

ACT

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THE INSURANCE ACT, 2016

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Passed in Parliament this *21st day of April*, in the year of our Lord two thousand and sixteen.

IBRAHIM S. SESAY,
Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

IBRAHIM S. SESAY,
Clerk of Parliament.

SIGNED this *12th day of July, 2016.*

DR. ERNEST BAI KOROMA,
President.



No. 12



2016

Sierra Leone

The Insurance Act, 2016

Short title.

Being an Act to continue in existence the Sierra Leone Insurance Commission and to regulate the business of insurance in Sierra Leone.

[] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

PART I – PRELIMINARY

Interpretation. **1.** In this Act , unless the context otherwise requires-

“adjuster” means a person duly registered to undertake professional insurance adjusting business for or on behalf of an insurer, an insured or any other person;

“approved securities” means securities issued by the Government of Sierra Leone or guaranteed as to principal and interest by the Government;

“certified” in relation to any copy or translation of a document required to be furnished by or on behalf of an insurer means certified by the principal officer or principal representative as the case may be, of such insurer to be a true copy or correct translation;

“chief agent” means a person who, with the authority of an insurer, or on his behalf –

(i) initiates insurance business either directly or through insurance agents and receives proposals either directly or through insurance agents;

(ii) supervises the activities of insurance agents;

(iii) collects premium from the insured and insurance agents;

(iv) settles claims arising out of policies of insurance subject to any agreement in this behalf;

(v) disburses the commission due to insurance agents;

(vi) subject to any agreement in this behalf , acts as the representative of the insurer in Sierra Leone or any well defined geographical area forming part of Sierra Leone

“Commission” means, the Sierra Leone Insurance Commission referred to in section 2 of the Act;

“company” has the meaning assigned to it under the Companies Act No. 5 of 2009;

“domestic insurer” means an insurer incorporated under the Companies Act, or under any law for the time being in force in Sierra Leone;

“director” means any person occupying the position of director of a body corporate by whatever name called;

“financial year” in relation to domestic insurer or in relation to the business of a foreign insurer in Sierra Leone means the calendar year ending on 31st December and in relation to foreign insurers in respect of the accounts for the total business means the period not exceeding twelve months at the end of which accounts of the insurer is balanced;

“fire insurance business” means the business of effecting otherwise than incidentally to some other class of insurance business, contracts of insurance against loss by or incidental to fire or other occurrence customarily included among the risks insured against in fire insurance policies;

“foreign insurer” means an insurer incorporated under the law of any country other than Sierra Leone;

“general insurance business” means fire, marine, motor or miscellaneous insurance business whether carried on singly or in combination with one or more of them but excludes life insurance business and long term insurance business;

“industrial life insurance business” means the business of life insurance where the insurer expressly or tacitly undertakes to send a person to the owner of the policy at his residence or place of work to collect the premium, and where the frequency of payment of premium is not less than twelve times a year at intervals not exceeding a month, and where the sum insured, or the amount of the annuity per annum does not exceed such sum as may be notified in the Gazette by the Minister;

“insurance agent” means, in respect of life insurance business an individual and in respect of general insurance business a person who, with the authority of an insurer acts on his behalf in the initiation of insurance business, the receipt of proposals and, subject to written authority by the insurer, to collect premiums on his behalf;

“insurance broker” means a person who acts as an independent contractor for commission or other compensation and not being an agent of the insurer, solicits or negotiates insurance business on behalf of an insured or prospect in reinsurance business;

“insurance business” means the assumption of the obligation of an insurer or reinsurer in the case of insurance business or reinsurance business as the case may be;

“insurance intermediary” includes an insurance broker and adjuster;

“insurer” means a person carrying on insurance business otherwise than as an insurance agent, special agent or chief agent;

“life insurance business” includes industrial life insurance business and ordinary life insurance business and means the business of effecting contracts of insurance upon human life including any contract whereby the payment of money is assured on death (except policies for death by accident only) or the happening of any contingency dependent on human life or which is subject to payment of premiums for a term dependent on human life and includes—

- (a) the granting of disability and double or triple indemnity accident benefits if so provided in the contracts of insurance;
- (b) the granting of annuities upon human life; and
- (c) the granting of superannuation and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or of the dependants of such persons;

“life insurance fund” or “life fund” means the fund to which the receipts of an insurer in respect of his life insurance business are carried and from which payments in respect of that business are made;