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NATIONAL BANK OF ETHIOPIA  
ADDIS ABABA

TELEGRAPHIC ADDRESS  
NATIONBANK  
TELEX 21020  
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PLEASE ADDRESS ANY REPLY TO  
P. O. Box 8350  
ADDIS ABABA.

LICENSING AND SUPERVISION OF  
INSURANCE BUSINESS  
Directive No. SIB/19/98

Sanctions against Failure to Maintain Renewed  
Business License and Professional Indemnity  
Insurance Policy

1. Issuing Authority

These Directives are issued by the National Bank of Ethiopia (hereinafter called "the Bank") pursuant to the authority vested in it by Article 41 of the monetary and Banking Proclamation No. 83/1994 and Article 42(j) of the Licensing and Supervision of Insurance Business Proclamation No. 86/1994.

2. Definition

An "Insurance Auxiliary" shall mean an insurance agent, insurance broker, loss adjuster, loss assessor or insurance surveyor.

3. Penalty for Failure to Apply for Renewal of Business License

3.1 Any insurance company that fails to apply for the renewal of its business license within one month after the expiry date of such license shall be subject to a fine of Birr 500 (Five hundred Birr).

3.2 Any insurance auxiliary or actuary that fails to apply for the renewal of the business license within one month after the expiry date of such license shall be subject to a fine of Birr 150 (One hundred fifty Birr).

4. Sanction against Failure to Maintain Valid Professional Indemnity Insurance Policy

4.1 The Bank shall cancel the license of any insurance auxiliary or actuary who fails to maintain valid Professional Indemnity Insurance Policy at all times.



4.2 For the purpose of ensuring compliance with the requirement of sub-article 4.1 of this article, an insurance auxiliary or actuary shall promptly file with the Bank a Copy of the valid Professional Indemnity Insurance Policy upon its renewal.

4.3 Sub-article 4.1 of this article does not apply to insurance auxiliaries who hold deposits with the Bank or have pledged property as guarantee.

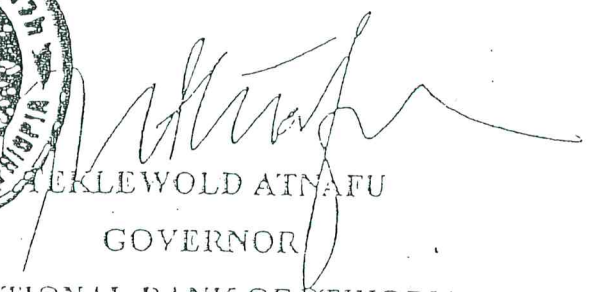
5. Waiver

The Bank may waive the sanction specified under sub-article 4.1 hereinabove on grounds it considers to be acceptable.

6. Effective Date

These Directives shall be effective as of the 1<sup>st</sup> day of August 1998.



  
MEKLEWOLD ATNAFU  
GOVERNOR  
NATIONAL BANK OF ETHIOPIA