



REQUIREMENTS FOR REGISTERING AN
INSURANCE COMPANY
UNDER THE INSURANCE ACT 2001

The following are some of the conditions, which must be fulfilled in meeting the requirements for registration of an insurance company under the Insurance Act 2001:

1. The company must be **incorporated** and **registered** under the **Companies Act, 1965**.

A non-Jamaican company must be incorporated under similar legislation in its own jurisdiction and registered to transact the same classes of insurance business there as it is applying to transact in Jamaica. It also should have been operating for a minimum of five (5) years in its jurisdiction of domicile

2. A company incorporated in a non-Jamaican jurisdiction must submit from the insurance regulator in the jurisdiction in which it operates:
 - a. A **certificate of solvency** .The regulator should indicate the method of solvency computation used and
 - b. A certificate attesting to the acceptability of the **market conduct** practices of the applicant.

3. Every company must seek registration under the **Insurance Act 2001** and should note that it may not be registered under this Act to carry on both long-term and general insurance business unless such general business consists exclusively of accident insurance business

4. The company must have a minimum paid-up and unencumbered **capital**, surplus, reserve or equivalent fund of One Hundred and Fifty Million Jamaican Dollars (**JS\$150,000,000**) if it intends to do life and/or sickness and health insurance business and Ninety Million Jamaican Dollars (**JS\$90,000,000**) if it intends to do general insurance business.

5. Life and/or sickness and health insurance companies should satisfy the **Minimum Continuing Capital & Surplus Requirement (MCCSR)**: and general insurance companies should satisfy the **Minimum Asset Test (MAT)** at the time of application at the levels indicated below:

MCCSR	100%
MAT	100%

6. Each company must **deposit** a minimum of Ninety Million Jamaican Dollars (**JS\$90,000,000**) if it intends to do life and/or sickness and health insurance and Forty Five Million Jamaican Dollars (**JS\$45,000,000**) if it intends to do general insurance business.

The deposit must consist of:

- Cash
- Unencumbered securities of, or guaranteed by, the government
- Other securities, at an accepted value and on the conditions established by the Commission; or
- Any combination of the above.

Note that the title(s) to the deposit instrument(s) are to be submitted to the FSC but all amounts earned will be paid directly to the company concerned.

7. The company must submit a completed application form in the format of the **Third Schedule** of the Insurance Regulations 2001 and submit all information and documentation requested therein.

[See at end of this document location where copy of Act and Regulations can be obtained.]

8. Information/documents to be submitted include, **inter alia**, the following:
- a) Certified copies of the Memorandum and Articles of Association. (Registrar of Companies to certify).
 - b) Copies of the **latest Audited** Balance Sheet, Profit and Loss Account and Revenue Account and the aforementioned Financial Statements over the previous two (2) financial years of the company.
 - c) Certified copies of the **latest Annual Report**.
 - d) Specimens of all categories of **insurance policies** issuable by the applicant in respect of all classes of insurance business to be undertaken in Jamaica.
 - e) Latest **Actuarial Report** of the company on life and general insurance business.
 - f) A certificate signed by the Chairman, a Director and Chief Financial Officer of the company stating that the company has fulfilled the capital and solvency requirements indicated at **Regulation 26 or 27 i.e. MAT or MCCR** and at the levels indicated above. Where the company undertakes any class of long-term business along with general business the certificate should also be signed by an Actuary.
 - g) A detailed memorandum indicating **the organization of the company** and/or its agency or agencies in Jamaica. The Memorandum should be signed by the Chairman of the Board of Directors, a Director and the Secretary of the company and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in Jamaica whether of the applicant company, its agency or agencies. The agencies should also be registered under the Insurance Act 2001.

- h) An **Organisational chart** showing the staff structure of the company and the names of all senior management personnel indicated thereon.
 - i) A **Corporate Organisational chart** showing all related entities (parent company, ultimate holding company, fellow subsidiaries, subsidiaries and associated companies). Indicate also the shareholders of the ultimate holding company should it be other than the parent company.
9. All persons managing or controlling the company must complete the **fit and proper questionnaire** which is available on the website. These persons comprise all directors, all senior managers and those shareholders owning ten percent (10%) or more of the shareholding of the company. Where the shareholder owning 10% or more is a corporate entity then the same categories of persons listed above in respect of the corporate shareholder are to complete the questionnaire.

Note also that, for these persons, the **original receipt** from the Ministry of National Security and Justice in the sum of One Thousand Dollars (\$1,000.00) which is to provide for a Police Clearance Report must also be submitted.

10. The **fees** for the application for **registration** as a company are set out below for the various classes of business and the application form. Fees are to be made payable to the Financial Services Commission and paid at its offices (see address below) and a copy of the receipt submitted with the application.

<u>LIFE COMPANIES</u>	\$
Ordinary Long-Term Insurance Business	150,000
Sickness and Health Insurance Business	150,000
Industrial Insurance Business	150,000

<u>GENERAL COMPANIES</u>	
Accident	50,000
Liability	50,000
Marine Aviation & Transport	50,000
Motor Vehicle Insurance Business	50,000
Pecuniary Loss	50,000
Property Insurance Business	50,000
Application Form	2,500

11. After registration is effected the company is required to pay, not later than fourteen (14) days after the end of the quarter in which the premiums were written, a **quarterly renewal fee** as follows

<u>LIFE COMPANIES*</u>	
- Individual Life Insurance Business and - Annuity	0.75% of Gross First Year Premium*
- Group Life, - Group Health and	0.35% of Total Gross Premium Income*
<u>GENERAL COMPANIES</u>	
All classes	0.75 percent of Gross Premium Income less local facultative insurance ceded

***Note that investment premiums are not included in the computation above.**

12. **Fees to be paid at the time of filing returns are as follows:**

Annual Returns	\$ 5,000
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Quarterly Returns	\$ 3,000
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13. It is expected that applicants will apprise themselves of all the other requirements of operation for example:

- **the establishment of audit, conduct review and investment & loan committees**
- **the insurance accounting standards,**
- **market conduct rules**
- **solvency requirements**
- **investment guidelines**
- **monthly, quarterly, half-yearly and annual submissions etc.**

by reading the relevant laws and ensuring that they will be able to meet the required standards before applying.

14. Copies of the Insurance Act 2001 and Insurance Regulations 2001 can be obtained at:

Jamaica Printing Services Limited
77 ½ Duke Street
Kingston
Telephone No. 967-2250-3
Fax No. 967-2225

15. Further queries can be directed to:

Financial Services Commission
39-43 Barbados Avenue
Kingston 5
Telephone Nos. 906-3010-12 or
906-7264-66
906-2261
906-4406
754-9581

Fax No. 906-3018
Website www.fscjamaica.org

