

REQUIREMENTS FOR LICENSING OF AN INSURANCE BROKER

A broker 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) Certificate of Incorporation,
- c) Memorandum & Articles of Association and/or Constitution of Company (where applicable),
- d) Notice of Issue of Shares (Form 8),
- e) Shareholder certificate(s),
- f) Consent and Certificate of Director(s) or secretaries (Form 2B),
- g) 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,
- h) Notice/Proof of physical and postal address (e.g. lease agreement, utility bills, etc.),
- i) Appointment of Auditors (offer letter from broker, acceptance letter and practicing certificate from auditors)
- j) Tax clearance certificate

Capital Requirements

- a) Brokers to maintain a minimum capital target which shall be the higher of P100,000 or 4% of annual income or 25% of operating expenses,
- b) Certification from company's auditors to substantiate the amount of capital.

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 a brokerage,
- 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 (Oman 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, and 2 passport-sized photographs in respect of all controllers.

Other Requirements

- a) Letters from at least two insurers prepared to do business with the broker, Anti-Money Laundering/ Combating The Financing Of Terrorism policy,
- b) Security Guarantee from Non-life insurers or commercial banks; the greater of P100,000 of 30% of premiums received, held or in any other manner dealt with,
- c) Professional Indemnity (PI) cover of a minimum limit P1 million with any local insurer,
- d) Fidelity guarantee cover (Optional),
- e) A separate Trust account set-up exclusively for the collection of premiums,
- f) Disaster recovery Plan,
- g) A business plan showing three years projections of income, expenditure and balance sheet.

Application fee and Submission

- a) The application is to be made using the **Form 4**, 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 **P5, 775** and should be deposited into NBFIRA bank Account No: **9060001296510** Stanbic Bank-Fairgrounds.

Renewal

- a) The licence is renewable annually using **Form 7**,
- 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) Confirmation from the insurer/bank of the security guarantee,
- e) Confirmation from the insurer of PI Cover and Fidelity Cover,
- f) List of all Insurers with whom the Broker has agency agreement with,
- g) Proof of payment of Supervisory Levies. The supervisory levy on insurance brokers as may be prescribed by the Statutory Instruments is charged on the gross commission as reported in their most recent audited financial statements,
- h) Proof of payment of licence renewal fee of **P3, 465**.