

**NATIONAL HEALTH INSURANCE AUTHORITY
GHANA**



**Guidelines for Private Health Insurance
Schemes in Ghana**

JULY, 2018

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1.0 BACKGROUND

The National Health Insurance Authority (NHIA) is mandated by National Health Insurance Act, 2012 (Act 852) to regulate Private Health Insurance Schemes (PHIS) in Ghana. In performing its regulatory functions the Authority registers, licenses and supervises the operations of PHIS in Ghana.

The law established two (2) types of private health insurance schemes:

- a) Private Mutual Health Insurance Scheme (PMHIS)**
- b) Private Commercial Health Insurance Scheme (PCHIS)**

2.0 PURPOSE OF THE GUIDELINES

This guide is intended to provide the operators of PHIS with relevant information required for setting up and operating PHIS in Ghana.

3.0 TYPES OF PRIVATE HEALTH INSURANCE SCHEMES

The National Health Insurance Act, Act 852 of 2012 provides for two types of private health insurance schemes – private mutual and private commercial health insurance schemes.

3.1 Private Mutual Health Insurance Schemes (PMHIS)

A PMHIS refers to a health insurance scheme operated exclusively for the benefit of its members. Any identifiable group of persons in Ghana may form and operate a PMHIS. For example, membership may be community-based, occupation-based, faith-based or an association. PMHIS shall have individuals (natural persons) as their members and **NOT** corporate organizations. Under no circumstance shall an employer impose membership of PMHIS on employees.

3.2 Private Commercial Health Insurance Scheme (PCHIS)

A PCHIS refers to a health insurance company that is operated for profit based on market principles. Premiums are based on the calculated risks of particular groups and individuals who subscribe to it. Commonly, the ownership of the private commercial health insurance scheme resides with a company and shareholders. A PCHIS shall be owned by its shareholders.

4.0 TYPES OF PRIVATE HEALTH INSURANCE SCHEME (PHIS) POLICIES

A PHIS may underwrite any or all of the following insurance policies:

Duplicate

- Coverage offered by a private health insurance scheme for health services included under the NHIS benefit package constitutes duplicate coverage. In this case, the individual remains covered by the NHIS but opts to buy and use private health insurance instead. However, if the individual uses the services of the PHIS, the **cost** of healthcare shall be **FULLY BORNE** by the PHIS.

Supplementary

- A supplementary policy is coverage provided by a PHIS for health services that are **NOT** covered by NHIS. These could include services such as luxury care, long term care, elective care, complementary medicine or superior amenity services. The **cost** of these services shall be **FULLY BORNE** by the PHIS.

Complementary

- Complementary coverage is where a private health insurance scheme covers all or part of the cost of benefits **NOT** covered by the NHIS. . Under a complementary policy, members of the PHIS can use either their NHIS card or their PHIS card to access service but the NHIS shall **ONLY** pay for costs covered under the NHIS benefit package if the member uses the NHIS card.

NOTE:

- In constructing the benefit package, the above roles must be clearly delineated for ease of monitoring.
- PHIS must construct and submit their benefit packages to NHIA for approval.
- PHIS should have underwriting policies in place.

5.0 REGISTRATION AND LICENSING

A company desirous of operating a health insurance scheme in Ghana shall apply for an operating licence. An application for a licence shall be made to the National Health Insurance Authority's Head Office or Regional Office(s) using a form prescribed by the Board.

5.1 Qualification

A scheme does not qualify to apply to operate a private health insurance scheme unless it is registered and incorporated under the Companies Act, 1963 (Act 179) as a:

- (a) limited liability company in the case of PCHIS or
- (b) company limited by guarantee in the case of PMHIS

NOTE:

- **Where a commercial health insurance company is solely owned by non-Ghanaian, a minimum of 15% percent of the shares shall be owned by Ghanaians**

5.2 Name and Stated Object of PHIS

- a) A PCHIS shall during incorporation include in its name, "health insurance scheme", "medical health insurance scheme", "health scheme" or similar names and shall have as its sole object, the provision of health insurance.
- b) A PMHIS shall during incorporation include in its name, "mutual health insurance scheme" or similar names and shall have as its sole object, the provision of health insurance.

5.3 Healthcare Providers

A PHIS shall **NOT** use the services of a healthcare provider or facility in the provision of its services unless the healthcare provider or facility has been licensed by the relevant agency and credentialed by the Authority, failing which the Board may invoke Section 60 of Act 852.

5.4 Intermediaries/Agents

A PHIS shall **NOT** use the services of an intermediary/agent for its operation unless the intermediary/agent has been licensed to operate in Ghana.

5.5 Quality Assurance

A PHIS shall co-operate with the Authority to ensure quality through post-licensing monitoring.

5.6 Premium

A PHIS shall receive no written premium in arrears (i.e. No Premium, No Cover).

6.0 GENERAL REQUIREMENTS

An application for registration and licensing to operate a PHIS shall be made to the Board in the prescribed form.

6.1 Registration Requirements

An application for registration shall be submitted with the following:

1. Two copies of:
 - a. The Constitution of PMHIS or
 - b. The Regulations of PCHIS
2. Certified true copy of certificate of incorporation
3. Certified true copy of certificate to commence business
4. Share certificates
5. Group structure detailing applicant's position in the group (if applicable)
6. A Business Plan which must contain at the minimum:
 - (a) Detailed information on the Governing Body which shall be responsible for the direction of policies of the scheme and appointment of employees such as a Principal Officer/Managing Director (which may be an independent body corporate or a committee) and other officers who shall be responsible for the management of the scheme. In addition to directors, shareholders and senior management staff of a PHIS must be "fit and proper". Refer to Appendices 5, 6 and 7 for the requirements of composition of boards, management and "Personal Questionnaire Forms".

PHIS shall have Corporate Governance Manuals drafted in line with standards prescribed by the Board. These standards shall guide how PHIS are governed. PHIS shall subsequently submit those draft Corporate Governance Manuals to the Private Health Insurance Schemes' Oversight Committee of the NHIA Board for review.

PHIS shall promulgate their Governance Manuals within three (3) months of receipt of comments of the Committee.

After the promulgation of the Manual, any subsequent review of Manuals shall be submitted to the Private Health Insurance Schemes' Oversight Committee for consideration.

(b) Proposed Management and/or Administrator.

Note: Where a PMHIS intends to use the services of a third party manager/administrator (independent body corporate), this must be indicated in the business plan and a copy of the agreement to regulate this relationship shall be submitted to the Authority. The third party administrator shall be licensed by the Authority as a PCHIS.

A PMHIS **CANNOT** appoint a related party as a Third Party Administrator. A **PCHIS** shall **NOT** be managed by a Third Party Administrator. The Authority shall assess the relationship between a Third Party Administrator and the schemes/products they manage by requesting for details of the governing structures in addition to other relevant information.

(c) Statement of the target market and the proposed minimum number of persons to be covered by the PMHIS.

(d) Proposed NHIA credentialed healthcare providers and healthcare facilities to be used by the scheme.

(e) Financial projections for the first five (5) years which must show the financial viability of the scheme.

(f) Marketing strategy

(g) Underwriting strategy

(h) Investment strategy

(i) Exit strategy

(j) Outsourcing strategy

(k) Risk Management strategy which shall include re-insurance

7. Proposed minimum premium/benefits package. These premiums/benefits package shall be actuarially determined and signed off by a qualified actuary with a profile, detailing years of experience. A PHIS shall disclose the methodology and assumptions used in determining premiums. This must be described in such sufficient detail that another actuary qualified in the same practice area is able to evaluate it.

8. Any other relevant information that may be required.

7.0 FINANCIAL REQUIREMENTS

7.1 Private Mutual Health Insurance Schemes

7.1.1 Minimum Capital Requirement

A PMHIS is required to have a minimum capital requirement of **One Million Ghana Cedis (GH¢1,000,000.00)**. **This is subject to revision.** The capital requirement refers to paid up initial subscription. A start-up PMHIS shall furnish the Authority with a business plan that describes the

proposed business and pro-forma statement of operations of the scheme for at least five (5) Years. This plan shall demonstrate satisfactorily, the scheme's ability to remain solvent over the set period.

7.1.2 Reserve Fund

A PMHIS shall put **twenty percent (20%)** of the minimum capital required into a reserve fund. The Board may review the adequacy of the reserve in relation to the business of the PHIS as and when it deems necessary. A PMHIS in conjunction with the Authority shall create and operate an escrow account into which the reserve shall be deposited and managed.

7.1.3 Withdrawal from the Reserve Fund

- (1) In the event that a PMHIS suffers a substantial loss arising from liability to members or providers and the loss cannot reasonably be met from its available resources, the Board may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the reserve of the scheme an amount of not more than **twenty-five percent (25%)**. The withdrawn amount shall be replaced by the scheme not later than **one hundred and eighty (180) days** after the date of withdrawal, failing which the Board may invoke Section 60 of Act 852.
- (2) The reserve fund is the asset of the PMHIS but except as provided above and shall be available to the scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining un-discharged at the time of the closure or winding up of the insurance business.

7.1.4 Accrued Interest

The interest accrued on the reserve fund at the end of every maturity period shall be rolled over together with the principal.

7.2 Private Commercial Health Insurance Schemes

7.2.1 Minimum Capital Requirement

A PCHIS is required to have initial capital requirement of **Five Million and Five Hundred Thousand Ghana Cedis (GH¢5,500,000.00)**. This is subject to revision. The capital requirement refers to paid-up capital.

Note: At least **sixty percent (60%)** of a scheme's minimum capital requirement shall be in cash or near cash and **forty percent (40%)** may be in fixed assets.

7.2.2 Security Deposit

A PCHIS shall deposit with the Bank of Ghana (BoG) a sum of **Five Hundred and Fifty Thousand Ghana Cedis (GH¢550,000.00)** representing **10% of the initial capital required**. The security referred to above shall be maintained throughout the period that the business of private commercial health insurance is carried on. The Board may review the level of the security deposit as and when it deems necessary.

7.2.3 Withdrawal from the Security Deposit

1. Where a PCHIS suffers a substantial loss arising from liability to members or providers and the loss cannot reasonably be met from its available resources, the Board may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the security deposit of the scheme an amount of not more than **ten percent (10%)**. The withdrawn amount shall be replaced by the scheme not later than **ninety (90) days** after the date of withdrawal, failing which the Board may invoke Section 60 of Act 852.
2. The security deposit is the asset of the PCHIS, except as provided above and shall be available to the scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining un-discharged at the time of the closure or winding up of the insurance business.

7.2.4 Accrued Interest

The interest accrued on the security deposit at the end of every maturity period shall be rolled over together with the principal.

7.3 Contingency Fund

In addition to the reserve fund/security deposit, a PHIS must create and maintain a contingency fund to serve as a buffer in times of crises. This shall be **3%** of net written premium set aside monthly. Withdrawal from this fund can only be made upon prior written approval from the Authority.

7.5 Application fees

An application for registration and licensing to operate a PHIS shall be processed upon payment of a non-refundable amount. Refer to Appendix 10 for detailed fees.

8.0 ISSUANCE OF LICENCE

A PHIS may be issued with a licence by the Board upon satisfaction of the requirements set out in Act 852 and as provided for in this guide. Licences issued will be valid for a period of 2 years.

9.0 DISPLAY OF LICENCE

A licensed PHIS shall display its license in a prominently visible place at its place of business.

10.0 RENEWAL OF LICENCE

A licence to operate a health insurance scheme expires **two years** from the date of issue and may be renewed for further periods of **two years** at a time.

- An application for renewal of a licence shall be made in the prescribed form and submitted to the Authority.
- An application for renewal of a licence shall be made **no later than three (3) months before the expiry of the licence.**
- Where an application for renewal is made and the licence expires before the Board determines the application, the licence shall be deemed to be in force until the application for renewal is determined.

- A licence shall be surrendered to the Authority upon expiration and revocation.

11.0 RENEWAL REQUIREMENTS

The following shall be submitted with the application:

1. The names and particulars of members of the governing body of the scheme.
2. Details of the management team.
3. The NHIA **credentialed healthcare providers** and **healthcare facilities** used by the scheme.
4. The current healthcare **benefits package/premium** under the scheme.
Note: A PHIS shall disclose the methodology and assumptions used in determining premium. This must be described in sufficient detail that another actuary qualified in the same practice area could evaluate their rationality.
5. Audited financial statements. ***Refer to Appendices 1, 2 and 3 for the formats for the submission of this report.***
6. Operational report **(Refer to Section 23.0)**
7. Any other information that the Board may require.

12.0 DATA PRIVACY AND SECURITY

A PHIS shall comply with the data protection Act, 2012 (Act 843).

13.0 NOTIFICATION OF CHANGES

A scheme shall, within two (2) months of any change in its operations notify the Authority in writing attaching all documentations relating to that change.

A scheme shall furnish the Authority with the essential information concerning its capitalization, reserves and any other information as may be required by the Board.

14.0 CLEARANCE FOR ENROLLMENT

For the purpose of changing scheme, a scheme shall NOT enroll a member from another scheme without written clearance from the previous scheme. Response to such request should be provided within ten (10) working days. Non-compliance shall imply automatic clearance. A copy of the clearance shall be filed at the current scheme for inspection during on-site monitoring.

15.0 INSURANCE INTERMEDIARIES

15.1 Application for insurance intermediary licence

A person may apply to the Authority for an insurance intermediary's licence in one of the following

categories:

- Health Insurance broker;
- Health Insurance agent;
- Health Insurance Loss adjuster

An application shall be made in writing and shall state the category of licence for which the application is made and shall contain the prescribed information and be in the prescribed form.

15.2 Registration Requirements for Intermediaries

15.2.1 Agents

An application for registration and licensing as an agent shall be submitted with the following:

1. Application for licence to act as an agent shall be supported by the health insurer with which the applicant will contract.
2. The person seeking to be an agent shall possess a minimum qualification of Higher National Diploma (HND)
3. Evidence of adequate training given by the health insurer the agent seeks to work with

15.2.2 Brokers/ Loss Adjusters

Application for registration and licensing as a broker or *Loss Adjusters* shall be submitted with the following:

1. Two copies of regulations showing share holding
2. Share Certificates
3. Certified true copy of certificate of incorporation
4. Certified true copy of certificate to commence business
5. A Business Plan (*refer to appendix 11*)
6. Evidence of Professional Indemnity Cover (Policy Certificate)

The Authority may require an applicant to furnish it with any other documentation or information it considers necessary.

15.3 FINANCIAL REQUIREMENTS

15.3.1 Health Insurance Brokers/ Loss Adjusters

15.3.2 Minimum Capital Requirement

A Health Insurance Broker/ *Loss Adjusters* is required to have a minimum capital requirement of **Three Hundred Thousand Ghana Cedis (GH¢300,000.00)**. **This is subject to revision.** The capital requirement refers to paid-up capital.

15.4 RESTRICTIONS ON PERSONS WHO MAY BE LICENSED

- (a) A licence as a health insurance broker or health insurance Loss Adjuster shall only be granted to a company or a partnership.
- (b) A director, officer or employee of a company holding a licence as a broker, a partner or

employee of a partnership holding a licence as a broker or a person holding a significant interest in a broker shall not be granted a licence as a health insurance agent.

(c) A director, officer or employee of a health insurer and a person holding a significant interest in an insurer shall not be granted a licence as a broker.

(d) A person holding licence as health insurance broker shall not hold licence as health insurance loss adjuster or health insurance agent.

15.5 SUBMISSION OF LICENCE TO AUTHORITY

An insurance intermediary shall submit its licence to the Authority where

(a) the licence is suspended or revoked, or

(b) it is required by the Authority to do so for a stated reason.

15.6 PUBLICATION OF ISSUANCE OF LICENCE

Where the Authority issues a licence, it shall cause notice of issuance to be published in the Gazette and any newspaper of mass circulation that the Authority may determine.

15.7 DURATION OF LICENCE

A licence expires twelve months from the date of its issue or of its last renewal.

- Application for renewal of a licence shall be made **no later than three (3) months before the expiry of the licence.**
- Where an application for renewal is made and the licence expires before the Board determines the application, the licence shall be deemed to be in force until the application for renewal is determined.

16.0 TRANSFER OF A LICENSED SCHEME

A licensed PHIS shall **NOT** transfer its activities or operate its activities jointly with another scheme without the prior written approval of the Authority.

17.0 TRANSFER OF OWNERSHIP

After transfer of all or part of a licensed scheme's ownership to another company or individual, the scheme must notify the Authority and submit all documents relating to the transfer.

18.0 COMPLAINTS SETTLEMENT

A PHIS shall provide a procedure for settlement of complaints from its members and healthcare service providers. The procedure would include the recording, investigation and processes for settling complaints received from the members and healthcare service providers.

The scheme must ensure that members and healthcare providers are made aware of the existence of an **Adjudication Committee** set up by the Minister of Health under Act 852 to which they can submit complaints not settled or unsatisfactorily settled by the scheme or NHIA Board.

19.0 ENFORCEMENT & SANCTIONS

If the Authority becomes aware that a scheme has violated or contravened any of the provisions of Act 852, its regulations, guidelines, and any other applicable enactments, the Authority may take punitive action.

Note: Refer to Appendices 7 for offences and resultant penalties

20.0 CONVERSION OF SCHEMES

20.1 A Company Limited by Guarantee (Private Mutual)

By the Companies Code, 1963 (Act 179), a company limited by guarantee (Private Mutual) **shall not** be incorporated with the object of carrying on business for the purpose of **making profit**. In other words, a company limited by guarantee (Private Mutual) cannot be converted into a company limited by shares (Private Commercial). In an event that a private mutual scheme wishes to convert to a private commercial scheme, a new company has to be registered/incorporated as a company limited by shares.

20.2 A Company Limited by Shares (Private Commercial)

By the Companies Act, a company limited by shares (Private Commercial) may be converted into a company limited by guarantee (Private Mutual):

- A. If
 - i. There is no unpaid liability on any of its shares;
 - ii. All its members agree in writing to such conversion and to the voluntary surrender to the company for cancellation of all the shares held by them immediately prior to the conversion;
 - iii. New regulations, appropriate to a company limited by guarantee, are adopted by the company pursuant to section 22 of the Companies Act;
 - iv. A member(s) agree in writing to continue to use the assets of the company in the event of it being wound-up to an extent not less than the prescribed amount.
- B. Upon delivery to the Registrar General for registration of
 - i. A copy of the said new Regulations and of the special resolution adopting the same, and
 - ii. A statutory declaration by a director and the secretary of the company confirming that the condition of the preceding subsection above has been complied with.

The Registrar shall issue a new certificate of incorporation altered to meet the circumstances of the case; and as from the date mentioned in such certificate the company shall be converted into a company limited by guarantee.

The conversion of a company pursuant to the provisions of Section 11 of Act 179 of the Companies Act shall not affect any rights or obligations of the company except as mentioned in Section 11 of Act 179 or render defective any legal proceedings by

or against the company.

21.0 MONITORING

The Authority reserves the right to conduct off-site and on-site monitoring of all PHIS to ensure compliance with the provisions of Act 852, guidelines and any other applicable enactments.

22.0 SOLVENCY

Solvency Margins: A PHIS shall maintain a Capital Adequacy Ratio of **150%**. *Refer to Appendix 4 for the detailed Solvency framework/requirements.*

23.0 REPORTING

A PHIS shall submit quarterly and annual reports including financial statements to the Authority for review. These reports shall be in a form prescribed by the Board. The reports shall, in the case of quarterly reports, be submitted within one month after the end of the quarter and in the case of an annual report within three months after 31st December of the preceding year. The financial statements to be submitted shall include:

- a. Balance sheet
- b. Statement of income
- c. Statement of cash flow
- d. Statement of changes in equity
- e. Notes to the accounts

Note: Refer to Appendices 1, 2 and 3 for the formats of reports.

An annual operational report submitted by a PHIS shall contain at a minimum, the following:

- a. Executive Summary**
- b. Corporate Governance**
 - i. Any change(s) to current governing Board.
 - ii. Number of Board meetings held (at least three (3) times annually) and any critical decisions made.
 - iii. The names and roles of each management staff including any significant organizational restructuring.
 - iv. Number of management meetings held (at least once (1) a quarter)
 - v. Measures put in place to ensure compliance.
- c. Comprehensive Analysis on Enterprise Risk Management**
 - i. Strategic risk.
 - ii. Operational risk.
 - iii. Insurance risk.
 - iv. Liquidity risk
 - v. Investment risk.
 - vi. Credit risk.
 - vii. Legal and Regulatory risk.

viii. Related Party risk... etc.

d. Stakeholder Relations

- i. Scheme/member relations.
- ii. Scheme/provider relations.
- iii. Member/provider relations.

NB: stakeholder engagements, major complaints and major challenges etc.

e. Operations

- i. Total number of members (categorize membership e.g. corporate, family, individuals, number of lives on NHIS).
- ii. Data privacy and security.
- iii. Premium (total received, unearned, outstanding, debtors list, aging analysis, etc.).
- iv. Benefits package (minimum benefits and exclusion list).
- v. Claims (total received, total paid (specifying refund component), total outstanding, creditors list, etc.)
- vi. Details of Investment (Amount, Tenure, Instrument and Institutions etc.).
- vii. Quality assurance.
- viii. List of providers.

f. Out sourcing Activities

- Declaration of any outsourced business processes.

24.0 APPENDICES

Appendix 1

BALANCE SHEET AS AT 31 DEC., 20..

	20...	20...
	GHC '000	GHC '000
ASSETS		
1.Cash		
2.Investments:		
Gov't Securities		
Bank of Ghana Bonds & Securities		
Statutory Deposits-(Reserve)		
Fixed Deposits		
Listed Stocks		
Unlisted Stocks		
Mutual Funds		
Investments Properties		
Investments in Subsidiaries		
Other Investments		
Total Investments		
3. Receivables:		
Outstanding Premium*		
Due from Reinsurers		
Due from Related Parties		
Due from Agents and Brokers		
Reinsurance Share of Insurance Liabilities		
Taxation		
Deferred Taxation		
Other Receivables		
Rent & Other Prepayments		
Total Receivables		
4 Property Plant and Equipment		
Land and Buildings		
Plant and Equipment		
Computer Hardware and Software		
Motor Vehicles		
Furniture and Fitting		
Other Assets		
Total Property Plant and Equipment		
5 Intangible Assets		
Deferred Acquisition Cost		
Others		
TOTAL ASSETS		

**Appendix 2
PCHIS**

STATEMENT OF INCOME/OPERATIONS FOR THE YEAR ENDED 31 DEC., 20..

	20..	20..
UNDERWRITING OPERATIONS	GHC '000	GHC '000
Premiums Written		
Gross Premium Written		
Reinsurances Ceded		
Net Premiums Written		
Decrease/ Increase in Provision for Unearned Premium		
Net Earned Premium		
Benefit Payments and Expenses		
Gross Policyholder Benefits Paid		
Less Reinsurance recoveries		
Net Policyholder Benefits Paid		
Commission Expense		
Other Expenses *		
Administrative Expenses*		
Total Expenses		
Total Benefit Payment and Expenses		
Commissions Income from Reinsurance		
Underwriting Income (loss)		
INVESTMENT INCOME		
Dividends Income		
Interest Income		
Rent Income		
Net realized gains on financial Assets		
Net fair value gains on Assets at fair value through Income		
Other Investments Income		
Total Investment Income		
OTHER INCOME		
Exchange Gain		
Profit/Loss on Sale of fixed Assets		
Others		
Total Other Income		
PROFIT/LOSS BEFORE TAX		
TAXATION		
PROFIT AFTER TAX		
Income Surplus/Deficit b/f		
Dividends declared and Paid		
Transfer to other Reserves-Specify*		
Income Surplus/Deficit c/f		
		17

**Appendix 3
PMHIS**

STATEMENT OF INCOME/OPERATIONS FOR THE YEAR ENDED 31 DEC., 20..

	20..	20..
	GHC	GHC
	'000	'000
UNDERWRITING OPERATIONS		
Premiums Written		
Gross Premium Written		
Reinsurances Ceded		
Net Premiums Written		
Decrease/ Increase in Provision for Unearned Premium		
Net Earned Premium		
Benefit Payments and Expenses		
Gross Policyholder Benefits Paid		
Less Reinsurance recoveries		
Net Policyholder Benefits Paid		
Commission Expense		
Other Expenses *		
Administrative Expenses*		
Total Expenses		
Total Benefit Payment and Expenses		
Commissions Income from Reinsurance		
Underwriting Surplus (Deficit)		
INVESTMENT INCOME		
Dividends Income		
Interest Income		
Rent Income		
Net realized gains on financial Assets		
Net fair value gains on Assets at fair value through Income		
Other Investments Income		
Total Investment Income		
OTHER INCOME		
Exchange Gain		
Profit/Loss on Sale of fixed Assets		
Others		
Total Other Income		
SURPLUS/ DEFICIT		
Income Surplus/Deficit b/f		
Transfer to other Reserves-Specify*		
Income Surplus/Deficit c/f		
Items with * require brief notes.		

Appendix 4

NATIONAL HEALTH INSURANCE AUTHORITY SOLVENCY FRAMEWORK FOR PCHIS & PMHIS UNDER THE NATIONAL HEALTH INSURANCE ACT, 2012 (ACT 852)

1.0 This Solvency framework applies to PCHISs and PMHISs under the National Health Insurance Act, 2012 (Act 852). It addresses the following issues relating to solvency;

- i. Available Capital Resources
- ii. Solvency Capital Requirement
- iii. Minimum Solvency Capital Requirement
- iv. Capital Adequacy Ratio
- v. Solvency Control Levels
- vi. Technical Provision
- vii. Investment strategy, policies, procedures and controls
- viii. Responsibilities of board
- ix. Risk management and internal controls
- x. Financial Conditions Report

2.0 **Available Capital Resources**

The Available Capital Resources of a PCHIS and a PMHIS shall be calculated as follows;

$ACR = SHF - (IA + AD)$, Where

“ACR” represents the company’s available capital resources,

“SHF” represents Shareholders’ Funds calculated as the sum of the company’s share capital, retained earnings and capital surpluses.

“IA” represents inadmissible assets detailed in paragraph 2.1 below

“AD” represents Asset discounts as detailed in paragraph 2.2 below.

2.1 The following shall constitute inadmissible assets for the purpose of paragraph 1 above:

- a) Intangible assets
- b) Capitalized research and development costs
- c) Deferred acquisition costs
- d) Deferred tax assets, net of deferred tax liabilities, if any
- e) The value of investments in, and subordinated loans to, a connected person
- f) Any asset that is subject to a charge or any other encumbrance

- g) Reinsurance receivables older than six months
- h) Premium debtors older than three months
- i) Corporate stationery, such as product manuals and
- j) Amounts due from connected persons.

2.2 The following discounts shall be applied to the value of the assets as shown on the Balance Sheet

	<u>Asset</u>	<u>Discount to be Applied</u>
1.	Government of Ghana securities	0%
2.	Bank of Ghana securities	0%
3.	Cash and term deposits held at a licensed bank	5%
4.	Corporate debt	5%
5.	Securities listed on the Ghana Stock Exchange (excluding any securities that are corporate debt)	15%
6.	Any securities not included in paragraphs 1 to 5	30%
7.	Equity backed mutual funds	10%
8.	Money market mutual funds	5%
9.	Land and buildings held as an investment	30%
10.	Land and buildings occupied by the insurer for its own use	50%
11.	Plant, equipment and furniture	50%
12.	Motor vehicles	50%
13.	Computer Hardware and Software	5%
14.	Amount due from reinsurers less than 6 months old	10%
15.	Any asset, other than an asset listed in paragraphs 1 to 15 above, except assets required to be deducted from core capital under paragraph 1(4)	50%

3.0 Solvency Capital Requirement

3.1 The solvency capital requirement of a PCHIS shall be the greatest of:

- (a) The minimum solvency requirement specified in paragraph 4.0
- (b) 25% of the scheme's Net Written Premium of the previous year.
- (c) 25% of the total management expenses of the scheme as shown in the profit and loss account for the previous year.

3.2 The solvency capital requirement of a PMHIS shall be the greater of:

- (a) 25% of the scheme's Net Written Premium of the previous year.
- (b) 25% of the total management expenses of the scheme as shown in the income statement/ statement of operation for the previous year.

4.0 Minimum Solvency Capital Requirement

The minimum solvency capital applicable is Two Million Ghana Cedis (GH¢2,000,000.00).

5.0 Capital Adequacy Ratio

5.1 The capital adequacy ratio of a PCHIS or a PMHIS shall be calculated in accordance with the following formula:

$$\text{CAR} = \frac{\text{ACR}}{\text{SCR}} \times 100$$

Where:

- (a) "CAR" represents the scheme's capital adequacy ratio expressed as a percentage;
- (b) "ACR" represents the scheme's capital resources calculated in accordance with paragraph 2 and
- (c) "SCR" represents the scheme's solvency capital requirement calculated in accordance with 3.

5.2 The Target Capital Adequacy Ratio for both PCHISs and PMHISs shall be **150%**

6.0 Solvency Control Levels

6.1 The Authority's capital adequacy control levels are as follows:

Capital Adequacy Control Level	CAR	Supervisory implication	Supervisory Action
Level 0 (PCR)	CAR >(150%)	No significant problems	Monitor
Level 1	(125%)< CAR <(150%)	Early warning	Strong recommendations for improvement in risk areas.
Level 2 (MCR)	100% < CAR <125%	Serious risk of insolvency	Enforcement Action aimed at resuscitation
Level 3	CAR < 100%	Entity not viable	Enforcement Action leading to liquidation

6.2 Without limiting the solvency and reporting requirements specified a scheme shall monitor its capital adequacy ratio resources against the Authority's capital adequacy control levels as specified above and shall immediately notify the Authority in writing if its capital adequacy ratio changes:

- (a) From Level 0 (the "Target Capital Adequacy Ratio" or "TCAR") to Level 1, Level 2 or Level 3;
- (b) From Level 1 to Level 2 or Level 3; or
- (c) From Level 2 to Level 3.

7.0 Technical Provisions

The technical liabilities to be determined by the insurer shall include the following:

- (a) Liabilities for unearned premiums;
- (b) Liabilities for outstanding claims; and

- (c) Liabilities for claims that have been incurred but not reported (IBNR).

The insurer shall calculate its unearned premiums provision using the 365ths method.

The outstanding claims provision shall be determined as the total of the estimated value of all individual claims outstanding at the end of the period.

8.0 Investment strategy, policies, procedures and controls

A PCHIS and PMHIS shall establish and maintain

- (a) An investment strategy and such investment policies as the board considers appropriate for the nature, size and complexity of its business; and
- (b) Procedures and controls that are sufficient to ensure that the investment strategy and policies are effectively implemented.

8.1 Without limiting paragraph (8), the investment strategy and policies of the insurer shall address

- (a) The risk profile of the insurer;
- (b) Mixture and diversification of investment by type, including the long-term asset mix;

The table below shall be the guide:

Investment	Proportion of Investment Portfolio
Government securities, cash and deposits (excluding Statutory Deposit)	At least 35%
Statutory Deposit	At least 10% of minimum capital
Listed Stocks	0 – 20%
Unlisted Stocks	0 – 10%
Mutual Funds	0 – 10%
Investment Properties	0 – 20%
Other investments approved by the NHIA	0 – 10%

- Investment in related party should not exceed 20% of total investment.
- Investment in non-bank financial institution should not exceed 5% of total investment.

- (c) The establishment of limits for the allocation of assets by geographical area, markets, sectors, counterparties and currency;

- (d) The extent to which the holding of some types of assets is restricted or disallowed, for example illiquid or volatile assets; and
- (e) Clear accountability for all asset transactions and associated risks.

8.2 Investments to Total Assets ratio

In addition to the investment mix, it is required that at any point in time, the ratio of investments to total assets should not be less than 55%. That is, at least 55% of the total assets of the company must be in direct investments.

Direct investments are defined as assets that directly earn cash income or appreciate in value (capital appreciation) over time. For ease of simplicity, direct investments will include available for sale debt instruments such as bonds, treasury bills and bonds, real estate investment trusts (REITS), mutual funds, rental properties and other cash-generating investments.

9.0 Responsibilities of Board

9.1 The board of the PCHIS and PMHIS shall

- (a) Approve the investment strategy and the significant investment policies, and any subsequent changes to the strategy or significant policies, and review them on at least an annual basis; and
- (b) Ensure that a management structure, including appropriate procedures and controls, is put in place to effectively execute and monitor the investment strategy and policies.
- (c) Ensure that effective policies, systems and controls are established and maintained to enable the monitoring and managing of the scheme's asset/liability position to ensure that the scheme's investment activities and assets positions are appropriate for its risk profile; and
- (d) Put in place Contingency plans to mitigate the effect of a deterioration in investments

10.0 Risk management and internal controls

10.1 The board of the insurer shall approve the risk management strategy, policies, procedures and controls of the scheme. The risk management strategy, policies, procedures and controls of the insurer shall cover the risks associated with investment activities that may affect the scheme's liabilities or its ability to meet its solvency capital requirement.

10.2 The internal controls established and maintained by the insurer shall cover the scheme's investment strategy and policies and shall ensure that the investment strategy, policies, systems and controls are properly documented and subject to adequate oversight.

11.0 Financial Condition Report

11.1 An insurer shall submit to the Authority, a Financial Condition Report prepared by its actuary. The Financial Condition Report shall include;

- a. An assessment of the insurer's compliance with the prudential requirements specified by the Authority and any directives imposed by the Authority;
- b. An assessment of the insurer's Risk Management systems and Internal Controls and Investment Strategy;
- c. A detailed evaluation of the insurer's financial condition;
- d. A valuation of the insurer's policy liabilities;
- e. A professional opinion on the matters specified in paragraphs (a) to (c).

11.2 The Financial Condition Report shall be

- (i) Approved by the board of the insurer and signed by the actuary before submission to the Authority; and
- (ii) Submitted to the Authority within 3 months after the end of the financial year.

Appendix 5

NATIONAL HEALTH INSURANCE AUTHORITY GUIDELINES FOR COMPOSITION OF BOARDS OF PRIVATE HEALTH INSURANCE SCHEMES

A PHIS shall be governed by an effective board, which shall direct the affairs of the company. The board shall be composed of persons who collectively have sufficient expertise to understand the issues relating to the operations of health insurance schemes and are individually capable of independent action.

1. The board shall have a minimum of **five (5) members**, including the **Managing Director (MD)** who shall be the **Principal Officer** of the health insurance company.
2. The role of the **Managing Director (MD)** and the Chairperson shall not be combined.
3. The Chairperson shall be a non-executive director.
4. At least one third (1/3) of the Board members must be Ghanaians (subject to a minimum of two (2)).
5. At least the Board Chairman or the **Managing Director (MD)** should be a Ghanaian.
6. At least one third (1/3) of the total membership of the board (subject to a minimum of two (2)) shall be composed of independent directors.
7. The Board shall include non-executive directors of sufficient caliber and standing to provide a balanced discussion and decision making at board meetings.
8. A board member of one PHIS shall not serve on the board of another PHIS.
9. A board member of a PHIS shall not be staff of another PHIS.
10. No staff of NHIA shall be a board member of a PHIS.
11. At most one third (1/3) of the total membership of the board could be composed of family members.
12. Where a mutual scheme and a commercial scheme are either fully or substantially owned by the same shareholder(s), or where one is a subsidiary of the other:
 - The chairperson of the mutual scheme shall **NOT** be the chairperson of the commercial scheme; or vice-versa.
 - An independent director of the mutual scheme shall **NOT** be presented as an independent director of the commercial scheme; or vice versa.

DEFINITIONS

Independent Director

An Independent Director shall be “non-executive” and shall be free from any business with the company or its associated companies, which can interfere materially with the exercise of his/her independent and partial judgment. He/she shall not have close family ties with any of the Company’s Directors, Senior Management or Significant Shareholder.

Non-Executive Director

A non-executive director is a director who is not engaged in the daily management of the company.

Family

A family is a group of people who are closely related by blood, marriage or adoption (Spouse, Children, Parents, Siblings, Aunt, Uncle, Niece and Nephew).

Appendix 6

NATIONAL HEALTH INSURANCE AUTHORITY MANAGEMENT STRUCTURE FOR PRIVATE HEALTH INSURANCE COMPANIES

A PHIS shall be managed by an effective team. The team shall be composed of persons who collectively have sufficient expertise to understand the issues relating to the operations of health insurance schemes and are individually capable of independent action.

The Management team shall include;

1. A full time Managing Director who should have a minimum of first Degree or its equivalent with five years' experience in a managerial position.
2. A full time Chief Finance Officer who should be a Qualified Accountant with at least five years' post qualification experience in the same field.
3. At least the Managing Director or the Chief Finance Officer should be a Ghanaian.
4. Claims Manager (should have a minimum of first Degree or its equivalent with five years' post qualification experience in a relevant field
5. A full time Chief Operations Officer who should have a minimum of first Degree or its equivalent with five years' post qualification experience in a relevant field

NB:

- a) Members of the management team should at least have a 1st Degree or its equivalent.
- b) Full time employee in this regard means the employee shall not be an employee of another organization/company
- c) Where the scheme is part of a Group and/or a Liaison Office, the above positions shall be distinct from the Group or any other subsidiary.
- d) Shared Management cost should be capped in line with GIPC regulations and Transfer Pricing Regulations and allowed for only Human resources functions subject to approval by the Regulator.

Appendix 7

OFFENCES AND PENALTIES

The following section briefly summarizes offences and resultant penalties under the National Health Insurance Act, 2012 (Act 852).

OFFENCE	PENALTY/ FINE AND DAILY DEFAULT FINE
Failure to submit renewal application within three months before the expiry of a licence.	Suspension or revocation of licence.
Scheme has in any manner acted fraudulently	Suspension or revocation of licence.
Scheme has lost its financial ability to continue to operate	Suspension or revocation of licence.
Scheme not operating in accordance with good administrative and accounting practices and procedures	Suspension or revocation of licence.
Scheme fails to comply with a provision of the Act, the regulations or any other enactment applicable to the scheme	Suspension or revocation of licence.
Providing private health insurance service or operating a private health insurance scheme without being registered with the Authority and issued with a licence.	Summary conviction to a fine of not more than five hundred penalty units or to a term of imprisonment of not more than three years or to both.
Carrying on any activities other than securing provision of healthcare to its members.	Suspension or revocation of licence
Conducting an activity under a name which includes "health scheme", "medical insurance scheme", "health insurance scheme" or similar name which is calculated or likely to lead people to believe that that person operates a private health insurance scheme unless the scheme is registered and licensed under Act 852.	Summary conviction to a fine of not more than two hundred penalty units or to a term of imprisonment of not more than one year or to both
Transferring activities or operating activities jointly with another scheme without approval by the Board.	Suspension or revocation of licence
Insurer or insurance intermediary failing to prominently display a copy of its licence at every premise where business is carried on.	Suspension or revocation of licence
Failure to pay within 90 days any amount withdrawn from the security deposit	Suspension or revocation of licence

OFFENCE	PENALTY/ FINE AND DAILY DEFAULT FINE
<p>Application of Insurance Act, 2006 (ACT 724)</p> <p>Solvency margin Insurer failing to notify Authority that its solvency margin has fallen below the amount that is required under section 71(1) of NIC Act 724.</p> <p>Reserves i. Insurer failing to notify Authority that its reserves have fallen below the amount that is required under section 72(1) of NIC Act 724.</p> <p>Payment of Dividend Insurer making distribution to shareholder in contravention of section 75 (1) of NIC Act 724.</p> <p>Relating to investments Insurer failing to comply with the investment mix guide provided in the PHIS guidelines</p> <p>Principal Officers</p> <ul style="list-style-type: none"> • Insurer appointing a director or principal officer without the prior written approval of the Authority. • Insurer failing to provide written notice to the Authority of termination of appointment of a director or principal officer within fourteen (14) days. <p>Relating to records of Business transacted in and outside the country.</p> <p>Failure to keep proper books of accounts and proper records in respect of the accounts. (Section 78 of NIC Act).</p> <p>Failure to submit audit and annual report to the Authority as required by Act 852.</p>	<p>250 penalty units</p> <p>250 penalty units</p> <p>500 penalty units</p> <p>500 penalty units(181(3))</p> <p>250 penalty units</p> <p>100 penalty units</p> <p>500 penalty units</p> <p>Suspension or revocation of licence.</p>

OFFENCE	PENALTY/ FINE AND DAILY DEFAULT FINE
Contracting an Auditor who is an employee, manager or a Director of a scheme.	Suspension or revocation of licence.
Person entering into contract of insurance with an offshore insurer without the authorization of the Authority.	250 penalty units
Offshore insurer operating, maintaining or carrying on business through a representative branch or contact office in Ghana without the prior written approval of the Authority.	500 penalty units
Offshore insurer opening, maintaining or carrying on business through a representative, branch or contact office in Ghana contrary to conditions imposed by the Authority.	500 penalty units
Insurer issuing a new form of insurance product without the prior written approval of the Authority.	250 penalty units
Insurer opening, maintaining or carrying on business through a representative, branch or contact office outside Ghana without the prior written approval of the Authority.	500 penalty unit
Person selling, transferring, charging or otherwise disposing off a significant interest in a licensee, or any part, without the prior written approval of the Authority.	250 penalty units
Person acquiring a significant interest in insurer without the prior written approval of the Authority.	250 penalty units
Payment of commission to unregistered intermediaries	250 penalty units
Insurer paying commission to unlicensed insurance intermediary.	250 penalty units

OFFENCE	PENALTY/ FINE AND DAILY DEFAULT FINE
<p>Insurance intermediaries Insurance intermediary failing to submit its licence to the Authority.</p> <p>Duty to disclose material facts Person contravening section 166(1) of the NIC Act 2006, Act 724. (duties in relation to inspection).</p>	<p>250 penalty units</p> <p>250 penalty units</p> <p>500 penalty units</p>
<p>Payment of premium An Insurer writing premiums on credit</p>	200% of invoice amount
Mutual scheme appointing an independent manager without approval by the Authority.	Suspension or revocation of licence
Failure of a mutual scheme to constitute reserve fund within three years after commencement of the scheme.	Suspension or revocation of licence
A mutual scheme enrolling members outside its target market.	Suspension or revocation of licence
Denying a member access to a copy of scheme's annual report without reasonable justification.	Suspension or revocation of licence
Altering approved premiums and benefits without the prior written approval of the Authority.	Suspension or revocation of licence
Failure to issue a health insurance identity card together with booklet containing membership rights, obligations and privileges, list of healthcare benefits as well as list of healthcare providers amongst others.	Suspension or revocation of licence
Failure to provide procedure for settlement of complaint.	Suspension or revocation of licence
Failure to resolve a Complaint within 30 days from the date the Complaint was lodged;	Suspension or revocation of licence
Conducting business with a healthcare provider or a health facility that has not been licensed by the relevant agency and granted credentials by the Authority.	Suspension or revocation of licence
Failure to adhere to contractual terms with health service providers.	Suspension or revocation of licence

OFFENCE	PENALTY/ FINE AND DAILY DEFAULT FINE
Suspended or revoked Insurer or insurance intermediary signing on new business or renewing an existing business.	Summary conviction to a fine of not more than five hundred penalty units or to a term of imprisonment of not more than three years or to both.
Operating with an expired licence.	Summary conviction to a fine of not more than five hundred penalty units or to a term of imprisonment of not more than three years.
Failure to implement recommendations or carry out directives by the Authority within stipulated time.	500 penalty units
Failure to receive clearance from former scheme of new/ prospective clients before enrollment.	Suspension or revocation of licence

Appendix 8

NATIONAL HEALTH INSURANCE AUTHORITY

Personal Questionnaire

Please note that all questions on the personal questionnaire form are essential and must therefore be answered. Questions that do not apply to the individual should be answered as “NOT APPLICABLE” but not be left unanswered. Questions with YES/ NO responses must also be answered and reason(s) given if any. All alterations, cancellations and attachments must be duly signed.

Name of Scheme:

Name of Individual:

1. Personal Details

(a) Full name: Surname

Forenames

(b) Any previous name(s)

Date(s) changed

(c) Date and place of birth

(d) Nationality

(e) Any change of nationality Date

changed

(f) Current residential address

(g) Any other residential address (es) in previous ten years (with dates)

- (h) Capacity in which you are completing this form, e.g. as a current or prospective director, shareholder or principal officer or any combination of these.
- (i) Date of Appointment
- (j) Status of Directorship e.g. Non-Executive, Executive and Independent
- (k) State your full title and describe the particular duties and responsibilities attaching to the position(s) which you hold or will hold.

If you are completing this form in the capacity of director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the institution's business.

2. Experience

Give the following details for each employment over the previous fifteen years (where applicable) commencing with your present employment. Any gaps in employment over the period must be explained.

Period of employment (month and year)

From: _____ To: _____

Name of employer:

Address of employer:

Nature of employer's business:

Position(s) and responsibilities held:

Reason for leaving:

Period of employment (month and year)

From: _____ To: _____

Name of employer:

Address of employer:

Nature of employer's business:

Position(s) and responsibilities held:

Reason for leaving:

Period of employment (month and year)

From: To:
Name of employer:
Address of employer:

Nature of employer's business:
Position(s) and responsibilities held:
Reason for leaving:

Period of employment (month and year)
From: To:
Name of employer:
Address of employer:

Nature of employer's business:
Position(s) and responsibilities held:
Reason for leaving:

Period of employment (month and year)
From: To:
Name of employer:
Address of employer:

Nature of employer's business:
Position(s) and responsibilities held:
Reason for leaving:

If insufficient space is provided please attach a separate sheet.

3. Qualifications and Training

Give details of:

(a) All relevant professional qualifications including dates acquired and institutions attended / Attach Curriculum Vitae (CV):

(i)

(ii)

(iii)

(iv)

(b) Other relevant training or experience (give dates of training and institutions attended / Attach Curriculum Vitae (CV):

(i)

(ii)

(iii)

(b) State whether in your personal capacity you hold or at any time held any membership, licence or authorisation or been registered as a representative under Legislation of any country other than Ghana relating to banking, investment, insurance or other finance business *YES/NO

If YES, give details below including licence/registration number and name of authorising body where appropriate:

4. Other Business Interests

(i) If you have been a member of the Board of Directors of any other organisation during the previous ten years, kindly complete the table below.

NAME OF ORGANISATION	PRINCIPAL ACTIVITIES	DATES OR PERIOD OF DIRECTORSHIP

4 (ii) If you own or control, or have ever owned or controlled shares in any other Businesses during the previous ten years, kindly complete the table below

NAME OF BUSINESS	PRINCIPAL ACTIVITIES	% OF SHARES OWNED OR CONTROLLED	PAST OR CURRENT

5. Good Reputation and Character

- (a) Have you at any time been convicted of any offence involving fraud or other dishonesty or an offence under legislation (including insider dealing), relating to institutions providing financial services, insolvency, consumer credit or consumer protection or any other statutory offence other than a road offence. If so, give particulars of the court by which you were convicted, the offence, and the penalty imposed and the date of the conviction *YES/NO

NOTE: "Financial Services" includes (inter alia) activities carried on by banks, brokers, building societies, credit unions, friendly societies, industrial and provident societies, insurance companies/managers and investment managers and advisers.

- (b) State whether you are engaged or have been engaged during the past five years in any litigation *YES/NO

State whether

- (c) (i) Have you ever been declared bankrupt or have had your estate sequestered? *YES/NO
- (ii) Are you currently the subject of bankruptcy, sequestration or similar proceedings? *YES/NO
- (iii) Are you aware of the likelihood of any such proceedings pending *YES/NO

- (d) State whether you have ever been refused or had revoked any licence or authorisation to carry on banking, insurance, broking, fund management or any other finance business *YES/NO
- (e) State whether you have resigned from, been refused or had revoked any membership of any association of dealers in securities or other financial instruments or any stock exchange or of any professional body or decided, after making your application, not to proceed with it *YES/NO
- (f) Have you (or any institution with which you have been concerned in the management or conduct of affairs) in Ghana or elsewhere, been censured, disciplined, warned as to future conduct, or publicly criticised by, or made subject of a court order at the instigation of any governmental or regulatory authority or any professional body to which you belong or belonged? *YES/NO
- (g) Have you ever held a practicing certificate subject to conditions? *YES /NO
- (h) Have you, in Ghana or elsewhere, been dismissed or requested to resign from any office or employment, removed from any fiduciary office or position of trust, subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation? *YES/NO
- (i) Has any body corporate, partnership or unincorporated institution with which you are, or have been associated as a director, partner, officer, or manager, or a shareholder owning more than 10% of the voting equity, been the subject of an investigation by a governmental, professional, or other regulatory body? *YES/NO
- (j) State whether you have ever been disqualified from acting as a director of a company, or from acting in the management or conduct of the affairs of any company, partnership or unincorporated association *YES/NO
- (k) Has any body corporate, partnership or other unincorporated institution with which you were associated as a director, partner, controller or manager, been wound up, gone into receivership, made subject to any administration order, otherwise made any compromise or arrangement with its creditors or ceased trading either while you were associated with it or within one year after you ceased to be associated with it? *YES/NO
- (l) State whether, in connection with the formation or management of any body corporate, partnership or unincorporated association, you have been adjudged by a court to be civilly liable for any fraud, malfeasance or wrongful trading or other misconduct by you towards such a body or towards any members or creditors of such a body *YES/NO
- (m) Have you failed to satisfy any debt adjudged due and payable by you as a judgement-debtor under an order of a court in Ghana or elsewhere or made any compromise arrangement with your creditors within the last 15 years? *YES/NO

**In respect of each question in this section where the reply is YES, give full details below identifying the relevant paragraphs*

6. Relationship with the Institution, Former Employers and other Third Parties

- (a) In carrying out your duties will you be acting on the directions or instructions of any other individual or institution? *YES/NO
- (b) How many shares in the institution are registered in your name or the name of a related party (see Note 2)? If applicable, give name(s) in which registered and class of shares
- (c) In how many shares in the institution (not being registered in your name or that of a related party) are you or any related party beneficially interested?
- (d) Do you, or does any related party, hold any shares in the institution as trustee or nominee? *YES/NO
- (e) Are you a significant shareholder of any other financial institution (other than the institution), which is now regulated under statute or has applied for such regulation? *YES/NO
- (f) Do you, in your private capacity, or does any related party, undertake business with the institution *YES/NO
- (g) State whether you have any other business interests involving a possible personal liability, either as a sole trader or as a partner *YES/NO
- (h) Are any of the shares in the institution mentioned in answer to questions (b), (c) and (d) equitably or legally charged or pledged to any party? *YES/NO
- (i) What proportion of the voting power at any general meeting of the institution (or of another body corporate of which it is a subsidiary) are you or any related party entitled to exercise or control the exercise of?
- (j) Do any of the former employers listed at 2 (or any of the bodies listed in the answer to questions 4 and 5 (i)) maintain a business relationship with the institution? *YES/NO

7. Other Relevant Information

State below any other material information which you consider relevant to the assessment of your expertise, experience and record:

DECLARATION

I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts of which the National Health Insurance Authority should be aware.

I undertake to inform the Authority, without delay, of any material changes to the information supplied on this form.

IMPORTANT NOTICE

This form should be signed in ink.

You should be aware, before signing this application that it is an offence to make a representation or statement which contains a false statement of a material fact or which omits to state a material fact required to be provided to the Authority or necessary to avoid the statement or document being materially misleading unless the maker of the statement did not know and, with the exercise of reasonable diligence, could not have known that the representation was false or misleading.

Name (BLOCK CAPITALS) <hr/>
Signed <hr/>
Date <hr/>

Appendix 9

APPLICATION FORM



NATIONAL HEALTH INSURANCE AUTHORITY 36-
6TH AVENUE, RIDGE RESIDENTIAL AREA
PMB, MINISTRIES, ACCRA-GHANA

APPLICATION FOR REGISTRATION AS A PRIVATE HEALTH INSURANCE SCHEME

(Act 852 and NHI Regulations)

Please print all information in CAPITAL LETTERS

PART I: PARTICULARS OF APPLICANT

1. NAME OF APPLICANT (SCHEME NAME)

--

2. REGISTERED BUSINESS ADDRESS

--

Postal Address

--

Telephone Numbers:

--

Fax:

E-Mail:

--

3. TYPE OF HEALTH INSURANCE SCHEME TO BE REGISTERED: (please, Tick only one)

Private Commercial

Private Mutual

--

4. PARTICULARS OF DIRECTORS

Name of Director	Address	Occupation	Relevant Experience

5. PARTICULARS OF MANAGEMENT TEAM			
Name:	Position	Qualification	Relevant Experience

6. PARTICULARS OF AUDITORS	
Name	Address
	Tel: E-mail:

7. NAME OF PRINCIPAL OFFICER/ MANAGER	
Name	Qualification

8. PARTICULARS OF BANKERS	
Name of Bank	Address
	Tel: E-mail:

9. TARGET MARKET

10. MINIMUM NUMBER OF MEMBERS OF THE SCHEME AS AT DATE OF APPLICATION	
Number of members of the scheme:	Estimated number of dependants:
	Number of NHIS subscribers:

11. Details of applicant's past and present membership of or affiliation to any association concerned with health insurance

12. IS ANY DIRECTOR OF THE APPLICANT A DIRECTOR OF ANOTHER SCHEME IN GHANA?

Yes

No

13. HAVE YOU OR ANY OTHER DIRECTOR OF THE APPLICANT EVER, UNDER THE LAWS OF THIS COUNTRY OR ANY OTHER COUNTRY, BEEN:

If Yes, provide details

- | | | |
|--|------------------------------|-----------------------------|
| a) Been adjudged or otherwise declared insolvent or bankrupt and has been rehabilitated? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b) Made an assignment to, or arrangement or composition with, his or her creditor which has not been rescinded or set aside? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c) Been convicted of theft, fraud, forgery, falsification of document, perjury or any other offence that is similar to any of these offences? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d) Been convicted of any offence and sentenced to a term of imprisonment exceeding six months, without the option of a fine, and has not received a free pardon? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

DECLARATION

We the undersigned principal officer and Board of Directors of the applicant do hereby declare that:

- a) The information given in response to and in support of the questions and matters in this part of this applicant is true and correct to the best of our knowledge and belief;
- b) This application is made in good faith with the purpose and intent that the affairs and business of the applicant will at all times be honestly conducted in accordance with good and sound principles and in full compliance with all applicable laws.

Dated this

Chairperson of the Board: (Print Name):
Name Signature

Principal Officer/ Manager: (Print Name):
Name Signature

Director (Print Name):
Name Signature

Director (Print Name):
Name Signature

ANNEXURES TO THIS APPLICATION (provide as applicable to type of scheme)

1. List of Branch offices, address, telephone, e-mail, fax
2. Two copies of
 - a. constitution and regulations for Private Mutual Health Insurance Scheme (PMHIS)
 - b. Regulations only for Private Commercial Health Insurance Scheme (PCHIS)
3. Certified true copy of certificate of incorporation
4. Certified true copy of certificate to commence business
5. Business plan
6. Details of shareholding structure of applicant
7. Any other relevant information that may be required

NOTE: If any space is insufficient for the information required, please provide additional information on a separate sheet and where documents are required, please attach certified true copies.

Do not leave any question blank or unanswered; where necessary, answer "Not Applicable" or "Not Known".

Appendix 10



NATIONAL HEALTH INSURANCE AUTHORITY
36-6TH AVENUE, RIDGE RESIDENTIAL AREA
PMB, MINISTRIES, ACCRA-GHANA

APPLICATION FOR RENEWAL OF PRIVATE HEALTH INSURANCE SCHEME

(Act 852 and NHI Regulations)

Please print all information in CAPITAL LETTERS

PART I: PARTICULARS OF APPLICANT

1. NAME OF APPLICANT (SCHEME NAME)

--

2. REGISTERED BUSINESS ADDRESS

--

POSTAL ADDRESS

--

Telephone Numbers:

--

Fax:

E-Mail:

3. TYPE OF HEALTH INSURANCE SCHEME TO BE RENEWED: (please, Tick only one)

<input type="checkbox"/> Private Commercial	<input type="checkbox"/> Private Mutual
---	---

4. PARTICULARS OF DIRECTORS

Name of Director	Address		Relevant Experience

5. PARTICULARS OF MANAGEMENT TEAM

Name:	Position	Qualification	Relevant Experience

6. SCHEME MANAGEMENT

Independent or Body Corporate? YES NO
If Yes, attach a copy of agreement

7. PRINCIPAL OFFICER/ MANAGER

Name Qualification(s)

8. PARTICULARS OF AUDITORS

Name Address: Tel: E-mail:

9. PARTICULARS OF BANKERS

Name of Bank Address: Tel: E-mail:

10. TARGET MARKET

11. MEMBERSHIP

Current Membership Number of Dependants:
Number of NHIS subscribers:

12. IS ANY DIRECTOR OF THE APPLICANT A DIRECTOR OF ANOTHER SCHEME IN GHANA?

Yes No
If Yes, provide details:

13. HAS THE APPLICANT OR ANY DIRECTOR OF THE APPLICANT EVER, UNDER THE LAWS OF THIS COUNTRY OR ANY OTHER COUNTRY?

- a) Been adjudged or otherwise declared insolvent or bankrupt and has been rehabilitated? Yes No
- b) Made an assignment to, or arrangement or composition with, his or her creditor which has not been rescinded or set aside? Yes No
- c) Been convicted of theft, fraud, forgery, falsification of document, perjury or any other offence that is similar to any of these offences? Yes No
- d) Been convicted of any offence and sentenced to a term of imprisonment exceeding six months, without the option of a fine, and has not received a free pardon? Yes No

DECLARATION

We the undersigned do hereby declare that:

- a The information given in response to and in support of the questions and matters in this part of this applicant is true and accurate to the best of our knowledge and belief;
- b This application is made in good faith with the purpose and intent that the affairs and business of the applicant will at all times be honestly conducted in accordance with good and sound principles and in full compliance with all applicable laws.

Dated this

Chairperson of the Board: (Print Name):
Name Signature

Principal Officer/Manager: (Print Name):.....
Name

.....
Signature

ANNEXURES TO THIS APPLICATION (provide as applicable to type of scheme)

1. List of Branch offices, address, telephone, e-mail, fax
2. Two (2) copies of constitution/regulations/rule (if amended)
3. Financial Statements and Cash flows
4. Annual operational report
5. Details of shareholding structure of applicant
6. Any other relevant information

NOTE: If any space is insufficient for the information required, please provide additional information on a separate sheet and where documents are required, please attach certified copies.

Do not leave any question blank or unanswered; where necessary, answer "Not Applicable" or "Not Known"

Appendix 11

GUIDELINES ON THE CONTENTS AND SUBMISSION OF BUSINESS PLANS BY BROKERS AND AGENTS TO THE NHIA UNDER SECTION 75 OF NATIONAL HEALTH INSURANCE ACT, 2012, ACT 852

1.0 Introduction

Section 75 of National Health Insurance Act, 2012 requires every health insurance intermediary to submit its application for licence to the NHIA accompanied with the prescribed documentation. These guidelines are to provide guidance on the contents of business plans required (as prescribed documentation) to be submitted with applications for intermediary's licence.

The guidelines shall be relevant for the following situations

1. Companies desirous of applying to the NHIA for a new licence to carry on insurance broking/loss adjusting business.
2. Companies applying to the NHIA for re-licensing under the National Health Insurance Act, 2012, (Act 852).
3. Companies specifically directed by the NHIA to submit a business plan.

2.0 Summary/General Contents of Business Plans

Any business plan required to be submitted to the NHIA shall contain information on the following;

- (a) Describe the company's business strategy, including marketing, and risk management strategies
- (b) Include financial projections for at least three years.

©State the assumptions which underlie the projections, the reasons for adopting those assumptions and the accounting policies on which the projections are based.

(d) Provide detailed information on the company's board of directors, organisational structure, management personnel and internal controls.

(e) Provide information on all existing, proposed and intended third party agreements.

(f) The business plan shall be signed by three directors of the company including the Chief Executive and the Board Chairman.

3.0 Business Strategy

The information required to be contained in this section of the business plan is as follows;

3.1 Background Information

The business plan should include the following;

- a. a description of the applicant
- b. if the applicant is a member of a group of companies, a description of the group and the company's place within it, including corporate structure chart ("family tree") with applicable shareholdings, showing the position of the company within the group
- c. the significant activities of the group
- d. A description in narrative and tabular format, of the past history of the book of business.

3.2 Target market and marketing strategy

A brief description of the company's proposed marketing strategy including the target market(s), and a description of the proposed sources of business.

4.0 Financial Resources and Projections

A brief description of the amount, forms and sources of capital that will be available for the business of the company.

Financial projections for each of the first three financial years following authorization. The projection must clearly demonstrate that the capital available will be adequate for the company's operations. The projections must include the following;

4.1 *A forecast Revenue Account* by class of business. This should include as a minimum the following:

- (a) estimates relating to premiums or contributions both gross and net of commissions and broken down by class of business
- (b) estimates relating to commissions, fees and other income broken down by class of business
- (c) estimates of management expenses
- (d) profit projections showing expected dividend payouts

4.2 *A forecast Balance Sheet.*

4.3 *A forecast cash flow* including cost of future capital expenditure to be undertaken

5.0 Board of Directors, Management, Personnel and Internal Controls

5.1 Board of Directors

The following information about the proposed board of the company;

- (a) Composition of the board; names of members whether they are Executive or Independent
- (b) Qualifications and experience of the board members
- (c) Minimum number of times the board is required to meet during a year.
- (d) A list of reports required to be submitted by management to the board and the frequency with which such reports are to be submitted

Generally, the Authority will consider the collective suitability of the board. The Authority would usually expect its composition to be such that it is able to act independently of any controller or parent company. The Authority considers that non-executive directors, with appropriate experience, help to provide the necessary skill and balance on the board.

5.2 Corporate/Organisational Structure

A corporate structure chart and a description of the proposed apportionment of significant responsibilities between the applicant's management team. The structure chart should set out the management structure, responsibilities and reporting lines.

5.3 Personnel and Internal Controls

A summary of the arrangements by which systems and controls will be established and maintained in the organisation, including an explanation of how these will be overseen. The business plan should set out the capacity of the applicant's systems and controls to monitor and control all significant aspects of the applicant's operations, and should include (but not be restricted to):

- (a) details of persons responsible for prospecting, underwriting, IT and financial reporting, including preparation of regulatory returns and compliance with relevant laws, regulations and guidelines.
- (b) staffing levels in each area/department/unit;

The applicant needs to demonstrate that adequate staff with relevant experience are available at all levels.

6.0 Outsourcing and third party agreements

A description of any material outsourcing or subcontracting arrangements, in particular any outsourcing of Accounting and IT functions, including:

- (a) background information concerning the third party to whom functions will be outsourced;
- (b) details of functions which will be outsourced;
- (c) details of those persons in the firm who will be responsible for overseeing such delegations, including details as to how the outsourcing will be monitored and controlled;
- (d) copies of any agreements with persons who will manage any significant part of the business of the applicant;

and

- (e) copies of any agreements with insurance companies clearly explaining any commission arrangements.

In general the quality, skills and experience of the management required will depend on, among other things, the type and volume of business it expects to undertake.

**NATIONAL HEALTH INSURANCE AUTHORITY
APPLICATION FOR INSURANCE INTERMEDIARY'S LICENCE
(Health Insurance Broker Agent and Loss Adjuster)
(Act 852 and NHI Regulations)**

1. Name of Applicant
2. Location of Registered Office of Applicant.....
.....
3. Postal Address, E-mail Address, Telephone Number (s) and Fax Number(s)
.....
.....
.....
4. State the category of licence for which application is made
5. Is the applicant a company or a partnership?
6. If the applicant is a company, the following must be attached.
 - (a) Details of shareholders
 - (b) Details of Directors, Principal Officers, Heads of Departments and Branches) as listed on requirements sheet.
7. If the applicant is a Partnership attach the following -
 - (a) the names (including any previous names), addresses and nationalities of all partners of the applicant and all other relevant information as listed on the requirements sheet.
8. If any individuals listed in the answers to questions 6 and 7 above hold positions in any public corporation or other corporation already known to the Authority, please outline those positions and provide full details.

9. State whether any of the parties connected with this application have ever applied, individually or in conjunction with others, for authority to transact insurance or other financial services business in any other jurisdiction and, if so, provide full details.

(N/B: Licence for brokers and adjusters can only be issued to a company or a partnership)

10. State any jurisdictions outside Ghana in which the applicant carries on, or is proposing to carry on, business as an insurance intermediary.

11. State whether the applicant intends to engage in international business and, if so, provide details.

12. Details of professional indemnity insurance effected or to be effected, including insurer and level of cover. (A minimum of GH¢50,000)

DECLARATION BY APPLICANT

We hereby apply for a licence and declare the above particulars to be true and correct and agree to notify the National Health Insurance Authority of any material alteration to the foregoing information supplied, and that,

(a) we have not been adjudged insolvent or bankrupt

(b) we have not made any assignment or any arrangement or composition with creditors which has been rescinded or set aside, and

(c) we have not been convicted by a court of an offence involving dishonesty, fraud or gross misconduct, nor have had to appeal against conviction by the terms of any enactment in force in Ghana or any other country.

Date Name of Director

Signature.....

Name of Director..... Name of Chief Executive.....

Signature..... Signature.....

(N/B: The Authority reserves the right not to grant this licence due to falsification).

For use of National Health Insurance Authority only

Date received:.....	<u>Action Taken</u>	<u>Date</u>
	1. Acknowledged:
Fee Paid:	2. Further Enquiries:
	3. Decision:
Receipt No:		

ENCLOSURES TO THE APPLICATION

1. Copies of company registration documents from the Registrar General's Department.
2. Detailed curriculum vitae and completed Personal Questionnaire from all Shareholders, Directors and Principal Officers.
3. A detailed Business Plan containing estimated setting up costs and relevant projections.
4. Evidence of availability of minimum capital and its source.
5. Copies of all contracts regulating the applicant's relationship with other companies, transferring the applicant's functions to other companies and any other contracts the contents of which influence the financial situation of the applicant.
6. If applicant is a Company, the following must be attached;
 - (a) the names (including any previous names), addresses and nationalities of all persons exercising control over the applicant, e.g. shareholders and ultimate beneficial owners if shares in the company;
 - (b) where shares are beneficially owned by a corporate body, or the company is part of a group, the chain of connection (group organisation chart showing all associated and affiliated companies) to the ultimate owners must be provided;
 - (c) the directors and principal officers of the applicant, showing their respective positions with the applicant.
7. If the applicant is a Partnership, attach the following;
 - (a) the principal place of business and address for the service of documents
 - (b) the names (including any previous names), addresses and nationalities of all partners of the applicant
8. Particulars and letters of consent from the applicant's auditor
9. The latest audited financial statement of the applicant
10. Evidence of professional indemnity cover
11. A list of all staff indicating names, ages, qualification and rank
13. Current management accounts
14. Description of the office location to be approved by the Authority
15. Application fee.

**NATIONAL HEALTH INSURANCE AUTHORITY
APPLICATION FOR RENEWAL OF HEALTH INSURANCE INTERMEDIARY'S LICENCE
(Health Insurance Broker Agent and Loss Adjuster)
(Act 852 and NHI Regulations)**

We the directors, for and on behalf ofhereby apply for the renewal of Insurance Intermediary's Licence No..... in the category of Insurance Broker and Insurance Loss Adjuster/ with effect from

Our annual Return is attached/was filed on, and we confirm that there have been no material changes in the company's circumstances since that date.

We understand that the renewal of this licence is dependent upon a satisfactory review of the annual returns and our compliance with the National Health Insurance Law and Regulations by the Authority.

The Application fee of GH¢..... is enclosed. Date

Name of Director/Partner..... Signature.....

Name of Chief Executive Officer.....

Signature.....

For use of National Health Insurance Authority only		
Date received:.....	<u>Action Taken</u>	<u>Date</u>
	1. Acknowledged:
Fee Paid:	2. Further Enquiries:
	3. Decision:
Receipt No:		

Appendix 12

REVISED REGISTRATION AND RENEWAL FEES FOR PHIS

TYPE OF SCHEME	PURPOSE	FEES GH¢
Private Mutual Health Insurance Scheme	Registration	5,000.00
Private Commercial Health Insurance Scheme	Registration	7, 500.00
Health Insurance Agents	Registration	300.00
Health Insurance Brokers	Registration	3,000.00
Private Mutual Health Insurance Scheme	Renewal	3,000.00
Private Commercial Health Insurance Scheme	Registration	5,000.00
Health Insurance Agents	Renewal	150.00
Health Insurance Brokers	Renewal	1,500.00

NOTE:

1. The Board may review these fees as and when appropriate.
2. These fees, once paid are non - refundable.

DEFINITIONS, ACRONYMS, ABBREVIATIONS

Authority – **National** Health Insurance Authority

Board – NHIA Board

NHIA – National Health Insurance Authority

NHIS – National Health Insurance Scheme

PHIS – Private Health Insurance Scheme

PCHIS – Private Commercial Health Insurance Scheme

PMHIS – Private Mutual Health Insurance Scheme

SCHEME – Private Mutual or Private Commercial Health Insurance Scheme registered and licensed under the National Health Insurance Act 2012, (Act 852).

NIC – National Insurance Commission

Related party- A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.