



## **General Information for Applicants Seeking Registration as a General Insurance Intermediary (“Intermediary”) under the Insurance Act 2008**

Note: the regulation of intermediaries dealing in investments (i.e. IFA’s) is dealt with under the Financial Services Act 2008 but the intermediation of pure protection life assurance products falls within the remit of the Insurance Act 2008.

The following is intended to be a general guide to potential applicants for registration, or renewal of registration, as an intermediary. It is not intended to be, and should not be interpreted as exhaustive and should be read in conjunction with relevant legislation. It should not be used as a substitute for legal advice.

Any registered intermediary, or applicant for registration, is responsible for its own compliance with applicable legislation and regulations and, accordingly, should familiarise itself with applicable legislation and regulations including, but not limited to, the:

**Insurance Act 2008 (“the Act”)**

**Insurance Intermediaries (General Business) Regulations 1999 and amending regulations (“the Regulations”)**

Copies of which can be found at:

<https://www.iomfsa.im/regulated-sectors/general-insurance-intermediaries/legislation-and-guidance/>

**Anti-Money Laundering and Countering The Financing Of Terrorism Code 2015**

A copy of which can be found at:

<https://www.iomfsa.im/media/1590/antimoneylaunderingandterrorist.pdf>

### **Requirement for Registration**

Section 24 of the Act contains the requirement for registration as an intermediary. Unless otherwise stated, Section 54 of the Act sets out the meaning of terms such as “insurance”, “insurance business”, “insurance intermediary” and “carrying on business in or from the Island”.

Any person (whether an individual or body of persons, corporate or unincorporate) acting as, or holding themselves out to be, an intermediary must be either registered as such, or exempted from registration under regulations. Relevant exemptions can be found under Regulation 9 of the Regulations.

It is the responsibility of the applicant in the first instance (having duly assessed its circumstances and the nature of its business against the requirements of the Act) to determine whether its activities are such that it would be necessary for it to be registered as an intermediary, and be able to provide to the Authority its properly reasoned conclusions in that regard.

If a person is unsure as to whether they are legally required to apply for registration as an intermediary then that person should obtain competent independent advice.

## **Offences and Penalties**

Section 53 of the Act set out the offences and penalties under the Act.

Any person guilty of an offence under any provision of the Act or Regulations made under the Act is liable to a fine or to a custodial sentence, or both. It is an offence, for example, to provide false documents or information to the Authority - as described under Section 52 of the Act.

## **Applications for Registration**

Section 25 of the Act sets out requirements in relation to applications for registration or renewal of registration.

Appendix 1 to the Regulations sets out details to be supplied with such applications (also see below).

Section 26 of the Act confers powers to the Authority in relation to registrations.

Additional documents and information may be required from an applicant in accordance with Section 25(2) of the Act on a case by case basis.

In respect of new applications, as a minimum, Appendix 1 should be accompanied by a written synopsis which adequately describes the applicant's intended business. This should include, but is not limited to –

1. details of the type of business to be intermediated;
2. number of insurers with whom agreements are, or will be, in place with the applicant;
3. financial projections of the business for the next 3 years;
4. target markets and their location;
5. personnel structure identifying key roles and responsibilities;
6. details of employees involved in the intermediation operations (to include information as to the level of competence and experience of each employee to undertake such functions);
7. evidence of arrangements in place to ensure the good conduct of the business and compliance with all applicable legislation (copy control and procedure documents as an example); and
8. full details of the legal and, if different, beneficial ownership structure of the applicant.

Requirements 1 to 8 are in addition to the information specified in Appendix 1.

Appendix 1 requires the applicant to submit with the application proof that the requirements of Regulation 6 (professional indemnity insurance) are satisfied. Such proof must consist of documentary evidence of compliance and be accompanied by the applicant's written confirmation that the requirement has been fully complied with (including cross reference to the relevant parts of the supporting documentation).

### **Fitness and Propriety ("F&P") Assessment**

- Sections 28 to 30 of the Act set out the requirements in relation to appointments of a director, chief executive, auditor or manager, or a person intending to become a controller, of an intermediary.
- Section 54 of the Act provides an interpretation in respect of "chief executive", "controller", and "director". Section 25 (3) (a) and (b) of the Act also refer.
- Guidance on F&P Assessment can be found here. [[link to F&P Assessment Guidance](#)]

### **Management in the Isle of Man**

Section 25 (3) (c) of the Act requires an applicant to have an appropriate level of management in the Island with adequate experience of the applicant's business.

An "appropriate level of management in the Island" must be capable of sound and prudent management of the intermediary's activities for which it requires registration under the Act.

That management must also have sufficient presence in the Island to effectively ensure the intermediary's accountability in the Island for those activities. Accordingly management must have, and be able to demonstrate it has –

1. sufficient seniority and authority to ensure that its decisions and actions are acted upon appropriately by the intermediary (and others, as may be applicable, such as providers of outsourced functions of the intermediary) i.e. management must consist of at least a director of the company present on the Island;
2. adequate and appropriate resources and systems in place to enable it to carry out its role effectively, including, but not limited to, effective controls to ensure the intermediary's ongoing compliance with applicable legal and regulatory requirements; and
3. adequate business records kept in a manner that is readily accessible in or from the Isle of Man and available for inspection and investigation by or on behalf of the Authority.

An applicant or intermediary must be able to demonstrate how, on an ongoing basis, it exercises an appropriate level of management in the Island.

### **Senior Person Responsible for Good Conduct**

Item 6 of Appendix 1 to the Regulations requires disclosure of the senior person in the Isle of Man responsible for the good conduct of the intermediary (good conduct includes, but is not limited to, compliance with applicable legislation and regulations).

Such senior person must: –

1. be fit and proper, as described above, for this role; and
2. have sufficient seniority within the executive management of the intermediary to be able to authoritatively answer for the intermediary's conduct.

### **Fees**

Current application fees can be found on [fees](#) webpage.