

REQUIREMENTS FOR LICENSING OF A RE/INSURANCE COMPANY

A re/insurer seeking licensing shall satisfy the following requirements as prescribed by the Insurance Industry Act, its regulations and the NBFIRA Fit and Proper Rules:

Company Requirements

- a) A company is resident in Botswana,
- b) Insurance business is the sole object of the company,
- c) Certificate of Incorporation,
- d) Memorandum & Articles of Association and/or Constitution of Company,
- e) Notice of Issue of Shares (Form 8),
- f) Shareholder certificate(s),
- g) Consent and Certificate of Director(s) or secretaries (Form 2B),
- h) 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,
- i) 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,
- j) Notice/Proof of physical and postal address (e.g. lease agreement, utility bills, etc.),
- k) Appointment of Auditors (offer letter from insurer, acceptance letter and practicing certificate from auditors),
- l) Appointment of Valuers; Actuaries for Life re/insurers and approved persons for Non-life re/insurers.

Capital Requirements

- a) Non-life insurers to maintain a minimum capital target which shall be the higher of P5 million or 25% of operating expenses,
- b) Life insurers should maintain a minimum capital target which shall be the higher of P10 million or 25% of operating expenses,
- c) Reinsurers should maintain a minimum capital target which shall be the higher of P10 million or 25% of operating expenses.

Controller Requirements

- a) The controllers, manager, principal officer and directors who handle the day to day management of the company are all resident in Botswana,
- b) The controllers and managers are persons with sufficient business knowledge and at least 5 years' experience in the insurance industry,
- c) The Principal Officer should be a person with a minimum of Associate in a recognised Insurance institution or its equivalent and at least five (5) years' experience working in a managerial position of an insurance company,
- d) All controllers to meet the fit and proper requirements as prescribed by the NBFIRA Fit and Proper Rules,
- e) Evidence of insurance qualifications and experience of the principal officer, as per the NBFIRA Fit and Proper requirements,
- f) Appointment of Anti-Money Laundering/ Combating the Financing of Terrorism Compliance Officer,

- g) Certified copies of identification documents (Omang for citizens; or work and residence permits, and passport for non-citizens), copies of educational certificates, Biographical Affidavit form, Security Vetting Authorisation (SV1) form, Police clearance certificate (from country of residence), CV, proof of residence (utility bill, letter from employer or affidavit), bank reference, personal balance sheet and 2 passport-sized photographs in respect of all controllers.

Other Requirements

- a) The business plan (Appendix J for Non-life re/insurers and Appendix K for Life re/insurers) must show that the company will be able to meet the required solvency ratio as per the Insurance Administrative Rules,
- b) Risk Management Strategy,
- c) Anti-Money Laundering/ Combating The Financing Of Terrorism policy,
- d) Disaster recovery Plan,
- e) Investment Strategy,
- f) IT System general overview,
- g) Underwriting policy,
- h) Reinsurance and other risk transfer policies,
- i) Approved person or Valuator's report,
- j) Proposed products policy wording

Application fee and Submission

- a) The application is to be made using the **Form 1**, which requires specific information to be supplied. The form is accessible in the NBFIRA website (www.nbfira.org.bw).
- b) The application form and all other required documents should be submitted on the NBFIRA RBSS portal and hardcopies delivered to NBFIRA offices,
- c) The non-refundable licensing fee is **P25, 000** and should be deposited into NBFIRA bank Account No: **9060001296510** Stanbic Bank-Fairgrounds.

Renewal

- a) The licence is renewable annually using **Form 3**,
 - b) Organisational Structure of the company, with names accompanying all senior management positions,
 - c) Certification from company's auditors to substantiate the amount of capital,
 - d) List of all persons with whom the Insurer has agency agreement with,
 - e) Statement showing the monetary own account and reinsurance treaty limits which the insurer can underwrite under each of the classes of insurance business transacted,
 - f) Proof of payment of Supervisory Levies. The supervisory levy on insurance companies as may be prescribed by the Statutory Instruments is charged on the gross premiums written as reported in their most recent audited financial statements,
 - g) Proof of payment of licence renewal fee of **P15, 000**.
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