



REQUIREMENTS FOR REGISTRATION AS A
MANAGING GENERAL AGENT
UNDER THE INSURANCE ACT 2001

The following are some of the conditions, which must be fulfilled before an application for registration as a managing general agent 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 of the directors, senior managers and sales representatives for assessment and**
 - b) secondly, apply for registration within sixty (60) days after receipt of notification that the requirements of (a) above have been satisfied**

NOTE: In respect of a) above the submission should include:

- Copies of certificates 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 (in addition to affixing his/her signature) stamp or state legibly his/her name, official capacity and business address or parish of commission.

- Two references, their names, addresses and work & home phone numbers.

2. The entity must be **incorporated** and **registered** under the Companies Act, 1965, to transact insurance business.
3. The Corporate name must include the words “... **Insurance agent...**” or “...**Assurance agent...**” unless the Commission permits otherwise.
4. A managing general agent can be an agent for one insurance company only.
5. The Principal of the managing general agent must also seek registration under the Insurance Act 2001 at the same time as the managing general agent or before. A copy of the requirement sheet for the registration of companies is available on the website.
6. The managing general agent must produce a certified copy of the Power of Attorney provided to it by its principal and evidence that this has been filed with the local Registrar of Companies.
7. The following must be submitted in the form prescribed in the **Fifteenth Schedule** of the Insurance Regulations 2001:
 - a). an application for the **corporate entity** and
 - b). applications for the individual **sales representatives** who will be employed to the agency to solicit or negotiate insurance. Therefore, applicants should obtain copies of the requirement sheet for sales representatives also.
8. The corporate entity (i.e. managing general agency) should submit certified copies of the **Articles and Memorandum of Association**. Certification to be done by the Registrar of Companies.
9. The managing general agent 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 upon registration (inclusive of evidence of the relevant deductible) must be submitted with the application.

Note that the policies referred to above must 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.
10. 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 **\$5 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.

11. The audited **opening balance sheet** or most recent **audited financial statement** of the applicant company and certificate of allocation of **shareholdings** in the company must be submitted. The former should reflect the capital required as stated above.
12. 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.
13. Where the applicant has operated as an insurance managing general agent or agent in another jurisdiction or in Jamaica prior to submitting its application, the application should be accompanied by a **letter** from the insurance companies and agents etc. 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 managing general agent or agent.
14. The applicant must have on staff **qualified persons** at the senior level and registered sales representatives qualified to transact the classes of business for which the managing general agent is registered.
15. The managing general agent will require suitable clerical, typing and **accounting** staff on a full-time basis.
16. Each of the persons managing or controlling the body must satisfy the fit **and proper criteria** the initial stage of which is the completion of the questionnaire available at the website. These persons comprise all the directors, all the senior managers and shareholders owning ten percent (10%) or more of the shareholding of the brokerage. 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.

17. An **Organisational chart** indicating the names of the persons designated for each senior post is to be submitted.
18. A **Corporate Organisational chart** showing all related entities (parent company, ultimate holding company, fellow subsidiaries, subsidiaries and associated companies) must be submitted.
19. List also the shareholders and directors of the **parent company** or the **ultimate holding** company where the latter is different from the former.
20. The **fees** for the application for **registration** as a managing general agent 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	5,000
Liability	5,000
Marine Aviation & Transport	5,000
Motor Vehicle	5,000
Pecuniary Loss	5,000
Property	5,000
Ordinary long-term	5,000
Sickness and Health	5,000
Industrial	5,000
Application Form	2,000

21. 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 **\$5,000**, in respect of each class of insurance business. These fees are to be paid to the FSC.

22. 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.

23. 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

24. 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