

**Ref Information Letter NBFIRA 9/6/10-V (141)**

**INSURANCE INDUSTRY ACT, 2015**

Addressee	Insurers and Insurance Intermediaries	File	General Insurance Correspondence
Issue date	Effective date	Information Letter	Status
26/08/2020	16/05/2020	NBFIRA 9/6/10 -V(141)	Issued
Subject	Revised Transitional Arrangements for Insurance Industry Act, 2015		

**1. PURPOSE**

1.1 Please be informed that following the outbreak of the Covid 19, the Non-Bank Financial Institutions Regulatory Authority ("NBFIRA") has reconsidered the transitional arrangements for the Insurance Industry Act, 2015 and its Regulations.

1.2 The purpose of this information letter is therefore to inform insurers and insurance intermediaries of the revised transitional arrangements for the Insurance Industry Act, 2015.

**2. IMPLEMENTATION DATES OF THE TRANSITIONAL ARRANGEMENTS**

2.1 Licensed insurers and insurance intermediaries are hereby informed that these transitional arrangements are with effect from 16 May, 2020.

**3. AVAILABILITY AND INFORMATION SHARING**

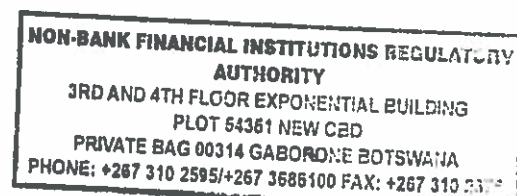
3.1 This information letter is available on the NBFIRA website ([www.nbfira.org.bw](http://www.nbfira.org.bw)). Licensed insurance entities must bring this information letter to the attention of their respective representatives.

3.2 For further clarification on this matter, please contact Gorata Molojwane at [gmolojwane@nbfira.org.bw](mailto:gmolojwane@nbfira.org.bw) or Ogona Tshoswane at [otshoswane@nbfira.org.bw](mailto:otshoswane@nbfira.org.bw).

Yours truly,



Mr. Sriram Gade  
**ACTING CHIEF EXECUTIVE OFFICER**



**Transitional Arrangements**  
**Insurance Industry Act, 2015**

**NON-BANK FINANCIAL INSTITUTIONS REGULATORY  
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1. This information letter sets out the revised transitional arrangements.
2. Please note that column 5 of the table below indicates the additional extended transitional period.

*Summary of Transitional Arrangements*

ITEM	BEFORE	AFTER	TRANSITIONAL PERIOD FROM 17 MAY 2019	ADDITIONAL EXTENDED PERIOD
Minimum capital requirements for insurance agents <b>Reg. 5</b>	Nil	Higher of; P30,000 or 4% of annual income or 25% of expenses reported in the annual return	18 months	6 months
Submission of audited annual returns by insurance agents <b>Reg. 18</b>		Accounts for insurance agents should be audited annually	12 months	6 months
Professional indemnity for insurance brokers <b>Reg. 24</b>	P500,000	P1,000,000	12 months	6 months
Professional indemnity for insurance agents. <b>Reg. 24</b>	Nil	P500,000	12 months	12 months
Security guarantee (Insurance brokers) <b>Reg. 25</b>	P25,000	Greater of P100,000 or 30% of total premiums actually received, held or in any other manner dealt with.  Note that the security can be in the form of a general policy issued by a general insurer or contract given by a bank under which benefits are to be provided in the event of failure of	12 months	12 months

		of failure of the broker to meet its obligations		
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*G. M. M.*