

Comparative Aspects of the Legal Framework for the Control of the Insurance Business in Botswana and Swaziland

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Introduction

The importance of the insurance device can hardly be over-emphasized. The insurance device is concerned with the sharing of risks. Urbanization and industrialization in African countries have multiplied the risks to which individuals are exposed. The function of insurance is to adjust such risks. The insurance device operates by combining many risks into a group. Those who are exposed to the same risk (e.g. death, physical disability or property losses) enter into contracts whereby in return for a consideration known as the premium an insurer assumes the risk and compensates the insured if and when the insured event occurs. Compensation is paid out of the fund (the insurance fund) which is accumulated from the individual premium payments. The accumulation of a fund thus contributes to the sharing of losses and the substitution of certainty for uncertainty.

However, the certainty created through the insurance mechanism may be illusory if the insurance fund (or reserve) is not adequately protected. The importance of this question in the African context has greatly increased in the modern times. Formerly few individual Africans were insured both in respect of their lives and properties. But with urbanization and industrialisation more and more Africans are opting for insurance protection and insurance business is one of the fastest growing industries in Africa.

The increasing probability of an expansion of the insurance business makes it necessary to examine the existing legal arrangements for controlling the insurance business. The need for such an examination was eloquently expressed by the mess which existed in Uganda's National Insurance Corporation as a result of gross mismanagement by a board of directors appointed by Idi Amin. From the standpoint of the basic function of insurance the mess was so serious that the National Insurance Corporation was by the end of 1979 reported to be unable to meet obligations in respect of life and other claims.

In response to the need to maximise security regarding insurance as mechanism for providing protection against economic and social losses, the Governments of Botswana and Swaziland have enacted legislations to subject the insurance business to public supervision. The Botswana and Swaziland efforts have been geared to the prescription of governmentally imposed requirements, guidelines and standards of behavior with a view to promoting financial soundness in the insurance business. The Botswana and Swaziland effort is to make the insurer a more reliable instrument for the provision of certainty and security to the insuring public. The focus in the Botswana and Swaziland statutes is on organization and licensing and the monitoring of company operations and solvency.

This article will discuss the main provisions of the Botswana and Swaziland legislations and an attempt will be made to assess the extent to which they fulfil their protective role. It begins by analysing the mechanisms and areas

of legal control. Based on this discussion, the article concludes that though, in comparison to the Swaziland legislations the Botswana Act provides a more comprehensive framework for legal control, it still contains a few loopholes which should invite legislative reconsideration.

The Mechanism of Legal Control

Legal control of the insurance business in Botswana and Swaziland is the responsibility of three state agencies, namely the legislature, the courts and the Ministry of Finance and Economic Planning (hereinafter referred to as the Ministry).

The role of the legislatures in both countries is the enactment and amendment of insurance law thereby providing the mechanism within which the courts and the Ministry operate in controlling the carrying on of insurance business.

The role of the courts in Botswana and Swaziland is twofold. First, the courts exercise control by deciding cases involving conflict between companies and policy-holders. A judicial decision interpreting a policy provision regulates the obligations of the insurer and determines the right of the insured under that class of policies. Second, the courts regulate the insurance business thereby protecting the policy-holders by enforcing the criminal penalties provided for in the insurance statutes of both countries.

In Botswana the Minister of Finance and Economic Planning and the Registrar of Insurance are the principal state officials with the power to superintend the conduct of insurance business. The permanent secretary for Finance and Economic Planning is, for the time being, the Registrar. Unlike Botswana, Swaziland has no separate office of Registrar of Insurance and consequently the power to oversee the insurance business is vested in the Minister and Permanent Secretary of Finance and Economic Planning. The relevant state officials in both countries are given numerous powers and duties including:

- (a) the power to grant or cancel any licence
- (b) the right to receive annual statements relative to the financial condition of the insurers.

The powers granted to the Registrar of Insurance in Botswana would, however, appear to be more extensive than those given to the equivalent official in Swaziland. For example, the Registrar of Insurance in Botswana is granted the power to investigate (as a Commissioner under the Commissions of Inquiry Act) the affairs of any insurer who fails to comply with any of the provisions of the Insurance Act.

Areas of Legal Control

The areas of legal control in Botswana and Swaziland may be conveniently discussed under the following heads:-

- (a) organization and licensing
- (b) supervision of company operations

- (c) supervision of financial solvency
- (d) amalgamation, transfer and liquidation of insurance companies

(a) Organisation and Licensing

There are two legal regimes governing the organisation and licensing of insurance companies. First there is the general law applying to such entities in general. Second, there are the specific insurance legislations which have been enacted in both countries to supplement such other general laws. The relevant legislations for this purpose are the 1979 Botswana Insurance Act and the 1973 Swaziland Control of Insurance Order (hereinafter referred to as the Botswana Act and the Swaziland Insurance Order respectively).

Regarding the licensing of insurers, the two countries have adopted different approaches. The Swaziland Insurance Order grants a virtual monopoly in respect of insurance business to the Royal Swaziland Insurance Corporation. Thus the Swaziland Insurance Order prohibits any person other than the Royal Swaziland Insurance Corporation from carrying on insurance business in Swaziland without the permission of the Minister. Permission to carry on insurance business by any other person other than the Royal Swaziland Insurance Corporation may be granted after an application by such person and by any person wishing to act as an agent for the collection of insurance premiums on behalf of any insurer. The Minister, upon receipt of an application, may either grant or refuse it. The Insurance Order makes no special provision for a right of appeal against the Minister's decision.

In contrast the Botswana Act adopts an open door policy and confers no rights of monopoly in respect of insurance business. The Botswana Act merely prohibits the carrying on of insurance business by any person unless he is registered as an insurer. The Act provides that every application by an insurer for registration shall be made to the Registrar who may grant such an application if the prospective insured meets certain conditions.

Both the Botswana Act and the Swaziland Insurance Order prescribe the necessary qualifications for registration. The conditions set by the two legislations are broadly similar, in that their goal is the guaranteeing of safety and financial solvency. The Swaziland Insurance Order requires proof of financial soundness, ability to carry on insurance business and to keep proper and sufficient records and accounts. The Botswana Act requires proof that:

- i. the business will be conducted in accordance with sound insurance principles
- ii. the necessary capital requirements have been complied with
- iii. the margin of solvency is adequate
- iv. the applicant, being a body corporate operating outside Botswana is duly constituted under the laws of the country in which the head office of the applicant is situated.

Unlike its Swaziland counterpart, the Botswana Act makes special provisions for the right to appeal against the refusal to grant the application. Thus the Act provides that any person aggrieved by the decision of the Registrar not to grant an application for registration as an insurer may appeal to the Minister and if such an appeal is upheld the Registrar shall register the applicant as an insurer.

Since the Swaziland Insurance Order does not contemplate the existence of a multiplicity of insurers outside of the Royal Swaziland Insurance Corporation, no additional provisions are made for the maintenance of a principal office in Swaziland. Given its open door policy, the Botswana Act requires every registered insurer to appoint a principal officer to maintain a principal office in Botswana and to notify the Registrar in writing of the address of the principal office and the name of the principal officer.

(b) Insurance Company Operations

i. Product Supervision

To guarantee safety and adequate protection to the insuring public, insurance companies, after having been duly licensed, need to be subjected to continuing oversight. The broad policy of such oversight would be designed to secure fair treatment of the insuring public. The ideal system of legal control would be the specification of minimum standard provisions to govern all types of insurance policies but otherwise permit insurers to use their own formats so long as they are not less favourable to the insured or beneficiaries than the minimum standards. The provisions could either be general or specific. For example an insurance legislation could adopt the following general standard:

An insurance contract must not be unjust, ambiguous, unfair, misleading or encouraging misrepresentations.

The general oversight of the insurance company operations could also encompass the regulation of premium rates with a view to ensuring that the rates ought not to be either too high or too low for purposes of solvency.

The Swaziland legislations provide little surveillance over the insurance company operations. The only mechanism for supervision is the Swaziland Insurance Order provision that the Minister may, by written notice, demand the production of any documents or the giving of any information or explanation relating to any matter concerned with his insurance business or transactions relating thereto from any insurer.

The Botswana Act provides for more specific and detailed supervision of insurance company operations regarding the type and content of life, industrial sinking fund and funeral policies to maximise protection to the insureds and/or beneficiaries. In particular, the Botswana Act incorporates specific standards in respect of:-

1. grace period - by maintaining the validity of the policy (life, industrial and sinking fund) for a period of one month after due date for payment of premium.
2. reinstatement - by providing for the reinstatement of a lapsed funeral policy if the premium is paid within the stated period, after default in payment of premium.
3. incontestability - to frustrate attempts by the insurer to avoid the policy under the doctrine of warranties in circumstances of relatively unimportant misstatements for example an incorrect statement of the age.

The Botswana Act makes the specific standards minimum requirements for the affected policies issued in Botswana but goes on to provide that the specification of such standards ought not to preclude an insurer from granting to an owner of the affected policy more favourable terms than those mandated in the Act.

Neither the Botswana Act nor the Swaziland Insurance Order provides for the regulation of the product price - the premium. The omission by the Botswana Act to provide for such control may not have serious consequences given the open door approach which may guarantee that competition between insurance companies in Botswana will serve as an effective regulator of tendencies toward rate excessiveness. Moreover, the examination carried out under S.31 of the Financial Institutions Act addresses itself to the question of insurance premiums. In the context of monopoly control in Swaziland, the absence of a system of statutory premium control may mean that the rates may be too high.

While the existence of real or actual competition in Botswana may guard against the tendency against rate excessiveness, it cannot by itself be a sufficient insurance against the possibility of rate inadequacy. Therefore both Botswana and Swaziland insurance companies may be issuing policies with premium rates which are too low for purposes of solvency. Though the regulations regarding reserves, capital and margins of solvency might help, to maximise protection an obligation could be imposed upon the insurers in Botswana and Swaziland to file actual loss experience by policy form along with the annual returns together with the estimated loss experience. In the context of Botswana the loss experience would be taken into account as part of the examination under the Financial Institutions Act.

ii. Business Getting Techniques: Standards of Competency and Unfair Trade Practices

The Botswana Act and the Swaziland control of Insurance Brokers and Agents Regulations provide that no person shall act in Botswana and Swaziland respectively as an agent or broker without being registrars (Botswana) or obtaining the permission of the Minister (Swaziland). Both legislations set out the procedure for registration or obtaining the necessary permission to

act as an agent or broker. In terms of the Botswana Act the Registrar is obligated to refuse to grant the application under specified circumstances. The specified circumstances are:

1. if the applicant has been adjudged insolvent or bankrupt and has not been rehabilitated or discharged, or
2. if the applicant has made an assignment to or an arrangement or composition with creditors which has been rescinded or set aside, or
3. if the applicant has been convicted by a court of an offence involving dishonesty, an appeal against the conviction not having been brought or, having been brought, was withdrawn or dismissed.

The Swaziland Regulations require that the application for permission must be accompanied by written proof that the applicant is a lawful resident of Swaziland and that the Swaziland Royal Insurance Corporation is willing to enter into an agency agreement with the applicant.

Ideally legal control of business getting methods should include control in respect of licensing, receipt and remission of premiums and unfair trade practices. Both legislations, to a certain extent, provide for the supervision of business getting methods by controlling the licensing of brokers and agents. The Botswana law in comparison to the Swaziland system is more demanding regarding the qualifications required for agents, both systems suffer from two basic weaknesses.

First, the legislations omit to prescribe minimum standards of competency in the line of insurance business for which the applicant seeks permission to act as agent or broker. It is true that the legislations require some form of proof of competence, honesty and/or integrity (particularly the Botswana Act) but such a requirement falls short of what is necessary in terms of establishing high standards of competency which would contribute to an overall improvement of performance by brokers and agents.

One of the recurrent problems in the insurance business is the high incidence of unfair trade practices such as misrepresentation, false advertising, distortion of information and false financial records. The Botswana Act by imposing specific obligations upon the broker to maintain detailed records of the insurance transactions handled by him and the transmission of reports to the Registrar seeks to counter the problem of unfair trade practices. Though such obligations might reduce the incidence of false records, the Act falls short of what would be sufficient to deal with the problems of misrepresentation, false advertising and distortion of information. In order to provide a more effective remedy, it might be necessary for both legislations to explicitly identify certain reprehensible practices and grant power to the administrators of the Act to

investigate, examine and where appropriate issue interdicts to brokers, agents or insurers in general to restrain them from employing such methods.

Finally regarding the handling of premiums by agents and brokers there is a divergence between the two legislations. Whereas the Botswana Act is silent on this matter (apart from requiring transactional reports by brokers), the Swaziland Regulations provide specific procedures for the receipt and remission of premiums. First the regulations require the issuance of receipts for premiums in respect of short-term insurance and to make such receipts available for inspection by a duly authorised official. Secondly, the Regulation impose an obligation upon brokers and agents to remit to their principals all premiums received in respect of short and long term insurance within specified periods. Third, the Regulations impose upon the agent the risk of loss of the premiums whilst they are in his possession. The Regulations impose an obligation upon the agent the liability for any damages whatsoever suffered by the person who has paid the premium as a result of the failure by the agent to pay premiums to the insurance company on due date. The Botswana Act has no equivalent provisions governing the receipt, management and remission of premiums. The Swaziland Regulations therefore provide more protection to the insured and the public at large regarding this important matter.

(c) Financial Soundness

The principal legislations in Botswana and Swaziland seek to promote and protect the financial soundness of the insurance business through legal provision appertaining to the financial, accounting, asset valuation and investment practices of insurance companies, brokers and agents.

The Swaziland Royal Insurance Corporation Order (hereinafter referred to as the Swaziland Corporation Order) grants limited discretionary power to the Corporation Board of Directors (subject to approval of the Minister) to invest funds not immediately needed by the Corporation for the operation of its business in such securities or other investments as they may determine. The Botswana Act provides that every registered insurer shall deposit in trust with the Bank of Botswana such approved securities, whether local or foreign, of not less than such amount in value as may be prescribed, and shall keep such securities so deposited for so long as the insurer carried on insurance business in Botswana. Both the Botswana Act and the Swaziland Corporation Order mandate the maintenance of separate funds (and investments in Swaziland) for the long-term insurance business (life) and the short-term insurance. The Botswana Act specifically provides that the separate life insurance fund shall:

- i. be absolutely the security of the policy holders as though it belonged to an insurer carrying on no other business than life insurance business
- ii. not be liable for any contracts of the insurer for which it would not be liable if the business of the insurer were only life insurance business, and
- iii. shall not be applied directly or indirectly for any purposes other than those of the life insurance business

Secondly, the Botswana and Swaziland legislations address the question of capital requirements and reserves. The Botswana Act obliges every person carrying on insurance business in Botswana to maintain in Botswana at all times a minimum paid-up capital as may be prescribed. The Botswana Act empowers the Minister to make regulations prescribing margins of solvency for any local insurer carrying on business solely in Botswana, or carrying on insurance business in and outside of Botswana, and for any external insurer carrying on insurance business in Botswana. The margins of solvency may be prescribed in respect of:-

- i. life insurance only
- ii. any insurance including life insurance, and
- iii. any insurance other than life insurance

In connection with the power to prescribe margins of solvency, the Act further grants to the Minister the power to prescribe the method of calculating the assets of an insurer for the purposes of complying with the prescribed margin of solvency. The Minister has prescribed the margins of solvency but he is yet to prescribe the methodology for calculating the assets.

Furthermore, the Botswana Act grants the Minister the power to prescribe minimum capital structures for persons carrying on business in Botswana. By virtue of the 1980 Insurance Regulations the Minister has prescribed minimum capital levels for stock insurance (P100,000.00) and mutual insurance (P100,000.00). The Swaziland Corporation Order does not contain explicit provisions in respect of minimum capital requirements, margins of solvency and methodology for calculating assets. The Swaziland Corporation Order contents itself with a requirement that the Corporation must establish and maintain a general reserve fund within Swaziland which shall be invested with the approval of the Minister. The Swaziland Corporation Order does, however, deal with the question of dividend policy which is not addressed by the Botswana Act. The Swaziland Corporation Order provides that the Board of Directors shall annually determine what proportion of the profits of the Corporation shall, after making a provision for taxation be allocated to the general reserve fund, and thereafter what provision of such profits, if any, shall be distributed to shareholders, subject to the requirement that no such distribution shall be made unless the general reserve fund stands at an amount which would be deemed to be adequate in an insurance business of a size similar to the Corporation and under similar circumstances.

Thirdly, the Botswana and Swaziland legislations seek to promote financial soundness by making specific provisions regarding accounts, records and audits. The Botswana Act and the Swaziland Corporation Order mandate the proper maintenance of accounts and records relative to the insurer's operations. The legislations provide that such accounts shall be audited by an independent auditor approved by the Registrar in Botswana and the Minister in Swaziland furnish the Minister with an annual report consisting of an audited statement of accounts, a summary statement of the Corporation's financial position and profit and loss statement indicating the results of its operations. The equivalent provisions in the Botswana Act are more demanding. First the Act requires every registered insurer to prepare and furnish to the registrar within three months after the end of each financial year of the insurance business of the insurer the following documents:-

- i. a certificate as to the solvency of the insurer signed by an actuary,
- ii. an audited balance sheet and profit and loss account,
- iii. a certified copy of the revenue account in respect of life insurance business,
- iv. a statement of life insurance business,
- v. a certified copy of non-life insurance business.

In order to reinforce the foregoing general requirements regarding solvency, the legislations in Botswana and Swaziland require a periodic actuarial investigation by persons carrying on insurance business. The Botswana legislation obligates a life insurer, at intervals of not more than three years, to cause an actuarial investigation into the financial position of his business, including a valuation of his liabilities by an actuary approved by the Registrar. The Swaziland equivalent provision encompasses all forms of insurance business other than life but only requires a valuation of the liabilities in respect of long-term business (life).

Finally the relevant legislations in Botswana and Swaziland promote the soundness of the insurance business by providing mechanisms for controlling the activities and operations of insurance brokers and agents. The Botswana Act provides that every registered insurance broker shall keep records of the insurance transactions handled by him at his place of business. The records shall contain particulars as to the names and addresses of insured persons and insurers under coverage procured by the brokers, the nature of the coverage and the premiums collected. Every registered broker shall prepare an annual report containing the prescribed particulars for submission to the Registrar. The equivalent Swaziland provisions contained in the control of Insurance Brokers and Agents Regulations are more specific and comprehensive in so far as they impose greater control over the agents and brokers handling of insurance premiums.

To this end the Swaziland Regulations provide for the following:

- i. the depositing of premiums in a separate account styled "Insurance Premium Trust Account"
- ii. the submission of a copy of the banker's statement or the Trust Account to the Minister/Permanent Secretary if the broker is directed to do so and such statement shall be supported by a summary showing the total premiums collected, the amounts paid to any insurance company or underwriter with the separate totals of each company, and the amount of commission deducted by the insurance agent/broker.
- iii. the submission by the agent/broker to the Minister, every year, a copy of his annual balance sheet profit and loss and a report audited by a person approved by the Minister who shall have the power to examine the daily accounts of the insurance broker/agent to call for and inspect all books, accounts, vouchers and securities.

(d) Amalgamation, Transfer, Rehabilitation and Liquidation

i. Amalgamation and Transfer

The amalgamation of one insurer (particularly a life insurer) with one or several other insurers may have serious adverse consequences for the insured for example by affecting its margin of solvency. The Botswana Act recognises the serious implications of the amalgamation or transfer of life insurance and prohibits such amalgamation and transfer, as the case may be, without the sanction of the Minister. The Swaziland Insurance Order contains no equivalent provisions regarding amalgamation or transfer. The legal position, therefore, appears to be that one life insurer can merge with another or transfer its insurance business to another company without the prior approval of the relevant authority in Swaziland. The result of such an operation can be far reaching for the policy holder. In practice, however, this aspect of the Swaziland legislation will be of marginal significance given the legislative intention to retain the Royal Swaziland Insurance Corporation as the sole insurer in Swaziland.

ii. Liquidation and Rehabilitation

The principal insurance legislations in Botswana and Swaziland provide no special mechanisms for handling the liquidation or rehabilitation of insurance companies if and when they run into major financial catastrophe.

In the Swaziland context, the Swaziland Royal Insurance Corporation Order adopts the usual company law procedures for the liquidation of companies. Accordingly, the Swaziland Royal Insurance Order may be subjected either to voluntary or compulsory liquidation. This has the potential for high costs in the form of delay, lack of technical knowledge about insurance matters by the liquidator and the absence of the technique of judicial management with a view to rehabilitation.

The Botswana Act is silent on the question of liquidation and rehabilitation. The legal position, therefore, is that the normal company procedure for the liquidation of companies would govern the liquidation of insurance companies. This would subject insurance companies to the high costs mentioned above. There is, however, a difference between the legal position in Botswana and Swaziland. The Botswana's Companies Act, unlike its Swaziland counterpart, provides the technique of judicial management as an alternative to outright liquidation. Insurance companies in Botswana can, therefore, be placed under the order of judicial management whereby a judicial manager is given authority to manage a financially troubled enterprise until he returns it to private management having solved the financial problems through better management. The attractiveness of judicial management, in the insurance context, lies in its avoidance of the legal and economic costs associated with the normal liquidation model and the enhanced probabilities for preserving the assets of the enterprise which are the functional grid of policy-holder confidence.

Conclusions

In this article an attempt has been made to review the legal control of the insurance business in Botswana and Swaziland. In determining the efficiency of legal control, the fundamental issue is whether the existing legal arrangements in the two countries further the goal of protecting the insuring public. The focus of this discussion has been those key aspects of the insurance business such as organisation and licensing, control of the behaviour and operations of insurers and their agents and the financial soundness of insurance companies and brokers.

Control in Botswana

Overall the Botswana Act is more comprehensive than the Swaziland legislation particularly in relation to the supervision of the insurance contract. The Botswana Act imposes specific standards which have the effect of operating as minimum requirements for insurance contracts. The Botswana Act also includes specific and comparatively more demanding procedures for controlling the financial soundness of insurance companies. Nonetheless, a closer examination of the Botswana law reveals few loopholes. These include:

- (a) the absence of controls under the Act (though some form of control over premium rates is exercised via the Bank of Botswana examination under S.31 of the Financial Institutions Act), over the setting of premium rates and the handling of premiums by agents and brokers;
- (b) lack of regulations relative to standards of competency for insurance agents and brokers in the line of business carried on by them.
- (c) the need for setting guidelines for the valuation of assets by the Minister;

- (d) the omission to include an explicit requirement for the application of current cost accounting principles in the preparation of financial statements (this loophole may, however, be partially taken care of by the examination under S.31 of the Financial Institutions Act).

Control in Swaziland

Legal control in Swaziland has the following defects:

- (a) insufficient contractual regulation of insurance policies by the imposition of minimum standards similar to the Botswana provisions;
- (b) inadequate legal and administrative financial control of insurers relative to investment criteria, valuation standards and accounting methodology;
- (c) the failure to prescribe standards of competency for agents and brokers;
- (d) the omission of legal provisions regarding amalgamation of insurance companies and the non-application of the technique of judicial management as an alternative to outright liquidation.

The inadequacy of existing legislations in Botswana and Swaziland should therefore invite administrative and legislative reconsideration.

If the Botswana legislature chooses to undertake such reconsideration, it should seek to do the following:

- (a) expand product supervision by including explicit provisions to govern the setting of premiums and their handling by the agents and brokers.
- (b) establish more stringent standards to control the behaviour and operations of insurance agents and brokers.
- (c) explicitly incorporate into the Insurance Act the technique of judicial management as an alternative to outright liquidation.

The Botswana Act provides administrative power to the Minister to prescribe the methodology for calculating the assets of the insurer.

To date the Minister has apparently made no such prescriptions (reliance is placed on S.31 of the Financial Institutions Act technique of examinations). If the Minister chooses to exercise his power, it is recommended that the administrative guidelines for the valuation of assets should require insurers in Botswana to establish an off-setting liability in the form of a special contingency reserve for revaluation of assets such as buildings and equipment instead of employing the book value (i.e. original cost). The adoption of the "cost" approach may produce inaccurate results since the assets may or may not actually be worth the original or current book value. Reliance on spurious computations will only militate against the public interest relative to the promotion of financial soundness.

In the case of Swaziland, legislative reform would seek to cater for the following:

- (a) enhanced supervision of the insurance contract by introducing techniques for controlling premiums and by expanding the scope of legal control through the adoption of Botswana approach of contractual minimum standards and requirements;
- (b) expanded financial control of insurance companies similar to that embodied in the Botswana Act.

In expanding financial control, the legislature should go beyond the existing Botswana model and specify valuating standards for the assets of the insurers and explicitly prescribe the methodology of current accounting for the preparation of financial statements;

- (c) prescribe standards of competency for brokers and agents;
- (d) incorporate the company law technique of judicial management into the principal insurance legislation.

The adoption of legislative reforms like those suggested here, in concert with the exercise of administrative power available to the relevant authorities, will advance the efficiency of legal control of the insurance business in Botswana and Swaziland and reduce the chance that policy-holders will not be compensated if and when the insured events occur.

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