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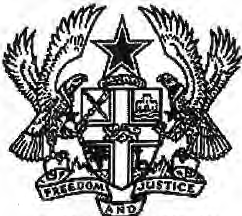
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REPUBLIC OF GHANA

**THE ONE THOUS.AND AND SIXTY-FIRST**

**ACT**

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA ENTITLED

**INSURANCE ACT, 2021**

**AN ACT** to establish the National Insurance Commission, to provide for the regulation and supervision of the insurance market and for related matters.

**DATEOF ASSENT:** *5r1iJanuaty, 2021.*

PASSED by Parliament and assented to by the President

*The Commission*

**Establishment of the Commission**

1. (1) There is established by this Act, the National 1nsurance Commission as a body corporate.
   1. The Commission may, for the performance of the functions of the Commission, acquire and hold property, dispose of property and enter into a contract or any other related transaction.
   2. Where there is a hindrance to the acquisition of land, the land may be acquired for the Commission under the Land Act1 2020 (Act 1036) and the cost shall be borne by the Commission.

**Objects of the Commission**

1. (1) The objects of the Commission are to
2. promote a fair, safe, efficient and stable jnsurance market

and the development of a sustainable insurance market;

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1. secure protection for past, cunent and prospective customers;
2. contribute to the stability of the financial system of the country;
3. support and encourage financial inclusion within the insurance market; and
4. support and promote insurance penetration.
5. The Commission shall, in implementing the object under paragraph *(b)* of subsection (1), have regard for the
   1. different degrees of experience and expertise that different customers and prospective customers may have in relation to the insurance market and insurance products;
   2. needs that past, current and prospective customers may have for advice and accurate information, including the insurance needs of the customers, insurance products, insurance services and insurance markets; and
   3. generalprinciple that past, current or prnspective customers have to take responsibility for their informed decisions in respect of an insurance product.
6. The Commission shall, in implementing the object under paragraph *(c)* of subsection (1), have regard for the need to ensure that the regulation and supervision of insurance products and insurance services that support financial inclusion are proportionate to the nature, scale, complexity and diversity of the insurance business.

**Functions of the Commission**

1. To achieve the objects under section 2, the Commission shall

*(a)* issue directives, directions, instructions and guidelines *to*

insurers,. reinsurers and insurance intermediaries;

*{b)* issue licences under this Act;

1. monitor the operations of the insurance market;
2. enforce compliance by licensees with the provisions of this Act and any other relevant enactment;
3. supervise licensees on an individual basis and where appropriate on a group basis;
   1. enforce compliance, in the insurance market, of regulatory requirements on anti-money laundering and. countering the financing of terrorism;

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1. promote public awareness and undertake public education on msur.ance;
2. co-operate with and provide assistance to law enforcement

authorities, regulatory authorities in the country and foreign regulatory authorities;

1. where appropriate, approve
   1. minimum rates of premiums in respect of any class or sub class of insurance business; and
   2. maximum rates of commission in respect of any class or sub-class of insurance business;
2. invest any moneys standing to the credit of the Commission

in safe securities that the Minister considers appropriate;

1. take enforcement action against persons carrying on unlicensed insurance or reinsurance businessj and

*(!)* perform any other functions under this Act and any other en act ment that are ancillary to the objects of the Commission.

**Guiding principles**

1. The Commission shall, in implementing the objects of the Commission, have regard for
2. international standards and best practice;
3. promoting the adoption of a risk sensitive approach in the regulation and supervision of licensees;
4. promoting effective risk management by licensees;
5. the need to avoid unnecessary compliance costs;
6. promoting
   1. effective competition in the insurance market, in the interest of consumers; and
   2. growth and development in the insurance market; and
7. enhancing transparency in the performance of the functions

of the Commission.

**Independence of the Commission**

1. Except as otherwise provided in the Constitution or by any other enactment; the Commission is not subject to the direction or control of a person or an authority in the performance of the functions of the Commission.

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*Governance of the Commission*

**Governing body of the Commission**

1. (1) The governing body of the Commission is a Board consisting

of

1. a chairperson nominated by the President ;
2. the Commissioner of Insurance;
3. a representative of the Ministry of Finance not below the rank of a D irector, nominated by the Minister;
4. a lawyer of not less than ten years standing at the Bar with the relevant experience in the insuiance industry nominated by the Ghana Bar Association;
5. an experienced chartered insurer or a qualified insurance

practitioner nominated by the in s urance industry trade bodies; and

*(/)* two other persons nominated by the President at least one of whom is a woman .

1. The President shall, in makmg nominations under paragraphs

*(a)*and *(I)*of subsection (1), have regard to tbe qualification and experience

of the persons in finance and insmance.

1. The President shall, in accordance with article 70 of the Constitution, appoint the chairperson and other members of the Board.
2. A member of tlle Board shall not
   1. be an officer, a Manager, a Director or a shareholder of an insurance regulated entity; or
   2. have an interest *in* an insurance regulated entity.

**Functions of the Board**

1. (I) The Board
2. is responsible for the formulation of strategy for the Commission;
3. shall oversee the management of the Commission and the use of the resouTces of the Commission;
4. shall ensure that the Commission establishes and maintains

an effective governance framework; and

1. sha ll ensme the efficient and effective performance of the functions of the Commiss:ion .
2. The Board shall, in the performance of the functions of the Board,
   1. have regard to the guiding principles specified in section 4;

and

* 1. ensure that

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* + 1. the Commission operates in a financially responsible manner;
    2. the internal financial and management controls of the Commission are adequate; and
    3. the Commission operates in accordance with the

principles of good governance.

**Duties and liabilities of members of the Board**

1. (1) A member of the Board has the same fiduciary relationship with the Commission and the same duty to act with loya lty and in good faith as a director of a company incorporated in accordance with section 190 of the Companies Act, 2019 (Act 992).
2. Without limiting subsection (1)1 a member of the Board bas a

duty

1. to act honestly and *in* the best interest of the Commission in the performance of the functions of the member;
2. to exercise the degree of care and diligence in the performance of the functions of the member that a person in that position would.reasonably be expected to exercise in the circumstance;
3. not to disclose information that would not otherwise be available to the member, to any person or make use of or act on, that information, except in the performance of the functions of the Commission or as may be permitted by law;
4. not to abuse the position of the office; and
5. not to pursue the personal interest of the member at the expense of the interest of the Commission.
6. A member of the Board who contravenes subsection **(1)** or (2)

commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

**Tenure of office of members of the Board**

1. **(1)** A member of the Board shall hold office for a period of four years and is eligible for re-appointment for another tem1 only.
   1. Subsection (1) does not apply to the Commissioner of Insurance.
   2. A member of the Board may, at any time; resign from office in writing addressed to the President through the Minister and copied to the chairperson of the Board or in the case of the chairperson resigning, copied to each member of the Board.

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* 1. A member of the Board who is absent from three consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.
  2. The President may, by a letter addressed to a member, revoke the appointment of that member.
  3. Where a member of the Board is, for a sufficient reason, unable to act as a member, the Minister shall determine whether the inability would result in the declaration of a vacancy.
  4. Where there is a vacancy
     1. under subsection (3)i ( 4) 1 (5) 1 or su bsection (2) of section

13;

* + 1. as a result of a declaration under subsection (6); or
    2. by reason of the death of a member

the Minister shall notify the President of the vacancy and the President shall. in accorda nce with this Act, appoint another person for the unexpired tertn.

**Meetings of the Board**

1. (1) The Board shall meet at least once every three months for the conduct of business at a time and place determined by the chairperson.
2. The chairperson shall, on the request in writing of not less than one-third of the membership of the Board, convene an extraordinary meeting of the Board at a time and place determined by the chairperson.
3. The chairperson shall preside at meetings of the Board and in the absence of the chairperson, a member of the Board, other than the Cormn.issioner elected by the members present from among the number shall preside.
4. The quorum for a meeting of the Board is five members of the

Board.

1. Matters before the Board shall be decided by a majority of the members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.
2. The Board may co-opt a person to attend a meeting of the Board, but that person shall not vote on any matter for decision at the meeting.
3. *The* proceedings of the Board shall not be invalidated by reason of a vacancy among the members or a defect in the appointment or qualification of a member.

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1. Subject to this section , the Board shall determine the procedure

for the meeting of the Board.

**Resolutions of the Board without a meeting**

1. (1) The Board may pass a resolution without holding a meeting if
2. the Board 1 at a meeting , has
   1. resolved that resolutionsmay be passed under this section; and
   2. approved procedures for passing a resolution under

this section, including the method for members of the Board to indicate the approval of the resolution;

1. a majority of the members of the Board indicate agreement with the resolution in accordance with the p-rocedures referred to in subparagraph (ii) of paragraph *(a);* and
2. all the members of the Board were informed of the proposed resolution or in a case where a member of the Board was not informed of the proposed resolution, reasonable effort was made to inform that member of the Board of the proposed resolution.

(2) A resolution passed under this section shall take effect as if the resolution was passed at a meeting of the Board.

**Reliance on report, financial data and other information**

1. (1) A member of the Board may rely on a report1 financial data, professional or expert advice or any other information prepared or given by
2. an e m p l o yee of the Commission who the member

reasonably believes to be reliable and competent in relation

to the matters concerned;

1. a professional or expert in relation to matters that the member reasonably believes to be within the competence of that person;
2. another member of the Board; or
3. a committee of the Board on which the member of the Board did not serve.
4. This section applies to a member of the Boaid who
   1. acts in good faith;
   2. makes a proper inquiry jf the circumstances require the need for that inquiry; or

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* 1. has no knowledge that the reliance on the information given

is unwarranted.

**Disclosure of interest**

1. **(1)** A member of the Board who has an interest in a matter for

consideration by the Board

*(a)* shall disclose, in writing, the nature of the :interest and the disclosure shall form part of the record of the consideration of the matter; and

*{b)* is disqualified from being present at or participating in the

deliberations of the Board :in respect of that matter.

1. Where a member contravenes subsection (I), the chairperson shall notify the Minister who shall inform the President1 in writing! to revoke the appointment of that member.
2. Without limiting any further cause of action that may be instituted against a member, the Board shall recover any benefit derived by the member who contravenes subsection (1) in addition to the revocation of the appointment of that member.
3. A disclosure of interest made under subsection (1) shall be entered in the Register of Board Members' Interest kept by the Commission.

**Avoidance of transactions in breach of section l3**

1. (I) Subject to this section, a transaction entered into by the Commission in respect of which a member of the Board has an interest is voidable unless the interest was disclosed by that member in accordance with section 13.
2. Despite subsection (1), a transaction
   1. may be avoided only within six months of the Board becoming aware of the failure by the member of the Board to disclose the interest; and
   2. is not voidable if the Board received a fair value in respect

of the transaction.

1. For the purposes of subsection (2), a determination as to whether the Board received a fair value for a transaction shall be made on *the* basis of the information known to the Board and the member of the Board at the time that the transaction was entered into.

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1. The avoidance of a transaction under subsection (1) does not affect the title or interest of a person in a property that that person has acquired if the property was acquired
   1. from a person other than the Commission;
   2. for valuable consideration; and
   3. without knowledge of the circumstances of the transaction under which the personreferred to in paragraph *(a)*acquired the property from the Commission.

**Establishment of committees**

1. **(1)** The Board may establish committees consisting of members of the Board or non-members or both to perform a function of the Eoard.
2. A committee composed of members and non-members of the Board shall be chaired by a member of the Board.
3. Section 13 app]ies to members of a committee of the Board.

**Allowances**

1. Members of the Board and members of a committee of the Board shall be paid the allowance determined by the Board in consultation with the Minister.

**Policy directives**

1. The Minister may give directives ro the Board on matters of policy and the Board shall comply.

*AdministrativeP'fovisions*

**Appoinunent of the Commissioner of Insurance**

1. (I) The Presjdent shall, in accordance wit}, article 195 of the Constitution, appoint a Commissioner of Insurance.

(2) The Co1runissioner shall hold office on the terms and co11ditions specified in the letter of appointment.

**Qualification of the Com.missioner**

1. A person is qualified for appointment as a Commissioner of Insurance if that person has
2. a professional insurance qualification; and
3. at least ten years post qualification experience in insurance matters.

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**Functions of the Commissioner**

1. **(1)** The Commissioner is responsible for the day-to-day administration and operation of the Commission.

(2) The Commissioner may delegate a function to an officer of the Commission but shall not be relieved of the ultimate responsibility for the performance of the delegated function.

**Appointment of the Deputy Com.missioner of Insurance**

1. (1) The President .sha ll , in ac c o r d a n ce with a.rticle 195 of th e Constitu tion, appoint a Deputy Commissioner of Insurance.

(2) The Deputy Commissioner shall hold office on the terms and conditions specified in the letter of appointment.

**Qualification of the Deputy Commissioner**

1. A person is qualified for appointment as a Deputy Commissioner

jf that person has

1. a professional insurance qualification; and
2. at least five years post qualificationexperience in insurance

ma tters .

**Functions of the Deputy Com.missioner**

1. (1) The Deputy Commissioner shall assist the Commissioner and

perform any other function assigned by the Board.

(2) The Deputy Commissioner shall act in the absence of the Commissioner.

**Secretary to the Board**

1. (1) The Board shall designate an officer of the Commission as Secretary to the Board.
2. The Secretary shall
   1. arrange the meetings of the Board;

*(h)* keep records and minutes of meetings of the Board;

1. keep record of resolutions passed by the Board;
2. keep the Register of Board Members' Interest; and
3. perform any other functions assigned by the Board.
4. The secretary, in the performance of the functions under subsection (2), is answerable to the Board.

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**Appointment of other staff**

1. (1) The President shall, in accordance with article 195 of the Constitution, appoint other staff of the Commission that are necessary for the efficient and effective performance of the functions of the Commission.

(2) The Co1Tl.1lllss ion may, on the recommendation of the Board, engage the services of consultants and experts for the effective discharge of the functions of the Commission.

**Publication of appointment and revocation of appointment**

1. The Commission shall, by publication
2. in the *Gazette,*
3. in a daily newspaper of national circulation, and
4. on the website of the Commission

issue a notice of the appointment or revocation of appointment of the Com missioner, Deputy Commissioner and any other member of the Board.

**Inte1nal Audit Unit**

1. (I) The Commission shallhave an Internal Audrt Unitin accordance

with section 83 of the Public Financial Management Act, 2016 (Act 921).

1. The Internal Audit Unit shall be headed by an Internal Auditor who shall be appointed in accordance with the Internal Audit Agency Ac t, 2003 (Act 658).
2. The Internal Auditor is responsible for the internal audit of the Commission.
3. The Internal Auditor shall, subject to subsections (3) and (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), at intervals of tluee months
   1. prepare and submit to the Board, a report on the internal audit carried out during the period of three months immediately preceding the preparation of the report; and
   2. make recommendations in each report, with respect to matters which appear to the Internal Auditor as necessary for the conduct of the affairs of the Commission.

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1. The Internal Auditor shall, in accordance with subsection (4) of section ] 6 of the Internal Audit Agency Act, 2003 (Act 658), submit a copy of each report prepared under this section to the Commissioner and the chairperson of the Board.

*Financial Provisions*

**Funds of the Commission**

1. The funds of the Co mmission include
2. donations and grants;
3. loans, advances and overdrafts;
4. levies and contributions;
5. administrative penalties;
6. income from investments made by the Commission; and
7. · any other intema11y generated funds.

**Bank account of the Commission**

1. T he moneys for the Commission shall be paid into a bank account opened for the purpose by th e Commission with the approval of the Controller and A ccountan t-General.

**Expenses of the Commission**

1. The expenses of the Commission shall be charged on the funds of the Commission.

**Borrowing powers of the Commission**

1. Subject to section 76 of the Public F inancia l Management Act, 2016 (Act 921), the Commission may obtain loans and any other credit facilities.

**Levies and contributions payable to the Commission**

1. (1) A licensee shall, during a financial year, pay
2. a levy,
3. a motor contribution, if the licensee sells motor insurance, or
4. any other type of contribution determined by th e Commiss ion

to the Co mmission in respect of that financial year.

(2) The Commission shall, in consultation with the insura nce industry trade bodies, determine the amount of levies and contributions

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payable by a licensee in accordance with the Fees and Charges (Miscell.aneo u.s Pro visions)Act, 2018 (Act 983).

**Budget and work programme of the Commission**

1. (1) The Commissioner shall, within three months before the commencement of each financial year, prepare, in respect of thatfinancial year,
2. a budget setting out the estimate of the expected
   1. income; and
   2. recurrent and capital expenditure; and
3. a work programme containing a general description of the work and activities that the Commission plans *to* undertake.
4. The estimated expenditure of the Commission shall include an amount for the reserves of the Commission.
5. The reserves shall be invested in safe securities to earn optimal returns.
6. The Commissioner shall submit to the Board, a copy of the budget and work programme not less than two months before the commencement of the financial year.
7. The Boatd shall, not later than one month before the commencement of the financial year, consider the budget and work programme and
   1. approve the budget and work programme for the

Commission;

* 1. reject the budget or work programme or both; or
  2. revise the budget or work programme or both.

1. Where the budget is not approved by the Board before the conunencement of the financial year, the Commission shall, on an interim basis, adopt the budget of the Commission for the previous financial year.
2. Where the budget is approved by the Board after the commencement of the :fina ncial year, the approved budget shall apply to t11e Commission from the begjnning of that financial year.

**Accounts andan.dit**

1. (1) The Commission shall keep books, records, returns and other documents relevant to the accounts jn the form approved by the Auditor­ General.

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1. The Commi ssion shall, at the end of each financial year, submit the accounts of the Commission to the Auditor-General for audit.
2. The Auditor-General shall, within six months after the end of the. i mm edia tel y preceding financial year, audit the accounts, submit the report to Parliament and fmward a copy each of the audit report to the Minister and the Commission.
3. The financial year of the Commissjon is the same as the financial year of Government.

**Annual report and other reports**

1. (1) The Commission shall, within thirty days after the receipt of the audit report, submit an annual report to the Minister covering the actjvities and operations of the Commission for the year to which the annual report relates.
2. The annual report shall include the report of the Auditor­ GeneraJ.
3. The Minister shall, **within** thirty days after the receipt of the annual report, submit the report to Parliament with a statement that the Minister considers necessary.
4. The Commission shall submit to the Minister any other report that the Minister may require in writing.

*Prohibitions and Restrictions*

**Prohibition against unlicensed insurance business**

1. **(1)** Subject to section 37, a person shall not carry on or purport to carry on an insurance business unless that person holds a licence that authorises the person to cany on the insurance business in accordance with tbis Act.
2. Without limiting subsection (1), a person
   1. is considered to carry on an insurance business if the person, as an insurer or reinsurer
      1. enters into a restricted insurance contract;
      2. occupies any premises in the country with a view to carry on an insurance business; or
      3. makes an offer to or invites a person resident in the country to enter into, renew or vary an insurance contract; and

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* 1. purports to carry on an insurance business if that person uses a
     1. name,
     2. style,
     3. designation,
     4. description,
     5. title, or
     6. trade or service ma rk,

that represents o-r implies that the person is an insurer or a reinsurer.

1. A person who carries on or purports to carry on an insurance business contrary to subsec tion (1) commits an offence and is liable on summary conviction to a fine or a term of imprisonment as specified in the First Schedule.

**Exemption of certain class of ins1uers**

1. (1) Subsection (1) of section 36 does not apply to
2. **a** foreign reinsurer or an underwriter that is a member of a recognised association of underwriters that enters into
   1. a reinsurance contract with a licensed insureri or
   2. a retrocession contract with a licensed reinsurer; or
3. a foreign insurer that canies on an insurance business in accordance with an authorisation granted by the Commission under section 39,
4. A foreign reinsurer that opens a contact office in the country does not contravene subsection (1) of section 36 if
   1. the Commission has approved the contact office under

section 47; and

* 1. the foreign reinsurer operates the office in accordance with
     1. any requirements of the directives or Regulations relating to contact offices; and
     2. any conditions imposed by the Commission.

**Restricted insurance contract**

1. (1) A person shall not enter into a restricted insurance contract with a foreign insurer unless the contract is authorised by the Commission in accordance with section 39.

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1. Despite subsection (1), a restricted insurance contract entered

*into,* without lawful authorisation under section 39 is enforceable by a

1

party to the contract.

1. A person who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Authorisation** in **relation to restricted and specified types of ins11rance contracts**

1. (1) Despite subsection (1) of section 37, the Commission may authorise a foreign insurer, either as the sole insurer or as a coinsurer with one or more licensed insurers, to enter into
2. one or more resnicted insurance contracts; or
3. an insurance contract of a specific type or description.
4. The Commission shall not grant an authorisation under subsection (1) unless
   1. the Commission is of the opinion that the authorisation is

justified on any of the following grounds:

* + 1. there is insuffident capacity in the country to insure the risk covered under the insurance contract;
    2. there is no licensed insurer who is willing to insure the i'isk covered under the insurance contract; or
  1. the Commission is satisfied that
     1. the foreign insurer is authorised, in the home country in which the principal place of business of the foreign insurer is situated, to enter into an insurance contract of the type for which the authorisation is sought;
     2. the foreign insurer has satisfied the regulatory and supervisory requirements in the home country in

.relation to the insurance business to be carried out under the authorisation; and

* + 1. the insurance contract would be considered as lawfully entered into by the foreign insurer if entered into in the home country of the foreign insurer.

1. For the purpose of this section and section 3*7,* "forejgn fosurer" includes an underwriter that is a member of a recognised association of underwriters.

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1. An application by a foreign insmer shall be made through a

licenced insurer or reinsurer.

*Licensing*

**Categories of licence**

1. (1) A licence to carry on an insurance business shall be in one of the following categories:
2. insurance licence;
3. reinsurance licence; or
4. innovative insurance licence.
5. An innovative insurance licence may be granted in the class of

an

* 1. innovative insurer; or
  2. innovative reinsurer.

1. A licensee shall not carry on an insurance business contrary to

the category or class of licence issued to the licen see.

1. The holder of an insurance licence shall carry on direct insurance business only.
2. A holder of an insurance licence who undertakes co-insurance,

shall do so with

* 1. one or more licensed insureJs; or
  2. a foreign insurer granted an authorisation under subsection
     1. of section 39.

1. The holder of a reinsurance licence shall carry on a reinsurance business *only.*
2. The holder of an innovative insurance licence shall carry on insurance business in accordance with
   1. this Act, the Regulations and any directives that apply to

innovative insurance business; and

* 1. the terms and conditions of thelicence that the Commission may specify.

1. The Commission shall not grant an insurance licence and a reinsurance licence to the same person.
2. A licensee that contravenes subsection (3) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

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**Prohibition against licensing composite insurers**

1. (1) The Commission shall not grant an insurance licence that authorises the holder to carry on both short term and long term insurance business.
2. Despite subsection (1), the Commission may authorise
   1. a short term insurer to enter into a specified type of micro life insurance contract; and
   2. a life insurer to enter into a specified type of short term micro insurance contract that meets the requirements specified in tJ1e Re gulations.

**Application for insnrauce or reinsurance licence**

1. (1) A company incorporated m the country that seeks to carry on

an insurance business may apply to the Commission for an insurance licence or a reinsurance licence.

1. An application under subsection (1) shall be
   1. made in the approved form; and
   2. accompanied by
      1. a business plan containing the informa tio n required by the Commission;
      2. any relevant documents specified in the directives; and
      3. the fee that the Commission may determine.

**Grant of insurance 01· reinsurance licence**

1. (1) The Commission may grant an insurance licence or a reinsurance licence \_to an applicant iftbe Commission is satisfied that
2. the applicant has met the requirements for licensing under this Act, the Regulations and the directives with respect to the application ;
3. the appbcant intends to carry on an insurance business of

the class for which the applicant seeks authorisation;

1. the applicant has the capacity to carry on the proposed insurance business in a prudent manner maccordance with
   1. this Act,
   2. sound insurance principles,

{iii) the capital resource requirements, and

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(iv) any other relevant requirements specified in the direcbvesj

1. the applicant has the capacity to comply with a condition in the licence imposed by the Commission in accordance with section 187;
2. the following are appropriate having regard for the nature, scale, complexity and diversity of the insurance business of the applicant or proposed insurance business and the risks to which the applicant is, or will be, exposed
   1. the ownership, corporate and management structure of the applicant;
   2. the goveniance framework of the applicant;
   3. the procedures and controls of the applicant;
   4. the financial resources of the applicant; and
   5. the reinsurance or retrocession strategy and procedures of the applicant;
3. in the case of an applicant that is a member of a group,
   1. the Commission will be able to obtain adequate information concerning the other members of the group;
   2. the structure of the group, of which the applicant is a member, shall not prevent or hinder the effective supervision by the Commission of the applicant; and
   3. if appropriate, the group of which the applicant is a

member shall be subject to group-wide supervision;

1. the significantowners, proposed directors, senior managers and key persons of the proposed insurance business meet the fit and proper criteria requirements of the Commission; and
2. it is not against the public interest to grant the licence.
3. Subsection (1) does not apply to an .innovative insurance licence.
4. Without limiting subsection (1), the Commission may refuse to grant a licence to an applicant if the Commission has reasonable grounds to believe that any person who has an interest in the applicant does not satisfy the fit and proper requirements of the Commission.
5. The Commission shall, within four months after the date of receipt ofa complete application for an insurance licence or a reinsurance licence, take a decision on the application.

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**Notif:ication and pttblication of decision**

1. (1) The Commissjon shall, within fourteen days of determining an application for an insurancelicenceor a reinsurance licence,give notice in writing of the decision of the Commission to the applicant.
   1. Where the Commission
      1. Iefuses to grant a licence to an applicant, or
      2. imposes conditions on the grant of the licence,

the decision shall contain the reasons for the refusal or imposition of the conditions.

* 1. Where the Commission grants a licence to an applicant , the Commission shall, within fourteen days of giving notice to the applicant, publish the decision of the Commission
     1. in the *Gazett;e*and
     2. on the website of the Commission.
  2. Where the Commission has imposed conditions on the grant of the licence, the Commission shall publish the conditions imposed together with the publication of the grant of the licence unless the Commission considers that it would not be in the public interest to do so.

**Duration oflicence**

1. **(1)** A licence issued by the Comm ission is valid for twelve months from the date of issue and may, on application, be renewed.

(2) Where an application for renewal of a licence is made on or before the period specified in paragraph *(d)* of subsection (2) of section 50 but is not determined by the Commission by the expiry date, the licence shall continue in force until the application for renewal is detennined by the Commission.

**Commencement of business**

1. (1) A licensed insurer or a licensed reinsurer shall, within fourteen days of commencing a licensed insurance business, give written notice of the commencement of the business to the Commission.

(2) Where a licensed insurer or licensed reinsurer does not commence the licensed insurance business within six months from the date of the issuance of the licence, the insurer or reinsurer shall not commence the licensed insurance business without the prior written consent of the Commission.

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**Contact office**

1. The Commission may, on the application of a foreign reinsurer, grant approval, in writing, for the establishment by that reinsurer of a contact office in the country.

**Cancellation of licence**

1. (1) Subject to subsect ion (2), the Commission may cancel an insurance licence or a reinsurance licence if
2. the insurer or reinsurer applies to the Commission in

writing for the cancellation of the licence;

1. the insurer or rein.surer does not commence the licensed insurance or reinsurance business within a period of six months from the date of issuance of the licence;
2. the Commission determines that the insurer or reinsurer has ceased to carry on the licensed insurance or reinsurance business in or from the country;
3. the Commission is entitled to an enforcement action against the insurer or reinsurer in accordance with sections 178 to 183;
4. the Commission determines that the insurer or reinsurer has provided false or misleading information to the Commission for the purposes of obtaining the licence; or

*(f}* the insurer or reinsurer has been woun d-up and dissolved.

1. The Commission shall not cancel an insurance licence or reinsurance licence on any of the grounds specified in pai:agraphs *(a)* to

*(e)* of subsection (1) unless the Commission is satisfied that the licensed insurer or licensed reinsw·er does not have any liabilities under an insurance contract in respect of the insurance business of the insurer or reinsurer.

1. The Commission shall not cancel an insurance licence or a reinsurance licence under paragraph *(d)* of subsection (1) unless the Commission bas obtained an order under section 182 .

**Notice of cancellation of licence**

1. **(1)** The Commission shall, before cance11ing an insurance licence or a reinsurance licence under paragraphs *(b)* to *(e)* of subsection **(1)** of

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section 48, give the licensed insurer or licensed reinsurer a written notice of the intention to cancel the licence, stating

1. the grounds on which the Commission intends to cancel the licence; and
2. that unless the licensed insurer or licensed reinsurer objects

m writing to the cancellation, the licence·shall be cancelled

on a date not less than fourteen days after the date of the notice.

* 1. The Commission shaU consider any objection received under

subsection (1) before deciding whether or nol to cancel the licence.

* 1. Where the Commission decides to cancel an insurance licence or a reinsurance licence after considering an objection raised by the licensed insurer or licensed reinsurer, the Commission shall provide1 in writing1 the reasons for the cancellation of the licence.

**Applicationfor renewal of licence**

1. (1) An insurer or reinsurer may apply *to* the Commission for the renewal of the licence of that insurer or rein.surer.
2. An application under subsection (I) shall
   1. be in writing,
   2. contain the prescribed information and be in the prescribed form,
   3. be accompanied with the prescribed document and renewal fee, and
   4. be made not later than
      1. three months before the date of expiry of thelicence, or
      2. a later date that the Commissio n permits.
3. The Com.mission may requ.ire a licensed .insurer or a licensed reinsurer to furnish the Commission with any other document OJ information as the Commission considers necessary to determine the application for renewal of a licence.
4. The Commission may, after the review of the application,
   1. grant
      1. a licence, or
      2. a licence with conditions, or
   2. refuse to grant a licence.

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**Grant of 1·enewal of licence**

1. (1) The Commission shall renew tbe Jjcence of an insurer or a reinsurer where the Commission is satisfied that the insurer or reinsurer
2. continues to meet the requirements for the licence issued, and
3. is in compliance with this Act, the Regulations and

directives.

(2) The renewal of a licence under this section is effective from the date when the licence renewed would have expired but for the renewal.

*Changes in Significant Ownership and Level of Control*

**Requirement for approval for change** in **significant ownership or level of control**

1. (1) A person shall not, except with the prior written approval of

the Commission, become a significant owner of a licensed insurer or a licensed reinsurer.

1. A person who is a significant owner of a licensed insurer or a licensed reinsurer shall not, except with the prior written approval of the Commission
   1. increase or reduce the level of control of that person over the licensed insurer or licensed reinsurer; or
   2. cease to be a significant owner of the insurer or reinsurer.
2. A licensed insurer or licensed reinsurer shall not
   1. cause,
   2. permit, or
   3. acquiesce in

any dealing with the shares of that licensedmsurer or licensed reinsurer that would result in a contravention of subsection (1) or (2).

1. A person who contravenes subsection (1), (2) or (3) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Application for approval of chan.ge** iJl **control**

1. (I) Al1 application to the Commission for approval under subsection (1) o-r (2) of section 52 shallbe made by the licensed insurer or licensed reinsurer concerned on behalf of the person who intends to
2. become or cease to be a significant owner of the licensed msurer or licensed reinsurer; or

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1. significantly increase or reduce the level of control of that person over the licensed insurer or licensed reinsurer.
2. The Commission may, in deter mining whether to grant approval under section 52, take into account any matter which the Commission reasonably considers relevant.
3. Without limiting subsection (2), the Commission shall consider whether
   1. a person becoming a significant owner or significantly increasing the level of control of that person over the licensed insurer or licensed reinsurer satisfies the fit and proper criteria of the Commission;
   2. following the change of significant ownership or level of control, the ownership struehue of the licensed insurer or licensed reinsurer shall be appropriate h aving regard for the nature, scale, complexity and diversity of the insuran ce business; and
   3. the change in significant ownership or level of control is or likely to
      1. adversely affect the financial soundness of t11e licensed insurer or licensed reinsurer or the ability of the Commission to supervise the significant ownership or level of control;
      2. be prejudicial to the policyholders of the licensed insurer or licensed reinsurer; or
      3. pose a significant systemic risk.

**Power to require disposal of interest or prohibit exercise of rights**

1. (1) The Commission may issue a direction to
2. a person who
   1. becomes a significant owner in, or
   2. significantly increases the level of control of that person overa licensed insu.rer or a licensed reinsurer1 without obtaining the prior written approval of the

Commission; or

) a person who is a significant owner of a licensed insurer or

a. licensed reinsurer if the Commission has reasonable grounds to believe that

1. the person does not satisfy the fit and proper criteria of the Commission; or

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1. any of the factors specified in subsection (3) applies as a result of the significant ownership of that person in, or the level of control of that person over, the licensed insurer or licensed reinsurer.
2. A direction -issued by the Commission under subsection (1) may
   1. req uire that person to dispose of the interest of the person in the licensed insurer or the licensed reinsurer, in whole or in part, within the period specified in the direction; or
   2. prohibit that person from exercising any rights, including voting rights, attached to the interest of the person in the licensed insurer or the licensed reinsurer.
3. Where the ownership structure of the licensed insurer or licensed re.msurer
   1. is not appropriate having regard for the nature, scale, complexity and diversi ty of the insurance business of the licensed insurer or licensed reinsurer,
   2. adversely affects the financial soundness of the licensed in sure r or li censed reinsurer or the ability of the Commission to supervise the licensed insurer or licensed reinsurer,
   3. is prejudicial to the policyholders of the licensed insurer or

licensed reinsurer, or

* 1. poses a systemic risk

the Commission may issue a direction to that person for the purpose of subparagraph (ii) of paragraph *(b)* of subsection (1).

1. Where the Commission issues a direction under paragraph *(a)* of subsection (1) to a pei-son , the Commission may direct that during the period before the interest of that person is disposed of, the person is prohibited from exercising any rights that attach to the interest including
   1. voting rights; and
   2. rights to receive a distribution.
2. Sections 52, 53 and 57 apply in relation to a disposal to be made in compliance with a direction issued under subsection (I).
3. A person who, without justifiable excuse, fails to comply with the requirements of a direction issued under this section is liable to pay to the Commission an administrative penalty as specified in the First Schedu1e.

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*Changes in Directors, Senior Managers and Key Persons in Control Functions*

**Approval for appointment of directors and other key persons**

1. (1) A licensed insurer or a licensed reinsurer shall not appoint a director, senior manager or key person acontrol function except with the prior written approval of the Commission.
2. The Commission shall not grant approval under subsection (1)

unless the Commission is satisfied that

* 1. the person concerned has satisfied the fit and proper criteria of the Commission; and
  2. following the appointment, the management structure of the licensed insurer or licensed reinsurer is appropriate having regard for the nature, scale, complexity and diversity of the insurance business of the licensed insurer or licensed rem surer.

1. *A* licensed insurer or a licensed reinsurer shall provide written notice to the Commission within fourteen days after a director, senior manager or key person in a control function
   1. is appointed; or

*{b)* ceases to

* + 1. hold office with the licensed insurer or licensed reinsurer;
    2. be employed by the licensed insurer or licensed reinsurer; or
    3. act for the licensed insurer or licensed reinsurer.

1. The written notice provided under subsection (3) shall include a statement of the reasons for the director, senior manager or keyperson in a control function ceasing to hold office with , be employed by or act for the licensed insurer or the licensed reinstirer.
2. A person who contravenes subsection (1) or subsection (3) *is* liable to pay to the Commission ao administrative penalty as specified in the First Schedule.

**Approval for removal of directors and other key persons**

1. (1) Where the Commission has reasonable grounds to believe that a person who holds a position or performs a function specified in subsection (2) is not fit and proper to continue lo hold that position or

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perform that function, the Commission may, by written direction, require the licensed insurer or licensed reinsurer concerned to

1. remove that person from office and replace the person with

another petson acq ptable to the Commission;

1. ensure that the person ceases to undertake certain specified functions in relation to the licensed insurer or licensed reinsurer; or
2. take any other remedial action in relation to that person as the Commission may determine.
3. Subsection (1) applies to the following persons:
   1. a director;
   2. a senior manager;
   3. a key person in a control function; and
   4. a person undertaking any function for the licensed insurer or licen se d reinsure r that may be specjfied by the Regulations for the purpose of this paragraph.
4. A direction issued under subsection (1)
   1. shall sta te whether the specified requirements have immediate effect or the period within which they must be complied with;
   2. may include directions consequential upon or ancillary to the requirements specified in the notice; and
   3. may direct that, in the caseof a person who the Commission has required the licensed insurer or licensed rei.nsurer to remove from office, that person may not be 1eappointed, or accept reappointment, to the same position, or to any specified position, with the insurer or reinsurer
      1. at any time;
      2. for a peiiod specified by the Commission; or
      3. until the conditions specified by the Commission have been met.
5. A contract of employment entered into by the licensed insurer or licensed reinsurer or any provision in the constitution of the licensed insurer or licensed reinsurer does not affect the validity of this section.
6. A person who accepts an appointment contrary to the direction issued under subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

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1. A licensed insurer or a licensed reinsurer that fails to comply with a direction issued under subs.ection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Eligibility of directors, senior managers and key persons**

1. (1) Where before or after tbe Commission approves
2. the appointment of a director, senior manager or key person in a control function of a licensed insurer or licensed reinsurer, or
3. a significant owner of a licensed insurer or.licensed reinsurer the licensed insurer or license d reinsurer becomes aware of any information that is reasonably material to *the* fit and proper assessment by the Commission of the director, senior manager or key person, the licensed insurer or licensed reinsurer shall notify the Commission *of* the information as soon as reasonably practicable.

(2) A licensed insurer or licensed reinsurer that contravenes subsection (I) is liable to pay to the Commissionan administrative penalty as specified in the First Schedule.

*Solvency and Capital Requ£tements*

**Maintenance of financially sound condition**

1. (1) A licensed insurer or a licensed reinsurer shall
2. maintain the insurance business of the licensed insurer or licensed reinsurer in a financially sound condition by
   1. maintaining assets,
   2. providing for the liabilities of the insurance business, and
   3. conducting the insurance business

in a manner that allows the licensed in·surer or licensed Ieinsurer to meet the li abilities of the licensed insurer or licensed reinsurer when the liabilities fall due and

1. maintain the capital resources of that licensed insurer or licensed reinsurerat a level adequate to support the licensed insurance or licensed reinsurance business, taking into account the nature, scale, complexity, diversity and risk profile of the insurance or reinsurance business; and
2. conduct the insurance business or reinsurance business in

accordance with sound insurance principles.

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(2) This section does not limit the specific prudential requirements specified in this Act, the Regulations or the directives.

**Stated capital**

1. (1) A licensed insurer or a licensed reinsurer shall ensure that the stated capital of the licensed insurer or licensed reinsurer is equal to or exceeds
2. the minimum amount specified in the directives, or
3. the amount specified in a direction issued by the Commission under section 61.
4. A licensed insurer or a licensed reinsurer shall not, without the prior written approval of the Commission,
   1. pass a resolution to reduce the stated capital of thatlicensed insurer or licensed reinsurer; or
   2. cause or permit the stated capital of that licensed insurer or

licensed reinsurer to be reduced.

1. A resolution passed in contravention of paragraph *(a)* of subsection (2) is void.
2. Subsection (2) applies in cases where the stated capital of the licensed insurer or the licensed reinsurer is higher than the minimum amount specified in the directives or in any direction issued by the Commission under section 61.
3. A licensed insurer or a licensed reinsurer who contravenes subsection (1) or (2) is Hable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Capital adequacy requirements**

1. (1) A licensed insurer or a licensed reinsurer shall maintain capital resources, determined in accordance with the directives, that are equal to or exceed
2. the capital adequacy requirements specified in the directive;

or

1. in a case where the Commission issues a direction under section 61, the capital adequacy requirements specified in that direction.
2. A licensed insurer or a licensed reinsurer shall, on an ongoing basis, maintain adequate procedures and controls to monitor and assess the capital resources and capital requirements of that licensed insurer or licensed reinsurer.

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1. A licensed insurer or a licensed reinsurer who contravenes subsection (1) or (2) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Directiott inrelationto capital**

1. (1) Where the Commission considers it appropriate, having regard for the nature, scale, complexity and diversity of the insurance business cairied on, or proposed to be carried on, by a licensedinsurer or a licensed reinsurer and the risk profile of the licensed insurer or licensed reinsurer, the Commissionmay issue a direction to the licensed insurer or licensed reinsurer
2. requiring the licensed insurer or licensed reinsurer to increase the stated capital to an amount higher than the minimum specified in the directions;
3. increasing the capital adequacy requirements applicable to the licensed insurer or licensed reinsurer to an amount higher than that specified in the directive;
4. limiting or restricting the capital components that may be relied upon by the licensed insurer or licensed reinsurer in determining the capital resources of the licensed insurer or licensed reinsuter.
5. A direction issued under subsection (1) shall specify a reasonabl e peiiod for compliance unless *the* circumstances justify an immediate compliance.
6. A licensed insurer or a licensed reinsurer who fails to comply with a direction issued under subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Maintenance of segregated funds**

1. (1) A long term insurer ma reinsurer shall establishand maintain segregated funds as required by the directives.

(2) A licensed insurer or a licensed reinsurer who contravenes subsection (1) isliable to payto the Commission an administrative penalty as specified in the First Schedule.

**Notification offailnre to comply**

1. (1) A licensed insurer or a licensed reinsurer shall, as soon as practicable, notify the Commission, in writing, if the licensed insurer or licensed reinsurer
2. is not in com\_pliance with section 58, subsection (1) of

section 59, section 60 or 62; or

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1. has reasonable grounds to believe that, at any time in the ensuing three years, it is likely to fail to comply with a requirement imposed under section 58, 59, 60 or 62.

(2) A licensed insurer or a licensed reinsurer who contravenes subsection (1) isliable to payto the Commission an administrative penalty as specified in the First Schedule.

**Pi-udential requirements specified in a directive**

1. (I) The Commission shall
2. specify the capital resource, capital adequacy and other prudential requirements applicable to licensed insurers and licensed reinsurers in a dfrective; and
3. ensure that the directive requires that the capital requirements applicable to a licensed insurer or a licensed reinsurer take account of the risks to which that licensed insurer or licensed reinsureJ is exposed.
4. The requirements specified in the directive may, in accordance with subsection (1), require the valuation of different types of risk to which a licensed insurer or licensed reinsurer is exposed.
5. Without limiting subsections (1) and (2), the directive
   1. shall specjfy
      1. the capital components that constitute capital resources; and
      2. the capital adequacy requirements applicable to a

licensed insurer or a licensed reinsurer;

* 1. shall specify restrictions and limits on the capital components that may be relied upon to meet the capital requirements specified in the directive;
  2. shall specify requirements in relation to the valuation of assets and liabilities, including liabilities under insurance contracts;
  3. shall include
     1. methods for estimating or valuing the assets of a

licensed insurer or a licensed reinsurer, including contingent assets, and for this purpose, may specify

the assets of an insurer or re.insurer that are admissible or inadmissible, whether in whole or in part; and

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* + 1. methods for estimating or valuing the liabilities, of a licensed insurer or a licensed reinsurer, including contingent liabilities and any technical provisions, and for this purpose may specify specific types and categories of the technical provisionsi
  1. sha U specify requiremen ts in relation to licensed insurers and licensed reinsurers that are part of a group, with the objective of ensuring that
     1. group risks and impact are taken into account; and
     2. there is adequate prudentiaJ regulation of insurance groups ;
  2. shall require licensed insurers or licensed \_reinsmers to establish and maintain reserves;
  3. shall include requirements in relation to
     1. the maintenance, operation and restructuring of segregated funds; and
     2. the all ocation of profits and losses, and distributions, regarding participating policies;
  4. sh all include requirements and restrictions relating to investmentsj and
  5. may include any other requirements or matters as the Commission considers appropriate to
     1. the maintenance by licensed insurers and licensed reinsurers of a sound financial condition;
     2. the assessment of the solvency and financial condition of licensed insur.ers and licensed rernsurers;
     3. the protection of policyholders from financiaJ loss; and
     4. the protection of policyholder funds.

1. For tbe purposes of paragraphs *(a)* and *(b)* of subsection (3), the method for determining or caJcuJating capital adequacy requirements may be byreference to a fommla, framework or amount or a combination of methods and may adopt a standardised approach, permit the use of full or partial internal models or adopt a combined approach.

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1. The directives may require licensed insurers and licensed reinsurers to comply with internationally recognised standards, practices or m ethod ologies.
2. The directives may provide for matters specified in this section in relation *to* different categories or descriptions of licensed insurers, licensed reinsurers or circumstances.

*Restrictions on Licensed Insurers and Licensed Reinsurers*

**Shares to be fnlly paid for in cash**

1. **(1)** A share issued by a licensed insurer or licensed reinsurer on or after the commencement date of the business shall be fully paid for in cash unless the Commission approves otherwise in writing.
2. A licensed insurer or licensed reinsurer that issues a sh are for a

consideration other than cash without the written approval of the Commission is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

1. For the purpose of subsection (1), "paid for in cash" means the

receipt of money by the licensed insurer or licensed reinsurer for a share at the time of or subsequent to the issue of shares.

**Distribution by licensed insurer orlicensed reinsurer**

1. (1) A licensed insurer or licensed reinsurer shall not make a distribution unless, immediately after the distribution, the licensed insurer or licensed reinsurer complies with
2. the requirements specified in subsection **(1)** of section 58, subsection (1) of section 60 and subsection (1) of section

62; and

1. the capital and solvency requirements specified in the directives.
2. A licensed insurer or a licensed reinsurer that contravenes subsection (I) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.
3. A distribution by a licensed insurer or a licensed reinsurer to a shareholder, means
   1. the direct or indirect transfer of an asset, other than the

shares of the licensed insurer or licensed re.insurer for the benefit of that shareholder, or

* 1. incurring a debt for the benefit of a shareholder in relation to shares held by that shai·eholder and whether by means

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of the purchase of an asset, the purchase, redemption or other acquisition of shares, a transfer of indebtedness or otherwise.

**P1·ohibition on advances and loans**

1. (1) Subject to subsections (2) and (3) and any exemptions specified

in a directive, a licensed insurer *01* licensed reinsurer shall not

1. acquire or deal in the shares of that licensed insurer or licensed reinsurer;
2. lend money or make advances on the security of the shares of that licensed insurer or licensed reinsurer;
3. lend any of the funds of that licensed insurer or licensed reinsmer to a connected person;
4. grant credit; or
5. guarantee or provide a security in connection with a loan to a connected person.
6. Subsection (1) does not apply to a distribution permitted under section 66.
7. A licensed insurer or licensed reinsurer that intends to carry out a transaction under subsection **(1)** shall provide the Commission with a written notice
   1. of the intention *to* carry out the transaction, and
   2. specifying the details of the transaction.
8. Where the Commission, on receiving a notice under subsection (3), considers that the Commission has no objection to the transaction, the Commission may issue the licensed insurer or licensed reinsurer with a written notice of no objection.
9. A licensed insurer or licensed reinsurer that carries out a transaction specified under subsection (1) without having received a written notice of no objection from the Commission under subsection (4)*is* liable to pay to the Commission an administrativepenalty asspecified in the First Schedule.

*Statutory Deposit*

**Requirement to make statutory deposit**

1. (1) A licensed insurer or licensed reinsurershall deposit in an account established and maintained with an approved bank:in the joint names of

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the licensed insurer and the Commission or licensed reinsurer and the Commission, funds \_in an amount at least equal to

1. the amount specified in the directives; or
2. a greater amount as may be specified by the Commission

in a drrection issued under subsection (2).

1. Where the Commission considers it appropriate, having regard for the nature, scale, complexity and diversity of the business canied on by a licensed insurer or a licensed reinsurer and the risk profile of the licensed insurer or licensed reinsurer, the Commission may issue a drrection to the
   1. licensed insurer requiring the licensed insurer to increase the statutory deposit of the licensed insurer; or
   2. licensed reinsurer reguiring the licensed reinsurer to increase the statutory deposit of the licensed reinsurer

to an amount greater than the amount specified \_in the directi ve.

1. A direction issued under subsection *(2)* shallspecify a reasonable period within which the licensed insurer or licensed reinsurer shall comply with the direction by depositing additional funds in the account maintained with the approved bank.
2. The depos1ted funds may be invested as permitted by the Commission.
3. Where the total value of deposited assets is at any time less than the minimum amount, the licensed insurer or licensed reinsurer shall make good the deficiency by depositing additional funds with the approved bank.
4. For the purpose of this section,
   1. " approved bank" means a bank that is licensed by the Bank of Ghana and approved by the Commission as an escrow agent to hold a deposit on behalf of a licensed insurer;
   2. " minimum amount'' means the greater amount of
      1. the amount specified in the direction; or
      2. the amount specified by the Commission in a direction issued under subsection (2); and
   3. "deposited assets" means the total of
      1. the funds deposited in accordance with this section that are retained as cash; and
      2. any investment that represents the deposited funds or any part of the deposited funds.

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1. A licensed insurer or licensed reinsurer who contravenes subsection (I) or (5) is liable to pay to the Commission an administrative penalty as specified in tJ1e First Schedule.

**Use of deposited assets**

1. (1) The dep osited assets of a licensed insurer or licensed reinsurer shall be dealt with solely as folJows:
2. to make a payment or transfer to the licensed insurer or licensed reinsurer in accordance with section 70; or
3. to make a payment or transfer to a statutory manager or liquidator appointed with respect to the licensed insurer or licensed reinsurer in accordance with this section.
4. The deposited assets of a licensed insurer or licensed reinsurer shall not be used to
   1. make a payment to, or
   2. make a payment with respect to any other licensed insurer or .licensed reinsurer.
5. Where a statutory manager or liquidator is appointed for a licensed insurer or licensed reinsurer
   1. the deposited assets shall be realised; and
   2. the net proceeds shall be paid to the statutory manager or the liquidator.
6. Any moneys paid to the st.atu tory manager or the liquidator shall only be used
   1. for the purpose of satisfying the liabilities of the licensed insur er or licensed reinsurer to the policyholders of the licensed insurer or cedants of the licensed Teinsu rer ; and
   2. if there is any surplus after the liabilities of the policyholders of the licensed insurer or licensed reinsurer have been satisfied, for the other purposes of the statutory management or liquidation.
7. The Commission may transfer an investment to the statutory manager or liquidator.
8. Where a licensed insurer or licensed reinsurer becomes insolvent at a time when a statutory manager or liquidator has not been appointed, the Commission may
   1. realise any deposited assets, and
   2. retain the net proceeds together with any deposited assets held as cash, pending the appointment of a statutory manager or liquidator.

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**Release of deposit**

1. **(1)** The Commission may, on the application of a licensed insurer or licensed reinsurer, authorise the payment or transfer to the licensed insurer or licensed reinsurer, of deposited asset') eq ual in value to the surplus if the Commission is satisfied that the total value of the deposited assets attributable to a licensed insurer or licensed reinsurer exceeds the minimum amount.
2. The Commission shallnot authorise a paymentor transfer under subsection (1) unless after the payment or transfer is made, the total value of the d.eposited. assets is equal to or exceeds the minimum amount.
3. Where a licensed insurer or licensed reinsurer ceases to carry on insurance business, the insurer or reinsurer may apply to the Commission for the release of any deposited assets.
4. The Commission shall not authorise the release of any deposited assets on the application of a licensed insurer or licensed re:insurer unless that insurer or reinsurer has
   1. satisfied the liabilities of the licensed insurer or licensed remsurer to policyholders and to cedants; or
   2. ma de arrangements satisfactory to the Commission for the satisfaction of the liabilities of the licensed insurer or licensed reinsurer to policyholders.

**Payment of interest or other income to licensed insurer or licensed reinsurer**

1. (1) Subject to subsection (2), the Commission shall, on or before

30th January of eacb year, authorise payment to a licensed insurer ot licensed reinsurer of

1. any interest earned on, or
2. income received from;

deposited assets in the immediately preceeding financial year.

1. Where the value of the deposited assets attributable to a licensed insureT or licensed reinsurer is less than the minimum amount, the Commission shall
   1. require the retention of the interest or other income received

in respec t of approved assets that wou ld otherwise be payable to the insurer 01" reinsurer as is necessary *to* make good the deficit; and

* 1. authorise payment of the balan ce, if an y, to the licensed insurer or licensed reinsurer.

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*Reinsurancaend Retrocession*

**Reinsurance or retrocession strategy, procedures and plans**

*72w* (1) A licensed insurer or licensed reinsmer shall establish and maintain

* + 1. a written reinsurance or retrocession strategy appropriate for the
       1. natu re,
       2. scale,
       3. complexit y and diversity of the business of the licensed insurer or licensed reinsurer,
       4. risk profile of that licensed insurer or licensed reinsurer,
       5. risk tolerance of that insurer or reinsurer; and
    2. a written reinsurance proceduTe for the implementation of

the reinsurance strategy of that licensed insurer.

1. The Board of a licensed insurer or licensed reinsurer shall set or approve a reinsura nce plan for each financial year consistent with the reinsuran ce or rett ocession strategy.
2. The reinsurance or retrocession strategy, procedures and reinsurance pJans shall comply with directives.
3. A licensed insurer or licensed reinsurer who contravenes subsection **(1)** is liable to pay to the Commiss1011 an administrative penalty as specified in the First Schedule.

**Restrictions on the placement of reinsurance by licensed insurers**

1. (1) Subject to subsection (2), a. licensed insurer shall not, without the prior written authorisation of the Commission under subsection (3), enter into a reinsurance contract, other than
   1. with a licensed reinsurer;
   2. in accordance with arrangements , as may be specified in the cfuectives which may include facultative reinsurance with a licensed insurer;
   3. with a qualifying foreign reinsurer;
   4. in accordance with the arrangements, as may be specified in th e directives which may include reinsurance arrangements with underwriters that ate members of a recognised association of under writers.

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1. The Commission may, on the application of a licensed insurer, authorise that insurer to enter into a reinsurance contract as cedant with
   1. a foreign reinsurer, or
   2. an underwriter that is amember of a recognised association of underwriters.
2. A licensed insurer who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Governance atid Management*

**Governance framework**

1. (1) A licensed insurer or a licensed reinsurer shall establish and maintain a governance framework that provides for
   1. a dear and appropriate apportionment of significant

responsibilities between the directors, senior managers and key persons in control functions to clarify the responsibilities of each person;

* 1. separation of the oversight function from the management

responsibilities; and

* 1. adequate monitoring and control of the business and affairs of thatlicensed insurer or licensed reinsurer by the directors and senior managers.

1. *A* licensed insurer or a licensed re.insurer shall
   1. establish and maintain
      1. the strategies, policies, procedures and controls, including internal controls, as are appropriate for the nature, scale and complexity of the business and risk profile of that licensed insurer or licensed reinsurer; and
      2. internal policies, procedures and controls to prevent money laundering and financing of terrorismj and
   2. ensure that the policies, procedures and controls of that

Licensed insurer or licensed reinsurer are regularly reviewed and updated as requiJed.

1. The procedures and controls established and maintained by a licensed insurer or a licensed reinsurer under subsection **(1)** shall
   1. provide for

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* + 1. the prudent management of the business of thar licensed insurer or licensed reinsurer in accordance with sound insurance principles; and
    2. the effective oversight of the senior managers of that licensed insurer or licensed reinsurer and keypersons in control functions;
  1. recognise and protect the interests of policyholders of that licensed insurer or licensed reins urer; and
  2. take into account
     1. the nature, scale, complexity and diversity of the business of thatlicensed insurer or licensed reinsurerj and
     2. the degree of risk associated with each area of the business of thatlicensed insurer or licensed reinsurer.

1. Without limiting subsections (1) and (2), a licensed insurer or a licensed reinsurer shall establish and maintain the policies, procedures and controls that are specified in the directives .
2. A licensed insurer or a licensed reinsurer shall maintain an up to date written record of the gove1nance framework of that licensed insurer or licensed reinsurer to include
   1. details of reporting lines; and
   2. the responsibilities of different members of senior management.
3. A licensed insurer or a licensed reinsurer who contravenes subsection (I), (2), (4) or (5) is liable to pay to the Commissjon an administrative penalty as specified in the First Schedule.

**Directors of insurers and reinsurers**

1. **(1)** A licensed insurer or a licensed reinsmer shall have an adequate number of directors who
   1. are capable of exercising independent judgment;
   2. have sufficient knowledge, skills, experience and understanding of the
      1. business of that licensed insurer or licensed reinsurer, and
      2. the risk to which that licensed insurer or licensed reinsurer is exposed , and

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* 1. have sufficient time and commitment to undertake the duties of a director diligently in order to ensw-e that the board of that licensed insurer or licensed reinsurer carries out the duties of the board.

1. A licensed insurer or a licensed reinsurer shall ensure that the directors of that licensed insurer or licensed reinsurer have sufficient powers to
   1. obtain, in a timely manner, information required for the effective performance of the functions of the directors; and

*{h)* assess senior managers, key persons in control functions and any other relevant persons.

1. The board of a licensed insurer or a Jicensed reinsurer has ultimate responsibility for
   1. the business and affairs of the licensed insurer or licensed reinsurer; and
   2. ensuring the effective organisation of the licensed insurer or licensed reinsurer.
2. A licensed jnsurer or a licensed reinsurer who contravenes subsection (1) or (2) is liabl e to pay to the Commission an adnunistrative penalty as specified in the First Schedule.

**Senior management**

1. The senior management of a licensed insurer or a licensedreinsurer

shall

* 1. oversee the operations of the licensed insurer or licensed remsurer;
  2. provide directions on a day-to-day basis in accordance with the strategy and policies established by the Board;
  3. provide the board with recommendations, for the review and approval of the senior man agement, on the strategy, business plans **and** significant policies of that licensed insurer or licensed reinsurer;
  4. provide the board with timely and accurate information, including financial information, that is adequate to enable the board to carry out the duties of the board including holding the senior management to account; and
  5. promote a culture of
     1. sound risk management;

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(ji) cornpba n ce with directives; and

(iii) fair treatment of policyholders and potentia1 policyholders.

**Control functions**

1. (1) A licensed insurer or a licensed reinsurer shall establish and maintain the following control functions:
   1. a risk management function;
   2. a compliance function;
   3. an actuarial function;
   4. an internal audit function; and
   5. any otber functions as may be specified in the directives or as the insurer or reinsurer considers appropriate for the nature, scale, *complexity* and diversity of the insurance business of that licensed insurer or licensed reinsurer.
2. A licensed insurer or a licensed reinsurer shall ensure that
   1. a *control* function isprovided with the authority, independence and resources required to enable the control function to operate effectively; and
   2. an indjvidual is appointed
      1. to undertake the responsibilities of each control function; or
      2. if the responsibilities of the control function are to be undertaken by more than one employee or to be outsourced, to have overall responsibility for, and oversight of, the control function.
3. A licensed insurer or a licensed reinsurer shall not outsource a control function unless the outsourcing is permitted under a directive.
4. A licensed insurer or a licensed reinsurer who contravenes subsection (1), (2) or (3) is Ji ab l e to pay to t he Com mission an administrative penalty as specified in the First Schedule.

**Risk management**

1. (1) A licensed insurer or a Jk ens ed reinsurer shall establish and maintain
   1. a clearly defined strategy and policy for the effective management of significant risks to which that licensed

:insurer or licensed reinsurer is or may be exposed;

* 1. risk management procedures where a customer is permitted to use the business relationship before verification;

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may

* 1. appropriate policies and internal risk assessment for new technologies and non-face-to-face products and distribution; and
  2. procedures and controls that are sufficient to ensuTe that the risk management strategy and policies are effectively implemented.
     1. The risk.management strategy and \_policies shaU
        1. be appropriate for the nature, scale, complexity and diversity of the licensed insurance or reinsurance business;
        2. specify how risks are to be identified, monitored, managed

and repo rted on in a timely manner;

* + - 1. take into account the probability, potential impact and the time duration of risk;
      2. provide for the effective identification and management of the following risks:
         1. insurance risi;
         2. credjt risk;
         3. liquidity risk;
         4. market risk;
         5. operational risk;
         6. related party risk; and
         7. any other risks specified in the direct ive;
      3. d evelop and imple ment an internal risk assessment framework; and

*{I)* comply with any 0th.er requirements in relation to risk

management as may be specified in the directives.

* + 1. Without limiting paragraph *(JJ* of subsection (2), the directives
       1. specify the types or descriptions of micro life insurance contract that a short term licensed insurer may enter into;
       2. sp ec ify the types or descriptions of short term micro

insurance contract that a life insurer may enter .into;

* + - 1. spedfy activities that a con tact office may underta ke j
      2. specify requirements in relation to the reinsurance strategy, procedures and plans to be established and maintained by licensed insurel'S;
      3. specify retrocession arrangements to be established and maintained by licensed reinsurers;

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*(I)* include requirements for the mandatory reinsurance of risks;

1. ind ude restrictions on the reinsuranceof risks with foreign reinsurers; and
2. provide for alternative risk transfer arrangements.
   * 1. A licensed insurer or a licensed reinsurer who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Appointed Actuary*

**Appointment of appointed actuary**

1. (1) Subject to subsection (3), alicensed insurer ora licensed Ieinsurer shall appoint an appointed actuary who may be
   1. an external actuary; or
   2. an employee of the licensed insurer or licensed reinsurer, provided that the employee meets the criteria for a qualified actuary specified in the directives.
2. Despite subsection (1), the directivesissued by the Commission may exempt a licensed insurer or licensed reinsurer from the requirement to appoint an appointed actuary.
3. A licensed insurer or a licensed reinsurer shall not appoint a person as the appointed actuary of that licensed insurer or licensed reinsurer unless
   1. that person has consented in writing to be appointed as the appointed actuary of the licensed insurer or the licensed reinsurer:
   2. the licensed insurer orlicensed reinsurer has complied with subsection (5); and
   3. the Commission has given prior written approval for the appointment of that person as the appointed actuary of the licensed insurer or licensed reinsurer under section 80.
4. A licensed insurer or a licensed reinsurer shall not appoint a person as the appointed actuary of that licensed insurer or licensed rein­ surer unless the board of the insurer or reinsurer determines that that person does not

*{a)* have an interest, or

*(b)* l1old any position, whether in or outside thelicensed insurer or licensed reinsurer

that may conflict with the functions or duties of the appointed actuary.

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1. A licensed insurer or a licensed reinsurer shall
   1. require the appointed acruary to advise that licensed insurer or licensed rein.sur er of any potential conflict that may arise during the tenure of that person as an appointed actuary; and
   2. further to an appointment as an appointed actuary, disclose in writing, any conflict of interest that may arise on or after the appointment of the person as appointed actuary.
2. Where a licensed insurer or a licensed reinsurer appoints an employee of that licensed insurer or licensed remsurer as an appointed actuary, that employee shall, for purposes of this Act, be regarded as the key person of the actuarial function.
3. A person shall cease to operate as the appointed actuary of a

licensed insurer or a licensed re-insurer where

*{a)* the person resigns as an appointed actua1y or dies;

1. the board of the insurer or reinsurer terminates the appointment of the person as an appointed actuary;
2. the tenure of office of the person as an appointed acruary exprres; or
3. any circumstance arises such that if the person were not an appointed actuary, would cause the person to be disqualified or ineligible for appointment as an appointed actuary.
4. Where a person ceases to operate as the appointed actuary of a licensed insurer or licensed reinsurer under subsection (7), the licensed insurer or licensed reinsurer shall, within two months of the date on which the former appointed actuary ceased to act, appoint another person as the appointed actuary.
5. A licensed insuret or a licensed reinsurer who contravenes subsecti on (3), (4) or (8) is liable to pay *to* the Commission an administrative penalty as specified in the First ScheduJe.

**Approval of appointed actuary**

1. (1) The Commission shall not grant approval for the appointment of an appointed actua1y of a licensed insurer or a licensed reinsurer unless the Commission is satisfied that the person
   1. possesses the requisite qualification to act as an appointed actuary;
   2. has sufficient experience as an appointed actuary; and
   3. is competent to act as the appointed actuary of the licensed insurer or licensed reinsurer.

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(2) The Commission may refuse to approve the appointment of a person as an external actuary of a licensed insurer or a licensed reinsurer where the Commission is not satisfied that adequate arrangements have been made, in accordance with the directives, for training the actuarial staff of that licensed insurer or licensed reinsurer.

**Notice to Commission**

1. (1) A licensed insurer or a licensed reinsurer shalil days from the date of
   1. appointment of an appointed actuatyi

within fout1een

* 1. expiry of ten ure of office of an appointed actuary, or
  2. cessation of office of an appointed actuary notify the Commission in writing of that date.

1. A notification given to the Commission under paragraph *(c)* of subsection (1) shall include the reasons for the appointed actuary ceasing to bold office.
2. A licensed in.surer or a licensed reinsurer who contravenes subsection (1) *is* liable to pay to the Comm ission an administrative penalty as specified in the First Schedule.

**Actnarial investigation andfinancial condition report**

1. (1) Except as provided in the directives, a licensed insurer or a licensed reinsurer shall ensure that the appointed actuary of that licensed msurer or licensed reinsurer
   1. undertakes an actuarial review of the business of the licensed insurer or licensed re.insurer , within the year to which the report relates and where required by the Commiss ion, a group actuarial review, in respect of each financial year; and
   2. prepares a written financial condition report within the period specified in the relevant directives, guidelines and Regulations for submission to the Commission in accordance witsh section 155.
2. A licensed insurer or a licensed re.insurer shall graot an appointed actuary access to the documents and information required to enable the appointed actuary
   1. catry out an actuarial investigation; and
   2. prepare a financial condition report.
3. An appointed actuary may req uire a director or an employee of the licensed insurer or licensed reinsurer to provide the appointed actuary with information or documentation that is in the possession or

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under the control of that director or employee, and explanations, that the appointed actuary considers necessary to facilitate the

* 1. acmarial investigation; and
  2. preparation of the financial condition report.

1. A licensed insurer or a licensed reinsurer who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Reporting obligations of an appointed actuary**

1. (1) Despjre any other enactment, the appointed actuary of a licensed insurer or a licensed reinsmer shall Teport immediately to the Commission any information, relating to the affairs of that licensed insurer or licensed reinsurer, obtained by the appointed actuary in the course of the perfonnance of the functions or discharge of duties under this Act that in the opinion of the appo:inted actuary suggests that
   1. the business of the licensed insurer or licensed reinsurer is

not in a financially sound condition;

* 1. the licensed insurer or licensed reinsurer does not meet, or is not likely to meet the solvency control level specified i.n the directives within three years after the information is brought to the attention of the appointed actuary;
  2. the licensed insurer or licensed reinsurer is in breach of
     1. the stated capital or the capital adequacy Tequirements under this Act; or
     2. any prudential requirements specified in the

directives; and

* 1. the licensed insUier or licensed reinsurer has exposures that jeopardise the long term financial viability or stability of the licensed insurer or licensed reinsurer.

1. Where the appointment of an appointed act:rtary is terminated

by the licensed insurer or licensed reinsurer or the appointed acturu·y resigns from office, that appointed actuary shall

* 1. immediately inform the Commission of the termination of the appointment or the resignation, in writing; and disclose to tl1e Commission , the circumstances which gave rise to the termination or the resignation; and
  2. where, but for the termination of the appointment or the r esign a tio n, the pe rso n wouJd have reported the

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information to the Commission under subsection (1), the person shall report on the information concerned to tbe Commission, irrespective of the termination or resignation .



1. The Commission may require the appointed actuary of a licensed insurer or a licensed reinsurer to discuss an actuarial.investigation conducted or commenced by that appointed actuary orprovide additional information on the actuarial investigation to the Commission.
2. Where, *in* goodfaith, an appointed actuary of a licensed insurer or a licensed reinsure1· provides information to the Commission under subsection (1) or subsection (2)
   1. that appointed actuary is not liable for a contravention of any relevant enactment, agreement, regulatory or administrative requirement, or professional code of conduct to which that person is subject; and
   2. a civil, criminal or disciplinary proceeding shall not lie against that appointed actuary.
3. The failure of an appointed actuary to submit a report or other information to the Commission under subsection (1) or (2) does not confer on any other person a right of action against the appointed acmary, which but for the failure, that other person would not have had.
4. The appointed actuary ofa licensed insurer or licensed reinsurer shall not inform the licensed insurer or licensed reinsurer of the intention of that appointed actuary to report on a matter under this section, if the appointed actuary is of the opinion that the information given may be detrimental to the interest of the customers of the licensed insurer or licensed reinsurer.
5. Subject to subsection (6), the appointed actuary of a licensed insurer or a licensed reinsurer shall1 before submitting a report or other information under this section to the Commission, take reasonable steps *to* inform the licensed insurer or licensed reinsurer of the intention to submit the report or other information and the nature of the report.
6. A person who fails to comply wjth subsection (1) or (2) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

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*Conduct of Business*

**Obligations foI conduct of business**

1. (1) A licensed insurer or a licensed reinsurer shall
   1. conduct the business of that licensed insurer or licensed reinsurer with
      1. integrity;
      2. optimum skill;
      3. due diligence; and
      4. care;
   2. observe good conduct of business standards and practices; and
   3. in accordance with the arrangements, as may be specified

in the directives, develop and. implement internal policies, prbcedures and controls to prevent money laundering and financing of terrori'im.

1. A Jjcensed insurer or a licensed reinsurer shal1 not seek to exclude, restrict or rely on any exclusion or restriction of any obligation or liability which that licensed insurer or licensed reinsurer may have towards a customer arising out of a regulatory, legal or contractual obligation.
2. *A* licensed insurer or a licensed reinsurer who contravenes subsection (1) or (2) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Transfers and Mergers*

**Re striction on transfers andmergers**

1. (I) Subject to section 90, a licensed insurer or a licensed reinsurer shall not
   1. transfer the insurance business, or any partof theinsurance

business, to another person;

* 1. accepta transfer of the insurance business of another person, or any part of that insurance business; or
  2. merge the insurance business, or any part of the insurance business, with the business of another person

without the prior writte n approval of the Commission.

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* 1. A scheme of ttansfer or merger shall
     1. set out the terms of the agreement or deed under which the proposed transfer or merger is to be carded out;
     2. set out the particulars of other arrangements that are necessary to give effect to the scheme;
     3. contain any other information specified in the directives issued by the Commission ; and
     4. otherwise comply with the requirements set out in the directives issued by the Commission in relation to a scheme of transfer and merger.
  2. A licensed insurer or a licensed reinsurer who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified .in the First Schedule.
  3. FOT the purpose of sections 85 to 90,

"merger" means the joining of a licensed insurer or licensed reinsurer with another company or body corporate that results in

* + 1. absorption by which the undertaking, property and liabilities of one or more companies, including the company in respect of which a scheme of merger is proposed, are to be transfen-ect to another existing company; or
    2. the formation of a new body corporate by which the undertaking, property and liabilities of two or more companies, including the company in respect of which the scheme of merger is proposed, are to be transferred to a new company and the consideration envisaged for the transfer is shares in the transferee company receivable by a member of the transferor company with or without any cash payment to that member;

"transfer" includes an assignment; and "transferee" means

1. the person to whom all or partof the insurance busi­ ness of the licensed insurer or the licensedreinsurer is proposed to be transferred under paragraph *(a)* of subsection (l); or

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1. the licensed insurer or licensed reinsurer under paragraph *(b)* of subsection (1); and

"transferor" means a licensed insurer or a licensed reinsuret that transfers, or proposes to transfer, the insurance business or any part of the insurance business, to another person.

**Application for approval of scheme of transfer or merger**

1. (1) An application to the Commission for the approval of a scheme of transfer or merger shall be made jointly by the licensed insurer or the licensed reinsurer or on behalf of the Jicensed insurer or licensedreinsurer and other parties to the scheme.
2. An application under subsection (I) sha11
   1. be in the form as provided on the website of the Commission;
   2. contain the information specified in the directives and any

other relevant information;

* 1. be accompanied by the document specified in the directives; and
  2. be accompanied by any other relevant document.

1. Where the Commission considers that the mode of advertisement and the mode of provision of notice of an application for approval of a scheme specified in the directives are insufficient, the Commission may direct another mode of advertisement and mode of provision of notice as an alternative to the mode specified in the guidelines issued by the Commission.
2. Before determining an application under this section, the

Commission may

* 1. at the cost of the licensed insurer or the licensed re.insur er, undertake an investigation into the desirability or otherwise of the scheme; and
  2. require the licensed insurer or licensed reinsurer and each party to the scheme to provide the Commission with the documents and information that the Commission may determine m accordance with the guidelines issued by the Commission for that purpose.

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1. An investigation under subsection (4) may be carried out by the Commission or by a person appointed by the Commission.
2. A transaction to wruch a licensed insurer or a licensed reinsurer is a par ty, which has the effec t of
   1. transferring a part of the business of the licensed insurer or licensed rei:nsurer to another person; or
   2. merging any part of the business of the licensed insurer or licensed reinsurer with the business of another person,

is void unless effected under a scheme of transfer or merger approved by

the Commi ssion.

**Hearing of application for approval of scheme of transfer or merger**

1. (1) The Co mmissio n may conduct a hearing in respect of an

application for the approval of a scheme under section 86 at which

* 1. the licensed insurer or licensed reins urer,
  2. each party to the scheme, and
  3. any interested p erson who has made representations to the Commission concerning the scheme

is en titled to attend and give evjdence in person or in the case of a company, through an officer of the company, or a legal representative.

(2) *The* Commission may, at a hearing cond ucted under subsection

1. , con sider eviden ce relevan t to the determination of the application.

**Determination of anapplication**

1. (1) The Commission may, on an applica tion for approval of a scheme of transfer or merger
   1. consider the document, information and relevant evidence, where necessary; and
   2. approve or refuse an application for approval of a sc1Leme of transfer or merger, subject to the terms and conditions that the Commission considers appropriate.
2. Where the application is approved the Commission shall

communicate, in writing, the decision to

* 1. the licensed insurer or licensed reinsurer,

*(h)* each party *to* the scheme) and

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*(c)* any interested person

within twenty-eight days of taking the decision and publish the decision in the *Gazette,* a daily newspaper of national circulation and on the website of the Commission.

1. WheJe the Commission refuses an application for approval of a scheme of transfer or merger, the Commission shall disclose in writing the reasons for refusal of the application .
2. Where a scheme of transfer or merger is approved by the

Co mm ission , the transferee licensed insurer or transferee licensed reinsurer or the merged licensed insurer or merged licensed reinsurer shall, within ten days from the date of completion of the transfer or merger, submit to the Commission cerrified copies of

* 1. statements of the respective assets and li abilities of each party to the scbeme; and
  2. the documents under which the transfer or merger was effected.

**Effect of approval of scheme**

1. (1) Wbere the Commission approves a scheme of transfer or merger, the scheme
   1. is binding on all parties to the scheme; and
   2. has effect, despite anything to the contrary in the constitution of the licensed insurer or licensed reinsurer or of any company that is a party to the scheme.
2. Where, for the purpose of a transfer under an approved scheme, the transferee accepts an assignment of liabilities from the transferor, the following are deemed to have occurred:

*{a)* contracts of insurance in respect of which liability is accepted by the transferee are deemed to have been transferred by novation from the transferor *to* the transferee;

1. an instrrance policyholder under a transferring contract is deemed to have the same rights against the transferee as that insurance policyholder would have had against the transferee had the contract ofinsmance of that policyholder been transferred by novation to the transferee; and

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1. the rights of the transferee against any other policyholders under a transferr ing contract are the same had the transferring contract been transferred by novation to the transferee from the transferor.
2. An agreement between the transferee and the transferor may, with the approval of the Commission1 assign liabilities in respect of the transferring contract, and that agreement is binding on
   1. the transferee,
   2. the transferor, and
   3. policyho lders under the contract of insuran ce.

**Application of the Companies Act, 2019 (Act 992)**

1. (1) *A* licensed insurer or a licensed reinsurer may effect an arrangement or merger in accordance with the Companies Act, 2019 (Act 992).
2. A licensed insurer or a licensed reinsmer shall not pass a special resolution in accordance with the Companies Acti 2019 (Act 992) which may put the company into voluntary liquidation by members for the purpose of an arrangement or merger without the prior written approval of the Commission in respect of that special resolution.
3. A special resolution passed by a licensed insurer or a licensed

reinsurer under the Companies Act, 2019 (Act 992) without the prior written approval of the Commission is void.

1. An arrangement or merger effected by a licensed insurer or a

licensed reinsurer under the Companies Act, 2019 (Act992)is void unless approved by the Court.

1. The Commission may appear and be heard at each Court hearing in respect of an arrangement or merger effected by a licensed insurer or a licensed reinsurer under the Companies Act, 2019 (Act 992).

*Liquidation and Statutory Management of Licensed Insurers and Licensed Reinsurers*

**Winding up by private liquidation**

1. (1) A licensed insurer or a licensed reinsurer shall not be wound up by a privateliquidation under the Companies Act, 2019 (Act *992)*without the prior written approval of the Commission.

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(2) A resolution of a licensed insurer or a licensed reinsurer to be wound up by a private liquidation under the Companies Act, 2019 (Act 992) without the prior written approval of the Commission is void.

**Application of Corporate Insolvency and Restructuring Act, 2020**

**(Act 1015)**

1. The provisions of the Corporate Insolvency and Restructuring Act. 2020 (Act 1015) relating to the official liquidation of companies shall, with the necessary modification, apply to a
   1. licensed insurer,
   2. licensed reinsurer, and
   3. company that carries on or has carried on unlicensed insurance business

to the extent specified in sections 93 to 108.

**Commencement of proceedings**

1. (1) The official winding up of a licensed insurer or a licensed reinsurer shall commence with a petition to the Court.

(2) A special resolution passed by a licensed insurer or a licensed reinsurer to appoint a liquidator for tbe purpose of official winding up is void.

**Petition for liquidation by Commission**

1. (1) The Commission may present a petition to the Court in accordance with the Corporate Insolvency and Restructuring Act1 2020 (Act 1015) for the official liquidation of a
   1. licensed insurer,
   2. licensed reinsurer, or
   3. company that is carrying on or that has carried on unlicensed insurance business.
2. On a petition presented to the Court under subsection (1)1 the Court may make an order for the official liquidation of the company
   1. 011 any ground specified in the Corporate Insolvency and Restructuring Act, 2020 (Act 1015);
   2. where the Court is satisfied that the winding up of the company is in the public interest; or
   3. in the case of a licensed insurer or a licensed reinsurer, where the Commission is entitled to take enforcement action under this Act.

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1. On the hearing of a petition for the official liquidation of a
   1. licensed insurerj
   2. licensed reinsurer, or
   3. company carrying on or that bas can-ied on unlicensed insurance busine.ss,



any evidence that thecompany has been insolvent, at any time before the date of the presentation of the petition m11ess the contrary is proved, is prima facie evidence that the company continues to be insolvent.

1. For the purpose of paragraph *(b)* of subsection (2), ''public

interest" includes the interest of the customer of the licensed insurer or the licensed rei:nsurer.

**Service on Commission**

1. A petition for the official liquidation of a company shall, where presented by a person otJ1er than the. C ommission , be served on the Commission and the Commission is entitled to
   1. appear in Court; and
   2. be heard

at the hearing of the petition.

**Reduction of contracts as alternative to official liquidation**

1. Where, on the hearing of a petition for the official liquidation of a licensed insurer or a Licensed reinsurer under section 94, the Court is satisfied that the licensed. insurer or licensed reinsurer js insolvent, the Court may, instead of making an official winding up order, reduce the amount of the insurance contracts on conditions that the Court considers just.

**Continuation oflong term business by liquidatoT**

1. (1) The liquidator of a long term licensed insurer shall , unless the Comt otherwise orders, carry on the long term bu.siness of the licensed insurer, with a view *to* the business being transferred as a going concern to anothet licensed insurer, whether the other licensed insurer is in existence or is yet to be incorporated for the purpose.
2. The liquidator mayi in carrying on the long term business of the licensed insurer under subsection (1), agree to the variation of any contract of insurance at the commencement of the official liquidation , except that the licensed insurer shall not effect any new contract of msurance.

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1. On the application of tbe Jiquidator of a long term licensed insurer, the Court may, by order, reduce the amounts of the insuTance contracts made by the licensed insurer in the course of canying on the long term business of the licensed insurer.
2. The Court may make an order under subsection (3) on the conditions that the Court considers appropriate.
3. The liquidator of a long term licensed insurer may
   1. appoint an appointed actuary to investigate and report to the licensed insurer on the business of the licensed insurer;
   2. where appropriate, require the appointed actuary to conduct an actuarial review of the business of the licensed insurer; and
   3. apply to the Court for the appointment ofa special manager to manage the business of the licensed insurer.
4. A special manager appointed by the Court
   1. shall act in accordance with the directives issued to that special manager by the Court;
   2. shall account for the actions of that special manager in the manner that the Court may direct; and
   3. is ent itled to be paid the remuneration as may be determined by the Court.

**Insurance liabilitiesto have priority**

1. (1) Despite the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), on the official liquidation of a company that is currently or was previously a licensed insurer or a licensed reinsurer, the assets of the company, after payment of the properly incurred costs and expenses of the liquidation, are applicable, in priority to all other claims, in satisfying the liabilities of tbe company under an insurance contract.
2. Where the Court makes an order under the Corporate Insolvency and Restructuring Act; 2020 (Act 1015), in respect of a licensed insurer or a licensed reinsurer, which requires a person
   1. to repay, restore or account for money or other assets to the licensed insurer or licensed reinsurer;

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* 1. to pay compensation to the licensed insurer or licensed remsurer; or
  2. to pay interest to the licensed insurer or licensed reinsurer, the Court shall order that the money, assets, interest *or* compensation is treated for the purposes of subsection (1), as an asset of tbe licensed insurer or licensed reinsurer.

1. Where the value of the asset referred to in subsections (1) and
2. exceed the amount of liabilities of the licensed insurer or licensed reinsurer under the insurance contracts of the licensed insurer or licensed reinsurer, **the** excess constitutes an asset, available for distribution in accordance with the Corporate Insolvency and Restructuring Act, 2020 (Actl015).

*Statutory Management*

**Statutory management of a licensed insurer or a licensed reinsurer**

1. (l) The Commission may appoint any qualified and experienced person as the statutory manager of a licensed insurer or a licensed reinsurer, :if the Commission is
   1. satisfied on reasonable grounds that any of the circumstances specified in paragraphs *(a)*to *(d)*of subsection

(I) of section 167 apply; and

* 1. of the opinion that the appointment of a statutory manager is required to
     1. prevent or limit the risk that tbe failure of the licensed insurer or licensed reinsurer will cause to the financial system of the country or to the insurance industry;
     2. prevent or limit the risk of the further financial distress of the licensed insurer or licensed reinsurer;
     3. protect policyholders or enable a better outcome for policyholders;
     4. enable the licensed insurer or licensed reinsurer *to*

be rescued or restored as a going concern; or

* + 1. manage the affairs of thelicensed insurer or licensed reinsurer, in a more orderly and expeditious manner rather than thelicensed insurer or licensed reinsurer

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being wound up, without being subject to statutor y management.

* 1. The appointment of a statutory manager shall be in writing

and shall specify the

* + 1. date and time on which the appointme11t takes effect;
    2. reasons for the appointment;
    3. tenns and conditions for the appointment; and
    4. date by which the statu tory manager is required to submit to the Commission the report as specified in section 105.
  1. The Commission shall
     1. within ten days, notify the licensed insurer or licensed

reinswejr in writing, of the appointment of the statutory

manager, indicating the grounds for the appointment; and

* + 1. publish the appointment of the statutory manager
       1. in the *Gazette;*
       2. on the website of the Commission; and
       3. in a daily newspaper of national circulation.
  1. During the period of statutory management, the statutory manager has control of, and shall manage, in whole or in part, the
     1. business,
     2. assets,
     3. liabilities, and
     4. affairs

of the licensed insurer or licensed reinsurer as the Commission shall determine.

**Moratorium**

1. (1) During the period of statutory management, a person shall not
   1. take any steps to enforce any security over the assets of the

licensed insurer or licensed reinsurer, including any assets subject to an equitable assignment jn favour of the licensed insurer or licensed reinsurer;

* 1. take any steps to repossess the assets that are being used or occupied by or are in the possession of the licensed insurer or licensed reinsurer;
  2. commence or continue proceedings, or any other legal process or execute a judgment against the licensed insurer

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*ot* licensed reinsurer or levy distress against the assets of the licensed insurer or licensed reinsurer;

* 1. transfer any shares of the licensed insurer or licensed remsurer;
  2. alter the status of the members of the licensed insurer or licensed reinsurer, whether by an amendment of the constitution or in any agreement of the shareholders or members or otherwise; or

*(I)* pass any resolution as a member of the lice1ised insurer or

licensed reinsurer.

1. Subsection (1) does not
   1. affect the existence of any security over the property of a licensed insurer or a licensed reinsurer under statutory management or the priority oftbe security over other debts;
   2. prevent a person from commencing or continuing an action or proceedings to determine whether a right or liability exists; or
   3. prevent a person from commencing or continuing an action or proceedings, or executing or enforcing a judgment, with respect to any contract entered into, or obligation incurred, by the licensed insurer or lkensed reinsurer after the commencement of statutory management proceedings.

**Q11alificationof statutory manager**

1. The statutory manager shall
   1. have relevant qualification and experience in the business that the licensed insurer or licensed reinsurer is engaged in; and
   2. satisfy the fit and proper requirements.

**Duties of statutory manager**

1. (1) The statutory manager is responsible for
   1. managing the business, assets and affairs of a licensed insurer or a licensed reinsurer or that part of the business, assets and affairs of a licensed insurer or a licensed reinsurer in respect of which the statutory manager is appointed;
   2. taking into custody and control the assets of the licensed insurer or licensed rem.surer or, where the stamtory manager

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has been appointed in respect of only part of the business, those assets necessary to enable the statutory manager perf01m the function; and

* 1. carrying out such other duties as may be specified in the notice of appointment or subsequent .notification t he Commission.

oy

1. A person who, immediately before the commencement of the statutory management, is vested with the management of the business of the licensed insurer or licensed reinsurer, or that part of the business in respect of which the statutory management order is made, is divested of that managerial function on the appointment of the statutory manager.
2. The statutory manager shall
   1. consult with the Commission, in the performance of functions under this section; and
   2. comply with the direction issued by the Commission in

relation to

* + 1. the duties and powers of the statutory manager; or
    2. any matter that may arise in the course of the statutor y management.

1. The statutory manager shall provide the Commission with
   1. any information that the Commission may require, at the times and in the form and manner as the Commission may direct; and
   2. a notice, in writing, of any application made to the Court.

**Powers of statutory manager**

1. (1) Unless the Commission otherwise directs, the statutory manager of a licensed insurer or a licensed reinsurer has
   1. the powers1 rjgh ts1 and privileges that the licensed insurer or licensed reinsurer has under any contract or otherwise;
   2. the powers of the members in general meeting and of the board of directors of the licensed. insurer or licensed reinsurer; and
   3. the powers to act in respect of the specific instances provided

for in subsection (2).

1. For the purpose of paragraph *(c)*of subsection **(1),** the statutory manager has the powers
   1. to institute or defend any legal proceedings in the name of the licensed insurer *or* Jicensed reinsurer;
   2. to appoint a legal practitioner to assist the statuto.ry man ager

in the performance of functions under this Act;

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* 1. to appoint an actuary to assist the statutory manager in the

performance of functions under this Act;

* 1. to sell or otherwise dispose of any of the property of the licensed insurer or .licensed reinsurer ;
  2. to do all acts including to execute a deed, receipt or any od1er doc ument in the name of or on behalf of the licensed insurer or licensed reinsurer;

*(j)* to appoint an agent to perform a fun ction that is impracticable for the statutory manager to perform in person or that the statutory manager may not reasonably be expected to perform;

1. witb the prior written consent of the Commission,
   1. t.o carry on the business of the licensed insurer or licensed reinsurer and, where the business of the licensed insurer or licensed reinsurer is carried on, all the powers, rights and authorities necessary to carry on the businessi and
   2. to pay any creditor or class of creditors of the licensed insurer or licensed reinsurer in whole or in part, and to make any compromise or arrangements with any creditor or person clairn:mg to be a creditor;
2. for the purpose of paragraph *(e),* to use the common seal of the licensed insurer or licensed reins urer;
3. to prove in the bankruptcy of any debtor of the licensed insurer or licensed reinsurer or under any deed executed under the Insolvency Act, 2006 (Act 708);
4. to draw, accept , make and endorse any bill of exchange or promissory note in the name and on behalf of the licensed insurer or licensed reinsurer;
5. to obtain credit, whether on the security of the licensed insurer or licensed reinsurer or otherwise; and
6. to take letters of administration of the estate of a deceased debtor of the licensed insurer or licensed reinsurer and to take any other necessary steps to obtain payment of any moneys due from a debtor, *or* out of the estate of a deceased debtor.

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1. The statutory manager shall not enter into any insurance contract except with the written approval of the Commission.
2. The statutmy manager s·hall, in exercising the powers conferred by this section, be guided by the purpose for statu tory management as provided for under paragraph *(b)* of subsection (1) of section 99.

**Remuneration of charges anti expenses of statutory manager**

1. (1) The costs, charges, and expenses properly incurred by a statutory manager, including remuneration agreed on with the Commission, are payable out of the assets of the licensed insurer or licensed reinsurer in respect of which the statuto1y manager is appointed

and shall

* 1. have priority over all other claims; and
  2. for all purposes be treated as a charge over the assets of the licensed insurer or licensed reinsurer.

1. The charge specified in paragraph *(b)* of subsection (1) shaJI
   1. rank in priority to any floating charge to which the assets of the licensed insurer or licensed reinsurer may be subject; and
   2. contin ue to subsist after the termination of the statutory management.

**Report of statutory manager**

1. (1) The statutory manager shall, on or before the date specified by the Commission on making the appointment, or such different date as the Commission may subsequently direct in writing, submit to the Commission, a report covering the activities of the statutory manager in the performance of functions under this Act.
2. The report shall make any one of the following recommendations:
   1. the transfer of the business, or part of the business, of the

Jicensed insurer or licensed reinsurer to some other licensed insurer or licensed reinsurer;

* 1. the carrying on of the business of the licensed insurer or licensed reinsurer, by the licensed insurer or the licensed reinsurer;

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* 1. the official liquidation of the licensed insurer or licensed reinsurer ; or
  2. any other course of action that the statutory manager considers appropriate.

1. The statutory manager
   1. may recommend, in the report, different courses of action in respect of the different parts of the business of the licensed insurer or licensed reinsurer; and
   2. shall set out the reasons for any recommendations made in the report.

**Indemnity of statutory manager**

1. A stan1tory manager is not subject to any liability to any person in respect of any act done or omitted to be done, in good faith , in the exercise of powers and the discharge of duties under this Act or determined by the Commission.

**Removal of statutory manager**

1. The Commission may
   1. remove the statutory manager appointed under section 99;

and

* 1. appoint another person of relevant competence and experience as statutory manager to replace a statutory manager removed under paragraph *(a).*

**Termination of statutory management**

1. (1) The. Commission may, by notice in writing, terminate the statutory management of a licensed insurer or licensed. reinsurer where the Com mission is satisfied that
   1. the purpose of the statutory management has been fulfilled; and
   2. for any other reason the continued statutory management of the licensed insurer or licensed reiosurer is undesirable.
2. A notice terminating the statutory management of a licensed insurer or a licensed rei.nsurer shall specify the date and the time at which the termination takes effect.

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1. With effect from the time and date specified in the written notice of termination of a statutory management, the appointment of any person as the statutory manager of the licensed insurer or the licensed reinsurer terminates consequentially.
2. The Commission shall
   1. **within**ten days, givenotice to the licensed insurer or licensed reinsurer of the termination of a statutory management; and
   2. advert ise the termination of a statutory management by

publi cation in the *Gazette* and on the website of the Commission.

*Licensing of Insurance Intermediaries*

**Prohibition of unlicensed business**

1. (1) Su ject to subsection (3)
   1. a person shall not carry on or purport to carry on business as\_ an insurance intermediary in the country; and
   2. a body corporate that is incorporated under the Companies Act, 2019 (Act 992) shall not carry on or purport to carry on business as an insurance intermediary outside the country,

unless that person or body corporate holds an insurance intermediary licence issued by the Commission for that purpose.

1. Without limiting subsection (1), a person
   1. is considered to carry on business as an msurance intermediary in the country if that person
      1. by way of business as an insurance intermediary, occupies premises in tbe country; or
      2. invites another person in the country or causes another person to be mvited as a customer, through an advertisement or othe1wise; and
   2. purports to carry ou business as an insurance :intermediary where that person uses any n ame, style, designation, description, title or trade mark that represents or implies that that person is an insurance intermediary, whether or

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not that person has been issued with a licence for that purpose.

1. Subsection (1) does not apply to a person carrying on business as an in nov a tive insurance intermedia ry in accordance with an exemption specified in the directives.
2. A person who carries on business as an insurance intermediary contrary to subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Categories of insurance intermediary licence**

1. **(1)** A licence to carry on an insurance intermedjary business shall be in one of the following categories:
   1. insurance broker;
   2. reinsurance broker;
   3. insurance agent;
   4. bancassurance;
   5. insurance loss adjuster;

*(!)* insurance loss assessor;

1. technical service provider;
2. micro insurance agent;
3. insurance investigator;
4. innovative insurance intermediary;
5. insurance syndicate manager;

*{f)* third-party cell captive provider; and

*(m)* any other category as may be specified in the Regulations.

1. A person applying for a licence as an insurance broker referred to in paragraph *(a)* of subsection **(1)** shall have at least seventy-five percent of the controlling interest in terms of shares, paid-up capital, interest or voting rights in a company held by a citizen of Ghana.
2. The holder of a bancassurance licence under paragraph *(d)* of subsection (I) shall be regarded, for purposes of this Act, as a corporate insurance agent.
3. The Commission shall grant an innovative insurance intermediary licence in a class equivalent to one of the categories specified in paragraph *(a), (b), (c), (g)* or *{h)* of subsection (1).
4. The holder of an innovative insurance intermediary licence

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shall carry on insurance intermediary business in accordance with

* 1. the provisions of this *A ct,* the Regula ti on s and any directives that apply to innovative insurance intermediary business; and
  2. the terms and conditionsof the licence that the Commission may specify.

**Application for insurance intermediary licence**

1. (I) Subject to subsection (1) of section 110, a company may apply to tbe Commission for an insurance intermediary licence in the category of
   1. insurance broker , reinsurance broker, insurance loss adjuster, technical service provider; and
   2. insurance agent, insurance loss assessor or micro insurance agent.
2. An application under subsection (1) shall be in the form determi ned by the Commission and accompanied by the docum ents specified in the directives.
3. An application for an insurance intennediary licence which falls within the category of
   1. an insurance agent,
   2. a micro insurance agent, or
   3. bancassurance,

shall be submitted to the Commission by a licensed insurer wit11 whom the applicant is or will be contracted as an agent.

**Grant of ins1Jrance intermediary licence**

1. (1) The Co mmission may approve an application for a licence specified in subsection (1) of section 110 where the Commission is satisfied that
   1. tl1e applicant bas met the requirements of this Act, the Regulations and the directives with respect to the

application;

* 1. the applicant is able *to* meet and maintain any applicable minimum capital requirement specified in the directives for the category of licence applied for;
  2. the applicant for a licence specified in paragraph *(a), (c)* or

*(h)* has met the requirements of subsection (2) of section 110;

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* 1. the applicant has in place appropriate management structures, where the applicant is a company ;
  2. w11ere the applicant is a company, the significant owners, directors, senior managers and key persons in a control function of the applicant meet the fit and proper criteria of the Commission; and

*(I)* where the applicant is an individual, that individual meets the fit and proper criteria of the Commission.

1. The Commission may refuse to grant a licence to an applicant

if the Commission has reasonable grounds to believe that

* 1. any person having an interest in the applicant does not satisfy the fit and proper requirements of the Commi ssion; or
  2. issuing the licence is against the public interest.

1. The Commission shall, within four months after the date of receipt of an application for an insurance intermediary licence, take a decision oo the application and inform the applicant within fomteen days of taking the decision.

**Duration of insurance intermediary licence**

1. (I) An insurance intermediary licence issued by the Commission i'i valid for twelve months from the date of issue and may., on ap plication, be renewed.

(2) Where an application for renewal of an insurance intermediary licence *is* made on or before the period specified in paragraph *(d)* of subsection (2) of section 117 but is not determined by the Commission by the exp iry da te, the licence shall continue in force until the application for renewal is determined by the Commission.

**Obligation in relation to commencement of business**

1. (1) A licensed insurance intermediary shall notify the Commission, in writing, within fourteen days of the commencement of the insurance business of that licensed insurance intermediary.

(2) Where a licensed insurance intermediary does not commence the insurance business of that licensed insurance intermediary within *six* mont11s of the date of the grant of the licence by the Commission, that

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licensed insurance intermediary shall not subsequently commence the insurance business without the prior written approval of the Commission.

**Restriction on issuance and use of licence**

1. ( I) The Commission may issue the following categories oflicences only to a company:
   1. insurance broker licence;
   2. reinsurance broker licence;
   3. insurance loss adjuster licence; and
   4. technical service provider licence.
2. A significant owner of a licensed insu.rance broker or licensed reinsurance broker shall not be
   1. granted a:n insurance intermediary licence as an insurance

agent or a micro insurance agent; or

* 1. appointed as a director of
     1. a licensed insurer or a licensed reinsurer; or
     2. a company that holds an insmance intermediary licence in the categories of insuranc.e agent, insurance loss assessor, insurance loss adjuster or micro msurance agent.

1. A director, officer or employee of a licensed insurance broker or a licensed reinsurance broker shall not be appointed as a director of a licensed insurer or a licensed rein.surer.
2. A director, officer, employee or significant owner of a licensed insurer or a licensed reinsurer sha.ll not be appointed as a director, officer or employee of a licensed broker.
3. A significant owner ofa licensed insurer or a licensed reinsurer shall not be issued with an insurance broker licence or a reinsurance broker licence.
4. A company which is issued with an insurance agent licence shall not hold an insurance broker licence or a reinsurance broker licence.
5. A licensed insurance broker or a licensed reinsurance broker shall not be issued with an insurance agent licence.
6. A company that is issued with an insurance Joss adjuster licence shall not operate as an insurance broker, reinsurance broker or an insurance agent and beissued with the corresponding category of licences.

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1. A person who has been issued with an insurance intermediary licence shall not be a significant owner of a licensed insurer or aJicensed remsurer.

(I 0) A licensed insurer or a licensed reinsurer shall not have an interest in a company which has been issued with a licence as an insurance intermediary.

**Noti.fication and publication of decision of the Commission**

1. (1) The Commission shall, within fourteen days of determining an application, notify the applicant of the decision of tbe Commission.
2. Where the Commission
   1. refuses an application for a licence1
   2. grants a11 application for a licence but, in the case of an

application for an insurance broker licencei a reinsurance broker licence or an insurance loss adjuster licence, refuses to au thorise all the classes of insurance businesses specified in *the* applica tion , or

* 1. grants an application for a licence on the imposition of a condition that the Commission may detennine,

the notice shall contain a sta tement of the reasons for the grant, refusal or imposition of the condition.

1. Where the Commission notifies an applicant of the grant of alicencepursuant to subsection (1), the Commission shall, within fourteen days of notifying the applicant, publisl1 the decision on the website of the Commission.
2. Where the Commission has imposed conditions on the grant of the licence, the Commission shall publish the conditions imposed together with the publication of the grant of the licence unless the Commission considers that it would not be in the public interest to do so.

**Application for renewal of insnrance intermediary licence**

1. (1) An insurance intermediary, other than an insurance agent, may apply *to* the Commission for the ren ewa l of the licence of that insmance intermediary.
2. An application under subsection (1) shall
   1. be in writing,
   2. contain the prescribed information and be in the presc.Tibed form,

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* 1. be accompanied with the prescribed document and renewal fee1 and
  2. be made not later than
     1. three months before the date of expiry of the licence, or
     2. a later date the Com.missio n pen ni ts.

1. T h e Commission may require a licensed insurance

:interm ediary to fu rn ish the Commission with any other document and information as the Commission considers necessary to determine the application for renewal of a licence.

1. The Commissi\_on may , after the review of the application,
   1. grant
      1. a licence, or
      2. a licence with conditions, or
   2. refuse to grant a 1icence.

**Renewal of insuranceintermediary licence**

1. (1) The Commission shall renew the licence of an insurance intermediary where the Commission is satisfied that the insurance intermediary
   1. continues to meet the requirements for the issue of a licence;

and

* 1. is in compliance with this Act and the Regulations.

(2) The renewal of a licence under this section is effective from the date when thelicence renewed would have expired but for the renewal.

**Change** in **insurer or insurance agent**

1. (1) A licensed insurance agent shall not act as the insurance agent for an insurer unless the name of the insurer is stated on the insurance agent licence.
2. Subject to the directives of the Commission, a licensed insurer may, at any time, apply to the Commission to
   1. insert on the licence, the name of the licensed insurer of an insurance a.gent or a micro insurance agent of that licensed insurer, or
   2. delete the name of the hcensed insurer from the licen ce of an in su ran ce agen t or a micro insurance agent of that licensed insurer.

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1. Ao application under paragraph *(a)* of subsection (2) to insert the name of a licensed mslll'er on the licence of an insurance agent sha11 be accompanied by written confirmation from the licensed insurer concerned, to the effect that 1 on the amendment of the licence, the licensed insurer shaU appoint the insurance agent as an agent of that licensed insurer .
2. Where a licensed insurance agent ceases to act as the insurance agent for a licensed insurer, the licensed insurer shall, within fourteen days of the insurance agent ceasing to act, notify the Commission in writing.

**Grounds for cancellation of insurance intermediary licence**

1. The Commission may cancel an insurance intermediary licence where
   1. the licensed insurance intermediary applies to the Commission in writing for the cancellation of the licence;
   2. the licensed insurance intermediary does not commence the licensed insurance intel'mediary business within six months from the date of the grant of the licence;
   3. the licensed insurance intermediary ceases to carry on the Jicensed business;

*{d)* the Commission is entitled to take an enforcement action against the licensed insurance intermediary under this Act;

1. the application for the licence con trun s false or misleading

inf01mation; or

1. in the case of a company, the licensed insurance intermediary has been wound up and dissolved.

**Notice of cancellation of insurance intermediary licence**

1. (1) The Commission shall, before cancelling an insurance intermediary licence under paragrnph *(b), (cJ (d)* or *(e)* of subsection (1) of section 120, give the licensed insurance intermediary a written notice of the intention to cancel the insurance intermediary licence, stating
   1. the grounds on which the Commission intends to cancel the insurance intermediary licence; and

*{b)* that unless the licensed insurance intermedi,uy objects, in writin g, to the cancellation, the insurance intermediary

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licence shall be cancelled on a date not less than fourteen days after the date of the notice.

1. The Commission shall consider any objection received under subsection (1) before deciding whether or not to cancel the insurance intermediary licence.
2. Where the Commission decides to cancel an insurance intermediary licence after considering an objection raised by the licensed insurance intermediary, the Commission shall provide, in writing, the reasons for the cancellation of the insurance intermediary licence.

*Changes in SignificantOwnership and Level of Control*

**Approval required for change insignificant ownership orlevel of control**

1. (1) *A* person shall not, except with the prior written approval of the Commission, become a significant owner of a corporate insurance intermediary.
2. Despite subsection (1), a person who is a significant owner

of a corporate insurance intermediary shall not, except with the prior written approval of the Commission,

* 1. significantly increase or reduce the level of control of that person over the corporate insurance intermediary, or
  2. cease *to* be a significant owner of the corporate insurance intermediary.

1. A corporate insurance intermediary shall not cause, permit or acquiesce in any dealing with the shares of that corporate insurance intermediary that would result in a contravention of subsection **(1)** or (2).
2. A person who contravenes subsection (1) or (.2), :is liable to pay to the Commission an administrative pena1ty as specified in tbe First Schedule.
3. A corporate insurance intermediary who contravenes

subsection (3) *is* liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Application for approval under section 122**

1. (1) An application to the Commission for approval under subsection (1) or (2) of section 1.22 shall be made by the corporate

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insurance intermediary on behalf of the person who seeks to

* 1. become or cease to be the significant owner of a corporate insurance intermediary; or
  2. significantly increase or reduce the level of con trol of that person over the corporate insurance in termediary.

1. In determi ning whether *to* grant approval under section 122, the Commission may take into account any factors which th e Commission considers relevant.
2. Without limiting subsection (2)1 the Commission shaJJ consider whether
   1. a person becoming a significant owner, or sign ificantly increasing the level of con trol of that person over the corporate insurance intermediary, satisfies the fit and propel' criteria of the Commission;
   2. following the change of significant ownership or level of control, the ownership structure of the corporate insurance in termedia ry will be appropriate havjng regard for the n atur e, scale, com plexity and diversity of the licensed business of that corporate insurance intem1ed ary; and.
   3. the chauge in significant ownership or level of control will, or is likelyi
      1. in t he case of a licensed broker, to adversely affect the financial capacity of the licensed broker;
      2. in the case of any corporate insurance intermediary, to adversely affect the ability of the Commission to supervise the licensed insurance broker, licensed insurance agent, and licensed micro insuranceagent or be prejudicial to the customers of the licensed insurance broker, licensed insurance agent and licensed micro insurance agent or preclude the licensed insurance broker, licensed insurance agent or licensed micro insurance agent from meeting the eligibility req uirements to hold a licence under subsection (1) of section 11O; or

(ii i) to pose a significant systemic risk.

**Power to require disposal of interest 01· prohibit exercise of rights**

1. (1) The Commission may issue a direction under subsection (3)

to

* 1. a person who becomes a significant owner in, or significantly increases the level of control of that person

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over a corporate insurance in termedia ry; without obtairung the prior written approval of the Commission; and

* 1. a person who is a significant owner of a corporate insurance

intermediary if the Commission has reason1;1.ble grounds to believe that

* + 1. that person does not satisfy the fit and proper criteria; or
    2. by virtue of the significant ownership of that person in, or level of control over the insw·ance in te r m e d ia ry1 any of the factors specified in subsection (2) apply.

1. The factors referred to in subparagraph (ii) of paragraph *(b)* of subsection (1) are that the ownership structure of the insurance intermediary
   1. is not appropriate having regard for the nature, scale) complexity and diversity of the licensed business of the insurance intermediary;
   2. in the case of a licensed broker, adversely affects the financial soundness of the licensed broker;
   3. in the case of any corporate insurance intermed ia r y) adversely affects the ability of the Commission to supervise the insurance intermediary or is pr judicial to the customers of the insurance intermediary; or
   4. poses a systemic risk.
2. Where any of the circumstances specified in subsection (1) applies, the Commission may issue a direction in writing to the person
   1. requiring that person to dispose of, in whole or in part, the

interest of that person in the corporate insurance intermediary within the time period specified in the direction; or

* 1. prohibiting the person from exercising any rights, including voting rights, attached to the interest.

1. Where the Commission issues a direction to a peJson under paragraph *(a)* of subsection (3), the Commission may direct that during the period before the disposal of the interest of that person, that person is prohibited from exercising any rights, including voting rights and rights to receive a distribution , that attach to the interest.
2. Sections 122,123 and 127 apply in relation to any disposal made in compliance with a direction issued under subsection (1).

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1. A person who, without reasonable excuse, fails to comply with a notice issued by the Commission under this section commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

*Changes in Directors, SeniorManagers and Key PeYsonsin Control Funchons*

**Approval 1·eq11ired**

1. (1) A corporate insurance in termediary shall not appoint a director, senior manager or, if applicable, key person in a control function except with the prior written approval of the Commission.

(2) The Commission shall not grant approval under subsection

1. unless th e Commission is satisfied that
   1. the person to be appointed satisfies the fit and proper criteria; and
   2. following the appointment of the person, the management str ucture of the corporate insurance intermediary is appropriate having regard to the nature, scale, complexity and diversity of the licensed business of the corporate insurance intermediary.
2. A corporate insurance int ermediary shall, within fourteen days, provide written notice to the Commission after a director, senior manager or a keyperson in a control function is appointed by the corporate iruurance intermediary or ceases to hold office with, be employed by or act for the insurance intermediary.
3. The writtennotice undersubsection (3) shallinclude a statement of the reason for appointment of the di.rector , senior manager or a key person in a control function or a reason for the director, senior manager or a key person in a control function ceasing to hold office with, be employed by, or act fori the corporate insurance intermediary.
4. Acorporate insurance intermediary thatcontravenes subsection
5. *01* (3) *is* liable to pay to the Commiss.ion an administrative penalty as specified in the First Schedule.

**Power to require the removal of director, senior manager or key person**

***in* a control function**

1. (1) Where the Commission has reasonable grounds to believe that a person specified in subsection (2) does not satisfy the fit and proper

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criteria, the Commission may, by direction, in writing, require the corporate insurance intermectiary to

* 1. remove that person from office and if the Commission considers it appropriate, to replace the person with another person acceptable to the Commission;
  2. ensure that the person cease$ to undertake certain specified functions in relation to the insurance intermediary; or
  3. take such remedial action in relation to that person as the Comrtrission may direct.

1. For purposes of subsection (1), the following are specified persons:
   1. a director; or
   2. a senior manager; and
   3. a key person in a control function.
2. A direction issued under subsection (1)
   1. shall state whether the specified requirements have immediate effect or the time period within which the specified requirements must be complied with;
   2. may include directions consequential upon, or ancillary to, the requiremen ts specified in the notice; and
   3. may direct that, in the case ofa person who the Commission has requited the corporate insurance intermediary to remove from officel the person may not be reappointed, or accept reappointment, to the same position, or to any specified position, with the insurance intermediary
      1. at any time;
      2. for a period specified by the Commission; or
      3. until conditions specified by the Commission have been met .
3. This section has effect despite any agreement, contract of employment, enactment or rule of law or any provision in the constitution of the corporate insurance intermediary.
4. Where a direction issued under subsection (1) contains a matter specified under paragraph *(c)* of subsection (3), any person to whom the direction relates and who accepts an appointment contrary to the direction is liable to pay to the Commission an administrativepenalty as specified in the First Schedule.
5. A corporate insurance intermediary that fails to comply with a direction issued under subsection (I) *is* liable to pay to the Commission an administrative penalty' as specified in the First Schedule.

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*ltrf.ormation Material to Fit and Proper Assessment*

**Matters affecting theeligibility of the director, seniormanager, significant**

**owner, and key person** in **a control function**

1. (1) W here 1 before or after the Commission has approved
   1. the appointment of a director, senior manager or key person in a control function of a corporate insurance intermediary, or
   2. a significant owner of a corporate insurance intermediary, that corporate insurance intermediary becomes aware of any information that is reasonably material to the fit and proper assessment of the person by the Commission, the corporate insurance intermediary shall give notice of the information to the Commission as soon as practicable.

(2) A corporate insura11ce intermediary who contravenes subsection

1. is liable to pay to the Commission an administrative penalty as specified

in the First Schedule.

*Regulation and Supervision of Licensed Insurance lntennedlaries*

**Maintenance of financially sound condition**

1. A corporate insurance intermediary shall maintain the business of that corporate insurance intermediary in a financially sound condition by
   1. en suring that the corporate insurance intermediary has assets,
   2. p rovi ding for the liabilities of the corporate insurance i:ntermedjary, and
   3. generally conducting the business of the corporate insurance intermediary

in a prudent manner to enable the corporate insurance intermediary meet the liabilities of the corporate insurance intermediaiy as and when the liabilities fall due.

**Equity**

1. (1) A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall ensure that the equity of that licensed insurance broker; licensed insurance loss adjuster or licensed technical service provider is equal to or exceeds
   1. the minimum amount specified in the directives; or

*(h)* the amount specified io a direction issued by the Commission under section 130.

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1. A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider that contravenes subsection (1) is liable to pay to the Commission an adrrunistrative penalty as specified in the First Schedule.

**Direction of Commission in relation to capital resources**

1. (1) Where the Commission considers it appro priate, having regard to the nature, scale, complexjty and diversity of the licensed business carried on1 or proposed to be carried on, by a licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider, the Commission may issue a direction requiring the licensed insurance broker, licensed insur ance loss adjuster or licensed technical service provider to increase the capital resources of thatlicensed insurance broker, licensed insurance loss adjuster or licensed technical service provider to an amount higher than the minimum specified in the directives.
   1. Unless the circumstances justify immediate compliance with a direction issued under subsection (1), the direction issued under subsection (1) shall specify a reasonable period for compliance.
   2. A licensed msurance broker, a licensed insurance loss adjuster or a licensed technical service provider that contravenes subsection **(1)** is liable to pay to the Commission an admmistrative penalty as specified *in* the First Schedule.

**Notice of likely failure to comply**

1. (1) A corporate insurance intermediary shall, as soon as practicabl,egive notice in writing to the Commission that the corporate insurance intermediary has reasonable grounds to believe that, at any time in the ensuing twelve months , that corporate insurance intermediary is likely to fail to comply with the requirements under section 128.
2. A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall, as soon as practicable, notify the Co mmission, in writing, if that licensed insurance broker, licensed insuranceloss adjuster or licensed technical service providerhas reasonable grounds to believe that, at any time in the ensuing twelve months, that licensed insurance broker, licensed insmance loss adjuster or licensed technical service provider is likely to fail to comply with a requirement imposed under section 129.
3. A corporate insurance intermediary that contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

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1. A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider who contravenes subsection (2) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Governance and Management*

**Governance framework**

1. (1) A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall establish and maintain a governance framework that provides for
   1. a clear and appropriate apportionment of responsibilities among the directors, senior managers and key persons 'in control functions;
   2. se par ation of oversight function from the management responsibilities; and
   3. adequate monitoring and control by the directors and senior management of the business and affairs of the licensed insurance broker, licensed insurance loss adjuster or licensed technical service provider.
2. A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall
   1. establish and maintain strategies, policies, procedures and controls, -including internal controls, as are appropJiate for the nature, scale, complexity and diversity of the business of the licensed insurance brokerj licen sed inmrance loss adjuster or licensed technical service provider;
   2. et)sure that the policies, procedures and controls of the licensed insurance broker, licensed insurance loss adjuster or licensed technical service provider are regularly reviewed and updated as required; and
   3. make and retain for the period specified jn th.e directives, a record of compliance with this section.
3. The directives shall
   1. without limiting subsections (I) and (2), specify the policies procedures and controls to be established and maintained by licensed insurance· brokers, licensed insurance loss adjusters and Licensed technical service providers; and

1

* 1. specify the governance requirements applicable to other types of licensed insurance intermediaries.

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1. A licensed insurance broker, a licensed.insurance loss adjuster or a licensed technical service provider that contravenes subsection (1) or

(2) is liable to pay to the Commission an administrative penalty as specified

*in* the First Schedule.

**Directors ofinsnrauce intennediaries**

1. (1) A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall have an adequate number of directors who, on appointment, and on an on-going basis
   1. are fit and proper persons;

*{b)* are capable of exercising independent judgment;

1. collectively, as a board1 have sufficient kn owledge , skills, experience and understanding of the business of the licensed insurance broker, the licensed insurance loss adjuster or the licensed technical service provider, and the risks involved in the. business, to ensure that the board is able to fulfil the responsibilities of the board; and
2. have sufficient time and commitment to undertake the duties of a director diligently.

(2) A licensed insurance broker, a licensed insurance loss adjuster

or a licensed technical service provider that contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Control function**

1. (I) A corporate insurance intermediary shall establish and maintain the following control functions:
   1. a compliance function; and
   2. any other control function as may be specified in the directives; or
   3. any other function appropriate for the nature, scale,

complexity and diversity of the business of the corporate insurance inter mediar y.

1. A corporate insurance inte1mediary shall not outsource a control function unless the outsourcing is perm itted 1 in whole or in part, by the direct1ves.
2. A corporate insurance in termediary shall ensure that a control function is provided with the authority, independence and resources required to enable the control function operate effectively.

{4) A corporate insurance intermediary that contravenes subsection (1), (2) or (3) is liable to pay to the Commission an a.dministrative penalty as specified in the First Schedule.

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**Risk management**

1. (1) A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall establish and maintain
   1. a clearly defined strategy, for the effective management of all significant risks that the bcensed insurance broker, licensed insurance *loss* adjuster or licensed technical service provider is or may be exposed to;
   2. policies1 if the directors consider it appropriate, for the effective management ofan significant risks that the licensed insurance broker, licensed insurance loss adjuster or licensed technical service provider is or may be exposed to;
   3. an internal risk assessment framework;
   4. risk management procedures where a customer is permitted to use the business relationship prior to verification;
   5. appropriate policies and internal risk assessment for new technologies and non-face-to-face products and disttibution; and

*(fJ* procedures and controls that are sufficient to ensure that the risk management strategy and policies are effectively implemented.

* 1. The risk management strategy and policies sha ll
     1. be appropiiate for the nature, scale, complexity and diversity of the business of the licensed insurance broker, licensed insurance loss adjuster or licensed technical service provider;
     2. specify how risks are to be identified, moni tored, managed and reported in a timely manner;
     3. take into account the probability, potential impact and the time duration of risk; and
     4. comply with other requirements specified in the directives.
  2. Without limiting subsections (1) and (2), the risk management strategy and policies shall provide for
     1. operational risk; and

*(h)* other risks specified in the directives.

* 1. A licensed insurance broker, a licensed insurance loss adjuster or a licensed technical service provider that contravenes subsection (1) is liable to -pay to the Commission an administrative penalty as specified

\_in the First Schedule.

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*Other Obligations and Restrictions of Licensed Insurance Intermediary*

**General obligations** in **the conduct of bnsiness**

1. (1) A Jjcensed insurance intermediary shall
   1. conduct the business of that insurance intermediary with integrity; due skill, care and diligence;

*(h)* observe good conduct of business standards and practices and be transparent in the business arrangements of that insurance intermediary;

1. have due regard for the interest of fue customers and prospective customers of that insurance intermediary and treat customers and prospective customers fairly;
2. make adequate arrangements to protect the assets of the customers, over which that insurance intermediary exercises control;
3. manage conflict of interest fairly, whether the conflict arises between the insurance intermediary and the customers, or prospective custome rs or between different customers and prospective customers;
4. pay due regard to the infonnation needs of customers and prospective customers of the licensed insurance intermediary;
5. take reasonable steps to ensure that informa tion is communicated to customers and prospective customers in a manner that js
   1. clear, fair and accurate; and
   2. not misleading;
6. ensure that customer information is adequately protected and used appropriately; and

*(t)* in accordance with directives, develop and implement internal policies, procedures and controls to prevent money laundering and financing of terrorism.

(2) A licensed insurance intermediary that contravenessubsection

1. is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Prohibition against dealing with unlicensed insurer or unlicensed Teinsnrer**

1. (1) A licensed insurance intermediary shall not act in relation to

an insurance contract or reinsurance contract to be effected by or with an

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insurer or reinsurer who does not hold a licence as an insurer or reinsurer unless that insurer or reinsurer falls within the exempted class of persons specified under subsection (1) of section 37.

1. A licensed insurance intermediary that contravenes subsection
2. is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Directives to providefor receipt ofand dealing with premiums and other insurance moneys**

1. (1) Directives, issued by the Cornmiss jon , shall specify Iequirements and provide for the receipt, holding and dealing with premiums and other moneys related to insurance transactions by a licensed insurance intermediary.
2. *A* licensed insurance intermediary shall receive, hold ot deal

with premiums or other client moneys.in accordance with the directives.

1. A licensed insurance intermediary who contravenes subsection
2. is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Receipt and holding of moneys by licensed insurance agent**

1. (1) Where a licensed insurance agent receives any mooeys , including a premium or part premium, payable under an insmance contract issued by an insurer by which the licensed insuran ce agent is appointed
   1. the licensed insurance agent is considered to have received the moneys as agent of the licensed insurer and holds the money *in* trust for the licensed insurer; and
   2. payment to the licensed insurance agent is, despite any agreement to the contrary, deemed to be payment to the licensed insurer.
   3. Where a licensed insurance agent receives any moneys from a licensed insurer by which the licensed insurance agent is appointed1 which is intended to be paid to an insurance policyholder including a piem.ium refund and money paid in relation to the settlement of a claim under an insurance contract,
      1. the licensed insurance agent is deemed to hold tbe moneys

in trust for the licensed insurer; and

* + 1. payment of the money is considered not to have been received by the insurance policyholder or prospective

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policyholder until the moneys have been paid to the

insurance policyholder or prospective policyholder.

**Receipt andholding of moneys bylicensed insurance broker or licensed reinsurance broker**

1. (1) A licensed insurance broker or licensed reinsurance broker shall

not receive moneys

* 1. from or on behalf of an insurance policyholder or prospective policyholder for or on account of a licensed insurer or licensed reinsurer in connection with aninsurance contract or proposed insurance contract, or
  2. from or on behalf ofa licensed.insurer or a licensed rcinsurer for or on account of a policyholder or prospective policyholder,

unless the receipt of the moneys is permitted in the directives.

1. A licensed insurance broker or licensed reinsurance broker sha D pay any insurance moneys that the licensed insurance broker or licensed reinsurance broker receives into a customer account established in accordance with the directives solely for the pmpose of holding insurance money.
2. A licensed insurance broker or a licensed reinsurance broker who contravenes subsection (1) or (2) is liable to pay to the Com.mission an administrative penalty as specified in the First Schedule.

**Professional indemnity insurance and other insurance**

1. **(1)** A licensed insurance broker, a licensed reinsurance broker, a licensed insurance loss adjuster or a licensed technical service provider shall maintain the professional indemnity insurance and other insurance specified **in** the directives.
2. A licensed insurance broker, a licensed reinsurance broker, a licensed insurance loss adjuster or a licensed technical service provider who contravenes subsection (I) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Relationship between Licensed Insurers and Licensed Insurance Agents*

**Insurer not to appoint unlicensed i1151irance agents**

1. (1) A licensed insmer shall not appoint a person a.s the insurance agent of that licensed insurer unless the person is licensed as an insurance agent.

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* 1. Subsection (1) does not appJy in respect of the appointment by a licensed insurer of a person as an insurance agent for the licensed. insurer if
     1. the person appointed is non-resident in the country; and
     2. the person is appointed to act as the agent of that licensed insmer solely outside the country.
  2. A licensed insurer who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Insurance agent considered agent of .hlsurer**

1. (1) Despite anything to the contrary contained in an insurance contract, an insurance agent of a licensed insurer who completes a proposal form or a similar document on behalf of a person is considered to be the agent of the licensed insurer and *not* the agent of the person on whose behalf the agent completes the proposal form.
2. Kn owledge acquired by an insurance agent *in* the course of completing an insurance proposal form or a similar document under subsection (I) , is considered to be knowledge acquired by the licensed msurer.
3. Nothing contained in an insurance contract shall absolve the licensed insurer from liability in respect of knowledge obtained by an insurance agent of the licensed insurer under subsection (2).

**Liability of licensed insurer for conduct of agent**

1. (1) Subject to subsections(4) and (5), where a person is appointed as the agent of a single licensed insurer, the licensed insurer is responsible, as between the licensed insurer and the insured *or* prospective insured, for the conduct of the agent in relation to any matter relating to1nsurance, whether or not the agent acted within the scope of the authority granted by the licensed insurer.
2. Subject to subsections (4) and (5), where a person is appointed as the agent of different licensed insurers·for different classes of business and the person engages in conduct in relation to any matter relating to a particular class of insurance businessj the licensed insurer that appointed the person as an agent for that class of insurance business is responsible for the conduct of the agent, as between the licensed insurer and the

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insured or prospective insured, whether or not the agent has acted within

the scope of the authority granted by the licensed insurer.

1. This section applies whether the person appointed as an agent is a licensed insurance agent or, contrary to this Act , is an unlicensed insurance agent.
2. This section applies to any conduct of an agent of a licensed

insurer

1. on which a person in the circumstances of the insured or prospective insured could reasonably be expected to rely; and
2. on which the insured or prospective insured, relied in good

faith.

1. Where a licensed insurer *is* Tesponsible for the conduct of an

agent under subsection (1) or (2), the Jiability of the licensed insurer to an insured or prospective insured is in respect of any loss or damage suffered by the insured or prospective insured as a result of the conduct of the agent.

1. This section does not limit or affect any liability of an agent of a licensed insurer to an insured or prospective insured.

*Conduct of Business with Unlicensed Broker*

**Insurer or reinsurer not to condnct:business withunlicensed insurance broker**

1. (1) A licensed insurer or a licensed reinsurer shall not conduct business with or pay any commission or other remuneration *to* an insurance broker unless the person is licensed as an insurance broker.
2. Subsection (1) does not apply if the person concerned
   1. carries on business outside the country; and
   2. does not require to be licensed as an insurance broker under this Act.
3. A licensed insurer or a licensed reinsurer that contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*Liquidation*

**Insurance intermediary not to be wound up by private liquidation**

1. (1) A company that holds a licence as
   1. an insurance broker,

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* 1. a reins urance broker,
  2. a technical service provider, or
  3. an insurance loss adjuster,

referred tO in this section and sections 148 to 150 as a relevant company, shall not be wound up by a private liquidation under the Companies Act, 20 I 9 (Act 992) without the prior wiitten consent of the Comm ission.

(2) A resolution of a relevant company *to* be wound up by private liquidation under the Companies Act, 2019 (Act 992) without the prior written consent of the Commission 1s voi d.

**Application of Corporate Insolvency and Restructuring Act, 2020**

**(Actl015)**

1. The provisions of the Corporate Insolvency and Restructuring Act, 2020 (Act 1015). relating to the official liquidation of companies apply with the necessary modification in respect of insurance intermediaries and companies carrying on unlicensed insur an ce intermediary business to the extent specified in sections 144 to 146 and sections 148 to150.

**Commencement of proceedings**

1. (1) The official winding up of a relevant company may be commenced by a special resolution of the company where the Commission has given prior written consent to the passage of the resolution.
2. A resolution of a relevant company to appoint a liquidator in

contravention of subsection (1) is void.

1. Where the members of a relevant company appoint a liquidator in accordance with this section, the Commission may, by direction, in writing, direct the liquidator to advertise the appointment in a manner specified in the notice.

**Petitionfor liquidation of relevant company**

1. (1) The Commission may present a petition to the Court under the Corporatelnsolvency and Restructming Act, 2020 (Act 1015) to wind **Up**
   1. a relevant company; or

*(h)* a company that *is* carrying on or has carried on unlicensed business as an insurance intermediary.

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1. Where a petition is presented under subsection (1), the Court may make an order for the official liquidation of the company
   1. on any ground specified in the Corporate Insolvency and Restructuring Act, 2020 (Act 1015);
   2. where the Court is satisfied that it is in the public interest

that the company be wound up; or

* 1. in the case of a relevant company, where tbe Commission is entitled ro take an enforcement action under sections 178 to 183.

1. For the purposes of paragraph *(b)*of subsection (2), the public interest includes the interests of the customers of a relevant company.
2. On the hearing of a petition for the official liquidation of a relevant company or a company carrying on unlicensed business as an insura nce intermediary, presented by the Commission under this section, evidence that the company has1 at any time prior to the date of the presentation of the petition, been insolvent is; unless the contrary is proved, evidence that the company continues to be insolvent.

**Service on Commission**

1. A petition for the official liquidation ofa relevant company shall, where presented by a person other than the Commission, be served on the Commission and the Commission is entitled to appear and be heard at the hearing of the petition.

*Financial Records*

**Maintenance of financial records**

1. (I) A licensed insurer, a licensed remsurer and a licensed insurance intermed iary1 whether a company or an individual, shall keep in the country, rec01·ds that are sufficient to show and explain the transactions of the licensed insmer , the licensed reinsurer and the licensed insurance intermediary.
2. A reporting licensee shall keep at the principal office of the reporting licensee in the country, adequate records
   1. to enable the financial position of the reporting licensee to

be determined with reasonable accuracy;

* 1. to enable the reporting licensee to prepare financial statements and make returns as it is required to be prepared and made under this Act or the Regulations; and

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* 1. if applicable, to enable financial statements of the reporting licensee to be audited in accordance with this Act and directives.

1. The directives may specify
   1. the form and manner, in which the records specified in

subsections (1) and (2) a.re to be kept;

* 1. other records required to be kept by a licensee under this Act; and
  2. the form, manner and place in which the other records are to be kept.

1. A licensee to which subsection (1) or (2) applies, including a former bcensee, shall retain the records required to be kept und.er this section for a period of at least six years after the completion of the transaction to which the records relate.
2. A licensee that contravenes subsection **(1),** a reporting liceosee that contravenes subsection (2) or a former licensee that contravenes subsection(4) isliable to pay to the Commission an administrativepenalty as specified in the First Schedule.

*Financial Statements and Audit*

**Financial yearof licensee**

1. Thefinancial year of a reporting licensee is the same as the financial year of the Government.

**Meaning of "financial statements"**

1. For the purposes of sections 151 and 154 to 161, and thedirectives, "financial statements", in relation to a.reporting licensee and to a financial year mean
   1. a statement of financial position;
   2. a statement of comprehensive income;
   3. a stateme nt of changes in equity;
   4. a statement of cash flows;
   5. a description of significant accounting policies, and explanatory notes to thefinancial statement of thereporting licensee prepared in compliance with International Financial Reporting Standards approved or adopted by the Institute of Chartered Accountants, Ghana, or any other standards approved or adopted by the Institute; and

*(I)* any other statement determined b y the Commission\_

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**P1·eparatioo of financial statements**

1. (1) A reporting licensee shall prepare financial statements for each fmancial year.
2. Th e financial statements shall be
   1. prepared in accordance with the specified accounting standards; and
   2. in compliance with this Act , the Regulations and the directives.
3. If , in complying with the specified accounting standards, the financial statements do not give a true and fair view of the matters to which the financial statements relate, the notes to the financial statements shall contain information and explanations which give a true and fair view of those matters.
4. The financial statements prepared under subsecti011(1) shall
   1. be approved by the directors of the reporting licensee; and
   2. subsequent to the approval under paragraph *(a);* be signed on behalf of all the directors by at least
      1. two directors, in the case of a licensed insurance intermediary; or
      2. three drrectors in the case of a licensed insurer or remsurer.
5. The directors who sign the financial statements shall state
   1. the date when the financial statements were approved by the directors; and
   2. the date when each director signed the financial statements.
6. A repor tinglicensee that contravenes subsectio n (I) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Submission of financial statements to the Commission**

1. (I) A reporting licensee shall, within three months after the end of the financial year, submit to the Commission financial statemen ts of the reporting licensee, signed in accordance with paragraph *(b)* of subsection (4) of section 154, accompanied
   1. with a certificate of the directors in the approved form;
   2. with the report of an auditor;

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* 1. in the case of a licensed insurer or a licensed reinsurer, with a financial condition report piepared in accordance with section *82,* if the insurer or reinsurer is required to prepare a financial condition report;
  2. with any report on theaffairs of the reportinglicensee made to the members of the reporting licensee *in* respect of the financial year;
  3. if app rop riate, with an actuarial valuation report; and

*(!)* with other documents specified in the directives.

(2) A reporting licensee that fails to submit the financial statements of the reporting licensee to the Commission within the period specified in subsection **(1)** is liable to pay to the Commission an administrative penalty and a further penalty as specified in the First Schedule for each week that the financial statements are outstanding.

**Submission of periodic financial statements and returns**

1. (1) In this section, unless the context otherwic;e requi res,
   1. " financial statements" has the meaning specified in section

153 with the substitution of the pedod covered by the financ ial statement for 1'financial year"; and

* 1. "periodic" means any period shorter than a financial year in respect of which financial statements are required to be submitted to the Commission.

1. A reporting licensee shall, in respect of, and within the period determined by the Commission, submit to the Commission
   1. periodic financial statements, that may be unaudited;
   2. a return in the apptoved form; and
   3. any other inform ation or document determined by the Commission.
2. A reporting licensee that contravenes subsection (2) is liable to pay to the Commission an administrativepenalty and a further penalty as specified in the First Schedule for each week that the financial statements are outstanding.

**Amendment of financial statements**

1. (1) The Comm ission may, by writt en direc tion, require the reporting licensee to amend the document or to submit a replacement

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docum en t1 if the Commission considers that a document submitted by a reporting licensee under section 155 or 156 is

* 1. inaccurate;
  2. incomplete; or
  3. not prepared in accordance with this Act.

1. Where a reporting licensee fails *to* comply with a direction

under subsection (1), the Commission may reject the document.

1. A reporting licensee that fails to comply with a direction issued under subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Group financial statements**

1. (1) Where a reporting licensee is a member of a group of companies, the Commission may require that reporting licensee to submit group financial statements.
2. The Co mmission may require that the group financial statements are audited by the auditor of the reporting licensee or by any other auditor approved, in wiiting, by the Commission.
3. The directives may provide for the form and content of group finan cial statements to be submitted under this section and specify requirements in relation to group financial statements.

**Appointment of auditor by reporting licensee**

1. (1) A reporting licensee shall have an aud itor who meets the requirements specified in the directives.
2. A reporting licensee shall appoint an auditor to audit the financial statements of that reporting licensee.
3. A person shall not be appointed as auditor under subsection
4. unless
   1. that person is qualified as an auditor of a reporting licensee under subsection (1);
   2. that person has consented in writing to be an auditor of the reporting licensee; and
   3. the Commission has given prior written approvaJ for the appointment of that person as an auditor of the reporting licensee.
5. The Commission shall not approve the appoin tment of a person as an auditor of a reporting licensee unless the Commission is satisfied that the person
   1. is qualified as a.n auditor j

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* 1. has sufficient experience, and
  2. is competent to audit the financial statements of the reporting licensee.

1. The approval of the Commission is not required where
   1. the auditor appointed in respect of a financial year acted as the auditor of the reporting licensee in the preceding financial year, and
   2. the Commission has not revoked the approval of the auditor under subsection (1) of section 163.
2. A reporting licensee shall, within fourteen days of the appointment of an auditor, submit a notice of appointment in the approved form to the Commission.
3. Where a person ceases to be the auditor of a reporting licensee, the reporting licensee is deemed not to have contravened subsection (1) if the reporting licensee appoints another auditor in accordance with this section, within two months of the date that theperson who was previously appointed as auditor ceases to hold that appointment.
4. A report ing licensee wbo,
   1. subject to subsection (6), does not have an auditor, or
   2. appoints an auditor contrary to subsection (3),

is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Duties of reporting licensee** in **relation to audit**

1. A reporting licensee shall make arrangements to enable an auditor of the reporting licensee to audit the financial statements of the reporting licensee in accordance with this Act and the Regulations, including
   1. giving the auditor a right of access, at all reasonable times, to the financial records, and to all other documents and records of the reporting licensee; and
   2. providing **the** auditor with the information and explanations that the auditor reasonably requires for the purposes of the audit.

**Audit and auditor's report**

1. (1) An auditor shall carry out sufficient investigation to enable that auditor form an opinion on the financial statements, and prepare an audit report, in compliance with this Act and the directives.

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1. On the completion of the audit of the financial statements of a reporting licensee; the auditor shall provide an audit report to the reporting licensee.
2. The Commission may, by direction in writing, direct a reporting licensee to submit to the Commission a report, which may include
   1. an opinion on the adequacy of the accounting systems and controls of the reporting licensee; and
   2. in the case of a licensed insurer or a licensed reinsurer, an opinion on the asset quality and the adequacy of the technical provisions of the licensed insurer or the 1icensed rernsuier.
3. A report prepared under subsection (3) shall be
   1. prepared by the auditor of the reporting licensee or any other person nominated by the Commission; and

*(h)* at the cost of the reporting licensee.

**Reporting ob1igatious of an auditor**

1. (1) Despite anything to the contrary in any other enactment, an auditor of a reporting licensee shall report 'im med iat el y to the Commission any information relating to the affairs of the reporting Jicensee that the auditor has obtained in the course of acting as the auditor of the reporting licensee that, in the o·pinion of the auditor, suggests that
   1. in the case of a licensed insurer or a licensed reiosurer,
      1. the business of the licensed insurer or licensed reinsurer is not, or is likely not to be, in a financially sound condition;
      2. the licensed insurer or licensed reinsurer is not in compliance with subsection (1) of section 59, subsection (1) of section 60 or subsection (1) of section 62;
      3. the licensed insurer or licensed reinsurer is in material non-compliance with any prudential requirements specified in the directives; or
      4. the licensed insurer or licensed reinsurer has a significant weakness in the internal controls which render the licensed insurer or licensed reinsurer

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vulnerable to a significant risk or exposure that has the potential to jeopardise the financial viability of the licensed insurer or licensed reinsurer;

* 1. in the case of a corporate insurance intermediary, the corporate insurance intermediary
     1. is in breach of, or likely to breach, the equity requirement specified in section 129, if applicable; or
     2. is insolvent or likely to become insolvent;
  2. that a criminal offence has been or is being committed by the reporting licensee or in connection with the business of the reporting licensee; or
  3. that a serious breach of this Act, the Regulations , the directives issued or anti-money laundering and terrorist financing legislation has occurred in respect of the rep01ting licensee or the business of the reporting licensee.

1. Where the appointment of an auditor of a reporting licensee is teiminated, or the auditor of a reporting licensee resigns, the auditor whose appointment has been terminated, or who has resigned, shall
   1. immediately inform the Commission, in writing, of the termination of the appointment or the resignation, and disclose to the Commission the circumstances thatgave rise to the tennination or resignation; and

*(b}* where, but for the termination of the appointment, or the resignation, the auditor would have reported information to the Commission under subsection (1), report the information concerned to the Commi.ssion, as if the appointment had not been terminated or tbe auditor bad not resigned.

1. The Commission may require an auditor or former auditor

of a reporting licensee to

* 1. discuss with the Commission any audit that the auditor has conducted or commenced, or
  2. provide additional information regarding the audit to the Com mission.

1. Where, in good faith, a person who *is,* or was, an auditor of a reporting licensee provides any information to the Commission under subsection (1), (2) or (3),
   1. the audit-0r or former auditor is considered not to be in contravention of any enactme nt, rule of law, agreemen t,

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regulatory or administrative requirement or professional code of conduct to which the auditor or former auditor is or was subject; and

* 1. civil, criminal or disciplinary proceedings shall not lie against the auditor or former auditor.

1. The failure, in good faith, of a person who is, or was, an auditor of a reporting licensee, to provide a report or information to the Commission under subsection (1), (2) or (3) does not confer on any other person a right of action against the auditor or former auditor which, but for that failure, the other person would not have had.
2. An auditor or former auditor who fails to comply with subsection (1) or (2) or paragraph *(b)* of subsection (3) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Power of Commission to appoint an auditor**

1. (1) Where the Commission is satisfied that the auditor of a reporting licensee
   1. has failed to fulfil *the* obligations of an auditor under this

*A ct ,* or

* 1. is otherwise not a fit and proper person to act as the auditor of a reporting licensee,

the Commission may, by written direction to the reporting licensee1 revoke the approval of the appointment of the auditor and the reporting licensee shall appoint a new auditor in accordance with section 159.

1. The reporting licensee shall give a notice revoking the appointment of an auditor under subsection (1) to the auditor.
2. Where a reporting licensee fails to appoint an auditor, the Commission may appoint a qualified person to be the auditor of the reporting licensee.
3. An auditor appointed under subsection (3) is considered, for the purposes of this Act, to have been appointed by the reporting licensee and the reporting licensee shall be responsible for the costs and remuneration of the auditor.

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*Inspection Visits*

**Conunissiou to undertake inspection visit**

1. (l) The Commission may, for the purpose of performing the functions of the Commission
   1. inspect the premises and the business of a relevant person, whether within or outside the country;
   2. inspect any premises or business of a person to whom a relevant person has outsourced any function or activity, whether within or outside the country;

*(c}* inspect the assets, including cash, belonging to or in the possession or con trol of a relevant person or of a person to whom any function or activity of the relevant person has been outsourced;

1. examine and make copies of documents belonging to or in the possession or control of a relevan t person or of a person specified in paragraph *(b)* that, in the opinion of the Commission, relate to the insurance business or the business as an insurance intermediary, by the relevant person; and
2. seek information and an explanation from
   1. an officer,
   2. an employee,
   3. an agent, or
   4. a represen tative of a relevant person specified in subparagraph (i), (ii) or (iii) of this paragraph, or of a person specified in paragraph *(b),*

whether verbally or in writing, and whether in preparation for, during or after an inspection visit.

* 1. The Commission shall, when m1dertaking an inspection visit, ensure that the relevant person has adequate procedures in placeto prevent the licensee from being used for purposes of money laundering or fina11cing of terrorism.
  2. An ins pection visit may be undertaken by
     1. an authorised employee of the Commission;
     2. an authorised employee of the Commission and a person authorised by the Commission; or
     3. any other person autlmrised by the Commission.
  3. An inspection visit undertaken in relation to a person to whom a function or an activity of a relevant person has been outsourced, shall be limited to the aspects of the premises, business, assets or documents that are relevant to the functions of the Commission in relation to the relevant person.

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* 1. Subject to subsection (6),the Commission shall givereasonable notice to a relevant person of the intention of the Commission *to* exercise the power of the Commission under subsection (1).
  2. Where the Commission considers that the circumstances so justify, the Cotrunission may exeJcise the power of the Commission under subsection (1) without notice.
  3. The Commission shall provide a relevant person with a brief w ritten report o.n the outcome of each inspection visit that the Commission undertakes.

**Duties of relevant person**

1. (1) A relevant person shall permit an authorised employee of the Commission, or a person authorised by the Commission; undertaking an inspection visit, to have access to
   1. any premises of the relevant person, the business and any assets in possession or control of the relevant person that the Commission requires to inspect, and
   2. all documents, including financial records and electronic records, that the Commission requires.
2. A relevan t person who contravenes subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.
3. For the purposes. of sec6on 164 and this section, "relevant person" means
   1. a licensee;
   2. a subsidiary or holding company of a licensee; or
   3. a former licensee.

*Power of Commission to Obtain Information*

**Notice to provide information or produce documents**

1. **(1)** For the performance of the functions of the Commission under this Act or any other enactment, the Commission may, by notice, in writing, given to a person specified in subsection (2)1 require that person
   1. to provide specified information or information of a specified description; or
   2. to produce a specified document or a document of a specified description.

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1. **A** notice under subsection (1)
   1. may be issued to
      1. a licensee;
      2. a former licensee;
      3. a person the Commission reasonably believes to be carrying on, or to have at any time carried on, uuliceused business;
      4. a person connected with a person specified in subparagraph (i), (ii) or (iii);
      5. a person who the Commission has reason to believe

is in possession of the information; or

* + 1. in the case of a notice requiring the production of documents, any person who the Commission has reason to believe is in possession of the documents; and

*(h)* shall specify the place where and the period withfo which the jnformation or documents is to be provided or produced.

1. The Commission may require
   1. information provided under this section to be provided in

the form specified by the Commission;

* 1. information provided or documents produced under *this* section to be verified or authenticated in a manner that the Commission may specify;
  2. that the.information is to be provided to, or the documents are to be produced to or by a person specified in the notice; and
  3. that the person to whom the notice is issued, or a person who is or has been a director, auditor or actuary of that person, provide an explanation in relation to the information or documents that the Commission may reasonably require.

1. The Commission may takecopies or extracts of any document produced under this section.
2. Where a person claims a lien on a document, the production of the document under this section is without prejudice to that lien.
3. A person who, without reasonable excuse, fails to comply with a notice jssued under this section commits an offence and is liable on summary conviction to a fine or a term. of imprisonment or to both as specified in the F irst Schedule.

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*Remedial Measures*

**Recovery plan**

1. (1) The Commission may give a licensed insurer or a licensed reinsurer a written direction to prepare a recovery plan if the Commission has reasonable grounds to believe that any of the following occurs:
   1. the licensed insurer or licensed reinsurer has breached j is breaching or is likely to breach a solvency con trol level;
   2. the business of the licensed insurer or licensed reinsurer has not been, or is not being1 conducted in a prudent manner or in accordance with sound insurance principles;
   3. the licensed insurer or licensed reinsurer is carrying on, or *i s* likely to carry on, the licensed insurance or 1·einsurance busine ss in a manner detrimental to the
      1. interest of the policyholders or the prospective policyholders of the insureI or reinsurer; or
      2. public interest; or
   4. the licensed insurer or licensed rein.sure r has fai1ed, is failing or is l ikely to fail to comply with a condition of the licence or a notice issued by the Commission.
2. The recovery plan shall
   1. be in writing;
   2. set out the actions that the licensed insurer or licensed reinsurer will take to effectively address the matters that caused the Commission to give the direction and in particular to ensure that,
      1. the licensed insurer or licensed reinsure r meets the prescribed capital adequacy requirements;
      2. the business of the licensed insurer or licensed reinsurer is cond ucted in a prudent manner and in accordance **with** sound insurance principles; and
      3. the licensed insurer or licensed reinsw·er complies, or remains compliant with, any notice, condition, or other requirement imposed by the Commission under this Act, the Regulations or directives;
   3. set out an appropriate timetable for taking the actions specified in paragraph *(b),* which shall en.sure that those actions are taken and completed as soon as practicable;
   4. specify the steps that the licensed insurer or licensed reinsurer is to take to ensure·that the plan remains current,

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including procedures for regular review of the plan to systematically identify deficiencies in lhe effectiveness of the plan;

* 1. be appropriate to the operations of the licensed insurer or licensed reinsurer; having regard for
     1. the nature, scale, com plexity and diversity of the business ofthe licensed insurer or licensed reinsurer; and
     2. the risk to which the licensed insurer or licensed reinsurer is exposed;

*(I)* be prepared within the time and in the manner specified by

the Commission in the direction; and

*(g)* be approved by the board of the licensed insurer or licensed reinsurer within the time specified by the Commission in the direction.

1. The Commission mayi by the direction, require the recovery plan to specify a final date, to the satisfaction of the Comm ission, by which
   1. all of the actions referred to in paragraph *(b)* of subsection

(2) aie to be undertaken; and

* 1. the outcomes in subparagraph (i), (ii), or (iii) of paragraph

*(b)* of subsection (2) are to be achieved.

1. The Commission may, in the direction, require the licensed insurer or licensed reinsurer to obtain assistance in the preparation of the recovery plan from a person determined by the Commission.
2. A direction given under this section shall state the grounds on which the direction is given.
3. A hcensed insurer or licensed reinsurer that fails to comply with a direction of the Commission to prepare a recovery plan is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Approval of recovery plan by Commission**

1. (I) A licensed insurer or a licensed reinsurer to which a direction has been given under section 167 shall, within the time specified by the Commission, provide a copy of the recovery plan to the Commission.

(2) The Commission shall, after receipt of the recovery plan, inform the licensed insurer or licensed reinsurer whether the Commission

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is satisfied that the plan meets the requirements specified in subsections

1. and (3) of section 167.
2. Where the Commission is not satisfied that the recovery plan

meets the requirements specified in subsections (2) and (3) of section 167

* 1. the Commission may require the licensed insurer or licensed reinsurer to amend the recovery plan and resubmit the amended recovery plan to the Commission for approval within a reasonable time that the Commission may specify; and
  2. the licensed insurer or licensed reinsurer shall comply witl1

those requirements.

**Licensed insurer or licensed reinsnrer to comply with recovery plan**

**169,** (1) A licensed insurer or a licensed reinsurer shall, after the recovery plan has been approved by the Commission, take all reasonable steps to comply with the recovery plan.

(2) A licensed insurer or a licensed reinsurer that contravenes subsection **(1)** is liable to pay to the Cornntission an administrative penalty as specified in the First Schedule.

**Amendment of recovery plan**

**170.** (1) A licensed insurer or a licensed reinsurer may amend the recovery plan only with the written approval of the Commission.

1. Where the Commission is no longer satisfied that the recovery plan meets the requirements specified in subsections (2) and (3) of section 167, the Commission may, by written direction given to the licensed insurer or licensed reinsurer,
   1. require the licensed insurer or licensed reinsurer to amend

the plan in the manner specified by the Commission; and

* 1. resubmit the amended recovery plan to the Commission for approval within a reasonable time that the Commission may specify.

1. The licensed insurer or licensed reinsurer shall comply with requiremen ts of subsection (2).

**Appointment of skilled person**

**t 71.** (1) The Commission may, by direction, in writing, require a licensee or a subsidiary or holding company of a licensee to appoint a

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skilled person , at the cost of the licensee or a subsidiary or holdi ng company of the licensee

* 1. in the case of a licensee, to advise the licensee on the proper conduct of the business of the licensee; and
  2. in the case of a subsidiary or ho ldin g co m pan y of a licensee, to carry out an investigation and provide the Commission with a report on, o.r on any aspect of,
     1. the business and affairs of the licensee or a subsidiary

or holding company of the licensee, or

* + 1. the financial condfrion of the licensee or a subsidiary or holding company of the licensee.

1. The Commission may require the report provided under paragraph *(h)*of subsection (1) to be in the form specified in the direction.
2. The person appointed as a skilled person under subsection (1),

shall be a person

* 1. with the relevant qualification and experience;

*{b)* approved by the Commission; and

*(c)* who the Commission considers ro have the skills necessary to advise the licensee or make a report on the matter in question.

1. A licensee or a subsidia ry or holding company of a licensee that appoints a skilled person under this section and a person who is providing, or who, at any time has provided, services to the licensee or subsidiary or holding company of the licensee in relation to a matter on which a report is required, shall give the skilled person the assistance that the skilled person tnay requfre.
2. A person to whom a direction is issued under subsection (1) who fails to comply with the direction issued under subsect.ion (1) is liable to pay to the Comntission an administrative penalty as specified in the First Schedule.
3. A person who contravenes subsection (4) is liable to pay to the C omm ission an administrative penalty as specified in the First Schedule.

*Enquiries*

**Interview byCommission**

1. (1) Where the Commission believes, on reasonable grounds, that a person can provide information that the Commission requires for the purposes of performing the functions of the Commission, the Commission may, by notice, in writing, require the person to attend an interview before a designated staff of the Commission on a da:te and at a

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time and place specified in the notice to answer questions relevant to the mforrnation that the Commission requires.

1. A notice under subsection **(1)** shall state

*{a)* th general nature of the matters on which the person is to be interviewed;

1. the date, time and place the person is required to attend the interview; and
2. the right of the person to be represented by a legal representative in accordance with subsection (1) of section 173.
3. Where there is a change in the matters required to be stated in the notice under subsection (2), the Commission shall confirm to the person in writing before the date on wbich the person is to be interviewed.

**Conduct of interview by Commission**

1. (1) A person may be represented at an interview conducted by the Commission by a legal represen tative who may, at the tim e that the interviewer determines
   1. address the interviewer; and
   2. question the interviewee 011 any matters on which the interviewer has asked the interviewee questions.
2. Subject to subsection (3), an interview under this se\_c tion shall be held *in camera.*
3. The interviewer may p.ennit to be present at the interview
   1. any officer or employee of the Commission and any other person that, in the opinion of the interviewer, is necessary for the interview; and
   2. any person who the interviewee requests to be present.
4. The interviewer shall cause a written record to be made of the interview and shall, not more than fourteen days after the conclusion of the interview, provide a written copy of the record to the interviewee., subject to the conditions that the interviewer may impose.
5. An interview scheduled by the Commission in accordance with this section may proceed despite the failure of an interviewee or other person *to*
   1. attend the interview in accordance with the notice;
   2. answer a question that has·been properly put to the interviewee or the other person; or
   3. comply with conditions imposed by the interviewer.

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1. The findjngs of an jnterview cond ucted under subsection (5) is binding on all parties.

**Examination under oathoraffirmation by Court**

1. (1) Where the Commission has reason to believe that a person can provide information that the Commission reasonably requires for the performance of the functions of the Commission, the Commission may apply to the Court to have that person examined under oath or affirmation before the Court and to have the results of that examination transmitted to the Commission.
2. On an application under subsection (1), the Court may, on terms and conditions as the Court considers appropriate, order
   1. the examination of a person under oath or affirmation; and
   2. the production by that person to the Court of documents specified in the order.
3. A person may choose to be represented by a legal representative at an examina tion held under this section a.nd the proceedings of the examination may be held *in camera.*
4. An application to the Court unde1 subsection (1) shall be
   1. processed by the Court within fourteen days of the application and the results of the exa mination, together with the documents produced, and
   2. provided to the Commission within a period not exceeding fourteen days, after the date of the examination.

**Search warrant**

1. (1) The Cowt may issue a search warrant under this section if the Court is satisfied, on information on oath or affirmation given on behalf of the Commission) that there are reasonable grounds to believe that one or more of the conditions specifiedin subsection (2) have been satisfied.
2. The conditions referred to in subsection (1) are
   1. that a person has failed to comply with a notice issued by the Commission under subsection (1) of section 166 within the period specified in the notice and that on the premises specified in the warrant
      1. there are documents that are required to be produced; or
      2. there is information that is requited to be provided;
   2. that a notice may be issued by the Commission to a person under subsection (1) of section 166, and

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* 1. that

1. there are documentis or there is information, on the premises that may be required to be produced or provided; and
2. if the notice was issuedi the notice would not be

fully complied with or the documents or information to which the notice relates wotild be removed, tampered with or destroyed; and

* 1. an offence under this Act or the Regulations has been, is being or may be committed by a person;
  2. there are documents, or there is information, on the

premis es specified in the warrant that evidence the commission of the offence; and

* 1. if a notice under subsection **(1)** of section 166 was issued, the notice would not be complied with or the documents or information to which the notice relates wou1d be removed, tampered with or destroyed.

1. A warrant issued under this section shall authorise a named representative of the Commission, together with a police officer and any other person named in the warrant to
   1. enter the premises specified in the warrant at any time within seven days from the date of the warrant;
   2. search the premises and take possession of any documents or information appearing to be documents or information of a type in respect of which the warrant was issued or to take, in relation to such documents or information, any other steps necessary for preserving or preventing interference with the document or information;
   3. take copies of, or extracts from, any documents or information appearing to be documents or information of a type in respect of which the warrant was issued;
   4. require any person on the premises to provide an explanation of any document or information appearing to be documents or information of a type in respect of which the warrant was issued or to state where the documents or information may be found; and
   5. use such force as may be necessary to execute the warrant.

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1. Excep t as the Court otherwise, on the application of the Comm ission1 orders, a document of which possessioo is taken under this -sec tion may be retained

*{a)* for three months; or

*(b)* if within the period specified in paragraph *(a),* proceedings for a criminal offence, to which the document is relevant are commenced against any person, until the conclusion of those .Proceedings.

1. In this section, "premises" includes a building, a vehicle, a

vessel or an aircraft.

*Investigation*

**Appointment of investigator**

1. (1) The Commission may appoint, in writing, one or more persons with the relevant competence as investigators to cond uct an investigation on behalf of the Commission
   1. with respect to a licensee jf it appears to the Commission that there are grounds, or there may be reasonable grounds, for the licensee to
      1. appoint a statutory manager under section 99;
      2. require a recovery plan under section 167;
      3. require the appointment of a skilled person under

section 171;

* + 1. issue a direction under section 178 or 179; or
    2. apply to the Court for an order under section 182;
  1. if the Commission is of the opinion that it is desirable to appoint an investigator *in* the
     1. interest of the customers or creditors or prospective customers or creditors of the licensee; or
     2. public interest;
  2. with respect to a former licensee, if the Commission would have been entitled to appoint an investigator under paragraph *(a) or (b),* but for the cancellation of the licence of the licensee; and
  3. with respect to a person, if it appears to the Comm ission that the person is carrying on, or has carried on, unlicensed. business.

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1. The matters investigated by an investigator appointed under subsection **(1)** may include any of the following in respect of the person being investigated:
   1. the nature, conduct or financia l cond ition of the business

of the person;

* 1. a particular aspect of the business of the person;
  2. the ownership or control of the person being investigated;
  3. in the case of a licensee whether there are grounds for the taking of any of the actions specified in paragraph *(a)* of subsection(1) against the licensee; and

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* 1. whether the person is carrying on, or has carried on,

unlicensed business.

1. The Commission may give a direction to the investigator in respect of any of the following:
   1. the scope of the investigationj
   2. the period for the conduct of the investigation;
   3. the methodology for the conduct of the investigation; and
   4. the manner in which the investigator shall report to the Commjssion.
2. Where an i1westigator is appointed with respect to a former licensee, an investigation under subsection (2) shall extend only to
   1. in the case of paragraphs *(a)* and *(b)* of subsection *(2),* the

business of the person carried on at the time the person was a licensee; and

* 1. in the case of paragraph *(c)* of subsec tion (2), to the

ownership or control of the person at the time the person was a licensee.

1. An investigator shall, within fourteen days of completion of the investigation, submit a report of the investigation to the Commission.
2. The Commission may direct that the licensee pays for the cost, or a part of the cost as the Commission may specify, of an investigation conducted under this section .
3. A person who fails to provide the assistance required by an investigator appointed under this section commits an offence and is liable on summ ary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

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**Powers of investigator**

1. (1) Subject to subsection (2) and to a direction given by the Commission under .sub sectio n (3) of sectio n 176, an investigator appointed under this section
   1. may require the person under investigation or any person connected with the person under investigation *to* attend before the investigator at such time and place as the investigator may determine to answer questions; and
   2. has the power of the Commission to
      1. require the provision of informa tion or documents under section 166;
      2. apply to the Court under section 174 for the examination of a person under oath or affirmation; and

(ii i) apply to the Court under section 175 for a search

warrant.

(2) The investigator may only exercise a power under subsec tion

1. to the extent that the investigator considers necessary for the purpose of the investigation.
   1. An investigator appointed under section 176 may, if the investigator considers it necessary for the purposes of the investigation, on giving written notice to the person concerned, also investigate the business of a person who is, or at any relevant time has been
      1. a member of the group of which the person under investigation is a part; or
      2. a partnership of which the person under investigation *is* a member.

*Enforcement*

**Direction to licensed insurer and licensed reinsurer**

1. (1) The Commission may issue a direction to a licensed insurer or a licensed reinsurer if any of the following occurs:

*(a}* the Commission has reason to believe that any of the following applies in relation to the insurer or reinsurer:

1. there are grounds for the Commission *to* direct the licensed insurer or licensed reinsurer to prepare a recovery plan under section 167;
2. the licensed insurer or licensed reinsurer has departed substantially from the most recent business plan submitted to the Commission; or

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1. the governance structure of the licensed insurer or licensed reinsurer is no longer appropriate having regard of the na mre, scale, complexity and diversity of the business of the insurer or reinsurer and the risk to which the insurer or reinsurer is exposed; or
2. the Commission has1 whether as a result of an inspection visit or otherwise, identified a matter that, in the opinion of the Commission, represents a supervisory risk; or
3. the Commission has 1eason to believe that the licensed insurer or licensed reinsurer has failed, is failing, or is likely to fail to comply with any requirement of this Act, the Regulations or the directives or any direction of the Commjssion or any condition of the licence of the insurer or reinsurer.
4. A direction issued under subsection (1) may
5. impose one or more prohibitions, restrictions, limitations or conditions on the licensed insurer or licensed reinsure r, or the business of the licensed msurer or licensed reinsurer, including
   1. not to enter:into a new contract of insurance or vary

an existing contract;

* 1. ceasing to engage in any type of insurance business;
  2. carrying on or ceasing to carry on bus:iness, or any part of the business of the licensed insurer or licensed reinsurer, in accordanc e with the direction;
  3. refraining from making, or realising; investments of a specified type or description;
  4. not to transfer the assets, or specified assets of the

licensed insurer or licensed reinsurer, to any other person;

* 1. not to declare or make any distribution to the

shareholders of the licensed insurer or licensed reinsurer; or

* 1. giving of notice to the Commission, or obtaining specific approval from the Commission, before the licen sed insurer or licensed re:insurer undertakes certain specified actions or types or descriptions of action;

1. require the licensed insurer or licensed re.insurer
   1. to increase the capital resources of the licensed

· insurer OJ licensed reinsurer;

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* + - 1. to enter into one or more reinsurance contracts or retrocession contracts as cedant or take other specified mitigating measures;
      2. to arrange the transfer of obLigations under any contract to another insurer or reinsurerthat is willing to accept the obligation;
      3. to provide specified reports or returns to the

Commission;

* + - 1. to appoint a skilled person under section 171;
      2. to appoint additional directors, senior managers or persons in key control functions, approved by the Commission; or

1. require the licensed insurer or licensed reinsurer to take other action that *the* Commission considers necessary *to*
   1. safeguard the financial condition of the licensed insurer or licensed reinsurer;
   2. protect property in the custody, possession or control of the licensed insurer or Jicensed reinsurer;
   3. protect the policyholders of the licensed insurer or licensed reins1,.1rer ; or
   4. address a supervisory risk identified by the Commissi on.
2. A licensed insurer or a licensed reinsurer that fails to comply with a direction issued under this section is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Direction to licensed insurance intermediary**

1. (1) The Commission may issue a direction to a licensed insurance intermediary jf the Commission
   1. has reason to believe that any of the following applies in relation to the licensed insurance intermediary:
      1. the licensed insurance intermediary has failed; is failing, or is likely to fail to comply with any requirement of this Act or the Regulations, a directive or a cond.ition of th.e licence of the insurance intermediary;
      2. the licensed insurance intermediary is carrying on, or is likely to carry on, the licensed business in a manner den·irnental to the interests of the customers

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of thelicensed insurance intermediary, or the public interest;

* + 1. the licensed insurance intermediary has departed substantially from the most recent business plan submitted to the Commission; or
    2. the governance structure of the licensed insurance intermediary is no longer appropriate having Jegard for the nature, scale, complexity and diversity of the business of the licensed insurance intermediary and the risk to which the licensed insurance intermediary is exposed ;
  1. whether as a result of an inspection visit or otherwise, has identified a matter that, in the opinion of the Commission, represents a supervisory risk; or
  2. has reason to believe that the licensed ins ura nce intermediary bas failed, is failing, or jg likely to fail to comply with a requirement of this Act or the Regulations, any direction of the Commission or a condition of the licence of tl1e license d insurance intermediary.

1. A direction issued under subsection (1) may
   1. impose one or more prohibitions, restrictions, limitations or conditions on the licensed insurance intermediary or the business of the licensed insurance intermediary, including the ceasing of
      1. the licensed insurance in termediary to act as an insurance intermediary; or
      2. the licensed insurance intermediary to accept pa1ticular types of business; or
   2. require thelicensed insurance intermediary to take any other action that the Commission considers necessary to
      1. protect the interest of the customers or prospective

customers of the licensed insurance intermediary; or

* + 1. address a supervisory risk identified by the Commission.

1. A licensed insurance intermediary that fails to comply with a direction issued under this section is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

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**Direction to person carrying on unlicensed business**

**J80.** (1) The Comm.ission may issue a written direction to a person that is carry.ing on, or has carried on, unlicensed business requiring the person

* 1. to cease canying on the unlicensed business;
  2. to take an action that the Commission considers necessary to protect
     1. the property of, or property in the custody, possession or control of, that person; or
     2. the interests of persons with whom the person is carrying on or has carried on the unlicensed business.

(2) A person who fails to comply with a direction issued under subsection (1) commits an offence and is liabl,e on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

**General provisions concerning directions**

1. (1) A direction given under section 178, 179 or 180 shall
   1. be in writing; and
   2. state the grounds on which the direction is given.
2. The Commission may
   1. amend or modify a direction;
   2. replace a direction with another direction; or
   3. revoke a direction.

**Application to Court for order**

1. (1) The Commission may apply to the Court for an order under

this section with respect to

* 1. a licensee, where
     1. the licence of the licensee has been or is about to be cancelled; or
     2. the Comm iss ion is entitled to take enforcement action against the licensee;
  2. a former licensee; or
  3. a person that is carrying on, 01· bas carried on, unlicensed business.

1. On an application made under subsection (1), the Court may make an order as the Court considers necessary to protect or preserve the
   1. business or property of the person with respect to whom the application is made; or
   2. interest of the

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* + 1. customers, prospective customers , creditors of the person; or
    2. public.

1. An order made under subsection (2) may include any of the following orders:
   1. an order preventing the person concerned or any other

person from transferring, disposing of or otherwise dealing with property belonging to that person or in the custody or under the control of that person;

* 1. an order appointing an administrator to take over and manage the business, or any part of the business of that person;

an

* 1. order granting the Commission a search warrant; or
  2. where the person concerned is in contravention of this Act, the Regulations or the directives, an order requiring the person concerned to take an action, or to refrain from taking an action, as is necessary to bring that person back into compliance with this Act, the Regulations or the directives.

1. An order made under paragraph *(b)* of subsectio n (3) shall

specify the powers of the administrator.

1. An order under subsection (4) may
   1. include
      1. the powers of a licensee under this Act; or
      2. the power of a liquidator appointed by the Court under the Corporate Insolvency and Restructuring Act, 2020 (Act 1015);
   2. require an administrator to provid.e security to the

satisfaction of the Court;

* 1. fix and provjde for the remuneration of the administrator; or
  2. require any person that the Couii considers necessary to appear before the Court for the purposes of giving information or producing documents concerning the person with respect to whom the order is made or the business carried on by that person.

1. An order made under paragraph *(b)* of subsection (3) shall make provision for reports to be submitted by the administrator to the
   1. Courti and
   2. Commission.

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1. The Court may, on its own initiative or on the application of the Commission or the administrator, make any of the following orders:
   1. an order giving directions to the administrator concerning

the exercise of the powers of the administrator;

* 1. an order varying the powers of the administrator;
  2. an order terminating the appointment of the administra tor;

or

* 1. an order that the person *in* respect of whom the order is applied for or made , pays the cost, in whole or in part, of or :in connection with
     1. the application of the Commission under this section, whether or not an order is made ; and
     2. giving effect to any order made.

1. An application under subsection (1) may be made
   1. without no tice by the Commission or upon .such notice as the CoUlt may require; and
   2. befoTe the Commission gives notice of the intention to

cancel alicence.

**Public statements**

1. (1) Subject to subsection (6), the Commission may issue a public statement in a manner that the Commission considers appro priate.
2. A public statement issued under subsection (1) shall indicate

the

* 1. enforcement action that the Commission intends to take against a licensee; or
  2. enforcement action that the Commission has taken against a licensee or a former licensee.

1. A public statement issued under subsection **(1)** may include
   1. the reasons for the enforcement action taken or to be taken;
   2. the nature of the enforcement action taken or to be taken;

and

* 1. any other information that the Commission considers appropria,te

1. Where the Commission considers it in the public interesti the

Commission may issue a public statement in a manner that the

Commission considers appropriate with respect *to*

* 1. any person who the Commission has reason to believ-e is ca.nying on, has carried on1 :intends to canyon or is1ikely *to* carry on unlicensed business;

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* 1. any matter relating to the insurance market where the Commission considers that the statement is desirable for

(j) the protection of the public, whether within or outside the country, against financial loss arising out of the dishonesty, incompetence, malpractice or insolvency of persons engaged in business within the insurance industty; or

(ii) thedeterrence of financial crime and other unlawful activities relating to the insurance industry.

1. Subject to subsection (6)1 where a -public statement is to be issued under this section in relation to a licensee or a former licensee, the Commission shall give the licensee or former licensee seven days written notice of the intention of the Commission to issue the public statement and the reasons for the intended. issue of the stateme1lt.
2. If the Commission is of the opinion that it is in the
   1. public in terest, or
   2. interest of the customers, prospective customers or creditors of a licensee or former licensee,

that subsection (5) should not have effect or that the period referred to in

that subsection should be reduced, the Commission may issue the public statement without notice to the licensee or former licensee or within a shorter period that the Commission considers appropriate.

1. The Commission shall not, in accordance with subsection (5), issue a public statement in relation to the imposition of an administrative penalty until the administrative penalty has become frnal.

*Administrative Penalties*

**Penaltyfor late payment**

1. (I) An administrative penalty imposed shall be paid by a licensee within a pe1iod of thirty days or any otherperiodas may be agreed between the Commission and the licensee.
2. The penalty for the late payment bya licensee of any fee, charge, levy, contribution or penalty payable under this Act or the Regulationsj including an administrative penalty, is equal to zero point five percent of the penalty for each day that the contravention subsists.

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1. Where the conll'avention constitutes the late payment of a fee, c harge, levy, contribution or penalty payable under this Act or the Regulations, the Commission may impose an administrative penalty by written notice stating
   1. the fee, charge, levy, contribution or penalty in respect of which the administrative penalty for late payment is being imposed; and
   2. the amount of the penalty.
2. *A* licensee who receives a notice under subsection (3) shallpay the late payment penalty stated in the notice *to* the Comroissioni or a ppea l against the imposition of the penalty, within ten days of the date of the administrative penalty notice.

*Whistleblowing*

**Arrangements for disclosu\_res of concerns by employees and ditectors**

1. (1) A licensed insureJr a licen sed reinsurer or a licensed insurance intermediary that is a company shall establish, maintain and implement effective anangements for the disclosure1 by an employee or a director to the licensed insurer, licensed reinsurer or licensed insurance intermediary, or to the Commission, of the concerns of the employee or director in relation to
   1. a breach of the legal or regulatory obligations of the licensed insurer, licensed reinsurer or licensed insurance intermediary;
   2. a contravention of the policies and procedures of the licensed insurer, licensed ,reit1,surer or licensed insurance intermediary; or
   3. the behaviour that harms or is likely to harm

*{t)* the interest of customers or potential customer s; or *(it)* the reputation or financial soundness of the licensed insurer, licensed reinsurer or licensed insurance

intermediary.

(2) The arrangements maintained in accordance with subsection

1. shall

*(a}* ensure the protection of the identity of the employee or a director who makes a disclosure;

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1. ensure the effective investigation, assessment and, where appr opria te, escalation of concerns disclosed by the employee or a director, including *to* the Commission;
2. ensure the protection from retaliation or victimisation of the employee or director who has made a disclosure;
3. if the disclosure is made to the licensed insurer, licensed reinsurer or licensed insurance intermediary
   1. require that the employee or director who has made

a disclosure is provided with appropriate feedback ; and

* 1. require that disclosures are recorded in writing;

1. require that the board is provided with periodic reports on the effectiveness of the arrangements; and
2. include appropriate training for employees and directors on the arrangements.
   1. A licensed insurer, a licensed rein.surer or a licensed insurance intermediary shall ensure that the employees and directors of the licensed insurer, licensed reinsurer or licensed insu.rance intermediary are made aware of .the right to make disclosures under the Whistleblower Act, 2006 (Act 720), in addition to the arrangements maintained in accordance with this section.
   2. A licensed insurer, a licensed reinsurer or a licensed insurance in termediary that contravenes subsection **(1)** or (3) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

*General Supervisory Matters*

**Applications under this Act**

1. (1) An application made under this Act, the Regulations or the cfuectives shall
   1. be in writing and, where applicable, in the approved form; and
   2. include the Wormation, and be accompanied by the

documents, required by this Act, the Regulations or the directives.

1. The Commission may
   1. require an applicant to provide the Co mmission with the relevant information and documents, in addition to those

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specified in paragraph *(b)* of subsection (1), that the Commission may require to determine the application;

* 1. specify the form in which the information and documents are to be provided and the period within whfrh the documents and information are to be provided; and
  2. require any documents and information provided to be verified in the manner that the Commission may determine.

1. Where, before the determination by the Commission of an application,
   1. there is a material change in any information or document provided by or on behalf of the applicant to the Commissionin connection with the application, or
   2. the applicant discovers that the information or document provided is incomplete, inaccurate or misleading,

the applicant shall immediately give the Commission written particulars of the change or of the incomplete, inaccurate or misleading information or document.

1. An applicant that fails to comply with subsection (3) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Conditions**

1. (1) A licence maybe issued, or an approval or exemption granted, subject to such conditions as the Commission considers appropriate.
2. Where a licence is issued, or an approval or exemption *is*

granted , subject to conditions determined by the Commission,

* 1. the Commission shall, together with the licence, approval or exemption, issue a written notice specifying the conditions; and
  2. if, in respect of any conditions, the Commission considers that it is in the public interest to do so, the Commission may state those conditions on the licence, approval or exemption.

1. The Commission may, upon giving reasonable written notice to a licensee,
   1. vary or revoke any condition; or
   2. impose a new condition on the licence, approval or exemption.
2. A licensee may apply to the Commission in ting for a condition to be revoked or varied.

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1. Where the Commission is satisfied that a condition is no longer necessary or should be varied, the Commission may revoke or vary the condition.
2. Where the Commission revokes or varjes a condition or imposes a new condition, the licensee shall, if requested to do so by the Commission, deliver the licence, approval or exemption of the licensee to the Commission for re-issue.
3. For the purpose of this section,

"approval" means a permission granted under this Act or the Regulations;

"conditionlt means a requirement attached to a licence or to an

approval or exemption; and

"exemption" means an exception granted under this Act or the Regulations .

**Returns and reports**

1. (1) A licensee shalJ submit to the Commission such reports and returns relating to the financial condition and business of the licensee as specified in the Act, the Regulations or the directives or as requested by the Commission.
2. Where the Commission considers that any report or return submitted by a licensee under subsection (1) is
   1. inaccurate,
   2. incomplete,
   3. delayed,
   4. not prepared in accordance with this Act, the Regulations or the directives, or
   5. not in the approved form,

the licensee is liable to pay to the Commission an administrativepenalty as specified in the First Schedule,

*Supervisory Co-operation*

**Duty to co-operate**

1. (1) The Commission shall co-opera te with
   1. law enforcement authorities;
   2. supervisory authorities in tbe country; and
   3. foreign supervisory authorities.

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(2) Co-operation under subsection (1) includes the sharjng of information and documents which the Commission is not prevented by this Act or any other enactment from disclosing.

**Provision of assistance to other authorities**

1. (1) Subject to subsection (2), on the written request of a relevant

supervisory or law enforcement authoritry the Commission may

* 1. exercise the power to undertake an inspection visit under section 164;
  2. exercise the power conferred on the Commission by section 166 to obtain information or documents;
  3. require a person to be interviewed by t11e Commission under section I72;
  4. make an application under section 174 for the examination of a person under oath or affirmation by the Court; or
  5. appoint one or more persons as investigators to investigate any matter.

1. The Commission shall not exercise a power conferred on the Commission by subsection (1) on the request of a relevant supervisoryor law enforcement authori ty, unless the Commission is of the opinion that the information or document to which the request relates is reasonably required by the relevant supervisory or law enforcement authority for the purposes of the functions of the relevant supervisory or law enforcement authority.
2. An investigator appointed under paragraph *(e)* of subsection
3. of this section bas the power of an investigator tinder section 177.
   1. The Commission may disclose information, or provide document, to a relevant supervisory or law enforcement authority whether the information or document
      1. was obtained through the exercise of a power specified in

subsection (l); or

* + 1. is in the possession of the Commission.
  1. Where the Commission would, on the written request of a relevant supervisory or law enforcement authority, be entitled to disclose information or provide document in the possession of the Commission to the relevant supervisory or law enforcement authority, the Commission may disclose the information or document to the relevant supervisory or law enforcementauthority without having received a written request from the relevant supervisory or law enforcement authori ty.

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**Matters relevant to the provision of assistance**

1. (1) In deciding whether or not to exercise the power conferred on tbe Commission by subsection (1) of section 190, the Commission may take into account,
   1. in the caseof a request from a foreign supervisory authority,

whet her reciprocal assistance would be given to the Commission in the country or the foreign supervisory authority;

* 1. the nature and seriousness of the matter to which the request for assistance relates and whether the assistance can be obtained by other means;
  2. the relevance of the in forma tio n or document to the enquiries to which rl1e re quest relates;
  3. whether it is in the interest of customers or prospective customers of a licensee and the public interest to provide

the assistance sought; and

* 1. other matters that the Commission considers relevant.

1. For the purposes of paragraph *(a)* of subsection (1), the Commission may require the foreign supervisory authority making the request to give a written undertaking, in the form that the Commission may require, to provide reciprocal assistance to the Commission.
2. The Commission may decide that the Commission will not, on the request of a foreign supervisory au thority, exercise the power of the Commission under this section unless

*(a}* the Commission has received satisfactory assurances from that foreign supervisory autho rity that any information and document provided to the foreign supervis01y authority will not be used in any criminal proceedings against the person furnishing the information other than proceedings for an offence equivalent to the offence specified in paragraph *(b)* of subsection (2) of section 195 or for an offen ce of perjury or any equivalent offence;

1. that foreign supervisory authority undertakes to contribute towards the cost ofexercising the power of the Commission as the Commission considers appro priate; and
2. the Commission js satisfied that that foreign supervisory authority is subject to adequate legal restrictions on further disclosure of the information and documents and that the

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foreign supervisory authority will not, without the written permission of the Commission,

* 1. disclose information or the content of documents provided to the foreign superyjsory authority to any pers.on other than an officer or employee of the authority engaged in the exercise of any of **the** supervisory functions of the foreign supervisory authority; or
  2. take any action on information or documents provided to the foreign supervisory authority.

*Protection of Confidential Information.*

**Resnictions on disclosure of information**

1. (1) Subject to section 193, protected information shall not be disclosed by a recipient of that information, whether the recipient of the information is a person specified in subsection (4) or a person who has directly or indirectly received the protected information from a person specified in subsection (4), without the consent of
   1. the person from whom the recipient obtained the information; and
   2. :if different, the person to whom the information relates.
2. Information is not protected information
   1. if the information is or has been available to the public from any other source; or
   2. where the information is disclosed in a summary form or in statisticsexpressed ma manner that does not enable the identity of a particular person to whom the information

relates to be determined.

1. For the purpose of this Act, "protected information" means information which
   1. relates to the business or other affairs of a licensee or any other person; and
   2. is acquired by a person specified in subsection (4), for the purposes of, or in the performance of, functions of the person under this Act,, Regulations or directives and is in the nature of information that is obtained from a foreign

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super visory authority, a supervisory authority in the country

or a law enforcement authority.

1. For the purposes of subsection (3), information is "protected information" if acquired by any of the following in the performance of tbe functions of the person under this Act, Regulations or directives:
   1. th e Commission;
   2. a member of, or a member of a committee of the governing body of the Commission;
   3. an employee of the Commission;
   4. a person appointed as a skilled person under section 171;
   5. a person appointed as an investigator under section 176;
   6. a person acting as agent, or under the authority, of the Co mmission; and
   7. an employee of a person specified in paragraphs *(d)* to *(I).*
2. A person who contravenes this section commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

**Permitted disclosure**

I 93. Section I94 does not apply to a disclosure

*( )* by a person, where the disclosure is

1. required or permitted by1 and made pursuant to an order of a court;
2. required or permitted by this Act or any other enactment;
3. made to a law enforcement agency in the country;

or

1. made to the Financial Intelligence Centre;
2. by a person specified in subsection (4) of section 192, where the disclosure is made to a person for the purpose of performing or exercising a function, duty, responsibility or power under this Act or the Regulations, in either case whether the function, duty, responsibility or power is of the person disclosing the informa tion or of the Commission or the Board;
3. by the Commission
   1. to a relevant supervisory or law enforcement authority in accordance with section 190; or

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* 1. to *help* protect the public, or a section of the public, from falling victim to a crime; or

1. by a perso n, other than the Commission, where the disclosure
   1. is made with the written consent of the Commission; and
   2. could lawfullyhave been madebythe Commission.

**Privileged information**

1. **(1)** A person shall not be required to disclose information or produce or permit the inspection of a document under this *Act* if the person is entitled to refuse to disclose the information or to produce, or peJmit the inspection of the document on the grounds of legal professional ptivilege in legal proceedings.
2. For the purposes of this section, information or a document comes to a legal representative in privileged circumstances if the information *is* comm unicated or given to the legal representative
   1. by, or by a representative of, a client of the legal representative in connection with the giving oflegal advice to the client;
   2. by, or by the representative of, aperson seeking legal advice from the legal representative; OI
   3. by a person
      1. in contemplation of, or in connection with,. legal proceedings, and
      2. for the purposes of the legal proceedings.
3. Information or a document shall not be treated as coming to a legal representative in privileged circumsta nces if the information is communicated or given with a view to furthering a criminal purpose.
4. Despite subsection (1), a legal representative may be required, pursuant to a power under this Act to provide the name and address of a client.

**Admissibility of statements**

1. (1) Subject to subsection (2), a statement made
   1. by a person in compliance with a notice given by the Commission under section 166,
   2. to an interviewer conducting an interview under section

172,

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* 1. in compliance with a request made by the examiner, to the Court under section 174, or
  2. to an investigator appointed under section 176 or paragraph
  3. of subsection (1) of section 190,

is admissible in evidence in any proceedings, if the statement also complies with any requirements governing the admissibility of evidence in the circumstances in question.

1. A sta temen t made by a person in compliance with a requiremen t imposed by this Act may only be used in evidence against the person in criminal proceedings if
   1. the person has introduced the statement in evidence; or
2. the prosecution of the person relates tO
   1. a failure or refusal by that person to produce documents or give assistance in accordance with this Act;
   2. an omission by that person to disclose a material fact which should have been disclosed or the provision by that person of false or misleading information; or
   3. an untruthful statement by th.at person.

*Regulatory Powers*

**Protection for disdosure**

1. A person who, in accordanec with this Act, the Regulations and. directives, discloses information or produces documents is not in contravention of any enactment, agreement or professional code of conduct to which that person is subject and civil, crimin al or disciplinary proceedings shall not lie against that person in respect of the disclosure.

**Regulations**

1. (1) The Minister may, in consultation with the Board, by legislative instrument, make Regulations for carrying out or giving effect *to* this Act.
2. Without limiting subsection (1), the Regulations may
   1. provide for matters that materially impact on third party rigl1ts;

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* 1. provide for matters that impose obligations or duties on the Comm ission;
  2. provide for matters that relate to group life insurance;
  3. increase or decrease the minimum percentage of Ghanaian ownership that an insurance broker is required to have under subsection (2) of section 110;
  4. provide for the notice to be given to a person to be investigated under section 176;
  5. provide for the methodology for the conduct of an

-in vestigation;

* 1. provide for the payment of remuneration to an investigato;r
  2. provide for the termination of appointment of an investigator appointed under section 176;

*(t)* specify the procedure for lodging complaints by customers against a licensee to the Commission for mediation;

1. provide that only specified categories or description of customers are entitled to make complaints to the Commission under this section;
2. specify the circumstances under which complaints may be refened to the Commission;

*(!)* provide for the fees payab1e to an expert in respect of proceedings for the mediation of complaints;

1. exempt a specified person from the requirement to obtain an insurance :intermediaries licence;
2. provide for application for an innovative licence;
3. provide qualifications of persons who may hold an innovative licence;
4. provide for the operations ofholders of innovative licences; and
5. prescribe contracts of insurance or classes or descriptions of contracts of insurance that are exempt from subsection
   1. of section 255.
6. The Regulations may1 for the purpose of compulsory insurance,
   1. prescribe the
      1. terms and conditions; and

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* + 1. prov1s1ons;

that shall not be contai11ed in a qualifying employer liability insurance; and

* 1. provide for the form and content, display and inspection of certificates of compulsory insurance issued under this Act,

1. For the purpose of paragraph(!) of subsection (2), "ex pert1 means a professional engaged by the Commission for the purpose of a particular mediation.

'

**Directives**

1. (1) The Commission shall issue directives specifying or providing

for

* 1. classes of insurance business, separating the classes between long term and short term business;
  2. the stra tegies, policies, procedures and controls to be estabhshedand maintained by licensed insurers andlicensed reinsurers, including internal controls, risk management and compliance;
  3. requirements relating to business. conduct, including

requirements relating to the disclosure by licensed insurers and bcensed reinsurers of information to their customers and the public;

* 1. .information to be provided a11d returns to be submitted to the Commission by licensed insurers and licensed reinsurers; and
  2. such other matters, as are required by this Act or the Regulations, to be provided for in directives.

1. Without limiting subsection (1), the directives may specify or provide for
   1. the responsibilities of the directors and senior management

of licensed. insur ers and licensed reinsurers;

* 1. the performance of the control functions oflicensed insurers and licensed reinsurers and the activities and responsibilities of key persons in control functions;
  2. policies and procedures to be maintained by licensed insurers and licensed reinsurers with respect to the assessment and management of risk;
  3. principles and rules of co1porate governance to be adhered to by licensed insurers and licensed reinsurers;

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*(e)* internal audit requirements;

*(/)* intern atio nally recognised accounting standards to be adopted by licensed insurers and licensed reinsurersi

1. circumstances in which prior notice is tO be given of new insurance products;
2. requirements relating to insurance contracts;
3. procedures for approval of new insurance contracts and the circumstances in which products can be submitted on a file and use basis;
4. circumstances in which approval *is* required for premium methodologies and rates;
5. outsourcing of insurance activities;
   1. reinsura nce and fronting arrangements;
6. the development and sale of index-based insurance contracts and inclusive insurance contracts, including micro insurance con tracts;
7. the preparation of, and requirements relating to, business plans;
8. measures for the detection , prevention, remedial and reporting of financial crime;
9. complaints made against licensed -insurers and licensed reinsurers;
10. the supervision by the Commission of insurance groups and non-insurance groups, including group governance and internal controls;
11. coinsurance and insurance pools;
12. insurance database;
13. mobile insurance; and
14. such other matters that are required by this Act or Regulations to be provided for in the directives.

**Directives for insurance intermediaries**

1. (1) The Commission shall issue directives for insurance intermediaries specifying or providing for
   1. the strategies, policies , procedures and controls to be established and maintained by licensed insurance interme dia ries, in cluding internal controls, risk management and compliance;
   2. requirements relating to business conduct, including requirements relating to the disclosure bylicensed insurance

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intermediaries of information to their custom ers and the public;

* 1. the handling of premiums and client moneys;
  2. information to be provided and returns to be submitted to the Commission by licensed insurance intermediaries; and
  3. such other matters as are required by this Act or the Regulations to be provided for in the Insurance Intermediaries Directives.

1. Without limiting subsection (l), directives for insurance lnrermediaries may specify or provide for
   1. the responsibilities of the directors and senior management of licensed insurance intermediaries;
   2. the perfor ma nce of the functions of I icensed insurance intermediaries and the activities and responsibilities of key persons *in* control functions;
   3. principles and rules of corporate governance to be adhered to by licensed insurance intermediaries;
   4. the requirements for and preparation of business plans;
   5. measures for the detection, prevention, remedial and reporting of financial crime;
      1. requirements relating to the disclosure by licensed insurance intermediaries of information to their customers and the public;
2. complaints made against licensed insurance :inter mediaries ;
3. the distribution of index-based insurance contracts and inclusive insurance contracts, including micro insurance contracts; and
4. such other matters as are permitted by this Act OJ the Regulations to be provided for in the Insurance

Intermediaries Directives.

**General provisions relating to directives**

1. (1) The directives may
   1. make different provisions with respect to persons, cases or circumstances of different descriptions.;
   2. include such transitional provisions as the Commission considers necessary or expedient; and
   3. come into operation on such date or dates specified in the directive.
2. The Commission may ame.nd, substitute or revoke the directives.

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**Guideliucs**

1. **(1)** The Commission may issue Guidelines
   1. on the criteria to determi ne fit and proper persons to perform specific roles or functions under the Act;
   2. to facilitate compliance by a licensee with the Act and the Regulations;

*(c* to combat money laundering and terrorist financing activities; and

*(d)* on any other matters related to the functions of the Commission.

* 1. The Guidelines may make provision for different persons, circumstances or cases.
  2. Where a licensed insurer or licensed reinsurer or licensed insurance intermediary fails to co mply with the Guidelines issued under this section , the Commission may take into account the failure in determining whether there has been a contravention of this Act or the Regulations.

**International standards and bestpractice**

1. In discharging the functions of, and exercising the powers of the

Commission, the Commission shall take into account

* 1. international standards and best practice relating to the regulation and supervision of insurance companies and insurance intermediaries; and
  2. the proportionate application of the intemational standardc; taking into consideration the stage of development of the insurance market .

**Approved forms**

1. (1) The Commission may approve forms for the purposes of this Act, the Regulations, the directives and the Guidelines.
2. Without limiting subsection (1), a fmm may be approved in relation to
   1. an application, retU111 or report or any other document required or permitted to be submitted to the Commission by or on behalf of a licensee;
   2. any document required to be submitted to the Commission, by or on behalf of a persoh carrying out any function in relation to a licensee; or

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1. any document required or permitted to be issued or published by or on behalf of a licensee, or a person carrying out any function in relation to a licensee, to
   1. customers or prospective customers of a licensee,
   2. creditors of the licensee; or
   3. thepublic.
2. Where the Commission has published an approved form with respect to a document, that document shaJl
   1. be in that form and contain the information specified in the approved forrn; and
   2. have attached t0 it such documents as may be specified in tbe approved form.

**Requirement to consult**

1. (1) The Commission shall, before issuing, amending, revoking or substituting the Regulations, Guidelines or approved forms,
   1. provide persons that the Commission considers will be substantiaJly affected, with a copy of
      1. existing Regulations for the purposes of insurance, insurance intermediaries, the Guidelines or approved forms; or
      2. the proposed amendment tO the Regulations for the purpose of insurance, insurance intermediaries, the Guidelines or approved form;
   2. give persons referred to in paragraph *(a),* a reasonable opportunity to make writte n representations to the Commission; and
   3. consider the written representation submitted to the

Commission under paragraph *(b).*

1. The Commission may comply with obligations under paragraph *(a)*of subsection (1) by consulting withany professional or trade association of which the person referred to in paragraph *(a)* is a member.

**Publication of Guidelines and approved forms**

1. The Commission shall publish the Guidelines or an approved form *or* an amendment to the Guidelines or approved form on the website of the Commission.

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*Protection of Commission, Boar Staff and Agents*

**Immunity**

1. (1) A person to whom subsection (2) applies is not liable to any action, claim, suit or demand whether criminal or civil in respect of anything done or omitted to be done by that person in good faith in the performance of or purported performance of a function, duty; responsibility or power under this Act , the Regulations, directivesand Guidelines unless it is proved that the act or omission was in bad faith .
   1. Subsection (1) applies to
      1. the Commission;

*(h)* a Board member or a member of a committee of the Board;

1. an employee of the Commission;
2. a person authorised by the Commission to perform any function, discharge any duty, or exercise any power, on behalf of the Commissjon; and
3. an agent of the Commission .
   1. A person is not liable to civil, crimina l or disciplinary proceedings by reason solely of the fact that the person has provided information or produced documents to the Commission pursuant to a notice issued by the Commission under section 166.

*Mediation qf Complaints*

**Procedtue for c01npJaints**

**207 .** (1) Subject to Regulations made under section 197, a customer may make a complaint to the Commission for mediation if

1. the complaint relates to a licensable activity undertaken by,

or offered to be undertaken by a licensee; and

1. the person has a right or interest in relation to the respective licensable activity.

(2) The Commission shall establish procedures for the media tion of complaints as may be submitted to the Commission in accordance with Regulations made under section 197.

**Court proceedings**

1. (1) If an application is made to a Court in relation to an act or omission, or alleged act or omission ofa licensee and a complaint relating to the same act or omission is, or has been, submitted to the Commission under procedures established under section 207, the Court may adjourn the application subject to the terms the Court considers appropriate, pending the detennination by the Commission of the complaint.

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(2) The utilisation of the complaint procedures by a customer of a licensee does not affect any application that a customer or a licensee may make to a Court in respect of the matter complained of, whether before *or* af ter the Commission has made a determination -under the procedures.

*InclusiveInsurance and Index Insurance*

**Sale of microinsurance by unlicensed insurance agents**

1. The Regulations may exempt a specified person from the requirement to obtain an insurance intermedia1y licence to act as an insurance agent in relation to the distribution and sale of inclusive insurance con tracts, including microinsurance contracts.

**Index insurance contract**

1. (1) An index insurance contract is an insurance contract under which
   1. the liability of the insurer *to* make a payment in respect of

a stated insured risk is triggered by an index;

* 1. the amount of the payment is determined in accordance witb1 one or more indexes, rather than on an assessment of the actual loss of the insured; and

*(l )* payment is designed to provide a level of compensation, although not necessarily an indemn ity; to the insured in respect of any of the following:

* + 1. losses, including consequential losses, that theinsured

is expected to suffer; or

* + 1. costs, including mitigation costs, that the insured

is expected to incur,

as a result of the occurren ce of the insured risk.

1. An index insurance contract may include terms which provide for the amount of the payment to an insured to be determined by
   1. the index that triggers the liability to pay ;
   2. another index; or
   3. an assessment or other estimation of adverse impact.
2. An index insurance contract may be designed to trigger payment by the insurer before the occurrence of the insured risk, where the payment is designed, at least in part, to compensate the insured for meeting the costs of preparingfor, and mitigating the effect of, the insured risk.

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1. For the purposes of this Act, the following are not considered index insurance contracts:
   1. life insurance contracts or annuities;
   2. investment linked contracts under which the value of an investment is detennined in whole or in part by reference to a financial index or an index of asset values; or
   3. any other types of insurance or other contract that may be prescribed by Regulations.

*Innovative Insurers and Innovative Insurance Intennedia-ries*

**Innovative insurance licence**

1. (1) Subject to subsection (2), this Act applies to
   1. an application for an innovative insurance licence as if the application was for a licence for an insurer or a licence for a reinsurer as the case may be; and
   2. an innovative insurer or an innovative reinsurer as if the innovative insurer *or* in no vative reinsurer was a licensed insurer or a licensed reinsurer, as the casemay be.
2. Aninnovative insurance licence shall be granted for a period not exceeding two years in aggregate.
3. The Commission may, on the application of the holder of the licence, extend the period of an innovative insurance licence for a period of not more than two years in aggregate.

**Innovative insurance intermediary licence**

1. (I) Subject to subsection (2)1 this Act applies to
   1. an application for an innovative insurance intermediary licence as if the application was for an insurance intermediary licence in the appropriate category; and
   2. an .innovative insurance intermediary as if the innovative insurance intermedi a ry was a licen sed ms11rance

.intermediar y in the appropriate category.

1. Subject to subsection (3), an innovative ins urance intermediary licence shall begranted for a period not exceeding two years.
2. The Commission may, on the application of the holder of an inn ova tive insurance inteJmediary licence extend the period of an innovative :insurance intermediary licence for a period of not more than two years in aggregate.

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**Criteria for grant of an innovative licence**

1. (1) The Commission shall not grant an innovative licence to an applicant unless *the* Commission determines that
   1. the applicant is capable of using a new or different technological or innovative measure
      1. to carry on the proposed innovative insura11ce business or
      2. to provide products or services;

*{b)* customers of the applicant have been or1 by the time that the business commences will be, adequate ly protected; and

*(c)* the grantof the innovative licence will not materially impact

on the ability of the Commission to supervise the licensee.

1. In considering the protection of customers, the Commission shall have regard to the sophistication of the custom ers, or potential customers.
2. The Commission shall grant an innovative licence subject to such conditions as the Commission considers appropriate.

*Public Liability Insurance*

**Requirement to insure and maintain public liability insurance**

1. (1) A person of a class, type or description specified in the Second Schedule shall :insure and maintain an insurance under any quaJifying public liability insurance contract with a licensed insurer.
2. If a person takes out and maintains two or more publicliability insurance contracts, the insurance contracts, taken together, shall meet the requirements with respect to the minimum amount of public liability insurance required by the Regulations.
3. *A* person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

**Scope of cover of public liability insurance**

1. A public liability insurance contract shall provide indemnity for the insured person against
   1. the liability of the person to another person for bodily injury or property damage that occurs during the policy term that arises out of or in connection with the business1 activity or operations of the insured; and

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*{b)* the legal and other costs connected with investigating, defending and settling a claim in relation to a liability specified in paragraph *(a).*

*Professt'onal Indemnity Insurance*

**Requirement to insure andmaintain professional indemnity insurance**

1. (1) An employer of a professional person specified in the Second Schedule shall insure and maintain an insurance under any qualifying professional indemnity insurance con tract with a licensed insurer for the professional person.
   1. 1f the employer or another person takes out and maintains two or more professional indemnity insurance con tracts, the \_insurance contracts, taken together, shall comply with the Regulations with respect to the minimum amount of professional indemnity insurance required.
   2. An employer that contravenes subsection (I) commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

**Scope of cover of a professional indemnity insurance**

1. *A* professional indemnity insurance contract shalli indemnify the insured professional against
   1. the liability of the professional person for loss or damage caused to another person where the claim arfaes from
      1. a negligent act, error or omission, a negligent misstatement or misrepresentation or a breach of a duty of care in connection with the carrying on by the person of the business;
      2. the dishonesty of the employees of the insured professional or persons engaged under a contract for services and, in the case of a body corporate, the directors of the body corporate; OJ
      3. the loss and theft of documents and data, including the *cost* of replacement, the reinstatement of data and the increased cost of working;
   2. the legal and other costs connected with defending a claim referred to in paragraph *(a);* and
   3. the cost of investigating and settling such a claim.

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*Insurance of Commercial Buildings*

**Requirement to insure commercial buildings**

1. (1) A person who constructs or causes to be constructed a commercial building specified in the Second Schedule shall insure and maintain insurance under any qualifying commercial building insurance contract with a licensed insurer.
2. The occupier or owner of a commercial building shall insure and maintain an insurance under any qualifying commercial building insurance contract with a licensed insurer.
3. A person who contravenes subsection (1) or (2) commits an offence and is liable on summary conviction to a fme or a term of imprisonment or to both as specified in the First Schedule.

**Scope of cover of commercial bnild.in.g .in.snrance contracts**

1. (1) A commercial building insurance contract shall provide with respect to
   1. a commercial building under construction
      1. an indemnity against liability for loss or damage caused to a person where the claim arises from the negligence of, or a breach of a duty of care by the owner, the building contractor or any employee or agent of, or consultant to, the building contractor in connection with the construction of the building;
      2. the legal and other costs connected with defending a claim referred to in subparagraph (i); and
      3. the cost of investigating and settling such a claim;

and

* 1. any commercial building
     1. an insurance cover against the hazards of collapse, fire, earthquake, storm and flood; and
     2. an indemnity against the liability of the owner or occupier of the commercial building for loss or damage caused to any person using the premises.

*Compulsory Insurance Contracts*

**Requirements relating to compulsory insurance contracts**

1. (1) A compulsory insurance contract shall
   1. except in exceptional cases be for a period of twelve months; and

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* 1. provide cover and include terms and conditions that may

be required by the Regula tions.

* 1. A compulsoryinsurance contract that provides an indemnity against the liability of the insured person to another person, shall not
     1. contain any term or condition that exdudes or limits the liability of the insurer, whether generally m ju respect of a particular claim , if anythiog is done or omitted to be done after the occurrence of the event that gives rise to a claim under the policy; and
     2. require the insured person to pay to a person to whom the insured person is liable, the first amount of any claim or aggregation of claims.
  2. Despite paragraph *(b)* of subsection (2), a compulsory insmance contract may require the insured person to pay or make a contribution to the msurer in respect of
     1. the satisfaction of any claim made under the contract of insurance; or
     2. any cost or expense incurred in relation to the claim.
  3. The exceptional cases referred to in subsection (I) shall be prescribed by Regulations.
  4. Any term or condition in a qualifying compulsory insurance contract that contravenes subsection (1) or (2) is void and of no effect.

**Insurance forrisk arising in Ghana**

1. (1) Aperson shall not, unless authorised by the Commission, enter into a cont:ract of insurance with an insurance company not licensed under this Act in respect of
   1. a property situate in the country;
   2. liability arising in the country; or
   3. goods other than personal effects being imported into the country.
2. A person who conu·avenessubsection (1) commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified :in the First Schedule.
3. Nothing in this section affects the validity or enforceability of a contract of insurance entered into in contravention of this provision.

**Marine insurance**

1. (1) A person who imports goods, other than personal effects, into the country shall insure the goods with an insurer licensed under this A-ct.

**Act1061** *Insurance Act, 2021*

1. A person shall not place any marine cargo or hull business, other than reinsurance business, *with* aninsurer who is not licensed under this Act, except with the prior written approval of the Commission.
2. For the purposes of subsections (1) and (2), a letteT of credit or similar document issued by a bank or financial institution
   1. in the country, in respect of the goods being imported into the country, shall be on prime cost, insurance and freight with the insurance taken from an insurer licensed. und er this Act; or
   2. outside the country, in respect of the goods being imported

into the country, shall be on cost and freight.

1. A person who contravenes subsection (1) or (2) commits an offence and is liable on summary conviction to a fine or a term of imprisonment or to both as specified in the First Schedule.

*Fire Control Fund*

**Establishment of Fire Control Fund**

1. There is established by this Act, the Fire Control Fund.

**Object of the Fire Control Fund**

1. The object of the Fire Control Fund is to provide financial resources to
   1. state institutions to fight fire; and
   2. any other organisation the Commission may determine for the purposes of fighting fire.

**Sources of money for the Fire Control Fund**

1. (1) The sources of moneys for the Fire Control Fund include a percentage of gross premiums specified by the Commission in consultation with the recognised insurance industry trade bodies.
2. A licensed insurer that fails to pay the contribution required under subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.
3. For the purpose of subsection (1), a licensed i.nsmer shall pay, on an annual basis, the percentage of gross premiums on any insurnnce contract that the licensed insurer issues in respect of all insurance contracts that provide an insurance cover against the risk of fu-e.

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**Fire Control Fund Committee**

1. (1) Without limiting subsection (1) of section 15, there is established by this Act a Fire Control Fund Committee comprising representatives of
   1. th e Commission;
   2. the Ghana National Fire Service; and
   3. the ins urance regulated entities that contribute to the Fire Control Fund.
   4. The Commission shall appoint one of the members of the committee as the chairperson of the Fire Conu·ol Fund Committee.
   5. The functions of the Fire Control Fund Committee are to advise the Commission on

*{a)* the management of the Fire Control Fund j and

*(b)* the disburseme nt of moneys from the Fire Control Fund.

* 1. The Fire Control Fund Committee is an advisory committee.
  2. The Fire Co ntrol Fund Committee shall determine the procedure for meetings of the Committee.

**Management of the Fire Control Fund**

1. (1) The Co mmission shall manage theF iTe Con trol Frmd on the advice of theFire Control Fund Committee in accordance with procedures specified in the Regulations.

(2) The Commissionshall, *in* consultation with the Fire Control F und Com mittee ; specify condi tions for the disbursement of moneysfrom the Fire Co ntrol Fund .

*Motor Compensation Fund*

**Establishment of the Motor Compensation Fund**

1. There is established by this Act the Motor Compensation Fund.

**Object of the Motor Compensation Fund**

1. The object of the Motor Compensation Fund is to compensate persons who suffer injury or the dependants of a person who dies through a motor accident and who are unable to obtain compensation from an insurance company.

**Sources of money for the Motor Compensation Fund**

1. (1) The Commission shall, in consultation with the recognised insurance industry trade bodies, allocate a percentage of the motor contributions received by the Commission on every sticker issued by a licensed insurer to an insured, for payment into the Motor Compensation Fund.

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(2) A licensed insurer that fails to pay the motor contribution to the Commission is liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Motor Compensation Fund Committee**

1. (1) Without limiting subsection (1) of section 15, there is established by this Act a Motor Compensation Fund Committee comprising representatives of the Commission and representatives of the insurance regulated entities that contribute to the Fund.
2. The Commission shall appoint one of the members of the committee as the chairperson of the Motor Compensation Fund Committee.
3. The Motor Compensation Fund Committee shall advise the Commission on the management and disbursement of moneys from the Motor Compensation Fund .
4. The Motor Compensation Fund Committee is an advisory committee.
5. The Motor Compensation Fund Committee shall determine the procedure for meetings of the Committee.

**Management of the Motor Compensation Fund**

1. The Commissjon shall, in consultation with the Motor Compensation Fund Committee, manage the Motor Compensation Fund

-in accordance with procedures as may be specified in the Regulations.

**Emergency treatment for road traffic accident victims**

1. A percentage of the motor insurance premium jointly agreed by
   1. the Commission,
   2. insurers authorised to carry on motor business, and
   3. the National Health Insurance Authority,

shall be paid by insurers, into the National Health Insurance Fund to cover *the* cost of emergency treatment of road traffic crash victims.

**Conditfons for makingpayments from the Motor CompensationF1111d**

1. The Commission shall, in consultation with the recognised insurance industry trade bodies, specify in writing the conditions for making payments from the Motor Compensation Fund.

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*Client Rescue· Fund*

**Establishment of Client Rescue Fund**

1. There is established by this Act the Client Rescue Fund.

**Object of the Client Rescue Fund**

1. The object of the Client Rescue Fund is to compensate policyholders of insurers and reinsurers, that are wound up as insolvent .

**Sources of money for the Client Rescue Fund**

1. (I) A licensed insurer and a licensed reinsurer is required to pay to the Commission, each year, a contribution to the Client Rescue Fund, calculated *in* accordance with subsection (2).
   1. The Commission shall, in consultation with the recognised insurance industry trade bodies, specify the contribution that a licensed insurer or a licensed reinsu.rer is required to pay into the Client Rescue Fund.
   2. A licensed insurer or a licensed reinsurer that fails to pay the contribution required under subsection (1) is liable to pay to the Commission an administrative penalty as specified in the First Schedu,le

**Client Rescue Fund Committee**

1. (1) Without limiting subsection (1) of section 151 there is established by this Act the Client Rescue Fund Committee comprising

representatives of the Commission -and representatives of the insurance regulated entities that contribute to the Client Rescue Fund.

1. The Commission shall appoint one of the members of the committee as the chairperson of the Client Rescue Fund Committee.
2. The Client Rescue Fund Committee shall advise the Commission 011 the
   1. management of the Client Rescue Fund; and
   2. disbursement of moneys from the Client Rescue Fund.
3. The Client Rescue Fund Committee is an advisory committee.
4. The Client Rescue Fund Committee s11all determine the procedure for meetings of the Committee.

**Management of the Client Rescue Fund**

1. (I) The Commission shall manage the Client Rescue Fund in consuJtation with the Client Rescue Fund Committee and in accordance with the procedures as may be specified in the Regulations.

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(2) The Commission shall, in consultation with the Client Rescue

.F und Committee, specify conditions in writing for the making of payments from th e Client Rescue Fund.

*Insurance Education Fund*

**Establishment of tlte Insurance Education Fund**

1. There is established by this Act the Insurance Education Fund.

**Object of the Insurance Education Fund**

1. The objects of the Insurance Education Fund are to provide financial support to
   1. the Ghana Insurance College for training persons working in the insurance industr y, particularly in the areas of competence and ethics; and
   2. educate Ghanaians on insurance matters through the Commission, the Ghana Insurance College and any other relevant institution.

**Sources of mouey for the Insurance Education Fund**

1. (1) A licensed insurer and a licensed reinsurer shall pay to the Commission, each year, a contribution to the Insurance Education Fund.
2. The Commission shall, in consultation with the recognised insurance industry trade bodies, specify the contribution that a licensee is required to pay into the Insurance Education Fund.
3. The Insurance Education Fund may receive contributions from funding agencies and any other somce approved by the Com mission.
4. A licensed insurer that fails to pay the contribution required under subsection (I) is liable to pay to the Commission an administrative penalty as specified *in* the First Schedule.

**Instnance Education Fund Committee**

1. (1) Without limiting subsection (1) of section 15, there is established by this Act the Insurance Education Fund Committee comprising representatives of the Commjssion and representatives of the insmance regulated entities that contribute to the Fund.
2. The Commission shall appoint one of the committee members

as the chairperson of the Insurance Education Fund Committee.

1. The functions of the Insurance Education Fund Committee are to advise the Commission on the
   1. management of moneys; and

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* 1. disbursement *of* moneys from the Insurance Education Fund.

1. The Insur ance Education Fund *Committee* is an advisory Committee.
2. The Insurance Education Fund Committee shall determine the procedure for meetings of the Committee.

**Management of the Insurance Education Fund**

1. The Commission shall manage the Insurance Education Fund including contributions to the Fund.

*Agricultural Insurance Fund*

**Establishment of the Agricultural Instlfance Fund**

1. There is established by this Act, the Agricultural Insurance Fund.

**Object of the AgricuJtnraJ Insurance F,md**

1. The objects of the Agricultural Insurance Fund are to provide financial resources
   1. to subsidise agricultural insUTance premiums;
   2. to train agricultural extension officers and other persons who are required to disseminate information on agricultural insurance to farmers;
   3. for the acquisition of equipment for relevant agencies that may generate the data requfred in the development of agricultural insurance products;
   4. to build capacity of state institutions to provide consistent and reliable data fm the development of insurance products;
   5. to invest in technology to disseminate information on agricultura l insurance to farmers; an d

*(I)* for any other activity related to the development of

agricultural insurance.

**Sources of money for the Agricultural Insurance Fund**

1. The sources of money for the Agricultural Insurance Fund are
   1. moneys approved by Parliament;
   2. contributions from licensed insurers and licensed reinsurers; and
   3. contributions from the Commission.

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**Agricultural h1snrance Fund Committee**

1. (1) Without limiting subsection (1) of section 15, there is established by this Act an Agricultural Insurance Fund Committee comprising
   1. two representatives of the Ministry responsible for Finance not below the rank of a D irector;
   2. two representatives of the Ministry responsible for

Agticulture not below the rank of a Director;

* 1. three representatives of the Commission; and
  2. two representatives of the insurance industry.

1. The Commission shall appoint one of the members of the Agricultural Insurance Fund Committee as the cha irperson of the Agricultural Insurance Fund Committee.
2. The Agric ultu.raJ Insurance Fund Committee shall formulate a managemen t strategy for the Agricul tural Insurance Fund.
3. The Agricultural Insurance Fund Committee shalJ determine the procedme for meetings of the Agricultural InsuranceFund Committee.

**Management of the Agricultural Insurance Fund**

1. The Agricu]rural Im,urance Fund Committee shall manage the Agricultural Insurance Fund in consultation with the Commission.

*Miscellaneous Provisions*

**Accounts, audit and annual report**

1. Sections 34 and 35 apply to the Fire Control Fund, the Motor Compensation Fund, the Client Rescue F und, the Insurance Education Fund and the Agricultural Insurance Fund with the necessary modifications.

**Misleading advertisementsandstatements**

1. (1) A person shall not, :in the course of an activity that constitutes

a licensable business,

* 1. whether or not that activity is carried on by that person or the activity is one that that person is licensed *to* carry on
     1. issue, or cause or permit to be issued, a policy summar y, adver tisem ent , broc hure or similar document, or
     2. cause or permit to be made, a statement, promise or forecast,

*Insurance Act, 202l* **Act 1061**

which that person knows! in a material particular is false or misleading or contains an inconect statement of fact;

* 1. make, or cause or permit to be made, a sta teme11,tpromise or forecast, where the person is reckless as to whether the statement, promise or forecasl, in a material particular
     1. is false or misleading; or
     2. contains an mcon-ect statement of fact;
  2. dishonestly conceal a material fact, whether in connection with a policy summary , advertisement, brochure or similar document, statement, promise or forecast, or otherwise.
  3. A person who contravenes subsection (1) is Hable to pay to the Commission an administrative penalty as specified in the First Sched ule.
  4. If the Commission is of the opinion that a policy summar>y ad vertiseme nt , brochure or other similar document issued, or to be issued, or a statement, promise or forecast made, or to be made, by or on behalf of a licenseecontravenes subsection (1) oris contrary to the public interest, the Commission may
     1. direct the licensee in writing,
        1. not to issue the document,
        2. not to make the statement, promise or forecast, or
        3. to withdraw the statement, promise or forecast; or
     2. grantwritten approval to the licensee to issue the document, or make the statement, promise or forecast, with the changes tluit the Commission may approve.
  5. A person who contravenes this section commits an offence and is liable on summary convic tion to a fine or a term of impriso nment or to both as specified in the First Schedule.

**False or misleading representations, statements, reports or returns**

1. (1) A person shall not make or aid in making an oral or written representation, statement, report or return ,
   1. that is required or permitted by this Act or the Regulations to be made to or1 in the case of a document, submitted *to* the Commission; and
   2. that contains a false sta tement of a material fact or that omits to state a material fact required to be provided to the Commission or necessary to avoid the sta te men t or document being materially misleading.

**Act 1061** *Insurance Act, 2021*

1. A person does not contravene subsection (1) if that person proves that that person did not know and, with the exercise ofr easonable

diligencJe could not have known that the representation or statement

contained a false statement or omitted a material fact.

1. A person who contravenes subsection (1) commits an offence and is liable on summary convictio n to a fine or a term of imprisonment or to both as specified in the First Schedule.

**Other penalties**

1. Where the licensee contravenes a provision of this Act in respecr of anti-money laundering or counter financing of terrorism for three consecutive times, the Commission may, in addition to the imposition of the penalties specified in the First Schedule,
   1. blacklist the anti-money laundering reporting officer from workmg with any licensee for not less than one year;
   2. sanction the senior management, the anti-money laundering

reporting officer or any other officer of the licensee who is responsible for the con travention;

* 1. publish the name of the licensee in the media;
  2. refuse to license new products of the licensee; or
  3. revoke the licence of the licensee.

**Appeal to court**

1. A person aggrieved by a decision of the Commission may, within

thirty days after the date of the decision, appeal to the Court.

**Avoidance of contracts of insurance of unlimited amount**

1. (1) Subject to subsection (2), a contract of insurance entered into by an insurer after the commencement date, is void if it is a contract under which the insurer undertakes a liability the amount, or maximum amoun t, of which is uncertajn at the time when the contract is entered into.
2. This section applies to motor insurance contracts despite

anything to the contrary in the Motor Vehicles (Third Party Insurance) Act, 1958 (No. 42).

1. The Commission, in consultation with the insurance industry shall, by directives1 prescribe a formula to compute the compensation in respect of injury and deceased claims arising out of a motor accident.

*Insurance Act; 2021* **Act 1061**

**Minimum premium rates and maximum levels of commission. or**

**remuneration**

1. (l) The Commission may, by written notice, specify
   1. minimum premium rates; and

*(h)* maximum levels of commission or other remuneration for specified classes or sub-classes of insurance business or for insurance contracts of a specified type or description.

* 1. Any minimum premium rate specified under paragraph *(a)*

of subsection (1) shall apply to all licensed insurers.

* 1. Any maximum level of commission or other remuneration specified under paragraph *(b)* of subsection **(1)** shall apply *to* all licensed insurance intermediaries or to a specific type or description of a licensed insurance intermediary, as specified by the Commission in the notice.
  2. If a minimum premium rate specified by the Commission under paragraph *(a)* of subsection (1) applies to an insutance contract offered by a licensed insurer1 the insmer shall not enter into, or agree to enter into, the contract for a premium rate lower than the specified minimum.
  3. If a maximum level of commission or other remuneration is specified by the Commission under paragraph *(b)* of subsection (1), a licensed insurer shall not pay a level ofcommission or other remuneration that exceeds the specified maximum.
  4. A licensed insurer that contravenes subsection (4) is liable to pay to tbe Commission an administrative penalty as specified in the First Schedule.
  5. A licensed .insurer that contravenes subsection (5) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.
  6. A licensed insurance intermediary that contributes to the contravention of subsection (4) is liable to pay to the Commission an administrative penalty as specified in the First Schedule.
  7. A licensed insurance intermediary that contributes to the contravention of subsection (5) is liable to pay to the Commission an administrative penalty as specified .in the First Schedule.

**Insurance database**

1. (1) The Commission shall establish a database on insurance products for the purpose of developing, regulating and supervis.ing the insurance industry.

**Actl061** *Insurance Act, 202I*

1. The Commission shall keep the database in accordance with the relevant enactments.
2. For the purposes of subsection **(1),** the Commission shall issue directives to specify the information that the insurance regulated entities shall provide to the Commission.
3. A person who fails to comply *with* a directive issued under subsection (3) shall be liable to pay to the Commission an administrative penalty as specified in the First Schedule.

**Payment of premium**

1. (1) An insurance regulated entity shall not issue an insurance policy to a policyholdet on credit.
2. A person who fails to pay the premium on an insurance product shall have no cover in respect of the insurance risk.
3. An insurer licensed under this Act shall record as income only premiums that have been paid on insurance products.
4. An insurance regulated entity that contravenes subsection (1), is liable to pay to the Commission an administrative penalty as specifted in the First Schedule.

**Interpretation**

1. In this Act, unless the context otherwise requires,

"ann uities" means the payment stream that is received under an annuity contract;

11 ann uity contract" means a contract under which the annuity provider, in consideration for a sum of money or other assets, agrees to make guaranteed fixed or variable periodic payments, at some future time, to an annuitant, or to one or more beneficiaries, for the *lifetime* of the annuitant or beneficiary or for such shorter period as is stated in the contract;

"anti-money laundering reporting officer" means a compliance

officer of an insurance company who oversees the implementation of the anti-money laundering and counter financing of terrorism framework of the insurance company;

"appointed actuary" means a person appointed as an actuary of a licensed insurer under subsection (1) of section 79;

*Insurance Act, 2021* **Act 1061**

"a ppr oved bank" has the meaning assigned to *it* under subseciton (6) of section 68;

"baneassurance" means an arrangement between a licensed bank and a licensed insurer by which the bank distributes an insurance product of the insurer to customers of the bank through a11 an-angement under which the bank acts as an agent for the insurer;

"Board'' means the governing body of the Commission established under section 6;

"capi tal component" means a form of capital that is eligible for inclusion in the capital resources of a licensed insurer; "carrying on unlicensed business" means carrying on any

licensable activity without

* 1. a licence that authorises that type of licensable activity, or
  2. the benefit of an exemption provided for in this Act or any other enactment;

''cedant" means a person entitled as a beneficiary to a payment under a 1·einsurance con tract ;

"class " means a group of persons, insurers, insurance regulated entities or insmance products with similar chaiacteristics; "coinsurance contract'' means a contract between multiple

insurance companies in which

1. the risk is spread among multiple insurance companies; and
2. the insured is aware of the companies that have taken on the risk of that insured;

"commercial building" means a building or space, including a building occupied by the Government or a public institution

1. to which members of the public have ingress and egress; and
2. which is used for
   1. business or commerce;
   2. the provision of services, including educational and medical services;
   3. government or public administration; or
   4. any otherpurpose specified in the Regulations;

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"commercialbuilding insurance contract" means a contr.act that meets the requirements of sections 218 and 219;

" Com missio ner '' means the Commissoner of Insurnnce appointed under section 18 of this Act;

"Commission1 means the National Insurance Commission

'

established under section l ; ''compulsory insurance contract" includes

1. a qualifying commercial building insurance contract,
2. a qualifying employer's liability insurance contract,
3. a qualifying professional indemnity insurance contract,
4. a qualifying public liability insurance contract;
5. a qualifying group 1ife insurance contract;
6. a qualifying marine insurance contract; and
7. a qualifying motor insurance contract;

"connected person" means a person who is connected to another person

1. in the circumstance where both parties are companies which fall within *the* same group of companies whether as subsidiary companies or a parent and a subsidiary;
2. in the circumstance where both parties have a common significant owner; and
3. in any other circumstances specified in the directives or Regulations, including circumstances arising from
   1. ownership;
   2. employment or office;
   3. partnership; or
   4. a family relationship;

"con trol'' means the circumstance where a person has significant influence on another entity as defined in the directives or the Regulations;

"con trol function" means

1. in relation to a licensed insurer, a function specified

in section 77;

1. in relation to a corporate insurance intermediary, a function specified in section 134;

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''corporate insurance agent" means an insurance agent that is a company;

"corporate insurance intermediary" means

* 1. a licensed insurance broker, a licensed insurance loss adjuster, a licensed technical service provider or a licensed insurance syndicate manager; or
  2. a licensed insurance agent, a licensed insurance loss

assessor or a licensed micro insurance agent that is a company;

" corr espon den t agent1' means an international financial institution that acts on behalf of an insurance regulated entity in a given transaction.;

" Court" means a court of competent jurisdiction; "customer '' means

1. in the case of a licensed insurer, a policyholder of the insurer or a beneficiary under an insurance contract entered into by the insurer, as insurer; or
2. in the case of a licensed insurance intermediary,a person, whether resident in or outside the country, to whom the insurance intermediary provides, agrees to provide or has provided a service for which a licence is required;

"D epu ty Commissioner" means Deputy Commissioner of Insurance appointed under section 21 of this Act;

''drrect insurance business" means the business of undertaking liability as an insurer under a direct insurance contract;

"d irect insurance contract'' means an insurance contract thatis

not a reinsurance contract;

"directives'' mean instructions given by the Commission to an entire class of licensees such as insurers, reinsurers or

:insurance brokers;

''directions" mean inst:rnctions given by the Commission to a par ticular licensee;

"director'', in relation to an undertaking , means a person appointed to dii-ect the affairs of the undertaking and includes

1. a person who is a member of the governing body

of the undertaking; and

1. a person who, in relati on to the under taki ng, occupies the position of director, by whatever name called;

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" distributionu has the meaning assigned in subsection (3) of section 66;

"employee" means a person who has entered into or is working

under a contract of service or apprenticeship with an employer, whether

1. skilled or unskilled, and
2. the contract is expressed or implied, oral or in writing ;

"employer" means

1. the Government;
2. a body corporate or unincorporated;
3. the legal personal representative of a deceased employer;
4. a person who enters into a contract of service or apprenticeship to temporarily hire another person; or
5. a person who employs another person for the

purpose of this Act;

"external actuary'' , in relation to an insurer, mea11S an actuary who is not an employee of the n1Surer ;

' fin ancial condition report'' means the document used to document the solvency of an insurance company based on the financial status of the insurance company and the assessment of tbe ability of that company to handle future

risks including poor economic conditions;

''F inancial In telligence Centre)) means the Centre established. under section 4 of the Anti-Money Laundering Act, 2020 (Act 1044);

"financial statements" has the meaning specified in section 153;

"fitand proper person" means a person suitable to hold a specific posjtion based on

1. *the* competency and capability of the person,
2. the honesty and integrity of the person,
3. the financial soundness of the person,
4. the educational and professional qualification of the person, and
5. any other relevant criteria as determined by the Commission;

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"fOl'eign insurer" means a person who carries on insurance business and is incorporated in a jurisdiction outside the country including an unde rw1iter w'ho is a member of a recognised association of underwriters;

"foreign reinsurer" means a reinsurer that is incorporated or constituted in a jurisdiction outside the country

* 1. the primary business of which is the business of entering into reinsurance contracts, as reinsurer; and
  2. which does not carry on a significant amount of *direct* insurance business as a percentage of the pi-emium income of that reinsurer;

" foreign supervisory authority" means an authority in a jurisdiction outside the country which performs

1. functions similar to those performed by the Commission; or
2. a function that, in the opinion of the Commission, relates *to* the regulation or supervision of financial services;

1' Ghana Insurance College" means the institution established by the Co mm ission and the insurance industry to train persons in the insurance industry;

"group" means an undertaking together with any undertaking that is

1. a subsidiary of the undertaking;
2. a parent of the undertaking;
3. a subsidiary of a parent of the undertaking;
4. a parent of a subsidiary of the undertaking; or
5. an undertaking in wmch the undertaking or any undertaking specified in paragraphs *(a)* to *(d)* has a qualifying participating interest within the meaning of the directi ves;

" home country" means the country within which the headquarters of a compa y is situate;

"inclusive insurance contract'' means the product which is targeted ata segment of the population and is usually under served by insurance as defined in the Regulations;

**Actl061** *Insurance Act, 2021*

''index-based insurance contract'' means an insurance contract

1. under which the liability of the insurer to make a payment to the policyholder, and the amount of that payment, is determined in accordance with one or more indexes, rather than on an assessment of the actual Joss of the policyholder; and
2. where the payment is designed to provide a level of comp ensa tion, although not necessarily an indemnity, to the poJicyholder in respect of any of the following:
   1. losses, including consequential losses, that the policyholder is expected to suffer, or
   2. costs, including mitigation costs1 that the policyholder is expected to incur,

in the event that payment is triggered by the index; ''innovative insurance business" means an insurance business that uses new financial technology or any other innovative technology or method in insurance business including the

*(a)* development of an insurance product,

*(bJ* use of data,

1. underwriting,
2. prjcing of risk, and
3. distribution of an insurance pioduct;

"innovative insurance intermediary" means an insuran ce intermediary that uses financial technology or any other innovative technology or method in the bus.iness of the insurance inte rmediary;

"insolvent " means

1. in the case of a licensed insurer or any other insurer, the licensed insurer or other insurer
   1. doesnot meet the minimum solvency control level specified in the directives; 01
   2. is unable to pay the debts or other liabilities of the insurer as those debts and liabilities fall due for payment; or
2. in the case of a licensed insurance intermediary or any other person, the licensed insurance intermediary or other person
   1. has liabilities that in value exceed the value of tbe assets of that licensed insurance

intermediary or other person; or

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* 1. *is* unable ro pay tbe debts or other liabilities of the licensed insurance inteimediary or other person as those debts and liabilities fall due for p ayment ;

"insurance agent"

1. includes a person appointed and authorised by an insurer to
   1. solicit applications for insurance,
   2. negotiate for an insurance business on behalf of the insurer, or
   3. perform any other function of an agent, assigned to the person by the insurer,
2. does not include an individual who is a salaried employee of tbe insurer,

" insurance agent licence" means a licence issued to a person who intends to sell insurance on behalf of an insurer; "insurance broker" means a person who acts as an independent

contractor or consultant for commission or other compensation, and not being an agent of the insurer, carries out any of the following activities:

1. soliciting or negotiating of insurance business, including the renewal and continuance of the business, on behalf of an insured person or a prospective insured personother than the consultant or contractor,
2. bringing together1 either directly or through the agency of a third party, with a view to the insurance of risks, of persons seeking insurance and insurers and canying out work preparatory to the conclusion of contracts of :insurance, or
3. the provision of advice to customers concerning the insurance requirements of the customer; and
4. includes a reinsurance broker;

n insurance business" means the business of undertaking the liability as an insurer or a reinsurer under an insurance or reinsurance contract j

"ins uran ce con trac t" means

*(a)* a contract under which the insurer, in exchange for a premium, agrees with the policyholder, to make a

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paymen t, or provide a benefit, to the policyholder or another person on the occurrence of a specified uncertain event, the occurrence of wh ich will be adverse to the interests of the policyholder; or

*{b)* an in.vestment-linked contract;

1. an annuity contract,
2. a reinsurance contract; and
3. an index-based insurance contract;

"insurance industry trade bodies" means the associations with a direct or indirect interest in the insurance industry which are formed by a segment of the insurance industry players to represent the greater good of the members;

"insurance inter mediary" includes

1. an insurance broker;
2. a reinsurance broker;
3. an insurance agent;
4. a bancassurance agent
5. an insura nce lossadjuster;

*(/)* an insurance loss assessor;

1. a technical service provider;
2. a mjcro insurance agent;
3. an insurance investigator;

*0)* an innovative insurance intermediary;

*(k)* an insurance syndicate man ager;

*(L)* a third-party *cell* ca ptive provider; and

*(m)* any other catego1·yas may be specified in the Regulations;

"insurance intermediary licence" means a licence issued. under section 112;

1'ms urance los-s adjuster" means a person who, for commission or other compensation, including a salary, investigates and negotiates the settlement of claims, under an insurance contract solely, on behalf of either the insurer or the insured person but does not include

1. an individual who is an *em plo yee* of an insUJ'er or an insurance agent while acting on behalf of the insurer or insurance agent; or
2. an insurance agent who is authorised to settle claims on behalf of the insurer for whom the insurance agent acts as agent;

*Insrw,*

*ance Act, 2021* **Act 1061**

"insurance loss assessor" means a person who is appointed by a p ol icy h old e r to oversee a claim on behalf of the policyholder;

"insurance market" means all persons who

* 1. carry on insw-ance business;
  2. act as insurance intermediaries; or
  3. undertake activities ancillary to insurance business or to the business of a.n insurance intermediary;

('insurance licence" means a licence issued under section 43;

* '' insurance penetration" means the ratio of gross insurance prem:ium written in a given year to the Gross Domestic Produc t in that year;

"insw-ance pool" means an association between two or more insw-ers, the objective of which *is* the sharing of insurance risk , established either on a solely contractual basis or through a separate legal entity;

"insurance regulated entity" means an insurance company, a

reinsurance company and an insurance intermediary; "insurance syndicate manager" means a body corporate that is licensed to operate and manage an insurance syndicate;

"interest'' includes a legal and a beneficial interest; "investment-linked contract" has the meaning assigned to it in

the Regulations and directives;

"key person" means an employee or director of a company the performance of whose functions is vital to the profitability and success of that company;

"key person in a contra] function" means an individual appointed by a licensed insurer, a licensed reinsurer or a licensed insurance intermediary required to undertake or have responsibility for and oversee a control function;

"law enforcement authority" means a person in or outside the countzy that has functions to prevent or detect crime;

u licensable activi ty" means any business or activity for which a

licence is required under *this* Act;

"licensed bank" means a bank licensed by the Bank of Ghana under the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930);

"licensed broker" means a person who holds a licence in the category of an insurance broker m reinsurance broker;

1 licensed insurance agent" means a. person who holds an insurance intermediary licence as an insurance agent;

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**Act 1061** *Insurance Act, 2021*

"licensed insurance intermediary'i means a person who holds an insurance intermediary licence;

"licensed insurer" means a person who holds an insurance licence that authorises that person *to* carry on direct insurance business;

"licensed reinsurer'' means a person who holds a reinsurer licence that authorises the person to carry on reinsurance business;

''licensee" means a licensed insurer, licensed reinsurer or a licensed insurance intermediary;

"long term business" means insurance business of a class specified in the Regulations as long term business;

"long term insurer" means a licensed insurer whose licence

au thorises that hcensed insurer to carry on long term business;

''low income person'' means a person having an income

determined to be low by the Ghana Statistical Service;

" micr oi nsurance agent" means a person who acts as an insurance agent with respect to microinsurance contracts;

"microinsurance conttact'1 means an insurance product that

1. is designed to meet the needs of low income persons;
2. is marketed to low income persons or specific descJiption of low income persons in a particular geographical area;
3. the premium charged under the product 1s affordable to low income persons; and
4. is accessible to low income persons. "Minister!, mean s the Minister responsible for Finance;

"motor contribution" means a contribution paid *to* the Commission, by an insurer that sells a motor insurance policy;

"motor contributor1 means a licensee that makes a motor

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contribution to the Commission;

(!parent" in relation to a company means an undertaking, being the " firs t undertaking", and is the parent of another undertaking, being the "second undertaking", if the first undertaking

1. holds a majority of the shares in the second under­

taking;

1. holds a majority of the voting rights in the second undertaking;

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*Insurance Act, 2021* **Act 1061**

*(c.)* is a member of the second undertakingand, whether alone or under an agreement with ot11er members of the second undertaking

1. is entitled to exercise a majority of the voting rights in the second undertaking; or
2. has the right to appoint or remove a majority of the board of directors of the second undertaking;

*(dJ* has the right to exercise a dominant influence and

control over the second undertaking through a provision in the constituting documents of the second undertaking or through a contractual provision;

*(e)* has the power to exercise1 or actually exercises, dominant influence or control over the second undertaking; or

*(/)* is a parent of a parent *of* the second undertaking; "policyholder" includes a person entitled, as beneficiary, to a

payment under an insurance contract;

"premium" means the considerationpayable under an insurance con tract by the policyholder to the insurer;

41pro fessional indemnity insurance contract'' means a contract that complies with the requirements of sections 216 and 217;

"public liability insurance contract" means a contract that complies with the requirements of sections 214 and 215;

" q ualifying foreign reinsurer" means a foreign reinsurer that meets the requisements specified in the directives;

"recognised associati on of underwr iters /; means an organisation which provides reinsurance and insurance facilities;

''recognised insurance industry trade bodies" means various associations with direct or indirect interest in the insurance industryfanned by a segment of insurance industry players;

"Regulations" means the Regulations made under fuis Act; "reinsurance broker" means a person who acts as an insurance

broker in relation to a reinsurance business and reinsurance contract;

"reinsurance business" means the business of undertaking a liability as a reinsurer under a reinsurance contract;

"reinsurance contract" means an msurance contract under which a reinsurer indemnifies an insurer against any loss on one or more contracts of insurance entered into by the msurer;

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"restricted insurance con tract11 means all insurance policies that cover risks arising from

1. properties situate in the country;
2. liabilities arising in the country; or
3. goods, other than personal effects, being imported into the country;

"retrocession con tract'' means an insurance contract under which a reinsurerindemnifies another reinsmer against any loss on one or more reinsurance contracts ente red into by the other reinsurer;"

"relevanr company" bas the meaning specified in section 146;

"reporting licensee" means a licensed insurer or a corporate insurance intermediary;

i•senio r management" in respect ofa licensed insurer or licensed

remsurer , means

1. the senior managers of the insurer collectively; or
2. the senior managers who have responsibility for particular functions;

" senior management functioo i, means the work of an employee who, not having responsibility for a control function,

1. acts as chief executive officer of the licensee or occupies an equivalent position under a different name;
2. holds a position that requires that employee to be answerable to the directors of the licensee;
3. has responsibility, alone or jointly with others, for a key function; or
4. has a responsibility that incl ud es the direct involvement in themanagement ordecision-making process of the licensee at a senior level;

"senior manager1 in relation to licensee, means an individual

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employed under a contract of service with the licensee who is appointed to undertake, or have responsibility for, one or more senior management or key functions;

"share" includes any ownership interest in an undertaking; "short term business" means an insurance business of a class

specified in the Regulations;

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*Insurance Act, 2021* **Act 1061**

''short term insurer'' means a licensed insurer whose licence authorises that insurer to canyon a short term business;

"significant owner" means a person who exercises control over an undertaking;

"solvency control level" has the meaning assigned to the term

in the directives and the Regulations;

"sp ecified accounting standards" mean the internation ally recognised standards specified in a directive issued by the Comm ission ;

"subsid iary" means an undertaking being the ''first undertaking" is the subsidiary of another undertaking being the*a* second und er taki ng'' , if the second undertaking is the parent of the "first undertaking'';

"suspicious transaction " means a transaction that appears to involve or to be connec ted to unlawful activity;

"systemic risk" means a **risk** of disruption in the financial system

wit h the potential to have serious uegative consequences for the financial system and the real econom y;

11techni cal service provider;, means a person that offers support for the provision of insurance services including

*(a)* product development services;

*(h)* underwriting policies;

1. distributing policies;
2. administration of policies including premium collection and custome r services; and
3. administration of claims; and

tlthir d party cell provider" means a body corporate that is Hcensed to opera te and manage a third party cell captive;

11undertakin g" means

*(a)* a company;

*{b)* a pa r tnership;

1. an uninco rporated associa tion; or
2. any other entity determined by the Commission.

**Repeal and savings**

1. (1) The Insurance Act, 2006 (Act 724) is repealed .
   1. Despite the repeal of Act 724, Regulations, notices, order s, directions, appoin tmen ts, guidelines or any other act lawfully made or done under the repealed enactment not being inconsistent with this Act and in force before the coming into force of this Act shall con tin ue in

**Act1061** *Insurance Act, 2021*

force as jf made or done under this Act and shall continue to have effect until reviewed, cancelled, withdrawn or terminated.

* 1. This Act shall not affect Act 724 in the operation of offences committed, penalties imposed or proceedings commenced before the coming into force of this Act.

**Transitional provisions**

1. (1) A person who, before the coming into force of this Act, holds a valid licence as **an** insmance broker, insurance agent or *micro* insurance agent shall, within two months of the coming into force of this Act, notify the Commission of this fact.
2. The Commission shall, **within** one month of the receipt of the notification 1mder subsection (1), verify the licence.
3. Despite subsections (1) and (2), a licence acquired by an insurance broker, an iasurance agent or a micro insurance agent under Act 724 shall remain valid until the licence expires.
4. The assets, rights and liabilities of the Commission established under Act 724 and immediately before the coming into force of this Act are transferred to the Com.n'lission established under this Act, and accordingly proceedings taken by or against the Commission established under Act 724may be continued by or against the Commission established under this Act.
5. A person in the employment of the Commission established under Act 724immediately before the coming into force of this Act shall, on the coming into force of this Act, be deemed to have been duly employed by the Commission established under this Act on terms and conditions which are not less favourable in aggregate to the terms and conditions attached to the post heldby the person before the coming into force of this Act.
6. A contract subsisting between the Commission established under Act 724 and any other person and in force immediately before the coming into force of this Ace shall subsist between the Commission established under this Act and that other person.
7. Any moneys held by or on behalf of the Commission established under Act 724 immediately before the coming into force of this Act are transferred to the Commission established under this Act.

*Insurance Act, 2021* **Actl061**

**FIRST SCHEDULE**

*(sections 8(3), 36(3l 38(3), 40(9), 52(4), 54(6), 55(5), 56 (5), 56(6), 57(2), 59(5),*

*60(3), 61(3), 62(2), 63(2), 65(2), 66(2), 67(5), 68(7), 72(4), 73(3), 74(6), 75(4),*

*77(4), 78(4), 79(9), 81(3), 82(4), 83(8), 84(3), 85(3), 109(4), 122(4), 122(5),*

*124(6), 125(5)) 126(5), 126(6), 127(2), 129(2), 130(3), 131(3), 131(4), 132(4),*

*133(2), 134(4), 135(4), 136(2), 137(2), 138(3), 140(3), 141(2), 142(3)) 145(3),*

*151(5), !54(6 ), 155(2), 156(3), 157(3), 159(8), 162(6), 165(2), 166(6), 167(6),*

*169(2), 171(5,)171(6), 176(7), [78(3), 179(3), 180(2), 185(4), 186(4), 188(2),*

*192(5), 214(3), 216(3)1 218(2), 221(2), 222(4)225(2), 230(2), 237(3), 242(4),*

*251(2), 251(4), 252(3), 253, 256(6), (7), (8)and(9), 257(4) and 258(4))*

**TAJ3LE OF OFFENCES AND PENALTJES**

1. A person who commits an offence specified **in** the second column of the table is liable on summary conviction to
   1. the fine corresponding to the offence as specified in the fiftb

and seventh columns of the table;

* 1. the custo dial sentence corresponding to the offence as specified in the sixth column of the table; or
  2. both the fine and the custodial sentence as indicated in the table.

1. A person who contravenes a provision as indicated in the second column of the table is liable to pay to the.Commission the administrative penalt y specified in the third or fourth. column of the table.

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| **COLUMN** I | **COLUMN2** | **COLUMN3** | **COLUMN4** | **COUJMl'{S** | **COLUMN6** | **COLUMN?** |
| **Section** creating **the offence** | **General nature of the offe nce or contravention** | Penalty  **(Corpo rate body)** | **Penalty**  **(individuals)** | **Penalt y for Continuing Contravention** | **Imprisonmen t** | Fine |
| 8(3) | F ailure of a member of the Board **to** perform ducles exp ec ted |  |  |  | Not less than three years and not more than six years | Not less than three thou.sand penalty utiits and not more than  seven tho usa nd |
|  |  |  | an d five hundred |
|  |  |  | penalty units |
| 36(3) | Carrying on or |  |  |  | Not less than two years and not more than five years | Not less than |
|  | purporting to | twenty five |
|  | carry on | thousand pena]cy |
|  | insurance  business without a li cence | un.its an d no t more tha n fifty  thou sand penalty |
|  |  | units |
| 38(3) | Entering into a  restricted insura nce |  | Fifty Thousand Penalty Units |  |  |  |
|  | contract with a |  |
|  | foreign, insurer  ,vithout lawful |  |
|  | a utho r isation |  |
|  | from the |  |
|  | Commission |  |

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| 40(9) | Licensee carrying on insurance | Five Thousand Penalty lJnits |  |  |  |  |
|  | business |  |
|  | contrary to the |  |
|  | category or class |  |
|  | of licence |  |
| 52(4) | Failure to seek required approval for change in | Five Thousand Penalty Units | Five Thousand Penalty Units |  |  |  |
|  | significant |  |  |
|  | owne rship or |  |  |
|  | level of control |  |  |
| 54(6) | Failure to comply with tl:ie requirements of disposal of interest or prohibit the e1<ercise of rlghts |  | Five Thousand Penalty Uni ts |  |  |  |
| 55(5) | Appointing a director, senior manager or key | One Thousand Penalty Units |  |  |  |  |
|  | person in t1 control function without the prior written approval of the Commission in accordance with subsection (1) |  |

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| 55(5) | Failure to | Five Hundred |  |  |  |  |
|  | provide written  notice to tlle | Penalty Units |
|  | Commission in |  |
|  | accor dance with |  |
|  | subsection (3) |  |
| 56(5) | Acceptance of an appointment contrary to the |  | Five Hu:ndred Penalty Units |  |  |  |
|  | direction issued |  |
|  | under subsection |  |
|  | (1) |  |
| 56(6) | Failure to comply with the direction issued in | Five Tho usand Penalty Units |  |  |  |  |
|  | accordance with |  |
|  | subsection (I) |  |
| 57(2) | Failure to notify the Commission of information | Five Thousand Pe nalty Units |  |  |  |  |
|  | that is reasonably |  |
|  | mate rial to the frt |  |
|  | and proper |  |
|  | a ssessment of a |  |
|  | person as required |  |
|  | under subsectio n |  |
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| 59(5) | Failure to meet require ments on srated capital. | One  Tho usa11d Penalty Units |  |  |  |  |
| 60(3) | Failure of a  licensed insurer or a.licen sed reinsurer to  maintain capital resources, in accordance with the directives | One Thousand Penalty Units |  |  |  |  |
| 60(3) | Failure to maintain adequa te procedures and controls to monitor and assess capital resources and capital requirement. | One Thousand Penalty Units |  |  |  |  |
| 61(3) | Failure of a licensed insurer or licensed reinsurer to cC>mply with a djrection issued by the Commission in accordance with section 61(1). | Two Thousand Penalty Units |  |  |  |  |

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| 62(2) | Failure to establish and maintain segregated funds as required by the directives. | Two  Tho usa nd Penalty Units |  |  |  |  |
| 63(2) | Failure to notify the Commission  of likely failu re | One Tho usand Penalty Units |  |  |  |  |
|  | to comply with |  |
|  | requirement, |  |
|  | under section 58, |  |
|  | 59, 60or62. |  |
| 65(2) | Issuing shares for a co nsideration other than cash without the written approval of the Commission. | Two Thousand Penalty Units |  |  |  |  |
| 66(2) | Failure to comply with req\_uirement for distribution by  licensed insurer or | Two Thousand Penalty Units |  |  |  |  |
|  | licensed reinsurcr |  |

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| 67(5) | Carrying out a transaction specified under  subsection(1) | Five Thousand Penalty Units |  |  |  |  |
|  | without giving the Commission written notice. |  |
| 68(7) | Failure of insurer or reinsurer to | One Thousand Penalty Units |  |  |  |  |
|  | make statutory |  |
|  | deposit. |  |
| 72(4) | Failure of insurer or reinsu:rer to estab]jsh and maintain reinsuranc;e o r  r etroc ess ion  s trategy, | One Thousand Penalty Units |  |  |  |  |
|  | procedures and plan. |  |
| 73(3) | Failure to obtain prior written | One Thousand Penal ty Units |  |  |  |  |
|  | authori at ion from  the Commissio n before entering into a reinsurance contract. |  |

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| 74(6) | Failure of insurer or reinsurer to establish aad maintain governance framework as required under subsection (1) | One Tho usand Penalcy Units |  |  |  |  |
| 74(6) | Failure of insurer or reimrurer to establish and main tain strategies, policies, and controls as required under  subsection (2) | One Thousand Penal ty Units |  |  |  |  |
| 74(6) | Failure of insurer or  ,reinsurer to establish and maintain strategies, policies, and controls as specified in the directive | One Thousa nd Penalty Units |  |  |  |  |
| 74(6) | Failure of insurnr or reinsurer to maintain up to date written record  of governance | One Thousand Penalty Units |  |  |  |  |
|  | framework |  |

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| 75(4) | Failure of insurer or reinsurer to have adequate number and structure of directors as required under  subsect io n (1) | One Thousand Pena lty Units |  |  |  |  |
| 75(4) | Failure of insurer or reinsurer to ensure  tha t the directors have sufficient powe rs as required under subsectio n (2) | One Thousand Penalty Units |  |  |  |  |
| 77(4) | Failure of insurer or reinsur .er to establrsh and maintain control function\_s as required under subsection (l) | One Thousand Penalty Units |  |  |  |  |
| 77(4) | Failure of insurer or reinsurer to ensure that a co ntrol function is provided with  authority, independence and resources as required under paragraph (a) of subsection (2) | 011e Thousand PenaJty Units |  |  |  |  |

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| 77 (4) | Failure of in.surer or reinsurer to appoint individuals to undenake responsibilities of each of the control functions as requil'ed under parag1'ap h (b) of subsection (2) | One Thousand Pena lty Units |  |  |  |  |
| 77(4) | Outsourcing a control function without permission from the Commission as required under subsection (3) | Two Thousand Penalty Units |  |  |  |  |
| 78(4) | Failure of insurer or re.insurer to establish and maintain risk managem ent strategies and policies | One Thousa nd Penalty Units |  |  |  |  |
| 79(9) | Failure to comply with requirement for the appointment of appointed actuary | One Thousand Penalty Units |  |  |  |  |

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| 8 l(3) | Failure of insurer or reinsurer to notify the Commjssion in writing as requited under subsection (1) | One Thousand Penalty Units |  |  |  |  |
| 82(4) | Failure to comply with requirement for actuarial investigation and financial co.ndition report | One Thousand Penalty Units |  |  |  |  |
| 83(8) | 1  Failure to compiy  with requirement of reporting obligations of au appointed actuary |  | One Thousand Penalty Units |  |  |  |
| 84(3) | Failure of insurer or reinsurer to perform obligations for conduct of business | One Thousand Penalty Units |  |  |  |  |
| 85(3) | Failu1-e to comply with restriction on transfers and mergers | Five Thousand Penalty Units |  |  |  |  |

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| 109(4) | Carrying on business as an insurance intermediary without licence |  |  |  | Not less than two years and not more than five years | Not less than two thousand and five hundred penalty units and not more  than ten thousand penalty units |
| 122(4) | Failure to obta.in written approval from the Commission to become a significant owner of a corpora te insurance imermediary | O ne Tho usand Penalty Units |  |  |  |  |
| 122(5) | Permittn'lg or acquiescing any dealing with the shares f tlJat corporate insura11ce intermediary that would result in a contravention of requirement for change in significant ownership or level of control | One Thousand Penalty Units |  |  |  |  |
| 124(6) | Failure to comply with a notice issued Qn disposal of interest or prohibit exercise of rights | One Thousand Penalty Units |  |  |  |  |

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| 125(5) | Appoi11ting a direc tor, senior manager or key person in a control | Five Hundred Penalty Units |  |  |  |  |
|  | function without the |  |
|  | prior written app roval |  |
|  | of rhe Commission. |  |
| 125(5) | Failure to provide written notice to the Commfasion in | Five Hundred Penalty Units |  |  |  |  |
|  | accordance with |  |
|  | subsecito n (3) |  |
| 126( 5) | Accep ting an  appoinbnent contrary to the direction of removal |  | Five Hundred Penalty Units |  |  |  |
|  | of director, senior |  |
|  | manager or key person |  |
|  | in a cont rol functi on |  |
|  | directed at that person |  |
| 126(6) | Failure to comply with a direction issued by the Commission on the removal of a director, senior manager or key  person in a control | One Thousand Penalty Units |  |  |  |  |
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| 127(2) | Failure to give notice to the Commission on matters affecting the sujta bility of the significant owner, director, senior manage\_r and key person in a control function | Five Hundred Penalty Units |  |  |  |  |
| 129(2) | Failure of licen sed insUJance broker, licensed insurance loss adjuster, or technical service provider to ensure that its e.quity is equal or exceeds the minimum.capital requirement | One T housand Penalty Units |  |  |  |  |
| 130(3) | Failure of licensed insurance broker, licensed insurance loss adjuster, or technical service provider to compl y with a notice issued in accordance with subsection (1) | One Thousand Pen alty Units |  |  |  |  |
| 131(3) | Failure of co rporate insurance interm ediary to give notice to the Commission of likely failure to comply·with requiJements under section 128 | Five Hundred Pe nalty Units |  |  |  |  |

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| 131(4) | F ail ure of licensed insura rn;:e broker , lice nsed insurance loss adjuster or a lice nsed techni cal service provider to  g ive notice co the  Commissio n of the likely failure to comply Wit h  re q J,Lire ments und er section 129 | F ive Hundr ed Penalty Units |  |  |  |  |
| 132(4) | Failure of licensed lus ura nce broker, licensed insurance loss adjuster or a licensed technica l service provider to establish and maintai n  gove rnan ce fra mework as required under subsectio11 (1) | Five H undred Penalty Units |  |  |  |  |
| 132(4) | Failure of licensed insurance bro ker, licensed insurance loss adj uster or a licensed  technical service provider to establish and maintain  stra tegies , policies,  procedures and controls as required und er su bsection (2) | Five Hundr ed Penalty Units |  |  |  |  |
| 133(2) | F ail ure of licensed insurance b roker, licens ed ins urance loss adjuster or a licensed technical service provider to have adequate number and stn.1cu 1i-e of direct ors as  requ ired under this section | Five H undre d Penalty Units |  |  |  |  |

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| 1 34(4 ) | Fail ure to establisb and maintain control functions as required under subsection (I) | Five Hundred Penalty Units |  |  |  |  |
| 134(4) | Outsourcing a control function without permission from the Commission as required under subsection (2) | Flve Hundred Pena lty Units |  |  |  |  |
| 134(4) | Failure to ensure that a control funct ion is provided with authority, independence a1d res.ources  a required under subsection  (3) | Five Hundred Penalty Units |  |  |  |  |
| 135(4) | Failure of licensed insurance broker, licensed insurance loss adjus ter 0 1· a | Five Hundred Penalty Units |  |  |  |  |
| licensed insurance insuran ce | |
| tecbnicaJ service provider to  estab lish and maintain risk ma·nagement strategies and policies |  |

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| 136(2) | Failure of a licensed insurance intermediary to perform obligations in the conduct of business. | Five Hundred Penalty Units |  |  |  |  |
| 137{2) | Licenced insurance intermediary conducting business with insurer or reinsurer who does not hold. licence as licensed insurer or licensed reinsurer | Five Hundred Pena .lty Units |  |  |  |  |
| 138(3) | Failure *to* comply with directives to provide receipt of and dealing with premiums and other  ins urance moneys | One Tho usand Penalty Units |  |  |  |  |
| 140(3) | F ailure to comply with directivesfor receipt and holding of moneys | Five .H.undred Penalty Units |  |  |  |  |
| 141(2) | Failure to maima i.n the professional indemnity insurance and other insurance as specified i.n the directives | Five Hundred Penalty Units |  |  |  |  |

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| 142(3) | Appointment of unlicensed insura11ce agents by a licensed insurer | One Thousand Penalty Units |  |  |  |  |
| 145(3) | Licensed insurer or reinsute cond ucting business with or paying commission or other  remu11eration to an unlicensed insurance broker | One Thousand Penalty Uni.ts |  |  |  |  |
| 151(5) | Failure to comply with re q\_uirements for the main tenance of financial records | One T housand Penalty Units |  |  |  |  |
| 154(6) | Failure to prepare financial sta tem ents in accordance with accoun ting standards and in compliance with the Act | On e Th ousand Penalty Units |  |  |  |  |
| ] 5 5(2) | Failure to submit the financ ial statement s of the re porting licensee to the Commission witbin the specified period | One Thousand Penalty Units |  | One Thousand Penalty UnitS for each week |  |  |
| 156(3) | Failure of a report i ng licensee to submit periodic fina11cia l statements and returns lo the Commission | One Thousand Pen al ty Units |  | Fifty Penalty units for each week |  |  |

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| 157(3) | Failure of a reporting licensee to comply with a direction by the Commission to amend  financi al statements | One Thousand Pe11alty Units |  |  |  |  |
| l59(8) | Failwe of a reporting licensee to appoint an auditor in accordance with requirements specified in the direclives | One Thousand Penalt}' Units |  |  |  |  |
| 162(6) | F ailure of an auditor or former auditor to comply with reporting obligatio n of the auditor |  | One Thousand Penalty Units |  |  |  |
| 165(2) | failure of a relevant person to grant access to an authorized employee of the Commission undertaking an ins pectio n | One Thousand Penatty Units |  |  |  |  |
| 166(6) | Failw·e to comply with notice to provide information or produce doc ume·n ts |  |  |  | Not less than three months and not more than one year | Nol less than two thousand and live hundred penalty units and not more than five tho usand  pena lty units |
| 167(6) | FaiJure of a licensed insurer or licensed reinsurer *to* comply with a direction to prepare a recovery plan | One Thousand Penalty Units |  |  |  |  |

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| 169(2) | F ailure of licens ed insure r ro licensed reinsurer to comply with a recovery plan | One Thousand Penalty Units |  |  |  |  |
| 171(5) | Fai lure to comply with written direction of the Commission  .in appo in ting a skilled person | One Thousand Penalty Units |  |  |  |  |
| 171(6) | Fai l ure to give the needed a ssis tance *t o* skille d person appointed by a censee | One Thousand Penalty Units |  |  |  |  |
| 176(7) | Fa ilure to provide ass istan ce required by an investigator appointed by the  Commission |  |  |  | Not less than three months and not more than one year or to both | Not less than cwo thousand and ftve hundred penalty uni ts and not more than five thousand penalty units |
| 178(3) | Fa ilure to co mply with direction of the Com mission to licensed insu rer and licensed remsurer | One Thousand Penalty Units |  |  |  |  |
| 179(3) | Fa ilure to comply with directio n of the Commission to licensed insurance intermediary | One Thousand Penalty Units |  |  |  |  |

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| 180(2) | Failure by a person carrying on unlice nsed business to comply with a clirecliv e. |  |  |  | Not less than rwo years and not more than five years | Not less than five thousand and five hundred penalty units and not more than fifceen  thou sand penalty |
| 185(4) | Failure of a licensed insurer, licensed reinsuret or a licensed insurance intermediary to establish, maintain and implement effective arrang ements fo r the disclosure of the concerns of employees and directors. | Five Thousand Penalty Units |  |  |  |  |
| 186(4) | Failure of applicant to give the Commission written particula rs of the change or of the incomplete, inaccurate or misleading information or documentation | One Thousand PenalL-y Units | One Tho usand Penalty Units |  |  |  |
| 188(2) | Failure to comply with tne requirements specified by tl1e Commission for the submission of reports and returns by licensees | Two Thousand Penalty Units |  |  |  |  |
| 192(5) | Failure to comply with restrictions on disclosure of informat ion |  |  |  | Not less than one year and 1101 n1ore than three years | Not less than two tho usand and five hundred penayll t.tnits and not more than fifteen  t ho usand penalty units |

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| 214(3) | Failure of a person specified |  |  |  | Not less than one year and not more than five years, or to both | Not less than two. thousand and five hundred penalty unit,; and not more than five thousand penalty units |
|  | in the second schedule to |
|  | insure and maint ain an |
|  | insurance under any |
|  | qualifying public liab ility |
|  | insurance contract |
| 216(3) | Failure of ernploye.r specified in the second schedule. to insure and maintain an insurance under any qualifying professional indemnity insurance contract |  |  |  | Not less than one year and not more than five years | Not less than two thousand and tive hundred penalty units and not more than five thousand penalty units |
| 218{3) | Failure of a person who constructs or causes to be constructed a commercial building specified in the second sched ule to insure and maintain an insurance under .any qualifying commercial building insurance conn·act: as req uired under subsection (1) |  |  |  | Not less chan one year and not more than five years | Not less than two thousand and five hundred penaJty units and not more than five thousand penalty units |

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| 218(3) | Failure of ;i,n occupier or |  |  |  | Not less than one year and not more than five years | Not less than two tho usand and five hund red penalty units and not more than fi ve t ho usa nd pe nalt y un[ts |
|  | owner of a build ing to insure |
|  | and maintain an insurance  under arty qualifying |
|  | commercial building |
|  | insuranc e contr ac t as |
|  | required under subsection (2) |
| 221(2) | Carrying on business with an unlicensed insurance company witho ut  a uthor isatio n fro m the Co mmiss ion |  |  |  | Not less than one year and not more tha n three yea rs | Nor less than two tho usand and five h und red penally units and not mo re  tha n fifteen |
|  |  |  | tho usand penalty  un its |
| 222(4) | Failure to insure imporred goods other than personal effects **with** an insure r licensed under the Act |  |  |  | Not less than one year and no1 more than three years | Not less than two thousand and five hundred penalt y uni-ts and not more  than fifteen |
|  |  |  | tho usand penal ty  un it s |
| 222(4) | Placing marine cargo or bull busines, o the r th an reinsurance business, with an insurer who is not licensed w1thout the prior written approval of the Commissio n |  |  |  | Not less than one year and nm more than three years | Not less than two ihousand and five hundred penalty  units and not more tha n fifteen thousand -penalty un its |

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| 225(2) | Failure by a licensed insurer to pay contributions into the Fire Control Fund. | One Thousaad Penalty Units |  |  |  |  |
| 230(2) | Fa.ilure by a licensed insurer  r.o p ay co htributio ns into the Motor Compensation Fu.nd | One Thousand Penalty Units |  |  |  |  |
| 237(3) | F ailure by a licensed insurer or licensed reinsu.rer to pay contributions into the Client Rescue Fund | One Thousand Penalty Units |  |  |  |  |
| 242(4) | Failure by a licensed insurer or licensed reinsurer to pay contributions into the Insurance Education Fund | One Thousand Penalty Units |  |  |  |  |
| 251(2) | Providing false or misleading  *or* incorrect statements | Two Thousa11d Penalty Units |  |  |  |  |
| 251(2) | Dishonestly conceal a material fact in connection with a policy summary, advertisement, brochure or sitnilar document, statement, promise Qr forecast | Two Thousa1d Penalty Units |  |  |  |  |

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| 25 1 ( 4 ) | Providing misleading adve1tisements and statements |  |  |  | Not less tban one year and not more than three years | Not less than two thousand  and five Jrnn dred penalty units and not mo re than fifteen thousand penalty units |
| 252(3)  I | Making *I* or aiding in making o.ral *or* written representation, statement, repon or return that contains false statement  of material facts or om its to state material facts |  |  |  | Not less than one year and not more than five years | Not less than two thousan d and five hundred penalty units and not more than five thousand penalty unit s |
| *256( 6)* | Entering into a contract for a premium rate lower than the specified minimum as required under subsection (6) | *Five* Thousand Penalty Units |  |  |  |  |
| 256(7) | Enteringinto a contract for a premium rate lower than the specified minimum as required under subsection (8) | Five Thousand Penalty Units |  |  |  |  |
| 256(8) | Entering into a contract for a commission rate higher than the specified minimum under subsection (7) | Five Thousand PenaJty Units |  |  |  |  |

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| 256(9 ) | E nter ing imo a contract for a commission rate higher than the specified minimum under subsection (9) | Five Thousand Penalty Units |  |  |  |  |
| 257(4) | Failure to comply with a directive to provide information to the  Com mission for the purpose of developing insurance  da tabase | Tw o Tho usand Penalty Unil |  |  |  |  |
| 258(4) | Issuing an insurance policy to a policy holder on crediL | F ive thousand penal ty units |  |  |  |  |

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*I nsurance Act, 2021* Act 1061

**SECOND SCHEDULE**

*(sections 214, 216 and 218)*

**Classes of Persons and Properties Covered by Compulsory**

**Insurance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Section** | **Compulsory Insurance** | **Class of Persons** *I* **Affected P ersons** | **Commercial Buil ding** |
| **214** | Public Liab ility Jnsu:ra nce |  | 1. 0 ffice spaces 2. Banks 3. Shopping Malls 4. Factories 5. Hospitals 6. Any ot her place that may be specified by Regulations |
| **216** | Professio nal Ind emnity | I • Account.am s   1. Medical doctors 2. Insurance practitioners 3. Lawyers 4. Financial and investment ana lysts 5. . Any othe r profession that may be specified by   Regu lations |  |
| **218** | Tnstirance of Commercial Buildings |  | 1. Oflice spaces 2. Shopping Malls 3. Factories 4. Hospitals 5, A11y other   commercial building tha t may be specified by Regula tions |
| **222** | M arine fnsurance | Persons importing goo ds, other than personal effects, into the country. |  |
| **255(3)** | Motor Insura nce | Applicable persons under |  |
|  |  | the Motor Vehicles (Third |
|  |  | Party fnsurance) Act, |
| I |  | *1958* (No. 42). |

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**Act 1061** *Insurance Act; 2021*

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