



FINANCIAL SERVICES COMMISSION

Bulletin: Clarification of Requirements for Approval of Group Insurance Policies under Section 90 of the Insurance Act, 2001

April 2010

1.0 BACKGROUND

- 1.1 In accordance with the requirement under Section 90¹ of The Insurance Act, 2001, the Financial Services Commission (“FSC”) issued the Procedure for the Approval of New Insurance Policies and Insurance Policy Amendments in November 2003. This guideline allowed life insurance companies to submit both individual and group insurance policies for approval under an expedited procedure. The procedure was updated in June 2007 (Guideline AR-GUID-07/06-0005) to strengthen the Board of Directors’ responsibility with respect to the development and performance of the products sold by an insurance company.
- 1.2 The purpose of this bulletin is to clarify the requirements of Guideline AR-GUID-07/06-0005 in relation to the approval of group insurance policies.

2.0 APPROVAL REQUIREMENTS

- 2.1 New and amended group insurance policies should be submitted to the FSC for approval after the contractual terms have been settled, but prior to the execution of the contract.
- 2.2 All amendments to group insurance policies must be submitted to the FSC for approval except for changes to the schedule of benefits of approved policy contracts issued to new clients or to existing policyholders on policy renewal.
- 2.3 For group insurance policies, the signed statement submitted by a product development actuary should certify that he or she has reviewed the insurance policy and has found that the methodology used to determine the premium rates is adequate.

¹ Section 90(1) of The Insurance Act, 2001 states “A company shall not issue any policy unless it has been approved by the Commission”.