

## INFORMATION BULLETIN

Filing Requirements for Insurance Intermediaries

**PURPOSE:** The purpose of this bulletin is to provide a listing of information required to be filed with the Financial Services Commission (FSC) by Intermediaries registered in Jamaica. An intermediary is any person registered as an insurance broker, facultative placement broker, reinsurance broker, sales representative, agent, managing general agent, adjuster or insurance consultant under the *Insurance Act of 2001 (Act)*.

|    | REGULATION  | APPLIES TO  | REQUIREMENTS   |
|----|---|---|--|
| 1. | <b>Errors &amp; Omissions and Fidelity Insurance</b><br><br>Regulation 35 | Brokers and Corporate Agents<br><br><br>Corporate Loss Adjusters and Consultants<br><br>Individual Loss Adjusters and Consultants | Brokers and corporate agents must have <ul style="list-style-type: none"> <li>at least \$30,000,000 of Errors and Omission (E &amp; O) coverage per occurrence and</li> <li>at least \$30,000,000 of Fidelity insurance coverage per occurrence</li> </ul> Corporate loss adjusters and corporate consultants must have at least \$5,000,000 of E & O coverage per occurrence.<br><br>Individual loss adjusters and individual consultants must have at least \$2,000,000 of E & O coverage per occurrence.<br><br>E & O and Fidelity policies must stipulate that the FSC must be given notice, by the insurer of cancellation or non-renewal of the policies. Such cancellation or non-renewal cannot take effect until 30 days after receipt by the FSC.<br><br>FSC must get annual confirmation of continuation of both coverages. |
| 2  | <b>Annual Return</b><br><br>Regulation 36(4)                              | Brokers and corporate agents  | Brokers and corporate agents are required to file 2 hard copies and an electronic copy of their audited financial statements and the auditor's certification along with 2 hard copies and an electronic copy of their audited Premium report. <b>This filing is due no later than ninety (90) days after the end of the agent's or broker's financial year.</b><br><br>Format for Certification: Schedule 12 of the Regulation<br>Format for Premium report: As per previous 24 <sup>th</sup> schedule   |
| 3  | <b>Half-yearly Return</b>   | Brokers and Corporate agents  | Brokers and corporate agents are required to file, half yearly: <ul style="list-style-type: none"> <li>2 copies of their half-yearly unaudited financial statement (year-to-date basis)</li> <li>1 copy of the aged payables and receivables report and</li> <li>1 copy of the premium report (year-to-date basis)</li> </ul> This filing is due on or before the last day of the month following the end of the period being reported on.   |

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|   |   |   | Format for the half-year financial statement should follow the format for the annual filing. The aged payables and receivables report should be as at the half-year date and for the periods: 0-45days, 46-75 days, 76-90 days and over 90 days.  |
| 4 | <b>Registration Certificates</b><br><br>Regulation 120(2)                           | All intermediaries                                      | Intermediaries must request new or additional certificates from the FSC within fourteen (14) days of opening a new branch or of any change in the address of its offices or any branches. Request must include the name and address of the manager and of the branch/office accompanied by a receipt from the commission evidencing payment of application fees.  |
| 5 | <b>Changes in Particulars</b><br><br>Regulation 120(5)                              | All intermediaries                                      | Any changes to information provided in the application for registration or the Fit and Proper Questionnaire must be reported in writing, to the FSC within thirty (30) days of the change.  |
| 6 | <b>Notice of Hire and Termination</b><br><br>Section 79 of the <i>Insurance Act</i> | Agents<br><br>Sales Representatives, agents and brokers | Agents and Principals must immediately notify the FSC when an agency agreement is terminated.<br><br>Sales representatives, individual agents, and their employer/principal must immediately notify the FSC when he/she is terminated. Sales representatives and their employer must notify the FSC when he/she is hired<br><br>Format for termination and Format for hiring - "Notice of New Employment" available at <a href="http://www.fscjamaica.org">www.fscjamaica.org</a>   |
| 7 | <b>Auditor Appointments</b><br><br>Sections 37-43 of the <i>Insurance Act</i>       | Corporate Agents and Brokers                            | 37(1) - Corporate agents and brokers must immediately notify the FSC upon the appointment, resignation or removal of an auditor. The reasons for the removal or any reasons for the vacancy must also be provided.<br><br>37(4) - Corporate agents and brokers must immediately file a satisfactory explanation with the FSC if they are unable to ensure that their auditor is also the auditor of their subsidiary companies.<br><br>38 - If an auditor resigns during his/her appointment, a written explanation must be provided to the intermediary and a copy immediately sent to the FSC and the new auditor.<br><br>43 - If the directors or officers of an intermediary become aware of facts that require a material adjustment to the financial statements, the statements must be amended and copies immediately delivered to the FSC and to the auditor. |
| 8 | <b>Facultative Placement Brokers' Filings</b><br><br>Regulation 149                 | Facultative Placement Brokers/Producing Broker          | A Facultative broker or the Producing broker must file a report with the FSC within 30 days of making a facultative placement. The report must include the name and address of the policyholder, the insurer(s), a description of the risk (including the location), the premium) and an affidavit.<br><br>An affidavit filed with the FSC must indicate that the broker made   |

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|   |  |                               | diligent efforts to place the business with registered insurers in Jamaica. The affidavit must also state that the broker advised the policyholder, in writing, prior to the placement, that the insurance would be placed with a company not registered in Jamaica and in the event of the insurer's insolvency, the policyholder may have to pursue redress in another jurisdiction. |
| 9 | <b>Facultative Placement Brokers Filings</b><br><br>Regulation 156 | Facultative Placement Brokers | By the end of the month following each calendar quarter, a report must be filed with the FSC showing: <ul style="list-style-type: none"> <li>• total gross premiums written,</li> <li>• total return premiums and</li> <li>• amount of total taxes remitted to Jamaica for the preceding quarter.</li> </ul>   |

Any questions regarding this information bulletin on filing requirements should be directed to:

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