



REQUIREMENTS FOR REGISTRATION AS A

**LOCAL REINSURANCE BROKER (Individual)**

UNDER THE INSURANCE ACT 2001

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The following are some of the conditions, which must be fulfilled before an application for registration as a local reinsurance broker under the Insurance Act 2001 can be considered:

1. **The applicant must apply to the Financial Services Commission (FSC) under the new Insurance Act 2001 in two stages:**
  - a) **Firstly, submit educational and experience qualifications for assessment [include information at 12, 13(d) and (f) below] and**
  - b) **secondly, apply for registration within sixty (60) days after receipt of notification that the requirements of (a) above have been satisfied**
2. The applicant, being a sole proprietor, must first be **registered** under The Registration of Business Names Act to transact insurance business and the name must include the words “... **Insurance Broker...**” or “...**Assurance Broker...**” unless the Commission permits otherwise. Evidence of registration of this name must be submitted, certified by the Registrar of Companies.
3. The application must be submitted in the form prescribed in the **Fifteenth Schedule** of the Insurance Regulations 2001
4. The local reinsurance broker upon registration will be required to effect **Errors and Omission** and **Fidelity Guarantee** insurance coverage at minimum levels of Thirty Million Jamaican Dollars (**JS\$30,000,000**) in each

case within forty-five (45) days after being registered. However, evidence of an undertaking by an insurer to provide this cover (inclusive of evidence of the relevant deductible) upon registration must be submitted with the application.

Note that the policies referred to shall contain an endorsement that stipulates that the insurer must notify the Commission of any cancellation or non-renewal of any of the above policies. Such information to be received by the Commission at least thirty (30) days before its taking effect

5. The applicant company must be **adequately capitalised**. This should be with a paid-up share capital and unencumbered surplus of not less than an amount equal to the **maximum deductible** of the applicant's errors and omission and fidelity insurance policies or **\$10 Million** whichever is greater. This capital and surplus should consist of at least eighty percent (**80%**) in cash with the remaining twenty percent (**20%**) being other consideration which could be fixed assets of the company.
6. An applicant who wishes to make **multiple applications** (e.g. to be a broker, a local reinsurance broker and a facultative placement broker) will be required to meet the same **minimum** bond and capital requirement. However, it is expected that the actual level of bond insurance chosen will reflect the greater level of responsibility assumed by the applicant and hence will be **higher** than that in a single application. Such an applicant should obtain a requirement sheet for the other category (ies) in which it has an interest.
7. The audited **opening balance sheet** or most recent **audited financial statement** of the applicant must be submitted. The former should reflect the capital required as stated above.
8. Evidence of the system in place to determine the **security of reinsurers** should be submitted.
9. The application for registration should be accompanied by a **business plan** which should include, among other things, a **three-year projection** of Premium Generation, Commission Income on a class-by-class basis, and other income, all on a month-by-month basis, together with an itemized statement of Projected Expenses on a month-by-month basis. These should be summarised on a three-year cash projection statement. Copies of the format of these projections are available from the Registrar at the Financial Services Commission or at [www.fscjamaica.org](http://www.fscjamaica.org).
10. Where the applicant has operated as a reinsurance broker in another jurisdiction prior to submitting this application, its application should be accompanied by a **letter** from the reinsurers, insurance companies, brokers and agents to which it provided services, indicating that they are satisfied with the competence and method of conduct of business of the

applicant and the ethical standards maintained by it in the performance of its work as a reinsurance broker.

11. Applicant must

- submit two passport-sized **photographs** certified by one of the following:-

- Justice of the Peace,
- Minister of Religion,
- Notary Public,
- Attorney-at-law,
- Superintendent of Police or any rank above.

NB. The certifier should state legibly his/her name, official capacity and business address or parish of commission.

12. The broker must have adequate experience and **professional qualifications**, preferably of the ACII standard (Associate of the Chartered Insurance Institute (London)) or the equivalent as deemed satisfactory by the Commission.

13. The applicant must satisfy the **fit and proper criteria** by submitting:

- a) A completed fit and proper **questionnaire** available at the website
- b) **Credit Report** from a credit bureau indicating, among other things, one's life style, previous employment etc
- c) The **original receipt** from the Ministry of National Security and Justice in the sum of One Thousand Dollars (\$1,000.00) for Police Clearance Report
- d) **2 Character references** from any of the following:
  - Minister of Religion
  - Attorney-at-law
  - Superintendent of Police or any rank above

NB. A Minister of Religion, who does not have a seal or official letterhead, should state the Parish and Church in which he operates.

e) **Marriage certificate or other relevant document** (where he/she previously operated in insurance but under a different name)

f) **Academic certificates** which are to be certified by one of the following:

- Justice of the Peace,
- Minister of Religion,
- Notary Public,
- Attorney-at-law,
- Superintendent of Police or any rank above.

NB. The certifier should state legibly his/her name, official capacity and business address or parish of commission.

14. The **fees** for the application for **registration** as a local reinsurance broker 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.

**REGISTRATION**

<b>CLASSES OF BUSINESS</b>	<b>FEES \$</b>
<b>Accident</b>	<b>7,500</b>
<b>Liability</b>	<b>7,500</b>
<b>Marine Aviation &amp; Transport</b>	<b>7,500</b>
<b>Motor Vehicle</b>	<b>7,500</b>
<b>Pecuniary Loss</b>	<b>7,500</b>
<b>Property</b>	<b>7,500</b>
<b>Ordinary long-term</b>	<b>7,500</b>
<b>Sickness and Health</b>	<b>7,500</b>
<b>Industrial</b>	<b>7,500</b>
<b>Application form</b>	<b>2,000</b>

15. The applicant will also be required to pay (for **renewal** purposes) a **quarterly fee** of **0.5%** of his earned commissions, not later than fourteen (14) days after the end of the quarter in respect of which the commissions were earned, subject to a minimum annual payment of **\$7,500**, in respect of each class of insurance business. These fees are to be paid to the FSC.

**16. It is expected that applicants will apprise themselves of all the other requirements of operation (e.g. monthly, quarterly, half-yearly and annual submissions, solvency requirements etc.) by reading the relevant laws and ensuring that they will be able to meet the required standards before applying.**

17. 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

18. 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](http://www.fscjamaica.org)