

Statutory Instrument No. 55 of 2000

INSURANCE INDUSTRY ACT
(Cap. 46:01)

INSURANCE INDUSTRY (AMENDMENT) REGULATIONS, 2000
(Published on 8th September, 2000)

ARRANGEMENT OF REGULATIONS

REGULATION

1. Citation
2. Amendment of regulation 2 of S. I. No. 124 of 1992
3. Amendment of regulation 8
4. Amendment of regulation 13
5. Amendment of regulation 14
6. Amendment of regulation 16
7. Amendment of regulation 17
8. Amendment of regulation 23
9. Insertion of new regulation 24A
10. Amendment of the First Schedule
11. Amendment of the Fourth Schedule
12. Insertion of Fifth Schedule

IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by section 131 of the Insurance Industry Act, the following Regulations are hereby made —

1. These Regulations may be cited as the Insurance Industry (Amendment) Regulations, 2000. Citation

2. Regulation 2 of the Insurance Industry Regulations (hereinafter referred to as “the Regulations”) is amended by inserting, in their appropriate alphabetical order, the following definitions—
“‘corporate insurance agent’ means a company registered under the Companies Act that conducts business as an insurance agent, whose principal office is in Botswana, and whose principal officer resides in Botswana;”;
“‘individual insurance agent’ means any individual so registered to represent an insurer, a corporate insurance agent or an insurance broker, not being an employee thereof;”;
“‘resident in Botswana’ has the same meaning assigned to it in the Income Tax Act;” and
“‘sub-agent’ means an insurance agent who is registered as an agent of a corporate insurance agent.”.

Amendment of regulation 2 of S. I. No. 124 of 1992
Cap. 42:01

3. Regulation 8 of the Regulations is amended by renumbering the present regulation as subregulation (1) thereof, and by adding the following new subregulation —
“(2) An application for renewal of registration by an insurer shall be in Form No. 11 in the First Schedule hereto and shall be accompanied by the documents referred to in the said Form.”.

Cap.52:01

Amendment of regulation 8

Amendment of
regulation 13

4. Regulation 13 of the Regulations is amended —

(a) in subregulation (1) thereof by renumbering the present paragraph (d) as paragraph (e) and by inserting immediately after paragraph (c) thereof, the following new paragraph —

“(d) has successfully completed the examinations leading to a certificate of proficiency in the relevant area of work from a recognised institution, or the equivalent as may be determined by the Registrar.”;

(b) by substituting for subregulation (2) thereof the following new subregulation —

“(2) A person, being a limited liability company, shall not enter into or maintain an insurance agency agreement with an insurer or a broker unless he —

(a) is a company incorporated under the Companies Act;

(b) is deemed by the Registrar to be resident in Botswana; and

(c) employs a principal officer who has successfully completed the examinations leading to a certificate of proficiency in the relevant area of work from a recognised institution, or the equivalent as may be determined by the Registrar;” and

(c) by inserting, after subregulation (2) thereof the following new subregulation —

“(3) Every sub-agent of any corporate insurance agent shall comply with subregulation (1) of this regulation.”.

Cap. 42:01

Amendment of
regulation 14

5. Regulation 14 of the Regulations is amended by renumbering the present regulation as sub-regulation (1) thereof and by inserting the following new subregulation —

“(2) An application for renewal of registration by a broker shall be in Form No. 12 in the First Schedule hereto and shall be accompanied by the documents referred to in the said Form.”.

Amendment of
regulation 16

6. Regulation 16(2) of the Regulations is amended by substituting for the words “fifteen thousand Pula (P15 000)” appearing therein, the words “thirty thousand Pula (P30 000)”.

Amendment of
regulation 17

7. Regulation 17 of the Regulations is amended by substituting for the words “two hundred and fifty thousand Pula (P250,000)” and “ten million Pula (P10,000,000)” appearing therein, the words “five hundred thousand Pula (P500,000)” and “one hundred million Pula (P100,000,000)”, respectively.

Amendment of
regulation 23

8. Regulation 23 of the Regulations is amended —

(a) by deleting subregulation (1) therefrom;

(b) in subregulation (2) thereof, by substituting for the words “Motor Vehicle Insurance Fund” the words “Motor Vehicle Accident Fund”;

(c) by renumbering the present subregulations (2), (3), (4), and (5) therein as (1), (2), (3), and (4) respectively; and

(d) by inserting immediately after subregulation 4 thereof, the following new subregulation —

“(5) In accordance with section 110 of the Act, any insurer, broker, or agent listed in the Fifth Schedule is hereby exempted from the provisions of the Act.”.

9. The Regulations are amended by inserting, after regulation 24 thereof, the following new regulation —

“24A. Subject to section 104(2) of the Act, all classes of insurance effected by Botswana residents or Botswana resident companies shall be placed with Botswana registered insurers.”.

Insertion of
new
regulation
24A

10. The First Schedule to the Regulations is amended by inserting immediately after form 10 thereof the new forms set out in Appendix I hereto.

Amendment
of the First
Schedule

11. The Fourth Schedule to the Regulations is amended—

(a) in paragraph 1 by substituting for the words “five thousand Pula (P5,000)” and “two thousand five hundred Pula (P2,500) appearing therein, the words “nine thousand Pula (P9,000)” and “five thousand Pula (P5,000), respectively;

Amendment of
the Fourth
Schedule

(b) in paragraph 2 by substituting for the words “one thousand Pula (P1,000)” and “five hundred Pula (P500)” appearing therein, the words “two thousand Pula (P2,000)” and “one thousand Pula (P1,000)”, respectively;

(c) by inserting after paragraph 2 the following new paragraphs —

(i) “2A. An individual insurance agent shall pay a registration fee of one hundred Pula (P100) and an annual fee of fifty Pula (P50).”; and

(ii) “2B. A corporate insurance agent shall pay a registration fee of five hundred Pula (P 500) and an annual fee of two hundred and fifty (P250), and for every sub-agent engaged by such entity, an annual fee of twenty Pula (P20).”.

12. The Regulations are amended by inserting, immediately after the Fourth Schedule thereof, the Schedule set out in Appendix II hereto.

Insertion of
Fifth Schedule

APPENDIX I (regulation 10)

Form No. 11

REPUBLIC OF BOTSWANA

INSURANCE INDUSTRY ACT
(Cap. 46:01)

APPLICATION FOR RENEWAL OF REGISTRATION AS AN INSURER
(regulation 8)

BY:.....

(Name of Insurer)

Address of Insurer:

.....
Date:.....

To: —
The Registrar of Insurance
Ministry of Finance and Development Planning
Private Bag 008
Gaborone
Botswana

Dear Sir

INSURANCE INDUSTRY ACT
(Cap. 46:01)

1. I/We apply for the renewal of registration of
Full name of Insurer
2. The physical address of the registered office of the company is —
.....
3. The addresses of the head office of the company are —
(a) Physical address
(b) Mailing address
4. The Principal Officer's name and title are —
.....(1)
5. The amount of paid-up capital (excluding debentures, preference shares, non-voting shares and paid-up capital subscribed directly or indirectly in itself) of the company is —
.....(2)

Documents to be attached to this application

1. Chart showing the organisational structure of the company, with names accompanying all senior management positions.
2. Certification from the company's auditors to substantiate the amount of paid-up capital.
3. Statement showing the monetary "own account" and reinsurance treaty limits which the insurer can underwrite under each of the classes of insurance business transacted.
4. List of all persons with whom agency agreements were active during the year (ending with the expiry date of licence being renewed), including any cancellations/ suspensions and the reasons for such cancellations/ suspensions.

I/We enclose a cheque made payable to the Government of Botswana for five thousand Pula (P 5,000) being the fee for renewal of registration.

Yours faithfully

.....
Authorised name & signature

COMPANY SEAL

REPUBLIC OF BOTSWANA
INSURANCE INDUSTRY ACT
(Cap. 46:01)

APPLICATION FOR RENEWAL OF REGISTRATION AS AN INSURANCE BROKER
(regulation 14)

BY
Name of Broker

Address of Broker:.....

.....
Date:.....

To —
The Registrar of Insurance
Ministry of Finance and Development Planning
Private Bag 008
Gaborone
Botswana

Dear Sir

INSURANCE INDUSTRY ACT
(Cap. 46:01)

1. I/We apply for renewal of registration of
Full name of Broker
2. The physical address of the registered office of the company is —
.....
3. The addresses of the head office of the company are —
(a) Physical address
(b) Mailing address
.....
4. The Principal Officer's name and title are —
.....(1).
5. The amount of paid-up capital (excluding debentures, preference shares, non-voting shares and paid-up capital subscribed directly or indirectly in itself) of the company is —
.....(2).

6. The deposits held by a commercial bank under the direction of the Registrar (by Regulation 16 (1)) are —

.....(3).

7. The company's Professional Indemnity Insurance is carried by —

.....and is current (4).

8. The company is/ is not covered by Fidelity Guarantee Insurance (delete as applicable) (5)

Documents to be attached to this application

1. Chart showing the organisational structure of the company, with names accompanying all senior management positions.
2. Certification of the company's auditors to substantiate the amount of paid-up capital.
3. Statement from the bank in confirmation of these deposits, as per no. 6.
4. Schedule or cover note from the insurer providing cover as per no. 7.
5. Schedule or cover note if Fidelity Guarantee Insurance is in place, as per no. 8.
6. List of all persons with whom agency agreements were active during the year (ending with the expiry date of licence being renewed), including any cancellations/suspensions and the reasons for such cancellations/suspensions.

I/We enclose a cheque made payable to the Government of Botswana for one thousand Pula (P1,000) being the fee for the renewal of registration.

Yours faithfully

COMPANY SEAL

.....
Authorised name and Signature

APPENDIX II
(regulation 12)

FIFTH SCHEDULE
(regulation 23(5))

INSURERS, BROKERS, OR AGENTS EXEMPTED FROM THE PROVISIONS OF THE
INSURANCE INDUSTRY ACT

1. Medical Aid Societies that are registered by the Registrar of Societies, including healthcare benefits provided by Medical Aid Societies, whether such are registered by the Registrar of Societies or not.

MADE this 25th day of August, 2000.

B. GAOLATHE,
*Minister of Finance and Development
Planning.*