

INTERNATIONAL INSURANCE ACT, 2005  
(Act No. 5 of 2005)

INTERNATIONAL INSURANCE REGULATIONS, 2007  
(Published on 2nd March, 2007)

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IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by section 32 of the International Insurance Act, 2005, the following Regulations are hereby made —

1. These Regulations may be cited as the International Insurance Regulations, 2007. Citation

2. (1) In these Regulations, unless the context otherwise requires — Interpretation

“authorised firm” means an international insurance firm authorised in terms of regulation 3 (4) to carry on international insurance business;

“actuary” means a Fellow who is in good standing, of the Institute of Actuaries, or of the Faculty of Actuaries or of the Society of Actuaries, or of any other international actuarial associations recognised by the regulatory authority;

“bearer shares” means shares which are owned by and give all their rights to the holder (the “bearer”), but the ownership of the shares is not recorded on the company’s books;

“certificate of authorisation” means a certificate of authorisation granted under section 10 of the Act to an applicant international insurance firm to operate as an international insurance firm in Botswana;

“discretionary trust” means a trust that allows the trustee the discretion to make or not make distributions of benefits to the beneficiary, and to make unequal distributions among all beneficiaries;

“dollar” means a unit of the currency of the United States of America and the sign “\$” has the same meaning;

“Pula” means a unit of the currency of the Republic of Botswana and the sign “P” has the same meaning;

(2) In these Regulations, any reference to category or a numbered class of insurance business shall be construed by reference to the following table –

**TABLE OF CLASSES OF INSURANCE BUSINESS**

Category	Class number	Description
Long-term business	1	Linked long-term.
	2	Long-term, but excluding contracts within classes 1 and 9.
General business	3	Marine, aviation and transport.
	4	Property, but excluding contracts within classes 3 or 5.
	5	Motor.
	6	Pecuniary loss.
	7	Liability, other than contracts within classes 3 or 5.
	8	Credit and suretyship.
	9	Personal miscellaneous, including accident, health and disability.
Reinsurance	10	Reinsurance of contracts within classes 1 and 2.
	11	Reinsurance of contracts within classes 3 to 9.
Restricted (Captive)	12	Contracts which – (a) are within classes 1 to 11 and are with – (i) related companies; or (ii) members of a common industry or association; or (b) are within classes 10 or 11 and are with bodies corporate where the original insured is a body corporate which is a related company.

Application for authorisation to carry on international insurance business

3. (1) An applicant international insurance firm seeking authorisation under section 10 of the Act may apply to be authorised to carry on international insurance business as –

- (a) an international insurer;
- (b) an insurance manager; or
- (c) a principal insurance representative.

(2) An applicant international insurance firm shall at the time of application furnish to the regulatory authority, in addition to any specific document, information and evidence required under section 10 of the Act, the following –

- (a) with respect to —
  - (i) an international insurer, an application in Form 1 as set out in the First Schedule,
  - (ii) an insurance manager, an application in Form 2 as set out in the First Schedule, or
  - (iii) a principal insurance representative, an application in Form 3 as set out in the First Schedule;
- (b) adequate background information on the beneficial owners, shareholders, chairperson, directors, chief executive officer, controller, secretary or manager, or on any other person holding an equivalent position thereof; and such information, as regards each holder of a position, shall include —
  - (i) the details of the role performed in the applicant's operations,
  - (ii) the details of probity, competence and management skills, and
  - (iii) a duly sworn biographical affidavit as set out in the Second Schedule;
- (c) a business plan, which shall contain a three year projection (with effect from the date of authorisation) based on the annual returns as set out in regulation 10 and shall, where appropriate, state details of —
  - (i) the principal assumptions on which the business plan has been based,
  - (ii) the type of international insurance business to be undertaken and the categories thereof, and
  - (iii) the principal sources of business; and
- (d) if the applicant is seeking authorisation as an international insurer —
  - (i) the projected risk exposure and asset base at the end of each year in the three year period following registration,
  - (ii) the anticipated premium income from each category of international insurance business expected to be written,
  - (iii) the overall assessment of the risk factors with, if appropriate, an analysis of proposed reinsurances, and
  - (iv) an assessment of the expected ratio of claims to premiums for each category of international insurance business and a statement of the rationale for the ratio applied.

(3) Where the applicant international insurance firm meets the requirements of the Act and these Regulations, the regulatory authority may grant it a certificate of authorisation, in the form of an annual authorisation as set out in the Third Schedule, for a period not exceeding 12 months, subject to renewal.

(4) An authorised firm shall obtain an annual licence for operation not later than the 31st January in every year.

4. (1) An application for authorisation to carry on each of the international insurance businesses referred to in regulation 3 (1) shall be accompanied by an application fee in the amount applicable to the particular business, as set out in the Fourth Schedule.

Application fees

(2) An application for the annual licence referred to in regulation 3 (4) shall be accompanied by an annual authorisation fee in the amount applicable to the particular business, as set out in the Fourth Schedule.

(3) The annual authorisation fee applicable in the first year of authorisation shall be pro-rated from the date of authorisation to the end of the calendar year.

5. (1) An authorised firm shall display in a conspicuous position at each of the offices of such firm in Botswana a valid certificate of authorisation, or a copy thereof, issued by the regulatory authority.

Requirements for authorised firms

(2) An authorised firm shall not carry on any activities in Botswana or elsewhere, otherwise than in connection with or for the purposes of its authorised insurance business.

(3) An authorised firm shall, at all times when authorised, produce evidence of its ability to effect and maintain in force —

(a) professional indemnity insurance cover for a minimum of one hundred thousand United States dollars (US \$100 000.00); and

(b) a maximum deductible of ten thousand United States dollars (US \$10 000.00) with an insurer acceptable to the Regulatory authority.

New  
management  
officer to be  
appointed on  
approval of  
regulatory  
authority

6. An authorised firm shall, before confirming any new appointment to the posts of chairperson, chief executive officer, controller, secretary or manager, or any post equivalent thereto, apply to the regulatory authority for approval of such appointment; and such application shall be accompanied by —

(a) particulars of the appointee describing his or her probity, competence and management skills; and

(b) a duly sworn biographical affidavit by the appointee containing the information set out in the Second Schedule.

Solvency  
margins for  
authorised  
international  
insurers

7. (1) The minimum amount by which the total value of an authorised international insurer's admissible assets must at any time exceed the total amount of its liabilities shall be as set out in Part I of the Fifth Schedule.

(2) The extent to which particular assets may be taken into account shall be as set out in Part II of the Fifth Schedule.

(3) The calculation of an authorised insurer's solvency margin shall be in the manner set out in Part III of the Fifth Schedule.

Issue of bearer  
shares and  
issue of shares  
to discretionary  
trust prohibited

8. (1) No authorised firm shall, at any time, issue bearer shares nor shall it at any time be authorised to do so by its Memorandum or Articles of Association or other instrument defining its constitution.

(2) No company which is, or shall become, directly or indirectly the registered or beneficial owner of any share in any authorised firm shall have issued or shall issue at any time, or have power to issue, any bearer shares.

(3) No shares in an authorised international insurer or any interest in any shares shall be transferred to or issued to the trustees of a discretionary trust.

Prohibition  
against issue  
of shares  
without  
regulatory  
authority  
approval

9. (1) No shares in an authorised firm shall be issued and no issued shares shall be transferred, changed or disposed of in any manner without the prior written approval of the regulatory authority.

(2) Without prejudice to the foregoing, any authorised firm proposing to make any change in the —

(a) shareholdings in its firm;

(b) members of its firm;

(c) persons who are beneficial but not registered owners of the shares in its firm; or

(d) nature of business being written,

shall give notice, in writing, to the Regulatory Authority, within sixty days of such change, and include in such notice details of the proposed new shareholdings, members, persons, or businesses, as the case may be.

**10.** In accordance with section 10 (3) (i) of the Act, every authorised firm shall, within four months of the end of its financial year, submit to the regulatory authority the following documents in relation to its previous financial year —

- (a) evidence of payment of the annual authorisation fees set out in the Fourth Schedule;
- (b) a statement signed by the regulatory authority's principal operating officer confirming that all changes to the information submitted for the authorisation of the firm, as varied from time to time, have been communicated in writing to the regulatory authority and identifying any changes made but not communicated to the regulatory authority; and
- (c) in the case of an authorised international insurer —
  - (i) two copies of the audited annual accounts comprising —
    - (A) a revenue or fund account as set out in Part I to Part III, inclusive, of the Sixth Schedule, as applicable,
    - (B) a profit and loss account as set out in Part IV of the Sixth Schedule, as applicable,
    - (C) a balance sheet as set out in Part V and Part VI of the Sixth Schedule, as applicable,
  - (ii) the information as set out in Part I of the Seventh Schedule,
  - (iii) a certificate in the form set out in Part II of the Seventh Schedule,
  - (iv) a report signed by the actuary and supported by a certificate in the form set out in Part III of the Seventh Schedule to the insurer, which contains —
    - (A) an analysis of the value of liabilities of the long-term business fund (specifying the bases of the valuation and methods used), both net and gross of reinsurance, under contracts within each class of business categorised by reference to type of product,
    - (B) an analysis of expenses attributable to the long-term business fund, including a comparison between initial and renewal expenses and the corresponding expense loading,
    - (C) a statement of any other factors which the actuary considers are material to the present or future valuation of liabilities or any other factor which he or she considers should be brought to the attention of the regulatory authority, and
  - (v) an auditor's report on the supplementary information and directors' certificate shall be given by the insurer's auditors in the form set out in Part V of the Seventh Schedule;
- (d) in the case of a company authorised to write general insurance business only —
  - (i) a certificate from an independent and approved auditor as set out in the Eighth Schedule, of the existence of current professional indemnity insurance in respect of his or her activities, and
  - (ii) an affidavit specifying the authorised insurers represented by the auditor during the last financial year and confirming that each of those authorised insurers are currently in compliance with the requirements of the international insurance laws of Botswana.

Submission of  
quarterly  
statement

**11.** Every authorised firm shall submit to the regulatory authority, within three months of the end of each quarter, a financial statement that includes the following, for the year to date —

- (a) for General Business and Restricted Long-term Business —
  - (i) premiums written, gross and net of reinsurance,
  - (ii) commissions and other expenses,
  - (iii) claims paid or benefits payable, net of reinsurance,
  - (iv) reported claims outstanding,
  - (v) amounts due from reinsurers,
  - (vi) cash balances including deposits,
  - (vii) value of investments, and
  - (viii) details of any material change, made or projected, in the different types of insurance business transacted, net retentions or reinsurance ceded from the information last provided; and
- (b) for Long-term Business (Other than Restricted) —
  - (i) premiums written, gross and net of reinsurance, sub-divided by the separate products identified in the business plan,
  - (ii) commission and expenses,
  - (iii) details of any material change in any aspect of the business since the previous annual returns,
  - (iv) a profit profile, for any product which is planned to be introduced before the next annual return, showing —
    - (A) emerging cash strains and surpluses, monthly for at least two years and annually for the rest of the lifetime of the product;
    - (B) the breakdown of any initial strains between indemnity commission, valuation strain and solvency margin requirement; and
    - (C) a discounted present value; and the assumptions made;
    - (D) details of reinsurance arranged or proposed, and the names of the reinsurers; and
    - (E) the projected cash flow.
  - (v) cash balances including deposits, and
  - (vi) value of investments.

Maintenance  
of accounts

**12.** Every authorised firm shall maintain permanently at its principal office in Botswana such books of accounts and records of its insurance business or such business which it manages or represents and records of its administrative and financial affairs to enable the regulatory authority to be supplied with all information necessary for the proper discharge of the regulatory functions.

Regulatory  
authority  
may  
commission  
auditor

**13. (1)** If at any time it appears to the regulatory authority that an authorised firm is not conducting its business in a satisfactory manner, the regulatory authority may commission an independent auditor in accordance with section 17 (5) of the Act to confirm —

- (a) the financial status of the authorised firm;
- (b) inadequacy or absence of records and systems of control and recommend corrective action;
- (c) the extent of breach of any condition imposed under section 10 (2), section 10 (3) and section 12 (2) of the Act and recommend corrective action;
- (d) the extent of compliance by the authorised firm with the code of practice;
- (e) the extent of compliance with any direction given by the regulatory authority.

**(2)** The regulatory authority may incorporate recommendations of the auditor with respect to matters to be confirmed under subregulation (1) into additional conditions to be met by the authorised firm.

**FIRST SCHEDULE**  
*(regulation 3(2) (a))*

*Form 1*

**APPLICATION FOR AUTHORISATION AS AN INTERNATIONAL INSURER**

Please complete all sections as fully as possible, giving reasons for non-completion of any section and attach appendices where appropriate.

1. Full name of applicant: \_\_\_\_\_  
\_\_\_\_\_

2. Address of applicant

(a) Registered office:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Office in Botswana where full business records will be kept:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Date on which applicant intends to commence carrying on international insurance business in or within Botswana:

\_\_\_\_\_

4. Date and number of company incorporation:

\_\_\_\_\_

5. Date on which the company's financial year will end:

\_\_\_\_\_

6. (a) Category of business proposed to be transacted (as defined in section 2 of the Act)

Long term    General    Reinsurance    Captive Restricted

If applicant is/is to be a captive insurer, is/will any business unrelated to the captive's parent being/be written?    YES    NO

If "Yes" state type of business and percentage of total business proposed and reasons to justify such writings.

(b) Specify the types of insurance business contemplated under this application:

Life ( ) Health ( ) Worker's Compensation ( ) Motor ( )  
Personal Accident ( ) Property ( ) Aviation ( ) Public Liability ( )  
Contractor's Liability ( ) Bonds And Surety ( ) Marine ( ) Other ( )  
(Please indicate)

7. If the applicant is to depend upon any third party services for the provision of underwriting, management, financial or accounting services, please tick all proposed third parties from the list below and give details of such companies including evidence of agreement to provide the services mentioned.

( ) Insurance Manager (in Botswana)  
( ) Principal Insurance Representative (in Botswana)  
( ) Underwriters  
( ) Accounting and Financial Services  
( ) Claims Service Companies  
( ) Agents

**Attach particulars of proposed companies, evidence of appointment and evidence of acceptance by the proposed companies as Annexure I hereto.**

8. Attach a copy of applicant company's proposed Memorandum of Association and Articles of Association or other instrument of constitution of the applicant as may be appropriate or, in the case of companies already incorporated, copy of documentation certified by the appropriate Regulatory Authority.

**N.B.** Ownership by a discretionary trust is not acceptable

**Attach under separate cover as Annexure II**

- (a) Are Bearer Shares prohibited? ( ) Yes ( ) No  
(indicate clause prohibiting)
- (b) Authorised share capital distinguishing between different classes of shares  
\$ \_\_\_\_\_
- (c) Issued share capital \$ \_\_\_\_\_ (state the amount, if any, of share premium and the amount paid-up)
- (d) Fully paid up capital \$ \_\_\_\_\_
- (e) Evidence that minimum specified paid up share capital has been or will be deposited with licensed offshore bank or financial institution in Botswana and shall not be removed without prior written permission of regulatory authority.  
( ) Yes ( ) No

**If "Yes" attach evidence under separate cover as Annexure III. Certificate of authorisation will not be released before satisfactory evidence of registered deposits has been received by the regulatory authority.)**

9. List all names (including any previous names), addresses and nationalities of all shareholders.

In those instances where shares are held by a corporate body or bodies the chain of connection to the ultimate owner must be shown, also a copy of the accounts of the parent company made up to a date not more than 15 months prior to the date of application.

Shareholder	% Shares held
_____	_____
_____	_____
_____	_____
_____	_____

State whether the applicant has any subsidiary companies and if so, give names, activities and percentage holdings of their equity.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

State whether the applicant has any associated companies, and if so, give (a) names, (b) activities, and (c) the proportion of the nominal value of each class of shares held by the applicant.

(a) Names \_\_\_\_\_

(b) Activities \_\_\_\_\_

(c) Proportion of nominal value of each class of shares held by applicant \_\_\_\_\_

10. Attach duly sworn/notarised Biographical Affidavit in the form set out in the Second Schedule for each beneficial owner, shareholder, director, officer and all key personnel with particular emphasis on experience in the insurance profession.

Organisational structure of applicant (Diagram, etc.)

(When executed outside Botswana such documents must be notarized).

**Attach Biographical Affidavit as Annexure IV hereto**

11. Name, address and professional qualifications of auditor. Attach evidence that the said auditor has agreed to accept appointment, copy of Auditor's current membership certificate in accordance with section 18 of the Accountants Act (Cap. 61:05) and evidence that the Auditor carries professional indemnity insurance for not less than \$10 million.

Name of Auditor \_\_\_\_\_

Address of Auditor \_\_\_\_\_

Professional Qualifications of Auditor \_\_\_\_\_

**Attach letter of Appointment as Annexure V hereto**

Accounting standards to apply:

- (a) international accounting standards;
- (b) generally accepted accounting principles; or
- (c) international financial reporting standards.

Country

12. Name, address and professional qualifications of actuary. Attach evidence that the actuary has agreed to accept appointment (**attach as Annexure VI**)

13. Name and address of applicant's Bankers

Name \_\_\_\_\_

Address \_\_\_\_\_

14. Name and address of Attorney-at-Law in Botswana who is authorised to accept service of process in legal proceedings and notices on behalf of the applicant and who is approved or proposed for approval under Section 10 (2) (f) of the Act. (Letter from person consenting to accept appointment is to be attached).

**Attach as Annexure VII hereto**

15. Attach a 3 year business plan with financial projections to include nature of business to be undertaken, principal sources of income including investments, expected premium income from various categories, assessment of risk factors including details of proposed reinsurance arrangements, asset base at the end of each year, anticipated loss ratios and statement of the principal assumptions on which the business plan has been prepared.

**Attach as Annexure VIII hereto**

16. Have any of the parties connected with this application ever applied, either individually or in conjunction with others, for authority to transact insurance business in any jurisdiction?

( ) Yes                      ( ) No

**If "Yes" please attach detailed result, etc. as Annexure IX hereto.**

17. Has any application by applicant for similar registration ever been rejected or deferred?

( ) Yes                      ( ) No

**If "Yes" please provide details (indicating country where rejected or deferred) attaching as Annexure X, if necessary.**

I/We hereby confirm that all particulars provided above and in the documents accompanying this application or otherwise furnished in support hereto are true and correct and confirm that if this application is granted I/we shall at all times comply with the requirements and provisions of the International Insurance Act, 2005 (Act No. 5 of 2005) and any Regulations or guidelines made thereunder or any amendments thereto which may be made from time to time.

18. Amount of registration fee enclosed US\$ \_\_\_\_\_

Or supply evidence of payment of such fee having been made to appropriate authority.

I.D. No/Receipt, particulars and date: \_\_\_\_\_

Applicant's Name \_\_\_\_\_

(Authorised signatory for Applicant) \_\_\_\_\_

Witness \_\_\_\_\_

Address \_\_\_\_\_

DATED this \_\_\_\_\_ day of \_\_\_\_\_

*Form 2*

**APPLICATION FOR AUTHORISATION AS AN  
INSURANCE MANAGER**

1. Applicant's full name or proposed name for authorisation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Applicant's business address in Botswana:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Attach copy of applicant's Memorandum and Articles of Association or other instrument of constitution as Annexure I.

(a) Are Bearer Shares Prohibited? ( ) Yes ( ) No  
(Indicate clause prohibiting)

(b) Authorised Share Capital \$ .....

(c) Fully Paid-up capital \$ .....

4. Names of shareholders/owners and beneficial owners and directors, Chief Executive and Executive Staff of proposed Insurance Manager along with their addresses and work history (Completed Notarised Biographical Affidavits set out in the Second Schedule are preferred and any more detailed information must also be attached)

**Beneficial owners/shareholders:**

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**Directors:**

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**Officers:**

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5. **Attach sworn Biographical Affidavits for each Beneficial Owner, Shareholder, Director and Officer of Applicant Company.**  
(When Biographical Affidavit is executed overseas it must be notarized in the country where executed.)
6. **Organisational structure of applicant. (Diagram, etc.)**
7. **Attach applicant's business plan for the first 3 years of operation along with appropriate financial projections for that period (Annexure II) identifying types of insurance business to be managed, principal sources, extent of services to be provided and expected earnings to be generated.**
8. **Name and address of Attorney-at-Law resident in Botswana authorized and consenting to accept service of process in any legal proceedings against applicant.**

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9. **Has applicant ever been denied any form of insurance licence to operate in a similar or related capacity or had any such application deferred or ever had any regulatory action taken against applicant.**  
  
( ) Yes      ( ) No

If "Yes" please provide details with dates, etc. attaching appendix, if necessary.

10. **Does applicant carry on similar or related business in any other jurisdiction?**  
( ) Yes      ( ) No

If "Yes" Please supply particulars of specific nature of operation, territory, etc.

11. Application fee enclosed of ..... or supply evidence of payment of such fee having been made to appropriate authority ID No./Receipt particulars and date.

I/We confirm that all particulars provided above and in the documents accompanying this application or otherwise furnished in support hereof are true and correct and confirm that if this application is granted I/we shall at all times comply with the requirements and provisions of the International Insurance Act, 2005 (Act No. 5 of 2005), and any Regulations or guidelines made thereunder or any amendments thereto which may be made from time to time.

DATED this ..... day of ..... By its

Director/Secretary or other duly authorized person

Signed .....

Position .....

Witness:

Name .....

Occupation .....

**APPLICATION FOR AUTHORISATION AS  
A PRINCIPAL INSURANCE REPRESENTATIVE**

Please complete all sections as fully as possible giving reasons for any non completion and attaching suitably identified appendices, where applicable.

1. Full name of applicant \_\_\_\_\_
2. Address in Botswana of applicant's
  - (a) Principal Office \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - (b) Authorised Office \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Attach copy of applicant's Memorandum and Articles of Association as Annexure I.
  - (a) Are Bearer Shares prohibited? ( ) Yes ( ) No  
(Indicate clause prohibiting)
  - (b) Authorised share capital \$ .....
  - (c) Fully paid up capital \$ .....
4. Names and addresses of applicant company's beneficial owners, shareholders, directors and officers:  
(N.B. Minimum of 2 directors of whom one must be resident in Botswana.)
  - (a) Beneficial owners and % shares held \_\_\_\_\_  
\_\_\_\_\_
  - (b) Shareholders and % shares held \_\_\_\_\_
  - (c) Directors \_\_\_\_\_  
\_\_\_\_\_
  - (d) Officers  
Chief Executive Officer \_\_\_\_\_  
  
Executive Staff \_\_\_\_\_  
\_\_\_\_\_

5. Evidence of in-force professional indemnity insurance cover having been effected for a minimum liability of US\$100,000.00 (maximum deductible US\$10,000.00) is supplied herewith and must at all times be maintained in force by applicant after registration. (No certificate of authorisation will be released without evidence having been provided to the regulatory authority indicating that such cover has been effected.)

(a) Insurer: \_\_\_\_\_

(b) Period to which cover applies:

From \_\_\_\_\_

To \_\_\_\_\_

(c) Policy No. \_\_\_\_\_

Or

(d) Date of issue \_\_\_\_\_

**(Attach copy as Annexure II)**

6. List of Authorised International Insurers who will be represented by applicant.

Authorised Insurer

Authorisation No

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. Attach signed Business Plan with financial projections for first 3 years of applicant's operations identifying types of insurance business to be represented, main sources of business, anticipated premium income to be generated and expected earnings to be realized.

**(Attach as Annexure III)**

8. Amount of authorisation fee enclosed .....

Or supply evidence of payment of such fee having made to appropriate authority

ID No./Receipt particulars and date .....

I/We hereby confirm that all particulars provided above and in the documents accompanying this application or otherwise furnished in support hereof are true and correct and confirm that if this application is granted I/we shall at all times comply with the requirements and provisions of the International Insurance Act, 2005 (Act No. 5 of 2005), and any Regulations or guidelines made thereunder or any amendments thereto which may be made from time to time.

\_\_\_\_\_

For Applicant

This ..... day of ....., .....

Witness

Name \_\_\_\_\_  
\_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_  
\_\_\_\_\_

**SECOND SCHEDULE**  
*(regulation 3(2)(b)(iii) and 6(b))*

**BIOGRAPHICAL AFFIDAVIT**

Full name and address of Applicant Company (do not use group names)

\_\_\_\_\_  
\_\_\_\_\_

In connection with the above-named company, I hereby make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space is insufficient to answer any question fully). IF ANSWER IS "NO" OR "NONE", STATE SO.

1. Applicant's full name (initials not acceptable) \_\_\_\_\_

\_\_\_\_\_

2. (a) Have you ever had your name changed? ( ) Yes ( ) No  
If "Yes", give the reason for the change

\_\_\_\_\_  
\_\_\_\_\_

(b) Other names used at any time \_\_\_\_\_

\_\_\_\_\_

3. Applicant's Passport No./National Identity No. (**Indicate which No. is stated**) and nationality.

4. (a) Date of birth \_\_\_\_\_

(b) Place of birth \_\_\_\_\_

5. Applicant's business address \_\_\_\_\_

Business Telephone No. \_\_\_\_\_

6. Are you completing this questionnaire as a Director, shareholder, manager, officer or controller? (**See note below for definition of 'controller'**)

7. List your residences for the last ten (10) years starting with your current address, giving:

DATE	ADDRESS	CITY AND STATE
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Qualifications

Type: \_\_\_\_\_

Name and location of Institution: \_\_\_\_\_

Date received: \_\_\_\_\_

9. List membership in Professional Societies and Associations

_____
_____

10. Present or proposed position with the applicant company

_____
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11. List complete employment record (up to and including present jobs, positions, directorships, or officerships) for the past ten (10) years giving:

DATE	EMPLOYER AND ADDRESS	TITLE
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12. (a) May present employer be contacted  Yes  No  
(b) May former employers be contacted  Yes  No  
(c) List names, addresses, phone/fax numbers of two independent referees who have known of your business activities over the last five (5) years or more.

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13. (a) Have you ever been in a position which required a fidelity bond?

Yes  No

If any claims were made on the bond, give details \_\_\_\_\_

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- (b) Have you ever been denied an individual or position schedule, fidelity bond, had a bond cancelled or revoked?  Yes  No

If "Yes", give details \_\_\_\_\_

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14. List any professional, occupational, and vocational licences issued by any public or governmental licensing agency or regulatory authority which you currently hold or have held in the past. (State date licence issued, issuer of licence, date terminated, reasons for termination)

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15. During the last ten (10) years, have you ever been refused a professional, occupational, or vocational licence by any public or governmental licensing agency or regulatory authority, or has any such licence held by you ever been suspended or revoked?

Yes  No

If "Yes", give details \_\_\_\_\_

16. List any insurers in which you control directly or indirectly or own legally or beneficially 10% or more of the outstanding stock (in voting power).

If any of the stock is pledged or mortgaged in any way, give details.

17. Will you or members of your immediate family subscribe to or own, beneficially or of record, shares or stock of the applicant company or its affiliates?  
( ) Yes ( ) No

If any of the shares or stock are pledged or mortgaged in any way, give details.

18. Have you ever been adjudged a bankrupt? ( ) Yes ( ) No  
if "Yes", please supply particulars.

19. (a) Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or pardoned for conviction of or pleaded guilty or *nolo contendere* to any information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging a violation of any corporate securities statute or any insurance law, or have you been the subject of any disciplinary proceedings of any governmental or state regulatory agency?

( ) Yes ( ) No

If "Yes" give details. \_\_\_\_\_

- (b) Has any company been so charged allegedly as a result of any action or conduct on your part? ( ) Yes ( ) No

If "Yes" give details. \_\_\_\_\_

20. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any insurer which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship?  
( ) Yes ( ) No

If "Yes", give details including names and dates \_\_\_\_\_

21. Has the certificate of authority or licence to do business of any insurance company of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position?

( ) Yes ( ) No

If "Yes", give details \_\_\_\_\_

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_

I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

I also hereby authorize the Regulatory Authority to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Biographical Affidavit, or in any other documents submitted as part of this application, for the purpose of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the person who submitted this application

\_\_\_\_\_  
(Signature of Applicant)

State of \_\_\_\_\_

Country of \_\_\_\_\_

Personally appeared before me the above-named \_\_\_\_\_ being duly sworn deposes and says that he or she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his or her knowledge and belief.

Subscribed and sworn to (affirmed) before me this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_\_

\_\_\_\_\_  
(Notary Public for documents to be sent overseas)  
Commissioner of Oaths for documents to be used in Botswana only)

(Seal)

My Commission expires \_\_\_\_\_

**NOTE**

**A controller includes**

- (i) any person who is entitled to exercise control of 10% or more of the voting power over the institution or over another company of which it is a subsidiary;
- (ii) any person, whether a shareholder or not, in accordance with whose directions or instructions the directors of the organization, or of another company of which it is a subsidiary, are accustomed to act.

**Where a controller is a body corporate the Regulatory Authority will look through that body to the ultimate controller from whom the above information will be sought.**

**THIRD SCHEDULE**  
*(regulation 3(4))*

**CERTIFICATE OF AUTHORISATION**

**Certificate of Authorisation No. ....**

.....  
Is hereby authorized under the International Insurance Act, 2005 (Act No. 5 of 2005), to carry on or transact business as -

- an international insurer
- an insurance manager
- a principal insurance representative

In or from within Botswana for the period..... to .....  
subject to the provisions of the International Insurance Act, 2005 (Act No. 5 of 2005), and Regulations and any guidelines issued thereunder and to the condition that the authorised firm shall notify the regulatory authority of any change in the information previously supplied by the authorised firm.

(categories of business for which authorized)

- long-term insurance business
- general insurance business
- reinsurance business
- captive insurance business (Class 12)

.....  
*REGULATORY AUTHORITY*

.....  
**OFFICIAL STAMP**

**FOURTH SCHEDULE**  
*(regulation 4)*

**FEES**

<b>Classification</b>	<b>Application Fee US\$</b>	<b>Annual Authorisation Fee US\$</b>
		Pro-rated in first year of registration from date of registration to end of calendar year
<b>(a) International Insurers</b>		
<b>(i) Long-term Insurer</b>	2 500	12 000
<b>(ii) General Insurer</b>	2 500	5 000
<b>(iii) Reinsurer</b>	500	1 000
<b>(iv) Captive Insurer</b>	2 500	Long-term 12 000 Other 5 000
<b>(b) Insurance Manager</b>	3 000	\$5 000 for 1 to 5 insurers \$6 500 for 6 to 15 insurers \$10 000 for more than 15 insurers
<b>(c) Principal Insurance Representative</b>	1 000	\$1 500 per insurer up to a Maximum of \$18 000

**FIFTH SCHEDULE**  
*(regulation 7)*

**PART I**

**SOLVENCY MARGINS**

1. (1) The minimum margin of solvency of an authorised international insurer to carry on –
  - (a) long-term business within Classes 1 and 2 shall be either \$500,000 or the sum produced by applying the following percentages to the actuarial value of liabilities to policyholders net of reinsurance –
    - (i) 0.25% for business within Class 1; and
    - (ii) 1% for business within Class 2,whichever is the greater;
  - (b) general business within Classes 3 to 9 shall be 20% of net premiums written, or \$150,000, whichever is the greater;
  - (c) reinsurance business within Classes 10 and 11 shall be \$100,000;
  - (d) general business within Class 12 shall be \$50,000 plus –
    - (i) 10% of net premiums written up to \$2 million; and
    - (ii) 5% of net premiums written in excess of \$2 million;
  - (e) long-term business within Class 12 shall be \$100,000;
  - (f) both long-term and general business within Class 12 shall be the sum of the solvency margins required under paragraphs (d) and (e) above.
- (2) Where an authorised international insurer carries on more than one category of business, the minimum solvency margin shall be the sum of the solvency margins required for each category carried on.

2. In paragraph 1 —

“Class” means a class of insurance businesses set out in the Table of Classes of Insurance Business under regulation 2(2);

“net premiums written” means the premium income receivable in the insurer’s last preceding financial year net of reinsurance and reduced by any rebates or refunds, but where an insurer has not completed its first financial year, the net premiums written shall be taken to be the amount stated in its application for authorisation as the maximum aggregate net premiums which will be written in the first year.

## PART II

### ADMISSIBILITY OF ASSETS

#### 1. In this Part —

“the aggregated funds” means the sum of the shareholders’ funds and the general business insurance provisions and funds as shown by the balance sheet prepared in accordance with regulation 10;

“approved investments” means —

- (a) any investments which are issued or guaranteed by the Government of Botswana;
- (b) Treasury Bills, Tax Reserve Certificates, or Certificates of Tax Deposit and National Savings Income Bonds; and
- (c) any dated investment which is listed on a recognised exchange and which is issued by the Government of —
  - (i) the United States of America;
  - (ii) any Member State of the European Community; or
- (d) any dated investment which is listed on a recognised exchange and which is issued by any other Government or organisation if the regulatory authority has confirmed in writing that investments issued by such Government or organisation are acceptable to him or her either in general or on a case by case basis;

“associate” includes, the international insurance firm’s holding company within the meaning of section 118 of the Companies Act, Cap. 42:01, any other subsidiary of that holding company and the controller and insurance manager of the insurer;

“investments” includes securities;

“recognised exchange” means the Botswana Stock Exchange, and any recognised investment exchange which is acceptable to the regulatory authority;

“shareholders’ funds” means the shareholders’ funds as shown by the balance sheet prepared in accordance with regulation 10.

2. (1) Subject to sub-paragraph (2), an asset subject to a third party charge shall be admissible only to the extent that it exceeds the amount outstanding under the charge.  
  
(2) Sub-paragraph (1) shall not apply in respect of an asset subject to a third party charge where that charge only secures a liability which arises out of an arrangement under which the third party agrees to guarantee the payment of any claim made under a contract of insurance effected by the insurer.  
  
(3) In this paragraph, “asset subject to a third party charge” means an asset of an insurer which is subject to any mortgage, charge, lien or other arrangement (including any arrangement whereby any premiums paid to, or assets of, the insurer are held in trust) to secure a liability of a third party.
3. For the purposes of entry B in the Table under paragraph 6, the calculations shall be based upon —

- (a) valuations by independent professional valuers made within the period of 3 years immediately preceding the balance sheet date; or
- (b) the purchase price, if the land or buildings were purchased in an arms length transaction within that period.
4. An asset falling within entry C in the Table under paragraph 6 shall not be admissible for the purposes of calculating the solvency margin of the insurer if it is leased by the insurer or is subject to a hire purchase or conditional sale agreement or any financial arrangement under which the property in the asset is not vested in the insurer.
5. (1) Where an insurer holds any units in an acceptable scheme, then, for the purposes of calculating the solvency margin of that insurer, the holding may be treated as a holding of the property of the scheme (other than any part of such property which is not attributable to the units) in proportion to the number of units in the scheme held by the insurer.
- (2) For the purposes of sub-paragraph (1), an “acceptable scheme” is a collective investment scheme which the Regulatory Authority has confirmed in writing is acceptable to him.
6. Subject to the provisions of this Part, the assets, other than assets attributable to long-term business, described in the first column of the following Table shall not be admissible for the purposes of calculating the solvency margin of an insurer to the extent specified in the second column —

TABLE

ASSETS	AMOUNT NOT ADMISSIBLE
<p>A. Investments (other than land and buildings):</p> <p>(a) Approved investments:</p> <p>(b) Other investments listed on a recognized exchange:</p> <p>(c) Investments {other than those falling within head (b)} in, or amounts owing by any associate of the insurer:</p> <p>(d) Any other unlisted investments:</p>	<p>In respect of each holding, the amount in excess of 20% of the aggregated funds.</p> <p>In respect of each holding, the amount in excess of 10% of the aggregated funds.</p> <p>The aggregate amount in excess of 25% of shareholders' funds.</p> <p>The aggregate amount in excess of 10% of the shareholders' funds.</p>
<p>B. Land and buildings:</p> <p>(a) All land and buildings (including those falling within head (b)):</p> <p>(b) Land and buildings occupied by the insurer or an associate of the insurer:</p>	<p>The aggregate amount in excess of 25% of the aggregated funds.</p> <p>The aggregate amount in excess of 10% of shareholders' funds.</p>
<p>C. Tangible fixed assets (other than those described elsewhere in this Table):</p>	<p>The aggregate amount in excess of 10% of the shareholders' funds.</p>
<p>D. Intangible fixed assets:</p>	<p>Not admissible.</p>
<p>E. Deferred acquisition costs:</p>	<p>The aggregate amount in excess of 20% of the unearned premium provision as shown by the balance sheet prepared in accordance with regulation 10.</p>
<p>F. Debts (other than those falling within entry A or paragraph 7) which have been outstanding, whether due or not, for more than 12 months at the balance sheet date:</p>	<p>Not admissible.</p>

7. Subject to the provisions of this Part, the assets, other than assets attributable to long-term business, described in the first column of the following Table shall be admissible for the purposes of calculating the solvency margin of an insurer to the extent specified in the second column —

TABLE

ASSETS	MAXIMUM AMOUNT ADMISSIBLE
A. Issued share capital which is unpaid but is fully supported by a letter of credit or a guarantee from a bank or other institution acceptable to the Supervisor and in a form approved by him:	An amount not exceeding 3 times the paid up amount of the share capital (including any share premium).
B. Irrevocable letters of credit or a guarantee from a bank or other institution acceptable to the Regulatory Authority and in a form approved by him:	The amount required by the Regulatory Authority to provide for exceptional circumstances.

PART III

CALCULATION OF SOLVENCY MARGIN

The solvency margin of an authorised international insurer shall be calculated in the manner specified below:—

CALCULATION OF SOLVENCY MARGIN

A – SHAREHOLDERS’ FUNDS AND GENERAL BUSINESS

Shareholders’ funds as shown by audited (non-consolidated)

Balance Sheet (*note (i)*) X

Undisclosed reserves included in:

Provision for claims X

General business fund X

Adjustment of assets to market value (*note (ii)*) X  
X

Adjustments on restatement of assets in accordance with Part II of this Schedule

1. Investments (other than land and buildings) (X)

2. Land and Buildings (X)

3. Other tangible assets (X)

4. Assets subject to charge (X)

5. Intangible assets (X)

6. Deferred acquisition costs (X)

7. Debts (X)

8. Unpaid share capital X

9. Letters of credit and guarantees (*note (ii)*) X

Adjusted net assets	X
Required minimum margin for general business ( <i>note (iv)</i> )	<u>(X)</u>
Excess over required minimum margin	

**B - LONG-TERM BUSINESS**

Quantified actuarial surplus in long-term business fund ( <i>note (v)</i> )	X
Surplus from Section A ( <i>note vi</i> )	<u>X</u>
	X
Required minimum margin for long-term business ( <i>note (iv)</i> )	<u>(X)</u>
Excess over required minimum margin	<u>X</u>

**NOTES:**

- (i) Where investments on land and buildings are stated in the shareholders' accounts at an amount less than market value, an adjustment to market value may be included in the calculation of adjusted net assets for solvency margin purposes (subject to any restriction on admissibility in accordance with Part II of Schedule 5).
- (ii) Issuing body to be specified.
- (iii) Detail of calculation to be shown.
- (iv) As certified by the actuary to the insurer.
- (v) The amount to be entered at this line will, in the case of a company not writing general business, be the amount of the net assets of the company (excluding those attributed to the long-term fund) adjusted in accordance with Part II of the Fifth Schedule.

**SIXTH SCHEDULE**  
(*regulation 10(c)(i)*)

**PART I**

**GENERAL BUSINESS REVENUE ACCOUNT**  
(for business accounted for on an annual basis)

<b>Premiums</b>	
Gross premiums receivable	X
Reinsurance premiums payable	<u>(X)</u>
Net premiums written	X
(Increase)/decrease in unearned premiums	<u>(X)</u>
(Increase)/decrease in provision for unexpired risks	X <u>(X)</u>
<b>Claims</b>	
* Gross	(X)
* Recoverable from reinsurers	<u>X</u>
	(X)

Commission and Expenses		
Commission payable	(X)	
Expenses	(X)	
	<u>(X)</u>	
Commission receivable	X	
(Increase)/decrease in deferred acquisition costs	(X)	
	<u>(X)</u>	
Underwriting profit/(loss)		<u>(X)</u>
Attributable investment return		X
		<u>X</u>
Insurance profit/(loss)		X
		=====

NOTES

1. Corresponding figures to be given for preceding accounting period.
2. Items which are marked with an asterisk may be disclosed by way of note.
3. The inclusion in this statement of part of the investment return is optional (see Note 2 to Part IV of this Schedule).
4. Where an item is nil in both the current period and the preceding period, the relevant heading may be omitted.

PART II

GENERAL BUSINESS FUND

(for business accounted for on a fund basis)

Fund brought forward		X
Premiums		
Gross premiums received	X	
Reinsurance premiums paid	<u>(X)</u>	
		X
Attributable investment return		<u>X</u>
		X
Claims		
* Gross	(X)	
* Recoverable from reinsurers	<u>X</u>	
		(X)
Commissions and expenses		
Commissions paid	(X)	
Expenses	(X)	
	<u>(X)</u>	
Commission received	X	
		(X)
Transfer (to)/from Profit and Loss Account		<u>(X)</u>
Fund carried forward		<u>X</u>

NOTES:

1. Corresponding figures to be given for preceding accounting period.
2. Items which are marked with an asterisk may be disclosed by way of note.
3. The inclusion in this statement of part of the investment return is optional. (*See Note 2 to Part IV of this Sixth Schedule*).
4. Profit should not be transferred to Profit and Loss Account except from the closing underwriting years. Transfers should be made from Profit and Loss Account to cover any anticipated deficiencies in respect of open underwriting years.
5. Where premiums are received net of commission because of market practice, such premiums may be shown net of commission in this statement.
6. Where an item is nil in both the current period and the preceding period, the relevant heading may be omitted.

PART III

LONG-TERM BUSINESS FUND

Fund brought forward		X
Premiums		
Gross premiums receivable	X	
Reinsurance premiums payable	<u>(X)</u>	
		X
Investment return		
Investment income	X	
Gains/(losses) on investments	<u>X</u>	<u>X</u>
		X
Benefits		
* Benefits payable	(X)	
* Recoverable from reinsurers	<u>X</u>	
		(X)
Commission and Expenses		
Commission payable	(X)	
Expenses	<u>(X)</u>	
	(X)	
Commission receivable	<u>X</u>	(X)
Taxation		(X)
Transfer (to)/from profit and loss account		<u>(X)</u>
Fund carried forward		X
		=====

NOTES:

1. Corresponding figures to be given for preceding accounting period.
2. Items which are marked with an asterisk may be disclosed by way of note.
3. Where an item is nil in both the current period and the preceding period, the relevant heading may be omitted.

PART IV

**PROFIT AND LOSS ACCOUNT**

Transfer from/(to) insurance accounts		
General business revenue account		X
General business fund		X
Long-term business fund		<u>X</u>
		X
Investment return (excluding long-term business):		
Investment income	X	
Gains/(losses) on investments		
Realised	X	
Unrealised	<u>X</u>	
		X
Allocated to general business revenue account	(X)	
Allocated to general business fund	<u>(X)</u>	
Differences on exchange		<u>X</u>
Loan interest payable	(X)	
Other expenses	<u>(X)</u>	
		<u>(X)</u>
Profit/(loss) before taxation		X
Taxation		<u>(X)</u>
Profit/(loss) after taxation		X
Extraordinary items		<u>(X)</u>
		X
Unrealised gains on investments, less taxation, transferred to revaluation reserve	(X)	
Transfer (to)/from statutory reserve	<u>(X)</u>	
		<u>(X)</u>
Profit available for appropriation		X
Dividends paid and proposed		<u>(X)</u>
Retained profit/(loss)		X
		=====

NOTES:

1. Corresponding figures to be given for preceding accounting period.
2. Total realised gains/(losses) on investments may be included either in the Profit and Loss Account or as a movement on reserves. Where realised gains/(losses) on investments are included in the Profit and Loss Account, total unrealised gains/(losses) on investments may also be included in the Profit and Loss Account (otherwise they are to be shown as a movement on reserves). If realised/unrealised investment gains/(losses) are included in the profit and loss account, the whole or any part of such gains/(losses) may, at the company's option, be allocated to the general business

- revenue account or fund. Realised/unrealized gains/(losses) shown as a movement on reserves are not to be allocated to the general business revenue account or fund.
3. Unrealised differences on exchange may be included wholly or partly in the Profit and Loss Account or as movement on revaluation reserve.
  4. Where an item is nil in both the period and the preceding period, the relevant heading may be omitted.

PART V

BALANCE SHEET

Tangible fixed assets		X
Investments in related companies		X
Other investments		
* Property	X	
* Fixed interest securities	X	
* Deposits, loans and mortgages	X	
* Ordinary shares and unit trusts	X	
* Other investments	X	
	<hr/>	
		X
Other assets		
Deposits with reinsurers	X	
Amounts withheld by ceding companies	X	
Other insurance debtors	X	
Bank balances and cash	X	
Miscellaneous	X	
	<hr/>	
		X
		X
General business insurance provisions and funds		
Unearned premiums	(X)	
Deferred acquisition costs	X	
	<hr/>	
	(X)	
Unexpired risks	(X)	
Claims (including claims incurred but not reported)	(X)	
General business fund	(X)	(X)
Other liabilities		
Deposits by ceding insurers	(X)	
Amounts withheld from reinsurers	(X)	
Other insurance creditors	(X)	
Bank loans and overdrafts	(X)	
Taxation	(X)	
Proposed dividend	(X)	
Miscellaneous	(X)	
	<hr/>	
		(X)
		X
		X
Net assets attributable to long-term business fund		X
		<hr/>
		X
		<hr/>
		X
		=====

Representing:

Share capital	X
Share premium account	X
Statutory reserve	X
Revaluation reserve	X
Distributable reserve	X
Shareholders' funds	X
Long-term business fund	X
	<u>X</u>
	=====

NOTES:

1. Corresponding figures to be given for preceding accounting period.
2. Items which are marked with an asterisk may be disclosed by way of note.
3. Where there are nil items in both the period and the preceding period the relevant heading may be omitted.

PART VI

LONG TERM BUSINESS FUND BALANCE SHEET

Tangible fixed assets		X
Investments in related companies		X
Other investments		
* Property	X	
* Fixed interest securities	X	
* Deposits, loans and mortgages	X	
* Ordinary shares and unit trusts	X	
* Other investments	<u>X</u>	
		X
Other assets		
Deposits with reassurers	X	
Other insurance debtors	X	
Bank balances and cash	X	
Miscellaneous	<u>X</u>	
		<u>X</u>
		X
Liabilities		
Deposits by ceding assurers	(X)	
Other insurance creditors	(X)	
Bank loans and overdrafts	(X)	
Taxation	(X)	
Miscellaneous	<u>(X)</u>	
		<u>(X)</u>
Net assets		X
		=====
Representing long-term business fund		X
		=====

NOTES:

1. Corresponding figures to be given for preceding accounting period.
2. Items which are marked with an asterisk may be disclosed by way of note.
3. Where there are nil items in both the period and the preceding period the relevant heading may be omitted.

SEVENTH SCHEDULE  
(regulation 10(c) (ii-v))

PART I

SUPPLEMENTARY INFORMATION

General Business

1. Analysis of Revenue Account or Fund Account (if not separately identified in audited accounts) between —
  - (a) marine, aviation and transport (class 3);
  - (b) motor (class 5);
  - (c) liability (class 7); and
  - (d) other classes.
2. Schedule of maximum retentions, net of reinsurance, any one risk or event each and every class of business, based on -
  - (a) policy limits;
  - (b) estimated maximum loss (if applicable).
3. Summary of reinsurance business ceded or retro-ceded, stating for each Class of insurance and/or contract —
  - (a) type of reinsurance cover;
  - (b) threshold and limit of any one risk/any one event and in aggregate;
  - (c) basis of premium payable and commission receivable;
  - (d) names of re-insurers writing individually (or together with associated companies) 10 % or more of any treaty or more than 5 % of the total amount of premiums ceded.
4. (1) Claims settlement analysis by year of origin (gross) for -
  - (a) motor (class 5);
  - (b) liability (class 7):
    - (i) employers' liability and workman's compensation,
    - (ii) public liability and products' liability,
    - (iii) any other insurance that is mainly liability:  
(please specify)

(2) The analysis shall indicate the development of each underwriting year at the end of each financial year of reported claims outstanding and of provisions for claims incurred but not reported.

(3) The analysis shall indicate the development and settlement of any claim (or number of claims from the same event) which exceeds 20% of the adjusted net assets, as determined by the calculation of solvency margin.

5. If a letter of credit or a guarantee has been or will be issued in support of the business either directly or indirectly, the following information must be supplied for each such security –

- (a) beneficiary;
- (b) issued by;
- (c) to cost of;
- (d) amount of credit or guarantee;
- (e) in respect of;
- (f) whether adjustable and, if so, when;
- (g) term of notice;
- (h) restrictions on drawing rights;
- (i) other material terms or conditions.

6. Details of any material change, made or projected, in the information provided under 2 or 3 above subsequent to the financial year end, or confirmation that no material change has been made or is projected for the current financial year.

#### **Restricted Long-term Business**

1. Analysis of premiums receivable (in Fund Account) net of reinsurance between the following classes –

- (a) Life/annuity/pension contracts - linked:
  - (i) single premium;
  - (ii) regular premium;
- (b) Life/annuity/pension contracts - non-linked:
  - (i) single premium;
  - (ii) regular premium;
- (c) Permanent health/disability;
- (d) Other (to be specified).

2. Maximum retention by class of contract net of reinsurance.

3. The actuarial valuation of liabilities by class of contract net of reinsurance.

#### **Long-term Business (Other than Restricted)**

1. Analysis of new business premiums receivable (in Long-term Business Fund) both gross and net of reinsurance under contracts within each class of business categorised by reference to type of product.

2. Where under this Schedule information is produced which relates to a period to which an existing 3 year business plan applies, a comparison of new business premiums receivable, long-term business fund, profit and loss account, long-term business fund balance sheet and balance sheet with the projections given in that business plan. Over-runs in initial expenses, renewal expenses and all other material differences shall be explained.

3. A 3 year business plan containing the same information as is specified in regulation 3 (2) (c). The new plan shall have effect from the date of the annual accounts. Where there are material differences between the new plan and any existing business plan in respect of any period for which both plans provide, those differences shall be explained.

4. A statement of the value of assets in the long-term business fund categorised by reference to the following categories of assets –

- (a) Botswana Government stocks;
- (b) Overseas Government bonds;
- (c) other fixed interest stocks listed on an investment exchange;
- (d) shares listed on any investment exchange;
- (e) stocks, shares and other securities not listed on any investment exchange;
- (f) land;
- (g) cash and deposits;
- (h) futures and options contracts;
- (i) other investments.

5. Maximum retention by type of product net of reinsurance.

#### **General, Restricted Long-term Business and Long-term Business (Other than Restricted)**

A statement of the solvency margin of the insurer in the form contained in Part III of the Fifth Schedule.

### **PART II**

#### **DIRECTORS' CERTIFICATE**

We certify that:

1. The Company complied with the requirements of the International Insurance Act, 2005 (Act No. 5 of 2005), and the International Insurance Regulations, 2007, during the financial year ended (——).

2. The Supplementary Information submitted with the audited accounts for that year (other than the actuarial valuation of liabilities by class of contract net of reinsurance) has been compiled in accordance with the International Insurance Regulations, 2007.

3. The excess of adjusted net assets (calculated in accordance with the International Insurance Regulations, 2007) over the required minimum margin of solvency at the end of that year was \$——.

4. As at the end of that year no charge had been made on the assets of the Company to secure the liabilities of any other person (except as stated in notes to the annual accounts\*) and there has been no charge since that date.

5. There was no material change in the share ownership or share structure of the Company during that year (apart from the change notified to the Regulatory Authority in writing on \*).

6. For a company carrying on class 1 or 2 business except when carried on as restricted business under class 12, the company has installed systems sufficient to satisfy the requirements of, and has complied with the requirements of, all Anti Money Laundering legislation in Botswana.

Director: \_\_\_\_\_

Director: \_\_\_\_\_

Date: \_\_\_\_\_

\* Delete or include as appropriate

PART III

ACTUARY'S REPORT

To the Regulatory Authority

I/We have examined the information furnished pursuant to regulation 12 of the International Insurance Regulations, 2007, in respect of the year/period ended \_\_\_\_\_

With the exception of any revised business plan, in my/our opinion the information correctly reflects:

- (a) the actuarial valuation of long-term business liabilities by class of contract; and
- (b) the amount of the quantified actuarial surplus in the long-term business fund.

Where a revised business plan is submitted I/we:

- (a) consider the financing of the company to be sufficient to cover both technical reserves and the required margin of solvency during the next three financial years; and
- (b) agree with the information provided in the Business Plan in so far as it relates to long-term business.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Qualification: \_\_\_\_\_

PART IV

ACTUARY'S CERTIFICATE OF SOLVENCY  
(LONG-TERM INSURANCE BUSINESS)

I/We .....  
of .....  
do hereby certify as follows

- a. That I am /We are the duly appointed and approved independent actuary/actuaries of ..... ("the company") (Name of Authorised Insurer)

which is currently authorized under the International Insurance Act, 2005 (Act No. 5 of 2005), to carry on long-term insurance business in or from within Botswana.

- b. That to the best of my/our knowledge and belief the company's permissible assets exceed the company's liabilities in all classes of its business by at least the minimum solvency margin specified in regulation 4 (b) of the International Insurance Regulations, 2007, as at the end of the company's financial year ending - - - -.

- c. That the last full-scale triennial actuarial valuation of the company was conducted with respect to the period ending ..... and I/we are not aware of any events which have since occurred which would adversely affect the company's solvency since that valuation.
- d. I/We also declare that taking into account the position reported in the company's last audited financial report and the company's business in general I/we consider the company's current reinsurance arrangements to be adequate, satisfactory and appropriate.

.....  
Independent Actuary

This ..... day of .....

**NB. In the year in which the Company's triennial actuarial valuation falls due, this statement shall be accompanied by a copy of the Independent Actuary's Valuation Report signed by the Independent Actuary.**

PART V  
**AUDITORS' REPORT**

To the Regulatory Authority

We have examined the information furnished pursuant to regulation 12 of the International Insurance Regulations 2007.

In our opinion and according to the information and explanations we have received:

- (i) all of the information prescribed in regulation 12 of the International Insurance Regulations, 2007, and Part I of this Schedule, as is relevant to the business carried on by the company (other than the revised three year business plan for long term business, if applicable, and the actuarial valuation of class of contract net of reinsurance) has been properly prepared; and
- (ii) it was reasonable for the directors giving the certificate under regulation 12 (c) of the International Insurance Regulations, 2007, to have made the statements thereon contained in paragraphs 2, 3, 4 and, for a company carrying on long-term business except when carried on as restricted business under classes 12 and 6.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Qualification: \_\_\_\_\_

**EIGHTH SCHEDULE**  
*(regulation 10(d)(i))*

**MINIMUM SOLVENCY CALCULATION CERTIFICATE**  
**(General Insurance Business)**

1. Name of authorised insurer: \_\_\_\_\_  
\_\_\_\_\_
2. Financial year or period to which Calculation Certificate relates: \_\_\_\_\_
3. Have insurer's directors signed as approving the relevant audited financials?  
 Yes  No

If "No" please explain their reasons for not doing so. (Attach appendix if necessary)

\_\_\_\_\_

\_\_\_\_\_

4. (a) Insurer's total admissible assets  
(as defined in regulation 4) \$ .....
- (b) Insurer's liabilities \$ .....
- (c) Insurer's actual surplus (a) – (b) \$ .....
- (d) Insurer's net premium income \* \$ .....
- (e) 20% of (d) \$ .....
- (f) percentage of (c) above to (e) above ..... %

This ..... day of ....., .....

.....  
Independent Auditor (s)

MADE this 19th day of February, 2007.

**B. GAOLATHE,**  
*Minister for Finance and  
Development Planning*