

# **NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY**

## **REQUIREMENTS FOR REGISTRATION OF AN INSURANCE COMPANY**

An insurer seeking registration shall satisfy the Regulatory Authority that: -

- a) it is a company registered under the Companies Act of Botswana
- b) it has a principal office in Botswana
- c) its controller, manager, principal officer and directors who handle the day to day management of the company are all resident in Botswana
- d) its controller, manager and principal officer are persons with sufficient business and insurance knowledge and experience.

No insurer may employ as its manager, controller or principal officer any person who:

- a) has been adjudged an undischarged bankrupt in any country
- b) has made an assignment to or arrangement or composition with creditors which has not been rescinded or set aside
- c) has been convicted by any court in any country of an offence involving dishonesty
- d) is in the opinion of the Registrar an unfit person to hold the office.

The application is to be made using Form 1, which requires specific information to be supplied. The current non-refundable application fee is P9 000.

At the moment, the requirement for paid-up capital is P2 million. This figure shall not include debentures, preference shares, non-voting shares and such paid-up capital subscribed, directly or indirectly in itself, by the insurer.

The business plan must show that the company will be able to meet the required solvency margin. In the case of a non-life insurer, the solvency margin is P1 million or 20% of the net premium income, whichever is greater. For a life assurer, assets must equal liabilities.

Where the insurer owns in excess of 20% of the equity stock in any other company the company name, country of incorporation or registration, principal business activity and percentage stock holding of each such company shall be stated.

There is a limit of 5% ownership between an insurer and a broker, whether this is direct or indirectly held. No person is allowed to be employed by both an insurer and a broker, in the capacity of manager, controller, director or principal officer.

The licence is renewable annually using Form 11.

