REPORT ON THE INSURANCE (REGISTRATION AND LICENSING REQUIREMENTS FOR INSURERS) REGULATIONS, 2021

PRESENTED

BY

THE PORTFOLIO COMMITTEE ON THE ECONOMIC AND DEVELOPMENT CLUSTER

National Assembly
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INTRODUCTION

On Friday 10th September, 2021, the Hon. Minister for Finance tabled Insurance (Registration and Licensing Requirements for Insurers) Regulations, 2021 in the House. The Regulations were referred to the Portfolio Committee on the Economic and Development Cluster for consideration in terms of Standing Order No.100 (3). The Committee invited the Ministry of Finance and Central Bank of Lesotho (CBL) to a briefing session in accordance with Standing Order No. 101 (2).

The Committee, therefore, presents this report to the House for consideration.

2. MINISTERIAL BRIEF

The Ministry indicated that, the aim of the Government of Lesotho is to improve the regulatory and supervisory framework to deal with risk in the financial sector.

These Regulations will apply to a person who wishes to be registered and licensed to carry an insurance business in Lesotho. They outline the application process and requirements for registering and obtaining a license to conduct insurance or reinsurance under the Insurance Act of 2014. These Regulations require that, an application for registration as an insurer or reinsurer be accompanied by proof of payment of an application fee and proof of paid-up capital. They empower the Commissioner to refuse to register or revoke a license if the applicant provides misleading information and to further revoke or suspend the license if the licensee fails to apply for renewal of a license within 1 month after its expiration.

There will be no financial cost incurred during the implementation of this law.

3. COMMITTEE’S DECISION

The Committee allowed the Regulations.

4. RECOMMENDATIONS
The Committee recommends the approval of these Regulations and the adoption of this report by the House.
Members of the Committee

1. Hon. M. R. Khati (Chairperson)
2. Hon. T. Kibane
3. Hon. T. Aumane
4. Hon. M. C. Hlao
5. Hon. T. T. Mosena
6. Hon. L. Hlalele
7. Hon. T. L. Mokhosi
8. Hon. M. Tlali
9. Hon. M. Hlalele
10. Hon. M. Motoboli
11. Hon. V. Malebo
12. Hon. K. Mathaba
13. Hon. L. Mohlajoa
14. Hon. H. Lehana
15. Hon. L. Litsoane
16. Hon. M. Maqelepo
17. Hon. M. Senauoane
18. Hon. M. Malefane