

GOVERNMENT OF ZAMBIA

ACT

No. 2 of 1992

Date of Assent: 1st April, 1992

An Act to amend the Insurance Act

[1st April, 1992

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Insurance (Amendment) Act, 1992, and shall be read as one with the Insurance Act, in this Act referred to as the principal Act.

Short title,
Cap. 705

2. The principal Act is amended by the insertion immediately after section *nineteen* of the following new Part III:

Insertion of
Part III

PART III

PROVISIONS RELATING TO BROKERS

20. (1) Subject to the provisions of this Act and regulations made thereunder, the Registrar shall register as a broker any person who—

Registration
of brokers

- (a) applies to him in the prescribed manner;
- (b) is qualified under regulations made under this Act to be a registered broker; and
- (c) pays such fee as may be prescribed for registration as a broker.

(2) Where an applicant for registration is not qualified under regulations made under this Act to be a registered broker, the Registrar shall reject the application and notify the applicant of the rejection and of the appropriate provision or provisions of such regulations by virtue of which the applicant is not qualified for registration.

(3) In rejecting an application for registration, the Registrar may notify the applicant of the conditions which, if complied with by the broker, would enable him to satisfy the provision or provisions of the regulations by virtue of which he is not qualified for registration.

(4) The Registrar shall cause notice of every registration of a broker to be published in the *Gazette*.

Registered
brokers to be
licensed

21. (1) No person shall act in Zambia as a broker unless he is a registered broker holding a valid broker's licence.

(2) Subject to the provisions of section *twenty-two*, the Registrar shall on payment of the prescribed annual fee grant a broker's licence to a registered broker.

(3) Unless suspended or cancelled under this Part, a broker's licence shall be valid until the expiration of the calendar year in respect of which it is granted.

Refusal,
suspension
and
cancellation
of brokers'
licences

22. (1) The Registrar may, as the case may be, refuse to renew or suspend any broker's licence if—

(a) the broker ceases to be qualified under regulations made under this Act to be a registered broker; or

(b) the Registrar considers that the broker has contravened or failed to comply with any provisions of this Act or regulations made thereunder or of any insurance law of another country applying to the broker.

(2) The Registrar shall forthwith notify the broker of a refusal or suspension under subsection (1) of any broker's licence and shall state his grounds for such refusal or suspension.

(3) The broker may on receiving notification under subsection (2) make written representations to the Registrar showing cause why the suspension should be revoked or, as the case may be, the licence should be renewed and, if before the expiration of thirty days from that notification the Registrar considers that the grounds for his action are not applicable or have ceased to be applicable to the broker, the Registrar shall revoke his suspension of or renew the licence as the case may be.

(4) Any licence suspended under this section which remains suspended after sixty days from the date the broker is notified of the suspension shall without further notice be cancelled.

Cancellation
of broker's
registration

23. (1) The Registrar shall cancel the registration of a broker—

(a) whose broker's licence has been cancelled under this Part;

(b) who has held no broker's licence during the period of sixty days immediately preceding;

(c) who the Registrar is satisfied has ceased to act as a broker in Zambia; or

(d) who himself or by way of any person having control of his affairs so requests.

(2) The Registrar shall cause notice of every cancellation of the registration of a broker to be published in the *Gazette*.

24. (1) A registered broker shall for the sole purpose of transacting business as a broker maintain a principal office in Zambia and shall notify the Registrar of the address thereof and, if it is proposed to change that address, shall notify the Registrar of the new address not less than three weeks in advance of the change.

Principal office and principal officer of a registered broker

(2) A registered broker shall be represented in Zambia by a principal officer who shall be appointed in writing by the head office of the registered broker after the Registrar has signified that in his opinion the person in question has the prescribed minimum qualifications and is not disqualified by any regulations made under this Act from such appointment.

25. (1) A registered broker shall each year submit to the Registrar in accordance with regulations made under this Act such information as may be prescribed relating to his business during the twelve months immediately preceding the date prescribed for the submission of that information.

Returns by and records of registered brokers

(2) If in the opinion of the Registrar any information submitted by a registered broker does not comply with the requirements of subsection (1), the Registrar may notify the broker accordingly and, until the expiration of thirty days from that notification, the broker shall be deemed not to have failed to comply with those requirements.

(3) A registered broker shall keep at his principal office in Zambia such original records and documents relating to his business in Zambia as may be necessary to enable his principal officer to prepare the information to be submitted under subsection (1), and such records and documents shall be kept in such manner as to facilitate verification by the Registrar and shall be so kept for not less than three years from the date on which the transactions to which they relate occurred.

26. (1) A registered broker whose head office is outside Zambia shall each year furnish evidence showing to the satisfaction of the Registrar that his accounts have been subject to an annual audit by an independent auditor.

Audit of the accounts of a registered broker

(2) The accounts of a registered broker whose head office is within Zambia shall be audited annually by an independent auditor approved by the Registrar and the auditor shall either—

(a) certify that—

(i) the accounts have been properly prepared in accordance with the records of the broker,

- (ii) the records of the broker contain information adequate for the purpose of his audit;
 - (iii) the balance sheet and profit and loss account of the broker give a true and fair view of the broker's financial position and his profit or loss respectively; or
- (b) notify the Registrar that he is unable to complete the certificate provided for in paragraph (a) giving his reasons.
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