



REQUIREMENTS FOR REGISTRATION AS AN

OVERSEAS REINSURANCE BROKER

UNDER THE INSURANCE ACT 2001

The following are some of the conditions, which must be fulfilled before an application for registration as an overseas 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 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:

- Information as at item 13 below
- 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 relevant Companies Act in its jurisdiction of domicile to transact reinsurance business and have been in operation for a minimum of 5 years transacting the same class or classes of business which it intends to do in Jamaica.
 3. The Corporate name must include the words “... **Insurance/ Reinsurance Broker...**” or “...**Assurance/Reassurance Broker...**” unless the Commission permits otherwise.
 4. An application must be submitted in the form prescribed in the **Fifteenth Schedule** of the Insurance Regulations 2001.
 5. Certified copies of the **Articles and Memorandum of Association** must be submitted. Certification to be done by the equivalent of the Registrar of Companies in the country of domicile of the applicant.
 6. The overseas reinsurance broker, should have, upon registration, **Errors and Omission** and **Fidelity Guarantee** insurance coverage at minimum levels of Thirty Million Jamaican Dollars (**J\$30,000,000**) in each case

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.

7. 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.
8. The most recent **audited financial statement**, the **latest monthly statement** of the applicant company and the certificate of allocation of shareholdings in the company must be submitted. The former should reflect the capital required as stated at #7 above.
9. The applicant must provide a **Certificate of Solvency** (with the method of computation indicated) from the regulatory authority in its country of domicile.

10. Evidence of the system in place to determine the **security of reinsurers** should be submitted.
11. 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 quarterly basis, together with an itemized statement of Projected Expenses on a quarterly 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.
12. Where the applicant has operated as an overseas reinsurance broker in another jurisdiction prior to submitting this application, its application should be accompanied by a **letter** from at least 2 from each of the following 4 categories: 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 an overseas reinsurance broker.
13. The overseas reinsurance broker must have on staff and at board level persons with **professional qualifications**, preferably of the ACII standard (Associate of the Chartered Insurance Institute (London)) or equivalent and sales representatives qualified to transact the classes of business for which the overseas reinsurance broker is registered.
14. The overseas reinsurance broker must have suitable **clerical, typing and accounting staff** on a full-time basis.
15. The overseas reinsurance broker should provide the name, address, telephone number, fax number and e-mail address of the person, located in Jamaica, with the **Power of Attorney** and provide a certified copy of the Power of Attorney which must also be filed with the local Registrar of Companies.
16. Each of the persons managing or controlling the body must satisfy the **fit and proper criteria**. 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 fit & proper criteria is applicable to the same categories of persons listed above but in respect of the corporate shareholder.

The applicant should complete the fit & proper questionnaire in respect of each of the persons listed above **or request** its regulatory authority in the country of domicile to certify to the Financial Services Commission

(FSC) whether or not the above persons are fit & proper by mailing its response directly to the Registrar at the address of the FSC set out below. The information should include the categories, names, addresses and positions of the persons.

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 an overseas 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

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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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 **\$7,500**, in respect of each class of insurance business. These fees are to be paid to the FSC.

23. It is expected that applicants will apprise themselves of all the other requirements of operation by reading the relevant laws and ensuring that they will be able to meet the required standards before applying.

24. 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

25. 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
E-mail: www.fscjamaica.org