



REQUIREMENTS FOR REGISTRATION AS A

FACULTATIVE PLACEMENT BROKER (Individual)

UNDER THE INSURANCE ACT 2001

The following are some of the conditions, which must be fulfilled before an application for registration as a 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 as at 12, 13(d) & (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. **In carrying out its function as a facultative placement broker the applicant must not enter into any insurance contract with an unregistered insurer (other than a contract relating to reinsurance) or cause such a contract to be placed unless the Commission has granted permission. However, the granting of such permission does not impute liability to the Commission for matters in relation to the insurance contract concerned or its placement.**
4. The application must be submitted in the form prescribed in the **Fifteenth Schedule** of the Insurance Regulations 2001
5. The applicant, upon registration will be required to effect **Errors and Omission** and **Fidelity Guarantee** insurance coverage at **minimum** levels of Thirty Million Jamaican Dollars (**J\$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. Evidence that the insurer has agreed to this must be submitted.

6. The applicant 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.
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. An applicant who wishes to make **multiple applications** (e.g. to be a broker, a facultative placement broker and a reinsurance 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.
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.
10. Where the applicant has operated as an insurance broker in another jurisdiction prior to submitting this application, its application should be accompanied by a **letter** from the 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 an insurance 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 on 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 an individual facultative placement 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

CLASSES OF BUSINESS	FEES \$
Accident	7,500
Liability	7,500
Marine Aviation & Transport	7,500
Motor Vehicle	7,500
Pecuniary Loss	7,500
Property	7,500
Ordinary long-term	7,500
Sickness and Health	7,500
Industrial	7,500

Application form	2,000
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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. Fees are to be made payable to the Financial Services Commission and paid at its offices (see address below).
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
906-7264-6
906-2261
906-4406
754-9581

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