

REQUIREMENTS FOR MEDICAL AID FUNDS

Currently there is no legislation that regulates Medical Aid Funds in Botswana. In terms of the NBFIRA Act, MAFs are regulated and supervised by NBFIRA. There is however currently no subordinate regulations and rules to license and monitor the MAFs effectively. In this regard, NBFIRA is presently consulting with the MAF industry to determine the most effective way of regulating and supervising the industry, that is, to draft a new legal framework which introduces Regulations and Rules for MAFs or to transform the MAFs to underwrite health insurance as insurers under the regulation and supervision of the Insurance Industry Act.

The regulation and supervision will therefore be around the following Risk-Based Prudential Framework, which involves:

- Licensing Requirements
- Solvency Requirements
- Investment Requirements
- Quarterly Returns
- Annual Returns
- Actuarial Valuations (i.e. benefits, contributions, assets and liabilities)
- Benefits and Contributions Approval
- Business Conduct
- Market Conduct
- Member Protection Rules
- Composition of Board of Trustees
- Fit-and-Proper Requirements-Trustees, Principal Officer, Auditors, etc.
- Licensing and Approval of Fund Administrators

In light of the above, NBFIRA requests for the following information pertaining to proposed MAFs:

- Form 2, Form 2A, Form 2B, Form 2C, Form 2D, Form 3, Form C, Form 4, and Form RBN/4 from the Registrar of Companies (if registered as companies) OR relevant documents for those to operate as Trusts/Societies;
- Legal structure of proposed MAF;
- Legal structure of proposed MAF's fund administrators;
- Organizational structure of proposed MAF;
- Organizational structure of proposed MAF's fund administrators;
- Board of Trustees-details relating to term of office, election criteria, duties, fees paid, experience base and names;

- Principal Officers-same details as trustees;
- Benefits and contributions of all products;
- Doctor's Network list of General Practitioners;
- Administration fees charged to funds;
- Proposed Business plan;
- Proposed Auditors;
- Proposed financial projections for five (5)-year period; and
- Financial statements-indicating assets, liabilities, solvency, paid-up capital; and
- Completed Biographical Affidavit, Security Vetting Authorization and Identification of Controllers forms.