

**Application form for consent to be continued as an Authorised Insurer in the Isle of Man**

This form should be completed by an insurer not located in the Isle of Man (“the Island”) that wishes to apply to the Isle of Man Financial Services Authority (“the Authority”) to be transferred to, and continued as an authorised insurer in, the Island. This form sets out the requirements for making an application to the Authority for—

1. **consent to be continued in the Island** under Part 1 of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008; and
2. **authorisation as an insurer in the Island** in accordance with section 8 of the Insurance Act 2008.

Application guidance:

* The Authority has determined that an application for consent to be continued as an authorised Insurer in the Isle of Man must be made in this form.
* Please note that the information requested in this form may not be exhaustive and the Authority reserves the right to request additional information or validations in the course of the application.
* If, upon its final submission, an application is incomplete or does not clearly disclose all information which may affect the Authority’s assessment, this may result in significant delays in processing. The Authority does not accept any responsibility for any loss caused to the applicant by any delay.
* It should be noted that, by virtue of section 52 of the Insurance Act 2008, a person commits an offence if, for the purposes of obtaining transfer of domicile consent or obtaining an insurance authorisation, the person knowingly or recklessly gives to the Authority any information which is false or misleading in a material particular. Any person guilty of an offence under the Insurance Act 2008 is liable—
	+ on summary conviction, to a fine not exceeding £10,000 or to custody for a term not exceeding 6 months, or to both; or
	+ on conviction on information, to a fine or to custody for a term not exceeding 2 years, or to both.
* This application form and all accompanying information and correspondence should be completed legibly and in English. If a required document is in a different language, an appropriate translation into English should be provided.
* Items in Table 1 below are to be answered on the face of this form in the box provided against each item.
* Table 2 below sets out additional information required to be included with this application. This additional information should be provided under the column of boxes entitled “Offshore Insurer” as follows—
	+ where space allows, the information should be written on the face of the form (for example, if the answer is a simple “yes”, “no” or “n/a”); or
	+ if more space is needed, the information should be cross referenced on the face of this form to where the information can be found (all such information should be provided with the application in a structured “application pack”).

[Note: The last column in Table 2, entitled “Authority”, should be left blank as it is for the Authority’s use only.]

* The above mentioned cross references to the application pack should be clear, complete and specific so that the Authority is able to use Table 2 to readily locate all relevant information in the application pack corresponding to each item in Table 2.
* All of the information required in Tables 1 and 2 must be provided. If an item is not applicable, indicate this by answering “n/a”. If additional information is needed to explain why something is not applicable, include this in the application pack and cross reference as indicated above.
* Each section of the application pack should be numbered and follow the order of Table 2 (as far as possible) for ease of reference.
* Where Table 2 asks for confirmation in respect of something, specific written confirmation must be provided (a simple tick, for example, will not suffice).
* If any of the required information is not provided in the application pack, provide a covering letter with the application pack specifying what information is missing and the corresponding proposed submission date(s) for the missing information.
* Two directors of the applicant must sign the application where indicated. These directors should also be persons who are proposed to be ongoing directors of the continued insurer if authorised. If either or both are not proposed to be ongoing directors of the continued insurer then that fact must be stated under their relevant signature(s) on this form.
* The completed application (including all associated information) should be sent to the:

[\* Long-Term Insurance Team / Non Long-Term Insurance Team] (\*delete as appropriate)

Isle of Man Financial Services Authority

P O Box 58, Finch Hill House

Bucks Road, Douglas

Isle of Man, IM99 1DT

Glossary, in this form:

“**2010 CGC**” means the Corporate Governance Code of Practice for Regulated Insurance Entities which came into force in 2010 - <https://www.iomfsa.im/media/1497/finalcgcsd88010made11010.pdf>;

“**2019 CGC**” means the Corporate Governance Code of Practice for Commercial Insurers which came into force in 2019 - <https://www.iomfsa.im/media/2521/corporategovernancecodeofpracticeforcommercialinsurers.pdf>;

“**applicant**” means the offshore insurer and/or continued insurer (as the context requires);

“**continued insurer**” has the meaning given by section 2(5) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008; it also has the same meaning as “authorised insurer” as given in section 54 of the Insurance Act 2008 [in simple terms, in relation to an application, the continued insurer is the offshore insurer if, and when, it successfully transfers itself to the Island to be continued as an authorised insurer];

“**financial regulation**”, whether in the Island or elsewhere, means the regulation of business activities that are the same as or similar to any regulated by the Authority; and

“**offshore insurer**” has the meaning given by section 1(2) of the Companies (Transfer of Domicile) Act 1998, as amended by schedule 4 to the Insurance Act 2008 [in simple terms, in relation to an application, the offshore insurer is the insurer that is not located in the Isle of Man which is applying to transfer itself to, and be continued as an authorised insurer in, the Island].

|  |  |
| --- | --- |
| **1** | **TABLE 1 - Information to be provided on the face of this foRM (see “application guidance”)** |
| 1.1 | Full name of the offshore insurer as appearing on its certificate of incorporation, or equivalent.  |       |
| 1.2 | If the offshore insurer has changed its name in the last 5 years, list all of its previous full name(s) and give the date of each change. |       |
| 1.3 | Full name to be used by the continued insurer in the Island. |       |
| 1.4 | Offshore insurer’s registered office address in current country or territory of incorporation.  |       |
| 1.5 | Continued insurer’s proposed registered office address in the Island. |       |
| 1.6 | Offshore insurer’s current business address(es). |       |
| 1.7 | Continued insurer’s proposed business address(es) in the Island. |       |
| 1.8 | Offshore insurer’s date, number and country or territory of incorporation. |       |
| 1.9 | Name of the insurance regulatory authority of the offshore insurer’s current home jurisdiction.  |       |
| 1.10 | State the class or classes (as applicable) of insurance business for which authorisation is sought in the application. |       |
| 1.11 | Contact details (name, address, telephone number and e-mail) of an individual who will accept receipt of any correspondence from the Authority on behalf of the offshore insurer in respect of the application. |       |
| 1.12 | Contact details (name, address, telephone number and e-mail) of any professional advisor(s) in relation to the application. |       |
| 1.13 | In relation to the advisor(s) named in response to item 1.12, confirm in each case (as applicable) that the Authority can liaise with the advisor(s) in respect of the application. |       |
| 1.14 | Confirm whether or not there is any information missing from the application. If the answer is no, state “no”. If the answer is yes, identify the covering letter which deals with the missing information (as referred to previously under “application guidance”). |       |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Offshore Insurer** | **Authority** |
| **TABLE 2 – INFORMATION TO BE PROVIDED EITHER ON THE FACE OF THIS FORM OR IN THE APPLICATION PACK AND CROSS REFERENCED** **ON THE FACE OF THIS FORM (see “application guidance”)** |
| **2** | **Information as required under section 2 the Companies (Transfer of Domicile) Act 1998****[Note: items 2.1 to 2.8 below relate to information specifically required to be submitted in accordance with section 2(2) to 2(4) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008. Other items in the application are as required by the Authority under section 2(2)(g) of Companies (Transfer of Domicile) Act 1998 (as amended) or under the Insurance Act 2008 in connection with an application for authorisation as an insurer.]**  |
| 2.1 | **A memorandum of continuance in such form and containing such****particulars as may be required by regulations made by the****Authority**.[Note: the form for this memorandum is prescribed by the Authority in Schedule 4 (Memorandum of Continuance of an Offshore Insurer) to the Insurance Regulations 2018[[1]](#footnote-1) pursuant to section 2(2)(a) of the Companies (Transfer of Domicile) Act 1998[[2]](#footnote-2), as amended by Schedule 4 to the Insurance Act 2008[[3]](#footnote-3).] |       |  |
| 2.2 | **Proof to the satisfaction of the Authority that the offshore insurer has obtained all necessary authorisations required under the laws of the country in which it was** [or ‘is’ at time of application] **incorporated to enable it to make the application.** (Note: this requirement relates to section 2(2)(b) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.] |       |  |
| 2.3 | **Financial statements of the offshore insurer prepared for a period ending within 12 months of the date of the application and audited to the satisfaction of the Authority** [if more than one set of financial statements are available which meet this criteria, provide the most up to date set].[Note: this requirement relates to section 2(2)(c) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.][Also note: section 2(2)(ca) of the Companies (Transfer of Domicile) Act 1998, as inserted by paragraph 2(a) of Schedule 4 to the Insurance Act 2008, requires a **business plan for the continuation of the insurance business to the satisfaction of the Authority**. The requirements in relation to the business plan are set out elsewhere in this document.] |       |  |
| 2.4 | **Details of all charges created by the offshore insurer to which section 79 of the 1931 Act** [being the Companies Act 1931] **would apply if the offshore insurer had been incorporated in the Island indicating the order in which they will be registered under section 4(1)(d)** [of the Companies (Transfer of Domicile) Act 1998]. [Note: this requirement relates to section 2(2)(d) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.] |       |  |
| 2.5 | **The written consent to—**1. **the making of the application; and**
2. **the order of registration specified in accordance with paragraph (d)** [paragraph (d) is 2(2)(d) as referred to in item 2.4 above]**,**

**by the holders of all charges created by the offshore insurer to which section 79 of the 1931 Act** [being the Companies Act 1931] **would apply if the offshore insurer had been incorporated in the Island.** [Note: this requirement relates to section 2(2)(e) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.] |       |  |
| 2.6 | **A certificate signed by an advocate to the effect he** [or she] **has made such enquiries as are reasonable in the circumstances and as a result of those enquiries believes —**1. **that the application complies with the requirements of this Part** [being Part 1 of the of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008]**; and**
2. **that matters precedent and incidental thereto have been complied with.**

[Note: this requirement relates to section 2(2)(f) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.] |       |  |
| 2.7 | Subject to item 2.8 below, evidence to show that **not more than 3 months prior to an application under subsection (1)** [this application]**, the offshore insurer shall cause** [has caused] **to be published in —**1. **2 newspapers published and circulating in the Island; and**
2. **one newspaper circulating throughout the country or territory in which the offshore insurer is incorporated,**

**an advertisement announcing its intention to continue the offshore insurer** **in the Island** [i.e. as a continued insurer] **in accordance with this Part** [being Part 1 of the of the Companies (Transfer of Domicile) Act 1998 (as amended by Schedule 4 to the Insurance Act 2008)] **and specifying its name and principal place of business and the classes of insurance business that it carries on.** [Note: this requirement relates to section 2(3) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.] |       |  |
| 2.8 | If applicable, in accordance with section 2(4) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008, a copy of the written communication in which the Authority has **waived the requirements of subsection (3)** [subsection (3) is section 2(3) of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008]. |       |  |
| **3** | **Details of legal and other matters**  |
| 3.1 | Has the offshore insurer been convicted of any offense, censured, disciplined or criticised by any Court of Law, or professional or regulatory body in the last 10 years? If the answer is no, state “no”. If the answer is yes, provide full particulars in each case. |       |  |
| 3.2 | Are there any court orders outstanding against the offshore insurer or has the offshore insurer been subject to an application to any Court of Law for administration, receivership or winding up? If the answer is no, state “no”. If the answer is yes, provide full particulars in each case. |       |  |
| **4** | **Details of service providers** **[Note: outsourced functions in relation to the continued insurer, including insurance management and actuarial, are addressed elsewhere in this form]**  |
| 4.1 | Name and address of the offshore insurer’s current— |  |  |
|  | 1. appointed actuary (if applicable);
 |       |  |
|  | 1. bankers;
 |       |  |
|  | 1. external auditor; and
 |       |  |
|  | 1. legal advisor(s).
 |       |  |
| 4.2 | Name and address of the continued insurer’s proposed— |  |  |
|  | 1. bankers;
 |       |  |
|  | 1. external auditor;
 |       |  |
|  | 1. legal advisor(s); and
 |       |  |
|  | 1. registered agent (if the continued insurer is to be incorporated under the Companies Act 2006).
 |       |  |
| **5** | **Ownership structure and group information** |
| 5.1 | Full legal ownership of the continued insurer, including a detailed structure chart with names and relevant % amounts of holdings and voting rights and details of all persons (legal or natural) who are— |  |  |
|  | 1. direct holders of shares or other interests in the continued insurer; and
 |       |  |
|  | 1. indirect holders of shares / interests who would qualify as a controller of the continued insurer under section 29 of the Insurance Act 2008.
 |       |  |
| 5.2 | Details of any foundation or trust involved in the continued insurer’s direct or indirect ownership structure (and, as applicable, a copy of the relevant trust deed / foundation instrument). |       |  |
| 5.3 | If the continued insurer is part of a group, include a group structure chart providing the name and place of incorporation (or location, if an unincorporated branch) of all— |  |  |
|  | 1. direct and indirect parent companies of the continued insurer;
 |       |  |
|  | 1. direct and indirect subsidiaries of the continued insurer (and any other entity(ies) in which the continued insurer has a significant investment); and
 |       |  |
|  | 1. branches of the continued insurer,
 |       |  |
|  | and, in respect of items (a) to (c), indicating in each case where any member of the continued insurer’s group is subject to financial regulation (and provide the name and contact details of the relevant financial regulatory authority(ies)). |       |  |
| 5.4 | Brief history and background of the continued insurer’s group including— |  |  |
|  | 1. the group’s main business (and any other significant) activities;
 |       |  |
|  | 1. information on the type of related party transactions undertaken by the group which may be relevant and material to the continued insurer;
 |       |  |
|  | 1. the group’s main geographical areas of activity;
 |       |  |
|  | 1. the group’s industry ranking and size;
 |       |  |
|  | 1. details of any members of the group which are listed on a stock exchange; and
 |       |  |
|  | 1. any current debt ratings applicable to the group or its members and commentary on those ratings, including details of, and reasons for, any upgrades / downgrades (specify which) in the ratings in the last three years.
 |       |  |
| 5.5 | Latest available audited accounts of any company proposed to provide ongoing financial support to the continued insurer. |       |  |
| 5.6 | Confirmation that the board of directors of the offshore insurer’s immediate holding company has approved the submission of the application to the Authority for the offshore insurer to transfer itself to, and be continued as an insurer in, the Island. |       |  |
| 5.7 | Details of any association which is proposed to exist between the directors or controller(s) of the continued insurer and any person who acts or will act as an insurance broker, agent, loss adjuster or reinsurer for the continued insurer. |       |  |
| 5.8 | Is any of the information relating to any of questions in items 5.1 to 5.7 different if those questions were applied to the offshore insurer instead of the continued insurer? If the answer is no, state “no”. If the answer is yes, provide details in each case, including reference to the relevant item(s).  |        |  |
| **6** | **Group supervision** |
| 6.1 | Within the last 5 years, has the offshore insurer’s group— |  |  |
|  | 1. received regulatory approval for a new entity or entities in any other jurisdiction? If the answer is no, state “no”. If the answer is yes, provide full details in each case;
 |       |  |
|  | 1. applied to establish an entity subject to financial regulation, in any other jurisdiction(s), which was either withdrawn or refused? If the answer is no, state “no”. If the answer is yes, provide full details in each case; or
 |       |  |
|  | 1. been subject to an investigation into allegations of fraud, misconduct or malpractice by any supervisory authority in any other jurisdiction? If the answer is no, state “no”. If the answer is yes, provide full details in each case.
 |       |  |
| 6.2 | Is the offshore insurer or its group subject to group supervision in respect of financial regulation? If the answer is no, state “no”. If the answer is yes—  |       |  |
|  | 1. provide the name and contact details of the group supervisor; and
 |       |  |
|  | 1. confirm whether the continued insurer will fall within the scope of that group supervision or explain otherwise (as the case may be).
 |       |  |
| **7** | **Legal structure and regulatory permissions** |
| 7.1 | An outline of the full legal structure of the offshore insurer. |       |  |
| 7.2 | A certified copy of the Certificate of Incorporation of the offshore insurer (and any applicable Certificate(s) of Name Change in the last 5 years). |       |  |
| 7.3 | A certified copy of the Memorandum and Articles of Association (or equivalent) of the offshore insurer. |       |  |
| 7.4 | A copy of the proposed Memorandum and Articles of Association (or equivalent) of the continued insurer. |       |  |
| 7.5 | A certified copy of the in-force regulatory licence(s) issued to the offshore insurer by the insurance regulatory authority of the offshore insurer’s current home jurisdiction. |       |  |
| 7.6 | Details of any changes to the regulatory licence (as referred to in 7.5) in the last 5 years. |       |  |
| **8** | **Objectives and proposed operations** |
| 8.1 | Rationale for the offshore insurer seeking to establish in the Island and be continued as an authorised insurer. |       |  |
| 8.2 | Confirmation that the activities of the continued insurer will be limited to [\*long-term business / non long-term business] (\*delete as appropriate) and to activities in connection with or for the purpose of its insurance business for which authorisation is sought in this application. |       |  |
| 8.3 | Does the offshore insurer carry on any activities which, if the offshore insurer was continued in the Island as an authorised insurer, would fall outside of the class(es) of insurance business for which authorisation is being sought or the activity restrictions under section 16 of the Insurance Act 2008? If the answer is no, state “no”. If the answer is yes give full particulars of the— |  |  |
|  | 1. activity falling outside of the class(es) and/or requirements of section 16; and
 |       |  |
|  | 1. arrangements for terminating all such activity prior to the offshore insurer’s proposed continuance as an insurer in the Island.
 |       |  |
| 8.4 | Details of the offshore insurer’s business and products, including the sources of business and the approximate percentage obtained from each source. |       |  |
| 8.5 | Details of the continued insurer’s proposed business and products, including the sources of business and the approximate percentage to be obtained from each source. |       |  |
| 8.6 | Target financial objectives of both the continued insurer’s group and the continued insurer, e.g. return on equity with an indication of when the continued insurer anticipates that it will meet the target. |       |  |
| 8.7 | Describe fully the intermediate process which may occur between payment of a premium by an original insured\* and the receipt of funds by the continued insurer. [\* An “original insured” includes any person to be insured under a direct policy written by the continued insurer and any person to be insured under a direct policy which is to be directly or indirectly reinsured by the continued insurer, as the case may be.] |       |  |
| 8.8A | For Non-Long Term Business  |  |  |
|  | 1. For each class of business, provide the maximum retention per risk or event and in aggregate on a gross basis and on a net basis after all reinsurance to be ceded based on the continued insurer’s proposed—
 |  |  |
|  | 1. policy limits; and
 |       |  |
|  | 1. estimated maximum loss (if applicable).
 |       |  |
|  | 1. projected claims in respect of the first 3 years, gross and net of reinsurance, showing for each year amounts—

[Note: the information should—* for the avoidance of doubt, include all relevant information relating to the prospective business of the continued insurer, and any existing business of the offshore insurer carried forward to the continued insurer; and
* be segmented to show amounts for each line of business proposed to be written, and

include a reconciliation with relevant amounts in the business plan referred to in 13.] |  |  |
|  | 1. paid in year;
 |       |  |
|  | 1. outstanding at year end (reported claims);
 |       |  |
|  | 1. provided for in IBNR/IBNER provisions at year end; and
 |       |  |
|  | 1. representing all future claims – identifying where and to what degree such amounts are accounted for at year end (for example in unearned premium provision, unexpired risk provision or other provision or reserve (specify)).
 |       |  |
| 8.8B | For Long-Term BusinessFor each type of contract within each class of long-term business which the continued insurer intends to sell within the first 5 years, estimated new business volumes and a profit profile showing—[Note: the information provided should—* for the avoidance of doubt, include all relevant information relating to the prospective business of the continued insurer, and any existing business of the offshore insurer carried forward to the continued insurer; and
* include reconciliation with relevant amounts appearing in the business plan as referred to in 13.]
 |  |  |
|  | 1. emerging cash strains and surpluses, monthly for at least the first two years and annually for the rest of the lifetime of the product. It should be assumed that initial and renewal expenses are equal to the corresponding expense loadings;
 |       |  |
|  | 1. the breakdown of any initial strains between acquisition commission, valuation strain and Solvency Capital Requirement (“SCR”);
 |       |  |
|  | 1. a discounted present value; and
 |       |  |
|  | 1. the assumptions made.
 |       |  |
| **9** | **Governance functions** |
| 9.1 | The proposed organisational structure of the continued insurer including reporting lines and the segregation of responsibilities. |       |  |
| 9.2 | List the directors of the continued insurer, identifying in each case whether the director is, or is intended to be—1. an executive director;
2. a non-executive director; or
3. an independent non-executive director[[4]](#footnote-4),

of the continued insurer. |       |  |
| 9.3 | For each director of the continued insurer, provide the required notifications as referred to in the Regulatory Guidance - Fitness and Propriety[[5]](#footnote-5);  |       |  |
| 9.4 | Details of material arrangements the board of the continued insurer will have in place to support its ongoing oversight of the continued insurer (but excluding Articles of Association and any other arrangements already adequately addressed in other items in this application). Material arrangements might include, for example, planned actual frequency of board meetings, the content of matters reserved to the board, the approach the board will take in managing any potential conflicts of interest of members of the board and the approach the board will take in monitoring and assessing its own ongoing effectiveness.  |       |  |
| 9.5 | List the people who will fulfil the controlled functions (as outlined within the Regulatory - Fitness and Propriety) of the continued insurer and the controlled function(s) they will be performing. |       |  |
| 9.6 | For each person fulfilling one or more controlled function(s) of the continued insurer, provide the required notifications as referred to in the Regulatory Guidance - Fitness and Propriety. |       |  |
| 9.7 | Projected staffing requirements for the first 3 years of the continued insurer’s operations (broken down on an annual basis). |       |  |
| 9.8 | List, in respect of the continued insurer, the persons making up, and terms of reference for, any— |  |  |
|  | 1. audit committee;
 |       |  |
|  | 1. risk committee;
 |       |  |
|  | 1. remuneration committee;
 |       |  |
|  | 1. nomination committee; and/or
 |       |  |
|  | 1. other relevant committee(s) (investment, underwriting, etc. - specify).
 |       |  |
|  |  |  |  |
| **10** | **Risk management and other operational arrangements** |
| 10.1 | Provide details of the forward looking process (including stress-testing) the offshore insurer has undertaken to ensure that it will, as the continued insurer, comply with the risk-based capital and liquidity adequacy requirements under paragraph 5.5 of the 2010 CGC or paragraph 11 of the 2019 CGC (as applicable), and attach its reasoned conclusions in that regard (including details of the comprehensive calculations and report supporting those conclusions). This process should have a minimum forecast period of 3 years for non long-term insurers and a minimum of 5 years for long-term insurers. |       |  |
| 10.2 | Explain how the continued insurer has (within the process referred to in 10.1) addressed the following— |  |  |
|  | 1. underwriting risk;
 |       |  |
|  | 1. reserving (provisions) risk;
 |       |  |
|  | 1. asset liability management;
 |       |  |
|  | 1. investment risk (including highlighting any use of derivatives and similar commitments);
 |       |  |
|  | 1. liquidity risk (including ensuring its liquidity adequacy in accordance with paragraph 5.5(b) of the 2010 CGC or paragraph 11(b) of the 2019 CGC (as applicable));
 |       |  |
|  | 1. concentration risk;
 |       |  |
|  | 1. operational risk; and
 |       |  |
|  | 1. reinsurance and other risk-mitigation techniques.
 |       |  |
| 10.3 | Provide the written risk management policies that will apply for the risks referred to in (a) to (g) above (in respect of (h), see 10.7 below). |       |  |
| 10.4 | Provide the written capital management policy that will apply for the purpose of the continued insurer ensuring its ongoing capital adequacy in accordance with paragraph 5.5(a) of the 2010 CGC or paragraph 11(a) of the 2019 CGC (as applicable), and explain how this relates to the information as referred to in 10.1. |       |  |
| 10.5 | Demonstrate that an effective risk management system will be established comprising strategies, processes and reporting procedures necessary to measure, monitor, manage and report the reasonably foreseeable, relevant and material risks which the continued insurer could be exposed to. This should include setting out the procedures for the following— |  |  |
|  | 1. continuous measuring, monitoring and controlling of risks;
 |       |  |
|  | 1. accurate and reliable management information systems;
 |       |  |
|  | 1. timely management reporting; and
 |       |  |
|  | 1. thorough audit and control procedures.
 |       |  |
| 10.6 | Provide the following information in respect of the continued insurer’s proposed investments— |  |  |
|  | 1. investment strategy;
 |       |  |
|  | 1. the strategic asset allocation, by asset class, type, currency and duration;
 |       |  |
|  | 1. details of the specific investments involved;
 |       |  |
|  | 1. details of the specific counterparties involved; and
 |       |  |
|  | 1. relevant internal quantitative investment limits (for example per counterparty, geographical area or industry sector).
 |       |  |
| 10.7 | Provide the following information in respect of the continued insurer’s proposed reinsurance and other risk mitigation techniques— |  |  |
|  | 1. the reinsurance policy, including—
 |       |  |
|  | 1. level of risk transfer;
 |       |  |
|  | 1. selection of type of reinsurance; and
 |       |  |
|  | 1. principles for the selection of reinsurance counterparties;
 |       |  |
|  | 1. detail the procedures for assessing the creditworthiness and diversification of reinsurance counterparties;
 |       |  |
|  | 1. detail the procedures for assessing the effectiveness of risk transfer;
 |       |  |
|  | 1. provide the concentration limits for credit risk exposure to reinsurance counterparties, and appropriate systems for monitoring these exposures;
 |       |  |
|  | 1. detail the liquidity management to deal with any timing mismatch between claims’ payments and reinsurance recoveries;
 |       |  |
|  | 1. provide reinsurance contract wording;
 |       |  |
|  | 1. detail the structure of any reinsurance / retrocession programme, including excesses, limits not covered in (h), currencies and reinsurers;
 |       |  |
|  | 1. state the threshold and limit of any one risk / event and in aggregate;
 |       |  |
|  | 1. state the basis of premium payable and commission receivable; and
 |       |  |
|  | 1. give the names of reinsurers writing individually (or together with associated companies) 10% or more of any contract and their percentage lines.
 |       |  |
| 10.8 | Provide the continued insurer’s anti-money laundering and countering the financing of terrorism risk assessments. |       |  |
| 10.9 | Provide details of any possible material conflicts of interest arising in the conduct of the different types of activity that will be under the continued insurer’s control, including arrangements made to manage conflicts and protect the interest of policyholders. |       |  |
| 10.10 | Provide the following information in respect of any proposed outsourcing by the continued insurer of its significant functions and activities (this includes outsourcing to related parties, such as to fellow group members, as well as to third parties)— |  |  |
|  | 1. details in each case including—
 |       |  |
|  | 1. name and description of the function / activity to be outsourced;
 |       |  |
|  | 1. name of the outsourced service provider;
 |       |  |
|  | 1. name of the person responsible for the function / activity at the outsourced service provider;
 |       |  |
|  | 1. a description (including outlining whether chain or sub-outsourcing is proposed) of the scope of functions / activities to be outsourced; and
 |       |  |
|  | 1. the measures the continued insurer is to have in place to oversee the outsourced function / activity.
 |       |  |
|  | 1. where appropriate, flow charts providing an overview of the continued insurer’s proposed outsourcing arrangements;
 |       |  |
|  | 1. a copy of all relevant draft outsourcing agreements in full (including, for example, details of rights and obligations of the continued insurer and outsourced service provider, corresponding service level agreements and termination terms);
 |       |  |
|  | 1. confirmation that the Authority will have appropriate access to all information relating to outsourced functions / activities in order to allow it to carry out the functions of the Authority (those functions include, for example, the obtaining of information remotely as well as directly by way of on-site inspection);
 |       |  |
|  | 1. confirmation that the continued insurer’s—
2. compliance function;
3. internal audit department; and
4. external auditors,

will have appropriate access to all information related to all of the outsourced functions / activities in order to carry out their respective roles in relation to the continued insurer; |       |  |
|  | 1. details of how the outsourced functions / activities will be monitored and controlled by the continued insurer including details of key performance indicators to be used.
 |       |  |
| 10.11 | Provide the following information in respect of the proposed information technology (IT) and business continuity of the continued insurer— |  |  |
|  | 1. a description of the IT systems to be used;
 |       |  |
|  | 1. details of the main IT service providers and back-up providers; and
 |       |  |
|  | 1. copy of the business continuity plan.
 |       |  |
| **11** | **Key control functions** |
| 11.1 | Provide the following information in respect of the proposed internal audit function of the continued insurer— |  |  |
|  | 1. structure of the internal audit function including reporting lines;
 |       |  |
|  | 1. overview of the internal audit personnel including their relevant experience and qualifications for the role;
 |       |  |
|  | 1. role, objectives and key activities of the internal audit function;
 |       |  |
|  | 1. expected frequency of internal audits;
 |       |  |
|  | 1. how the internal audit function meets with the requirements of sub-paragraphs 12.2(d) and 12.2(g) of the 2010 CGC or sub-paragraphs 49(e) and 49(h) of the 2019 CGC (as applicable);
 |       |  |
|  | 1. confirmation that the internal audit function is independent from the operational activities of the continued insurer; and
 |       |  |
|  | 1. overview of the policy / procedures of the internal audit function for reporting to the continued insurer’s board, including the expected frequency of internal audit reports.
 |       |  |
| 11.2 | Provide the following information in respect of the proposed compliance function of the continued insurer— |  |  |
|  | 1. structure of the compliance function including reporting lines;
 |       |  |
|  | 1. overview of the compliance personnel including their relevant experience and qualifications;
 |       |  |
|  | 1. role, objectives and key activities of the compliance function; and
 |       |  |
|  | 1. overview of the policy / procedures of the compliance function for reporting to the continued insurer’s board, including the expected frequency of compliance reports.
 |       |  |
| 11.3 | Where the continued insurer will be required to have an actuarial function, provide the following information in respect of the proposed actuarial function of the continued insurer— |  |  |
|  | 1. structure of the actuarial function including reporting lines;
 |       |  |
|  | 1. overview of the actuarial personnel including their relevant experience and qualifications; and
 |       |  |
|  | 1. role, objectives and key activities of the actuarial function.
 |       |  |
| 11.4 | Provide the following information in respect of the proposed risk management function of the continued insurer— |  |  |
|  | 1. structure of the risk management function including reporting lines;
 |       |  |
|  | 1. overview of the risk management personnel including their relevant experience and qualifications; and
 |       |  |
|  | 1. role, objectives and key activities of the risk management function.
 |       |  |
| 11.5 | Provide details of the proposed relationship between the control functions referred to in 11.1 to 11.4 and the methods to be used to provide for appropriate cross-functional communication and coordination. |       |  |
| **12** | **Key operational functions** |
| 12.1 | Provide the following information in respect of the proposed underwriting function of the continued insurer— |  |  |
|  | 1. structure of the underwriting function including reporting lines;
 |       |  |
|  | 1. overview of the underwriting personnel including their relevant experience and qualifications; and
 |       |  |
|  | 1. role, objectives and key activities of the underwriting function.
 |       |  |
| 12.2 | Provide the following information in respect of the proposed policy and claims administration function of the continued insurer— |  |  |
|  | 1. structure of the policy administration function including reporting lines;
 |       |  |
|  | 1. overview of the policy administration personnel including their relevant experience and qualifications;
 |       |  |
|  | 1. key reports utilised and the frequency of reporting of the policy administration function;
 |       |  |
|  | 1. structure of the claims administration function including reporting lines;
 |       |  |
|  | 1. overview of the claims administration personnel including their relevant experience and qualifications; and
 |       |  |
|  | 1. key reports utilised and the frequency of reporting of the claims administration function.
 |       |  |
| 12.3 | Provide the following information in respect of the proposed finance function of the continued insurer— |  |  |
|  | 1. structure of the finance function including reporting lines;
 |       |  |
|  | 1. overview of the finance personnel including their relevant experience and qualifications;
 |       |  |
|  | 1. key reports utilised and the frequency of reporting of the finance function; and
 |       |  |
|  | 1. role, objectives and key activities of the finance function.
 |       |  |
| 12.4 | Provide the following information in respect of the proposed investment function of the continued insurer— |  |  |
|  | 1. structure of the investment function including reporting lines;
 |       |  |
|  | 1. overview of the investment personnel including their relevant experience and qualifications;
 |       |  |
|  | 1. key reports utilised and the frequency of reporting of the investment function; and
 |       |  |
|  | 1. role, objectives and key activities of the investment function.
 |       |  |
| 12.5 | Provide the following information in respect of the proposed marketing, product development and distribution of the continued insurer— |  |  |
|  | 1. confirmation and a description of the process by which the continued insurer’s insurance contracts are written on a legal basis to ensure compliance with applicable legal requirements;
 |       |  |
|  | 1. details of the continued insurer’s new product approval process; and
 |       |  |
|  | 1. details of all distribution channels and projected sales for each product.
 |       |  |
| **13** | **Business plan** |
| 13.1 |  The business plan of the continued insurer should include— |  |  |
|  | 1. a statement of the principle assumptions on which the business plan has been prepared;
 |       |  |
|  | 1. the nature of the risks or commitments which the continued insurer proposes to cover;
 |       |  |
|  | 1. the guiding principles as to reinsurance and to retrocession to be utilised by the continued insurer;
 |       |  |
|  | 1. detailed information on all relevant sources of funding for the continued insurer;
 |       |  |
|  | 1. a summary of the market analysis undertaken in respect of the continued insurer’s proposed business; and
 |       |  |
|  | 1. details of the data and methodologies used to support the continued insurer’s claims assumptions, an analysis of the data and methods used and assessment of their suitability as a basis for the claims assumptions.
 |       |  |
| 13.2 | Projected for the first five financial years (for long-term insurers) or three years (for non-long term insurers) on pessimistic, realistic and optimistic bases, and clearly showing where such bases are used:[Note: The Authority may require the offshore insurer to apply specific stress testing to its business plan proposals.] |  |  |
|  | 1. Projected financial statements in such form as the continued insurer will be required to prepare in accordance with the accounting principles adopted by the continued insurer pursuant to section 14 of the Insurance Act 2008, including the following—

[Note: The offshore insurer may adapt the form of these statements where appropriate to show where the required pessimistic, realistic and optimistic bases are used.] |  |  |
|  | * 1. statement of financial position (balance sheet) as at the end of each year; and
 |       |  |
|  | * 1. for each year –
 |  |  |
|  | 1. statement of profit and loss and other comprehensive income (income statement);
 |       |  |
|  | 1. statement of changes in equity; and
 |       |  |
|  | 1. statement of cash flows (cash flow statement).

[Note: a cash flow statement is required to be provided as part of the application irrespective of whether the continued insurer is or may be exempted from the requirement to prepare a cash flow statement in relation to its audited financial statements.] |       |  |
|  | 1. Further to (a)(ii), analysis of projected income and expenditure for each year. This should provide sufficient information for the Authority to understand the different material components and assumptions underlying the continued insurer’s business as it is forecast to develop over time. The offshore insurer is encouraged to contact the Authority to discuss the analysis to be provided.
 |       |  |
|  | 1. For non long-term insurers only, projected at the end of each year, an analysis of all capital and any other funding instruments used to support the business and regulatory solvency requirements of the continued insurer. The analysis should —
 |  |  |
|  | * 1. identify all on-balance sheet and any off-balance sheet instruments;
 |       |  |
|  | * 1. indicate where an instrument is on- or off-balance sheet;
 |       |  |
|  | * 1. reconcile the on-balance sheet items with the relevant projected balance sheet totals; and
 |       |  |
|  | * 1. provide a forecast calculation (showing workings) of the continued insurer’s solvency margin in accordance with Schedule 11 of the Insurance Regulations 2018.
 |       |  |
|  | 1. For long term insurers only, projected as at the end of each year, the continued insurer’s—
 |  |  |
|  | * 1. economic balance sheet;
 |       |  |
|  | * 1. Minimum Capital Requirement (“MCR”) and Solvency Capital Requirement (“SCR”); and
 |       |  |
|  | * 1. list of eligible own funds that will be in place to meet the continued insurer’s SCR and MCR requirements, itemised and analysed into the required corresponding tiers.
 |       |  |
| **14** | **Appointed actuary (long-term insurers only)** |
| 14.1 | Confirmation by the person who is or will be the appointed actuary of the continued insurer that he or she— |  |  |
|  | 1. has accepted, or is prepared to accept, appointment and is qualified to do so;

Also for the appointed actuary of the continued insurer, provide the required notification as referred to in the Regulatory Guidance - Fitness and Propriety. |       |  |
|  | 1. considers the premium rates (including charges / loadings) to be used by the continued insurer to be suitable;
 |       |  |
|  | 1. considers the financial resources of the continued insurer to be sufficient for the first five financial years following authorisation; and
 |       |  |
|  | 1. agrees with the information provided in the financial projections of the continued insurer contained in the business plan.
 |       |  |
| **15** | **Other** |
| 15.1 | Date on which the offshore insurer’s financial year ends at present.  |       |  |
| 15.2 | Date on which the continued insurer’s financial year will end. |       |  |
| 15.3 | Reporting currency in which the continued insurer’s audited financial statements will be prepared. |       |  |
| 15.4 | Details of any existing loans made by the offshore insurer to its directors, managers, or associated companies.  |       |  |
| 15.5 | Details of any proposed loans to be made by the continued insurer to its directors, managers, or associated companies. |       |  |
| **16** | **Declaration** |
|  | We declare that the information supplied in this application is complete and correct to the best of our knowledge and belief at the time of making this declaration. We further declare that, in our judgement and to the best of our knowledge and belief, that— * the offshore insurer is not insolvent under any applicable laws of the country or territory of its incorporation; and
* the continued insurer will not, if and upon this application being successful, be “unable to pay its debts” as defined in section 163 of the Companies Act 1931.

We hereby apply to be continued in the Island under Part 1 of the Companies (Transfer of Domicile) Act 1998, as amended by Schedule 4 to the Insurance Act 2008.We hereby also apply to be authorised by the Authority in accordance with Section 8 of the Insurance Act 2008. We agree to provide any further information that the Authority may require when considering this application. We agree to notify the Authority of any other information which is material to this application, and also to notify the Authority immediately of any material changes in the information provided in this application which may occur after the date of submission of the application and prior to the date on which an authorisation is granted or the date on which the offshore insurer is notified that the application has been unsuccessful. We understand and accept that the Authority may wish to make enquiries - both now and on a continuing basis - to satisfy itself as to the initial and continuing fitness and propriety of the applicant and any connected persons. Accordingly, we authorise the bankers named in this application, together with any other person, body or institution (including the Police) that the Authority may approach, to provide such information, as the Authority believes may be relevant to its assessment.We confirm that we have read and understood the—* Companies (Transfer of Domicile) Act 1998;
* Insurance Act 2008;
* all applicable regulations and guidance made or issued under the Insurance Act 2008; and
* Anti-Money Laundering and Countering the Financing of Terrorism Code 2019,

and we declare that our business is, or will be, conducted in accordance with this legislation. Signed       Director Name      Date      Signed       Director /      Name      Date

|  |
| --- |
| 🔒 **Data Protection Notice**The Authority is registered with the Information Commissioner as a data controller under Isle of Man data protection legislation. The Authority collects and processes personal data to carry out its functions under relevant legislation and may share personal data with other parties where there is a legal basis for doing so. Information on how the Authority collects and processes personal data can be found in the [**Privacy Policy**](https://www.iomfsa.im/terms-conditions/privacy-policy/) on the Authority’s website:[**https://www.iomfsa.im/terms-conditions/privacy-policy/**](https://www.iomfsa.im/terms-conditions/privacy-policy/)Please call **+44 (0)1624 646000** if you have any queries. |

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1. <https://www.iomfsa.im/media/2451/insuranceregulations2018.pdf> [↑](#footnote-ref-1)
2. <https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/1998/1998-0006/CompaniesTransferofDomicileAct1998_2.pdf> [↑](#footnote-ref-2)
3. <https://www.iomfsa.im/media/2383/insuranceact2008.pdf> [↑](#footnote-ref-3)
4. As defined in the 2010 CGC or 2019 CGC (as applicable). [↑](#footnote-ref-4)
5. <https://www.iomfsa.im/media/2464/regulatoryguidancefitnessandpropriety.pdf> [↑](#footnote-ref-5)