

eSwatini

## Swaziland Royal Insurance Corporation Order, 1973

### Kings Order in Council 32 of 1973

Legislation as at 1 December 1998

FRBR URI: /akn/sz/act/order-in-council/1973/32/eng@1998-12-01

There may have been updates since this file was created.

PDF created on 21 February 2024 at 15:33.

*Collection last checked for updates: 1 December 1998.*

[Check for updates](#)



#### About this collection

The legislation in this collection has been reproduced as it was originally printed in the Government Gazette, with improved formatting and with minor typographical errors corrected. All amendments have been applied directly to the text and annotated. A scan of the original gazette of each piece of legislation (including amendments) is available for reference.

This is a free download from the Laws.Africa Legislation Commons, a collection of African legislation that is digitised by Laws.Africa and made available for free.

[www.laws.africa](http://www.laws.africa)  
[info@laws.africa](mailto:info@laws.africa)

There is no copyright on the legislative content of this document.  
This PDF copy is licensed under a Creative Commons Attribution 4.0 License (CC BY 4.0). Share widely and freely.

Swaziland Royal Insurance Corporation Order, 1973  
Contents

1. Short title ..... 1

2. Interpretation ..... 1

3. Establishment of a Swaziland Royal Insurance Corporation ..... 2

4. Objects of the Corporation ..... 2

5. Authorised capital ..... 2

6. Capital resources, sources and uses ..... 3

6bis. Exemption from income tax ..... 3

7. Management and running of Corporation ..... 4

8. Alternate directors ..... 4

9. Vacation of office of director ..... 4

10. Directors not disqualified from contracting with Corporation where proper disclosure made ..... 5

11. Accounts ..... 5

12. Regulations ..... 6

13. Winding up of the Corporation ..... 6

14. Restriction on civil liability ..... 6

## eSwatini

# Swaziland Royal Insurance Corporation Order, 1973

## Kings Order in Council 32 of 1973

Assented to on 21 August 1973

Commenced on 5 November 1973

*[This is the version of this document at 1 December 1998.]*

### A King's Order-in-Council to establish the Swaziland Royal Insurance Corporation.

#### 1. Short title

This King's Order-in-Council may be cited as the Swaziland Royal Insurance Corporation Order, 1973, and shall be deemed to have come into effect on 5th November, 1973.

*[Amended K.O-I-C. 41/1973]*

#### 2. Interpretation

In this Order unless the context otherwise requires—

“**board**” means the board of directors of the Corporation;

“**chairman**” means the chairman of the board;

“**Corporation**” means the Swaziland Royal Insurance Corporation established under [section 3](#);

“**general reserve fund**” means a fund established and maintained by the Corporation out of its profits for meeting contingencies, depreciation of assets, the liquidation of any debt or liability of the Corporation and for such other purposes as the board may consider necessary for the proper functioning of the Corporation;

*[Amended K.O-I-C. 26/1974]*

“**insurance business**” means the business of, or in relation to the issue of, or the undertaking of liability under, life policies or to make good or indemnify the insured against any loss or damage, including liability to pay damages or compensation contingent upon the happening of any specified event;

“**long-term insurance business**” means business of any of the following classes and includes insurance business carried on as incidental only to any such class or business, namely,—

- (a) effecting, carrying out and issuing policies on human life or contracts granting annuities on human life;
- (b) effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either are not expressed to be terminable by the insurer before the expiry of five years from the taking effect thereof or are expressed to be so terminable before the expiry of such period only in special circumstances therein mentioned; and
- (c) effecting and carrying out contracts of insurance whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer, a sum or a series of sums is to become payable to the insured in the future, not being such contracts as fall within paragraph (a) or (b) hereof;

“**Minister**” means the Minister for Finance and Economic Planning;

“**short-term insurance business**” means insurance business other than long-term insurance business.

### 3. Establishment of a Swaziland Royal Insurance Corporation

- (1) There is hereby established the Swaziland Royal Insurance Corporation to carry on insurance business of all classes.
- (2) The Corporation shall be a body corporate and shall—
  - (a) have perpetual succession and a common seal;
  - (b) be capable of suing and being sued in its corporate name;
  - (c) be capable of purchasing and otherwise acquiring and of alienating any movable or immovable property;
  - (d) subject to this Order, have power from time to time to borrow such sums as it may require for its purposes; and
  - (e) be capable of performing all such acts as are necessary for, or incidental to, the carrying out of its objects and the performance of its functions under this Order.

### 4. Objects of the Corporation

As from the date of the commencement of this Order the Corporation shall provide adequate and proper insurance business of all classes including both short and long-term insurance, in accordance with the conditions appropriate in the normal and proper conduct of insurance business:

Provided that in the conduct of its business it shall act fairly and impartially to all persons, having regard only to economic considerations and such other factors as are normal and proper in the conduct of insurance business.

### 5. Authorised capital

- (1) The authorised share capital of the Corporation shall be five hundred thousand emalangeni (E500,000) divided into 500,000 shares each having a par value of one lilangeni.
- (2) The authorised share capital of the Corporation may be increased by a resolution of the board, but such resolution shall not take effect without the approval of the Minister.
- (3) The shares of the Corporation shall be subscribed by such persons as the Minister may approve of:  
Provided that Government shall subscribe for, and be allotted at least fifty-one *per centum* of the total shares at par value.
- (4) The Minister shall allot the shares of the Corporation, and payment for such shares at par value shall forthwith be made by the persons to whom any such shares have been allotted.
- (5) In the event of the authorised share capital of the Corporation being increased, the additional shares shall be allotted by the board with the approval of the Minister:  
Provided that the proportion of the share capital held by Government shall not thereby be reduced.
- (6) The liability of the holder of any shares in the Corporation shall be limited to the amount unpaid on the shares held by him.
- (7) The shares taken up by Government shall be paid for by it from monies to be appropriated for that purpose at such times and in such amounts as may be agreed upon between the Minister and the Board.

## 6. Capital resources, sources and uses

- (1) The ordinary capital resources of the Corporation shall consist of the following:—
  - (a) the authorised share capital of the Corporation;
  - (b) funds raised for inclusion in the ordinary capital resources of the Corporation by borrowings of the Corporation;
  - (c) funds or income derived from the operations of the Corporation in which resources referred to in paragraphs (a) and (b) or resources derived therefrom have been used, committed or charged; and
  - (d) any other funds or income received by the Corporation in the course of its business.
- (2) The Corporation may borrow funds in Swaziland or elsewhere, and for this purpose furnish such collateral or other security as may be reasonably required:  
  
Provided that no money shall be borrowed outside Swaziland without the prior written approval of the Minister.
- (3) The resources and facilities of the Corporation shall be used exclusively to implement the functions of the Corporation.
- (4) The Corporation may invest funds not immediately needed by it for the conduct of its affairs in such securities or other investments as the board may with the approval of the Minister determine.
- (5) The Corporation shall establish and maintain separate funds and investments for its long-term insurance business and its short-term insurance business respectively:  
  
Provided that the monies of one fund established under this subsection shall not be lent by it to any other fund established under this subsection.
- (6) The Corporation shall establish and maintain a general reserve fund within Swaziland, which shall be invested with the approval of the Minister.
- (7) The board shall annually determine what proportion of the profits of the Corporation shall, after making provision for taxation, be allocated to the general reserve fund, and thereafter what proportion of such profits, if any, shall be distributed to shareholders:  
  
Provided that no such distribution shall be made unless the general reserve fund stands at an amount which would be deemed by the board to be adequate in an insurance business of a size similar to the Corporation and under similar circumstances.  
  
*[Amended K.O-I-C. 26/1974]*
- (8) Any distribution to shareholders made pursuant to subsection (7) shall be in proportion to the number of shares held by such shareholders, and payment shall be made in such manner as the board may determine.
- (9) The board may make such rules, including rules relating to financial matters, as are considered necessary or appropriate for the proper functioning of the Corporation and the carrying out of its objects:  
  
Provided that such rules shall not be inconsistent or in conflict with this Order or any regulations made by the Minister.

### 6bis. Exemption from income tax

Notwithstanding any other law, the Corporation shall not pay any normal tax under section 6 of the Income Tax (Consolidation) Act, 1959, in respect of any profits of the Corporation not distributed by it

to its shareholders until such time as the amount in the general reserve fund is for the first time equal to twice the amount of the authorised share capital of the Corporation in terms of [section 5](#) hereof.

*[Added K.O-I-C. 26/1974]*

## **7. Management and running of Corporation**

- (1) The Corporation shall have a board of directors consisting of ten members, one of whom shall be the chairman of the board, and such other officers and staff as the board may consider necessary.
- (2) The chairman shall be appointed by the Minister and in the absence of the chairman at any meeting the board shall appoint one of its members to act as chairman for such meeting.
- (3) The chairman shall have a deliberative and casting vote, but a chairman appointed to act in the absence of the chairman shall only have a deliberative vote.
- (4) All the powers of the Corporation shall, subject to this Order, be vested in the board.
- (5) Of the ten directors, six shall be appointed by the Minister and the remaining four by shareholders in the manner prescribed in subsection (6).
- (6) The four directors mentioned in subsection (5) shall be elected at a general meeting of shareholders convened in such manner as shall be prescribed in the Articles of Association of the Corporation referred to in [section 12](#), and for such period, but not exceeding three years, as such meeting may decide:

Provided that Government shall not be entitled to a vote in respect of the election of such four directors.

## **8. Alternate directors**

- (1) Each director may nominate an alternate director to act in his place during his absence or inability to act as such director:  
  
Provided that the appointment of an alternate director to act in the place of a director appointed by the Minister shall be subject to the approval of the Minister and the appointment of an alternate director to act in the place of any director elected in terms of [section 7\(6\)](#) shall be subject to the approval of the board.
- (2) An alternate director, when acting in the place of a director, shall in all respects have all the powers and discharge all the duties of such director.
- (3) The appointment of an alternate director shall terminate and he shall cease to hold office whenever the director who has appointed him shall cease to be a director or shall give written notice to the chairman that such alternate director representing him shall have ceased to do so.

## **9. Vacation of office of director**

The office of a director shall be vacated if he—

- (a) becomes insolvent;
- (b) becomes of unsound mind;
- (c) is absent from three consecutive meetings of the board without leave of the board and is not represented at any such meetings by his alternate director;
- (d) is a party to, or participates in, the profits of any contract with the Corporation, subject however, to [section 10](#); or
- (e) has at any time, for an offence which is an offence under the laws of Swaziland, been under a sentence of imprisonment for a term of, or exceeding, six months (other than a suspended

sentence which has not been enforced) imposed on him by a court in any country or substituted by competent authority for some other sentence imposed on him by such court.

#### 10. Directors not disqualified from contracting with Corporation where proper disclosure made

- (1) Subject to this section, no director shall be disqualified by his office from contracting with the Corporation either as vendor, purchaser, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Corporation with any undertaking or partnership or corporation of, or in which, any director shall be a director or member, or any contract or arrangement in which he shall be in any way interested, be avoided, nor shall any director so contracting or being so interested be liable to account to the corporation for any profit realized by any such contract or arrangement by reason only of such director holding that office, or of the fiduciary relation thereby established.
- (2) The nature of any interest of the kind referred to in subsection (1) shall be disclosed by the director at the meeting of the directors at which the contract or arrangement is determined if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest.
- (3) In no case shall the director interested vote as a director or take part in any discussion upon any question relating to such transaction, and if he does vote, this vote shall not be counted, but his prohibition as to voting shall not apply to any contract by or on behalf of the Corporation to give the directors or any of them any security by way of indemnity or in respect of advances made by them or any of them to the corporation or to any contract or dealing with any undertaking, or partnership, or corporation of which the directors of the Corporation, or any of them, may be directors or members, or to any resolution to allot shares in the Corporation to any director of the Corporation or to any matter or thing in connection with or arising out of or consequent upon such resolution, or to any agreement for the payment of commission in respect of the subscription of such shares, and it may at any time be suspended or relaxed to any extent by a general meeting.
- (4) A general notice that a director is a member of any firm or a director or member of any undertaking or partnership or corporation, and to be regarded as interested in all transactions with such undertaking or partnership or corporation, shall be sufficient disclosure under this section.
- (5) Such general notice shall not be effective, however, beyond the date of the next annual general meeting after it has been given.
- (6) A director who fails to disclose any interest of the kind mentioned in subsection (1) and which he knows he possesses shall be guilty of an offence and liable on conviction to a fine of six hundred rand or, in default of payment thereof, imprisonment for two years.
- (7) This section shall apply *mutatis mutandis* to meetings of the Corporation.

#### 11. Accounts

- (1) The board shall ensure that proper annual accounts and records, retained in Swaziland, in one of the official languages are kept covering the operations of the Corporation and such accounts shall be duly audited by a firm of auditors approved by the Minister.
- (2) The board shall prepare and transmit an annual report containing an audited statement of accounts to the Minister and to the shareholders of the Corporation.
- (3) The board shall prepare and transmit to the Minister and to its shareholders quarterly, a summary statement of its financial position and profit and loss statement showing the results of its operations.
- (4) The Corporation shall, as at 31st December, 1976 and thereafter at intervals of not more than three years, cause an actuary to make an investigation into the financial conditions, including a valuation

of the liabilities, of its long term business, and shall furnish the Minister and the shareholders with a report of the results of the investigations.

- (5) The report referred to in subsection (4) shall be prepared in accordance with such regulations as the Minister may prescribe.
- (6) The Corporation shall also publish such other reports as it considers desirable in carrying out its objects and functions and such reports shall be transmitted to the Minister and to the shareholders.

## 12. Regulations

- (1) The Minister may make regulations as to all matters for which he deems it necessary to make regulations in order to carry into effect the principles and purposes of this Order, and without affecting the generality of the foregoing in particular may make regulations prescribing—
  - (a) Articles of Association of the Corporation which shall have the same effect in relation to the Corporation as if they were the Articles of Association of a company registered under the Companies Act [No. 7 of 1912](#):  
  
Provided that if such Articles are in any way inconsistent with this Order, the provisions of the Order shall prevail, and the Articles shall be read in all respects as subject to the Order:  
  
And provided further that unless the context otherwise requires any words or expressions used in such Articles shall have the meaning given them under the Interpretation Act, [No. 21 of 1970](#);
  - (b) such fees as he may consider necessary in respect of the issue or transfer of shares in the Corporation;
  - (c) such remuneration as he may consider reasonable in respect of the remuneration of directors of the Company, including travelling expenses.
- (2) Notwithstanding any other law, the regulations made by the Minister may provide for a penalty not exceeding E1,000 or imprisonment not exceeding six months, or both, in the event of any breach of any such regulations.

## 13. Winding up of the Corporation

- (1) The Corporation may resolve that it will be wound up voluntarily:  
  
Provided that such resolution shall not take effect without the written consent of the Minister.
- (2) The Corporation may be wound up by the High Court on the application of any creditor of the Corporation for an amount of not less than one hundred emalangeni (E100) or shareholder in the circumstances in which the court would order the winding up of a company under the provisions of the Companies Act [No. 7 of 1912](#).
- (3) In the event of the Corporation being wound up under subsection (1) hereof, the provisions of sections 157 to 169, inclusive, and of sections 179 to 181 inclusive of the Companies Act, [No. 7 of 1912](#) shall *mutatis mutandis* apply to such winding up.
- (4) The provisions of the Companies Act [No. 7 of 1912](#) shall *mutatis mutandis* apply to the winding up of the Corporation pursuant to an order of the Court made under subsection (2) hereof.

## 14. Restriction on civil liability

No member of the board (including the chairman) or any officer or servant of the Corporation may be sued civilly by any person for anything done or omitted to be done by him in the *bona fide* discharge of his duties under this Order:



Provided that this section shall not in any way affect the civil liability of the Corporation under the common law or any statutory provision, arising from any act or omission by any of its servants or agents.

*[Added K.O-I-C. 26/1974]*