

Insurance Sub Agent (Registration)

Guidelines



FINANCIAL SERVICES AUTHORITY

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1. Introduction

These guidelines have been prepared by the Financial Services Authority (“the Authority”) to provide assistance in matters pertaining to the registration procedures of Insurance sub agent to conduct insurance business under the Insurance Act, 2008 (“the Act”). These guidelines also provide a summary of the Act; thus it is not intended to be comprehensive nor replace or override any legislative provisions. Applicants and licensees are therefore advised to read these guidelines in conjunction with the Act.

1.1 Enquiries

Enquiries on licensing related matters should be forwarded to the Authority:

By Post: Director of Insurance and Pension Supervision Section
Financial Services Authority
P.O. Box 991
Bois De Rose Avenue
Victoria
Mahé
Seychelles

By e-mail: insuranceservices@fsaseychelles.sc

Tel: +248 4 380 800

Fax: +248 4 380 888

2. Scope of the Financial Services Authority Act

Section 4(1)(d) & (i) of the Financial Services Authority Act, 2013 permits the Financial Services Authority to receive, review and determine applications and to develop appropriate regulatory and supervisory mechanisms for the efficient and effective administration of the Act.

In order to ensure quality and consistency in the standard of the applications, these guidelines establish the criteria required to be approved by the Authority.

2.1 Definition of Insurance sub agent

Per the definition of the Act, an “Insurance sub agent” means a person (not being an insurer, insurance manager, insurance agent or insurance broker) who solicits directly or through advertising or other means, domestic business on behalf of an insurer, insurance agent or insurance broker

3. Application and Registration Process

An application for registration must be made to the Authority as per the Insurance Act, 2008, and this application should be channelled through a licenced insurer, an insurance agent or an insurance broker in order to engage in Insurance business.

This application guideline is applicable for Insurance sub agent.

3.1 Application Process

An application submitted to the Authority for Insurance sub-agent must comprise of the following documents:

- (a) A completed Application Form
- (b) Completed Personal Questionnaire Form (in the prescribed form) **(refer to Appendix 1 for due diligence documents required)**
- (c) A copy of an (agency) agreement between the applicant (insurer, insurance agent or insurance broker) and the proposed insurance sub agent
- (d) The relevant application fee **(refer to Paragraph 3.3)** payable by;
 - i) banker's cheque
 - ii) swift transfer

In order to increase the efficiency of the application process, the Authority may pre-approve standard manuals and policies from service providers to be used in future applications.

Where pre-approved documents are submitted as part of an application, the service provider shall make a declaration on whether any changes have been made to each of the pre-approved document and indicating the relevant paragraph or section of the document where the changes have been made.

The Authority will only process an application if the application fee (refer to Paragraph 3.3) has been submitted.

During processing of the application, the Authority may request for additional information or supporting documents for the purpose of determining the application.

A person who supplies, to the Authority, information in connection with an application which he knows or reasonably knows is false or misleading, is guilty of an offence and liable to conviction to a fine of SCR 100,000.

3.2 Submission of Application

All applications seeking the approval of the Authority must be addressed and either hand delivered or mailed to:

The Chief Executive Officer
Financial Services Authority
P.O. Box 991
Bois De Rose Avenue
Victoria
Mahé
Seychelles

All application forms and other documents are available from the Authority's website (www.fsaseychelles.sc).

3.3 Administrative process of the registration

The Authority will initiate the processing of a complete application, only upon payment of the required application fee as detailed below;

Insurance sub agent - SCR 625

These following steps will then be carried out:

Step 1: Acknowledge receipt of the application.

Step 2: Carry out an initial review of the application to assess whether the application is complete according to the requirements detailed herein (refer to the Application Checklist **Appendix 2**).

Step 3: Begin to process the application if the application is deemed to be complete; or return the application to the applicant if the application is deemed to be incomplete, highlighting the area(s) of deficiencies.

Please note that the Authority may provide general and brief guidance on the area(s) of deficiencies, but it is the responsibility of the applicant to engage suitable professionals or service providers to ensure the completeness of the application.

Step 4: Request for additional information or supporting documents for consideration of the application from the applicant, if necessary.

Step 5: Inform the applicant on whether the application has been approved for licensing or not.

Note that a person who supplies, to the Authority, information in connection with an application which he knows or reasonably knows is false or misleading, is guilty of an offence.

4. Service Standards

The Authority's current Service Standards for processing the application from receipt of a completed application for consideration by the Authority, is **Thirty (30)** working days.

It is important to note that this service standard will only be achievable if all the requisite information/documents are provided at the time the application is lodged. The Authority is not responsible for delays arising from the submission of incomplete applications. The following is to be further noted:

- (a) The Authority will only process complete applications. Applications that are deemed to be incomplete will be returned to the applicant. Applicants will have a period of 6 months for resubmission of the application.
- (b) Applications not submitted within the 6-months cut-off period will be considered as void and a new application would have to be lodged along with payment of the required application fee, should the applicant remain interested in proceeding further with the application.

This service standard is not exhaustive or binding on the Authority. The licensing regime requires the Authority to exercise discretion. How the Authority does this will depend on the applicant's particular circumstances.

5. Approval for registration

When dealing with an application, the Authority will refuse to register unless it is satisfied that;

- (a) The proposed insurance sub agent's objects are limited to the business stated in the application and operations arising directly from it
- (b) The proposed person is fit and proper to be an Insurance sub agent
- (c) The proposed person meets such requirements as may be prescribed to be an Insurance sub agent
- (d) The applicant has disclosed such information as the Authority has requested in relation to the proposed insurance sub agent business
- (e) The proposed insurance sub agent will, upon being registered with the Authority, be able to comply with and fulfil all requirements under this Act

Note: The Authority has discretion in granting or refusing a licence or registration. The Authority may in dealing with an application take into consideration matters other than those mentioned above. In the event that the application is successful and the registration is completed, the Financial Services Authority may publish on its website or other publications, the name and contact details of the insurance sub agent.

6. Fitness and propriety

When considering the fitness and propriety of the applicant the Authority shall have regard to the proposed insurance sub agent:

- (a) financial status
- (b) educational or other qualifications or experience having regard to the nature of the application
- (c) ability to perform his proposed function competently, honestly and fairly
- (d) reputation, character, financial integrity and reliability
- (e) satisfactory completion of any examination requirements prescribed by the Authority

7. Conditions to the registration

Activities permitted through the registration are limited to only such business as stated. The Insurance sub agent must comply with the conditions upon registration.

- a) The Authority may impose such conditions and restrictions to the scope of business as it deems fit.
- b) The authority may, by notice in writing, add, delete, vary or determine any condition, restriction or limitation with the registration

8. Renewal Fee

The Insurance sub agent registration granted under the Act is valid for a period of one year and must be renewed annually.

The Authority will only renew upon the payment of the annual fee as detailed below;

Insurance sub agent - SCR 2,500

Where an annual fee is not paid on or before the beginning of such subsequent year, the annual fee shall increase by 25 per cent (25%) of its amount.

The registration of an insurance sub agent shall be deemed to have lapsed where the annual fee remains unpaid one month after the date on which it became due.

9. Offences

No person shall act or carries on the insurance business of an insurance sub agent for an insurer or insurance agent or otherwise unless that person is registered with the Authority. Non-compliance with this requirement by any person commits an offence and shall upon conviction be liable to a fine of SCR 100,000 and to imprisonment for a term not exceeding one year.

10. Notifications to the Authority

The Authority must be notified in writing within 7 days if and/or whenever there is any material change which may have occurred whether before or after the registration, in the information or documents submitted in connection with an application.

11. Role of the Authority

The Authority is conferred with powers of supervision over the Insurance sub agent and may in carrying out its supervisory functions:

- (a) issue directions
- (b) request information or documents from the insurance sub agent
- (c) remove the Insurance sub agent from the register maintained by the Authority
- (d) impose further conditions on the Insurance sub agents
- (e) appoint a person to advise the Insurance sub agent on the proper conduct of its business

The Act also imposes duties on the Authority, most notably, the duty not to disclose any information to a third party except where authorised under the written law.

Appendix 1

Due Diligence Requirements

1. The completed **Personal Questionnaire**¹ Forms by all individuals in connection with the application, should be accompanied by:
 - 1 certified true copy of passport(s)
 - 1 recent passport sized photograph signed at the back by certifier
 - 1 certified proof of residential address that is not older than three months e.g. utility bill (water and/or electricity) and/or bank statement and/or tenancy agreement
 - 1 original bank reference from each bank with which you are affiliated and/or a report from Credit Rating Agency from Country of Residence (if available)
 - Certified copies of stated higher academic qualifications
 - Certified copies of stated professional qualifications
 - Certified copies of stated membership to professional bodies
 - Detailed job description of your proposed role or position
 - Latest Employment references (if applicable)
 - A list of directorships, partnerships, other business interests or affiliations (if applicable)
 - Original Police Character Reference/certificate not older than three (3) months from the Country in which the applicant resides or its equivalent
 - Tax Clearance Certificate from the Country in which the applicant resides or its equivalent
 - Politically Exposed Person Self-Declaration Form

¹ The PQ should be filled out by all individuals holding a management and executive role within the entity. If the applicant is also the Shareholder or Beneficial Owner, then only the PQ need to be filled out.

Appendix 2

Checklist

1. All blank spaces in the Application Form has been filled in	<input type="checkbox"/>
2. Payment of the application fee (i.e. SCR 625)	<input type="checkbox"/>
3. Completed Personal Questionnaire Form (in the prescribed form)	<input type="checkbox"/>
4. A copy of an (agency) agreement between the applicant (insurer, insurance agent or insurance broker) and the proposed insurance sub agent	<input type="checkbox"/>