402(2)(b) and GEN 10-8 under section 3 in terms of independence criteria a valuator cannot be employed and thus would not meet the Fit and Proper requirements			
	PRE.S 1.1	A person may not be appointed, retained or employed as a valuator unless, in the opinion of NAMFISA. This provision provides for subjective interpretation without the necessary insight into the specific profession and undermines the ability of professional bodies/ associations established specifically for this purpose. NAMFISA can object to any appointment that they believe is inappropriate.	Criteria to be revised in terms of independence and fit and proper requirements. Furthermore such appointment as employee to be considered based on individual merits and not on the sole discretion of NAMFISA, alternatively very clear criteria needs to be set out.(As example one cannot be in a situation where an appointment was made and then afterwards not allowed by the Regulator)		NAMFISA will be guided by GEN.S.10.2 and other provisions of the Act, Regulations, Standards in order to avoid subjectivity in the decision-making process. Discretionary powers.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.R.2.1 Meaning of Micro-insurance					
	INS.R.2.1	If a long-term insurer writes a policy with less than 25k cover does that make the policy a micro-insurance policy and does the insurer now need an additional license?	Please provide clarity.		Microinsurance business requires a special license which must be applied for and granted. A mere policy cover of 25k does not grant

					automatic microinsurance license to the issuer/underwriter.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.R.2.2 Insurance terms defined for the purposes of section 8 of the Act					
	INS.R.2.2 Paragraph 4(3)	<p>The regulations say you can decline a claim on a Health Policy for a pre-existing condition which was not fully disclosed. As this has always been the case, is it being said that you cannot refuse a policy for a pre-existing condition? The definition provided also includes disability lump sum and income protection policies.</p> <p>Gap cover is defined in the short-term as excess cover (in South Africa) and in the long-term, what we have under short-term insurance in South Africa.</p>	Please provide clarity.		<p>Regulation 2.2. Clause 4 (3) A registered insurer or reinsurer <u>must not —</u></p> <p>(a) refuse a claim because of pre-existing conditions <u>which were fully disclosed by the policyholder at policy inception</u> stage. The pre-existing condition must have been disclosed at inception of the contract in order for the claim to be valid/considered by the insurer; and</p> <p>(b) cancel a policy because of poor claims experience.</p> <p>For purposes of this regulation, GAP</p>

					cover in Namibia is defined to cover events as referred to in the regulation, e.g asset or sickness shortfalls. It is not just excess cover for all types short or long term insurance covers of nay cover.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.R.2.3 Amount Protection that will be afforded in respect of a life policy					
	INS.R.2.3 Paragraph 3	Is N\$50 000 still the correct level of protection? Further, there are no inflation increases linked as with micro-insurance.	Please provide any research calculations as to how the N\$50 000 threshold was reached, it is also absent inflation increases.	The regulation has been amended to a maximum amount of protection of N\$200 000 afer taking into account the time that lapsed and inflation adjustment since the last adjustment	
	Paragraph 3 & 4	Some instances of N\$50, 000, other instances of N\$50, 000.00	Consistent use of values written in the same way is advised.		
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S.2.3 Application for registration of Insurers and reinsurers					

	Schedule 1 Paragraph 3	Refers to a standard on fees payable S.10.23. which has not yet been published.	Please provide clarity on whether the relevant standard has since been published.	Yes, standard GEN.S.10.23 was published together with this draft during December 2021	
	INS.S.2.3 Schedule 2 Paragraph 3(4)	A differentiation is made between land vehicles and liabilities for motor vehicles.	Please clarify the differentiation.		Clause 4(a) has not changed. The opposite of land vehicles is railway rolling stocks. This is just to make it clear that rail rolling stocks are not covered. See clause 6(g).
	Schedule 2 Paragraph 8(4)	Shareholding up to the ultimate natural person / trust. Does this mean that one can only indicate the Trust? However para 8.5 requires the trust deed that names the beneficiaries.	Please provide clarity.	It requires the disclosure of the Trust and the ultimate founder/beneficiaries of the Trust	
	Schedule 2 Paragraph 8(21a)	... qualification in insurance, finance, economics and law.	Should read or law...as is reflected in 8(27).	The schedule was amended and must be completed under GEN.S.10.2 Fit and Proper standard	
	Schedule 2 Paragraph 8(24)	Definition of key person in footnote 6 is not detailed enough. E.g. what is a senior management position?	Please provide a definition for senior manager?		The "R" has been deleted.
	Schedule 2 Paragraph 8(30)	Who is a key person or a legal person? This sentence should also refer to legal shareholders	Please provide clarity. Please consider including for consistency.		The definition of "key persons" has been amended

		with more than 20% voting rights?			<p>under GEN.S.10.2. Fit and Proper standard</p> <p>The 20% shareholding details to be furnished un term of schedule 2 paragraph 7 of this standard</p>
	Schedule 4 Section B Q6	If the person has not been found guilty of the transgression, one cannot take this into consideration, it would therefore make the first part of the question null and void.	Consider rephrasing to read as follows: Have you been the subject of and subsequently been found guilty of any investigation, disciplinary proceedings, or where administrative penalties have been...		The form has been revised and must be completed under GEN.S.10.2 Fit and Proper standard.
	Schedule 4 Section B Q21	The structure of the sentence should be rephrased to avoid changes from 1st person to 3rd person.	Consider rephrasing to read as follows: Have you been the subject of civil or criminal proceedings or enforcement action, with regards to the management of an entity, commercial or professional activities which were determined adversely. (including where you have consented to an order or direction or where you provided an undertaking not to engage in unlawful or improper conduct) and which reflected adversely on your competence, diligence, judgment, honesty or integrity?	The form has been revised and must be completed under GEN.S.10.2 Fit and Proper standard.	
	Schedule 4 Section B Q22	Words are cut off on right hand side.	Please correct formatting.	The form has been revised and must be completed under GEN.S.10.2 Fit and Proper standard.	

	Schedule 4 Section B Q23	Words are cut off on right hand side and this should be question 23.	Please correct formatting.	The form has been revised and must be completed under GEN.S.10.2 Fit and Proper standard.	
	INS.S.2.3 Schedule 4 Section F Q6	If the person has not been found guilty of the transgression, one cannot take this into consideration, it would therefore make the first part of the question null and void.	Please see the proposed wording under Q6 above.		The form has been revised and must be completed under GEN.S.10.2 Fit and Proper standard.
Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.4 Registration requirements for brokers					
PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	INS.S.2.4 Paragraph 4	The Act makes provision for an insurer to submit a list of its agents. From this standard it would however seem that both the corporate broker and the individual broker needs to apply.	Please provide clarity.	Both corporate and natural brokers must apply for registration.	
	INS.S.2.4 Paragraph 6(1)(a)	Please provide more detail on this appointment letter?	Please provide clarity.		When a natural broker is an employee of a corporate broker company/firm
	INS.S.2.4 Paragraph 6(2)	It is unclear in this requirement whether the individual broker needs to have the insurance or whether it is sufficient that the corporate broker has it.	Please provide clarity.	Clause 6 (b) and (c) specifies the insurance covers types needed for both broker natural and juristic.	
	INS.S.2.4 Schedule 1	Must each broker submit annual financials?	Please provide clarity. Grammatical error.	The errors have been rectified	

	Paragraph 9(2)(ii)	Add an s to standards in line 2.		Every insurance broker is required to submit annual returns to the Registrar	
	INS.S.2.4 Schedule 3	In order to have the principal officer agree to the declaration, the F&P requirements schedule should be accompanied by a declaratory statement.	Include a declaration to the effect: I hereby declare that I have not been convicted by any court of any offence involving dishonesty, or of an offence in terms of the Act, the former Long-Term Insurance Act or the Short Term Insurance Act..	The schedule has been amended	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
	INS.S.2.5 Paragraph 4(2)(a)	Must exemption be applied for per policy or policy type?	Please provide clarity.	Exemption is applied for per policy (insurance risk).	
	INS.S.2.5 Paragraph 11	Grammatical errors in para 11.	Grammatical errors.	The errors have been amended	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.6 Financial reporting requirement for insurance brokers					
	INS.S.2.6 Paragraph 3(b)	Spelling error- "unadited"	Grammatical errors.	The grammatical errors and numbering has been fixed	
	INS.S.2.6 Paragraph 4(b)	Does this refer to premiums collected only?	Please provide clarity.	Premiums collected and paid to each insurer/reinsurer	
	INS.S.2.6 Paragraph 4(f)	Does this refer to the claims that the broker assisted with? It doesn't always happen that the broker is aware of all claims.	Please provide clarity.	The broker must still report to the extent of his knowledge claims that they have	

				handled on behalf of the insurer.	
	INS.S.2.6 Paragraph 4(h)	Does volume refer to number of policies or size of premiums?	Please provide clarity.	The clause has been amended to refer to the number and types of policies	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.7 Fair treatment of clients and policyholders by registered agents and registered brokers					
	INS.S.2.7 Paragraph 5(1)(i)	<p>Requires the broker to provide the lowest quote available.</p> <p>Question with wording: an affiliate of the registered insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound – does the affiliate refer to both instances?</p> <p>Lowest quote available – does this e.g. mean I must chose the cheapest type of disability cover instead of the most appropriate?</p> <p>Sub-clause 2 doesn't provide sufficient clarity as the including limits the impact of all of the circumstances.</p>	Please provide clarity.	<p>yes it refers to both instances.</p> <p>Lowest quote in this context should have reference to both price and appropriateness. Professional advice of the intermediary should be able to discern the price vs suitability of product when providing advice to the client.</p> <p>Sub-clause 2 should end with...."having regard to all of the</p>	

				circumstances". Delete the rest of the sentence	
	INS.S.2.7 Paragraph 5(1)(j) and (k)	Is there a reasoning for why a referral fee is not allowed?	Please provide clarity.		FIMA and INS.2.9 allows for commission only as a form of remuneration to brokers and does not provide for referral fees. No unregistered person should conduct insurance business and referrers are not registered persons under FIMA.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	INS.S.2.10 Paragraph 2	Spelling error- "insurerance agents"	Grammatical errors.	The paragraph has been corrected	
	INS.S.2.10 Paragraph 3(b)	Spelling error- "insnurance product"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 3(e)	Spelling error – "pontential policyholder"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 3(f)	Spelling error- "sinlge"	Grammatical errors.	The clause has been corrected	

	INS.S.2.10 Paragraph 3(g)	Spacing- "annuity policies", "tiedor"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 3(h)	Spacing-"orcharges"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 3(i)	Missing word- included in the premium	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 4	Spacing in the heading- "sale information"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 3	Paragraph 3(j) missing	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 4	Spelling error-"concluded"	Grammatical errors.	The clause has been corrected	
	INS.S.2.10 Paragraph 14 & paragraph 14(e)	Missing alphabet number: (a) Spacing- "to cancel"	Grammatical errors.	The clause has been corrected	"
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.12 Soundness Financial Position					
	INS.S.2.12	We view this standard as a repetition of INS.S.2.1, 2.2 and 2.3. The standard consists of 6 sentences and those sentences refer us to information in INS.S.2.1,2.2 and 2.3.	We recommend deleting this standard.		INS.S.2.12 provides amplification and determination of Sound Financial position in line with INS.S.2.1, INS.S.,2.2 and INS.S. 2.3.
Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.14 Voluntary cancellation of insurers and reinsurers registration					
	INS.S.2.14 Paragraph 11	Refers to a standard on fees payable S.10.23. which has not yet been published.	Please provide clarity on whether the relevant standard has since been published.	The standard GEN.S.10.23 was published	

	& Schedule 1 (3)			together with this draft December 2021.	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.15 Accounts and other information to be kept by registered insurers and reinsurers					
	INS.S.2.15 Clause 5 Section 1(2)(a)(iii)	Correct typo in line 2- eaily. What would be regarded as 'easily accessible' to the Regulator? "Accounting" spelling error.	Grammatical errors. Please provide clarity. Grammatical errors.	The numbering and wording has been correct	
	Section 7(1)	We believe it will be costly and burdensome to report every quarter.	We recommend reporting be done every 6 months.		Reporting must be done every quarter so that the info is current and if there are problems, NAMFISA can intervene timely instead of after 6 months. Kindly note that the quarterly report has been the current practice and FIMA has not changed the periods.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.17 application by registered insurance or reinsurance brokers, corporate insurance and reinsurance brokers for cancellation or variation of registration					
	INS.S.2.17 Clause 10 & Schedule 1 (3)	Refers to a standard on fees payable S.10.23. which has not yet been published.	Please provide clarity on whether the relevant standard has since been published.	GEN.S.10.23 was been published in December 2021	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
PRE.S.1.1 Definition of valuator					

	Section 7	Does this section mean that Namfisa can instruct Santam to appoint a valuator Namfisa chooses?			NAMFISA retains the right to require an institution to appoint a valuator. Namfisa shall not choose the valuator, the choice is that of the regulated institution.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.5 Exemptions					
	Section 2	Namfisa to include timelines in their exemption process and approval thereof.			NAMFISA's processing/response timelines are communicated to the regulated entities through an agreed upon SLC
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.9 – AMOUNT OF COMMISSION THAT MAY BE PAID TO INSURANCE BROKERS					
	INS.S.2.9	Namfisa to include in the standard what constitutes remuneration, as per Directives issued which highlighted what was not allowed for brokers.			Under INS.S.2.9 brokers should only receive a commission as a form of remuneration, thus defining this becomes superfluous.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.11 Provisions governing the registration and on-going requirements for a corporate body to act as an agent					
	SCHEDULE 1. 12.1	Namfisa to highlight who would be responsible for the annual fees of the agents.		No response needed, draft standard withdrawn.	

				However the insurers pays the fees to NAMFISA, in terms of section 55 of FIMA	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.15 Accounts and other information to be kept by registered insurers and reinsurers					
	Section 4	Standards must include that information can be stored electronically. Furthermore, it should make provision for information to be kept by the holding company situated in South-Africa provided that the information is still easily accessible.			Records generally can be kept electronically or physically or both, but not in another jurisdiction.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.18 Form of certificate of registration for an insurer or reinsurer					
	Section 3	Standards are silent on whether existing insurers will also be issued with a new certificate. Namfisa to consider issuing new certificates to existing insurers as well			Refer to Chapter 2, section 12 of FIMA which deems already registered insurers registered under FIMA. However, the recommendation may be considered should the need arise
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.1 Capital Adequacy for Insurers					
	INS. S. 2.1 pg 5	With regard to cell captives the valuator should be an independent person or chosen by agreement		The valuator is for the Insurer and must be Independent.	

		between the cell captive insurer and cell owner.			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.8 Matters with respect to entities commonly known as cell captives					
	INS.S. 2.8 pg 73	<p>Registered insurance intermediaries engaging or transacting in cell captive insurance would have to disclose to clients or potential clients, prior to the purchase of any insurance product:-</p> <p>(a) any conflict of interest in relation to the cell captive;</p> <p>(b) that the client or potential client is entitled to obtain the insurance product from another registered cell captive insurer; and</p> <p>(c) the proof of registration document as an intermediary.</p> <p>These requirements fail to take the sales environment into account be it telephonically, or in store. Material information should be provided to the customer prior to the sale but further detail should be provided in writing afterwards, within a reasonable period of 30 days for example.</p> <p>Item C could prove difficult to implement and should only be required on request. Or having a registration certificate up in store (in a place where customers can</p>			<p>Audio and visual recording are permitted and thus compliance with clause 6 is possible.</p> <p>There are no plausible reasons why an intermediary cannot provide clause 6 (a), (b) and (c) information prior to concluding the transaction</p>

		see it) should be sufficient proof of registration.			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.10 Point-of-sale information to be provided by insurers, insurance agents and insurance brokers to policyholders and potential policyholders					
	INS. S. 2.10 pg 84	<p>Section 4 of this standard sets out the general information that must be disclosed. POS information and customer acknowledgement must be provided in writing before the contract is concluded. These requirements fail to take the sales environment into account be it telephonically, or in store. Material information should be provided to the customer prior to the sale but further detail should be provided in writing afterwards, within a reasonable period of 30 days for example.</p> <p>The requirements at point 4 are a concern – this should be qualified by ‘most important’, or some other means to imply disclosure to the extent necessary to enable the customer to make an informed decision (this is intimated at point 5, but it is not cross referenced to point 4). For example, 4(b) and 4(d) and 15(h) – these clauses require disclosure of ALL rights, options, duties and exclusions, which is too</p>		<p>Some suggestions have been considered and incorporated; for example - Material information should be provided to the customer prior to the sale but further detail should be provided in writing afterwards, within a reasonable period of 30 days.</p> <p>There is no reason why a time stamp is necessary to prove take-up. A date is sufficient and that has been incorporated</p>	

		onerous (it will also lead to a long and complex sale). This also does not align with points 11 and 17 which talk about material POS information. This discrepancy should be rectified. There is no reason why a time stamp is necessary to prove take-up. A date is sufficient.			
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.11 PROVISIONS GOVERNING THE REGISTRATION AND ON-GOING REQUIRMENTS FOR A CORPORATE BODY TO ACT AS AN AGENT					
	INS. S. 2.11 pg 90	Manual and online submission of an application is a duplication. The provision should be manual OR online. Clarity is required regarding whether existing registrations continue or must entities re-apply for registration?		No response needed, draft standard withdrawn	
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.13 Trust Account and returns					
	Trust Account (Clause 3 – Percentage of Deposit required)	The Trust Account to be opened by Lloyd's, the minimum value of funds therein and the returns required to be furnished by Lloyd's under Section 47 and 410(3) (n), (o), (p) of the Act.	We therefore propose a deposit requirement for Lloyd's underwriters of 40% of annual premium reported, as the level currently is not considered commercially or prudentially optimal for Lloyd's underwriters.		Section 37 of the old LTI Act, 1998 has been retained as is. The percentage (70%) amount shall not be reduced under FIMA because it is considered a prudent measure for the regulator in the absence of normal/ traditional

					CAR and or other prudential requirement that other insurers are expected to meet.
		Trust Account (Clause 3 – Deposit timescale) & Part III: General (Clause 12 - Reporting periods and due dates)	Lloyd's proposes the deadline for adjusting the deposit and filing the annual return and reports is changed from 90 to 120 days, which is in line with the current requirement. Our view is that 90 days is simply too short a timeframe in view of the revised audit scope and process agreed with NAMFISA's Prudential team and the additional reports required under the Standard.		Submission time of audited financials has changed from 6 months to 3 months in FIMA. The 6 months period is way too long and defeats the usefulness of the data/information submitted.
	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
INS.S. 2.16 The requirements for the registration, operation and duties of a Lloyds intermediary in Namibia'					
	Part II: Operations and duties Clauses 6 – Application of premium approval)	The requirements for the registration, operation, and duties of a Lloyd's intermediary in Namibia under Section 47, 50 and 410(3) (p) of the Act	Further to recent discussions, Lloyd's proposes the addition of its foreign exchange premium payment approval process form for reinsurance to the INS.S 2.16 for clarity. Please see all suggested additions under Annex 1 below. (NB – Should be read with Annex 1 as submitted by Lloyd's)	currently have in place an approval process that allows all Lloyds Intermediaries to remit all premiums to the Lloyds market. Be it Namibian dollars or other foreign currencies.	

Market conduct –

- INS.S. 2.4 Registration requirements for brokers
- INS.S. 2.5 Exemptions
- INS.S. 2.6 Financial reporting requirement for insurance brokers
- INS.S. 2.7 Fair treatment of clients and policyholders by registered agents and registered brokers
- INS.S. 2.11 Provisions governing the registration and on-going requirements for a corporate body to act as an agent
- INS.S. 2.16 The requirements for the registration, operation and duties of a Lloyds intermediary in Namibia
- INS.S. 2.17 application by registered insurance or reinsurance brokers, corporate insurance and reinsurance brokers for cancellation or variation of registration