



Republic of Namibia
Annotated Statutes

Second Finance Act 27 of 1987

(OG 5470)

came into force on date of publication: 2 December 1987

**REPEALED by the Namibia Special Risks Insurance Association Act 5 of 2017 (GG 6420),
which was brought into force on 1 August 2018 by GN 154/2018 (GG 6666)**

ACT

To empower the Cabinet to enter into agreements with registered insurers to indemnify them in respect of certain losses; to empower the Cabinet to make loans and grant advances to registered insurers and to appoint directors to the Boards of such insurers; to prohibit the entering into insurance contracts, relating to loss of or damage to property situated in the territory, with insurers who have not entered into an agreement with the Cabinet in terms of this Act; and to provide for incidental matters.

(Afrikaans text signed by the Administrator-General on 24 November 1987)

ARRANGEMENT OF SECTIONS

1. Cabinet may enter into agreements with registered insurers to indemnify them in case or certain losses
2. Cabinet may make loans or grant advances to registered insurers
3. Cabinet shall be entitled to appoint director(s) to Board of Directors of registered insurer
4. Prohibition of insurance contracts relating to "loss of or damage to property" situated in the territory, if insurer has not entered into an agreement with Cabinet in terms of this Act
5. Definition of "loss of or damage to property"
6. Short title

BE IT ENACTED by the National Assembly, as follows:-

Cabinet may enter into agreements with registered insurers to indemnify them in case or certain losses

1. The Cabinet may, subject to the provisions of this Act, enter into an agreement with a registered insurer as defined in section 1 of the Insurance Act, 1943 (Act 27 of 1943), in

terms of which it undertakes to pay to such insurer in respect of every calendar year an amount equal to the amount, as determined on the basis set forth in such agreement, of the loss, if any, sustained by the insurer in such year under policies of insurance in terms of which the insurer assumed the obligation to indemnify the owners of such policies against loss of or damage to property, or consequential loss resulting from such loss or damage to the extent determined by the Cabinet from time to time.

[The word "calendar" is misspelt in the *Official Gazette*, as reproduced above.
The Insurance Act 27 of 1943 has been replaced by the Short-term Insurance Act 4 of 1998 and the Long-term Insurance Act 5 of 1998.]

Cabinet may make loans or grant advances to registered insurers

2. The Cabinet may make loans or grant advances to an insurer referred to in section 1 of such amounts and on such terms and conditions as may be agreed upon with such insurer.

Cabinet shall be entitled to appoint director(s) to Board of Directors of registered insurer

3. The Cabinet shall be entitled to appoint, in terms of an agreement with an insurer referred to in section 1, one or more officers in the government service or one or more other persons as a member or members of the Board of Directors of such insurer.

Prohibition of insurance contracts relating to "loss of or damage to property" situated in the territory, if insurer has not entered into an agreement with Cabinet in terms of this Act

4. (1) No person, whether an insurer or insured, shall, subject to the provisions of this Act, within or outside the territory of South West Africa enter into an insurance contract in terms of which the insurer assumes the obligation in respect of property situated in the territory of South West Africa including the territorial waters thereof, to indemnify, in terms of the policy issued by virtue of such contract, the owner of such property against loss of or damage to property, including consequential loss referred to in section 1, unless -

- (a) the insurer is a registered insurer who has entered into an agreement contemplated in section 1; or
- (b) the insurer referred to in paragraph (a) has declared in writing that he is not prepared to assume such obligation or any part of such obligation or any other obligation in connection with such property, whether on the conditions contemplated in such insurance contract or on any other conditions.

(2) The Cabinet may from time to time, by notice in the *Official Gazette*, exempt any person or group or class of persons for the time specified in such notice from the provisions of subsection (1).

(3) Any person not having been exempted from the provisions of subsection (1) in terms of subsection (2), who contravenes any such provision, shall be guilty of an offence and liable on conviction to a fine not exceeding R10 000 or imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Definition of "loss of or damage to property"

5. For the purposes of this Act "loss of or damage to property" means any loss of or damage to property related to or caused by -

Second Finance Act 27 of 1987

- (a) any act (whether on behalf of any organization, body, person or group of persons) calculated or directed to overthrow or influence any State or government or any local or tribal authority with force, or by means of fear, terrorism or violence;
- (b) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or government or any local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;
- (c) any riot, strike, civil commotion, labour disturbance or lockout, or any act or activity which is calculated or directed to bring about a riot, strike, civil commotion, labour disturbance or lockout;
- (d) any attempt to perform any act referred to in paragraph (a), (b) or (c);
- (e) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in paragraph (a), (b), (c) or (d).

[The word "occurrence" is misspelt in the *Official Gazette*, as reproduced above.]

Short title

- 6. This Act shall be called the Second Finance Act, 1987.