



ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

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Insurance Intermediary Registration Guidance

**For persons seeking registration as an insurance
intermediary under the Insurance Act 2008**

January 2023

This document is guidance issued under section 34 of the Insurance Act 2008. It is intended to help those who conduct, or wish to conduct, regulated insurance activities to understand the Authority's authorisation process and requirements. It also continues to apply to registered insurance intermediaries, being persons that are already registered. The Authority cannot provide legal advice. Applicants should seek appropriate legal advice on their particular circumstances.

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Glossary

Ancillary products or services	<p>a person arranging insurance (other than compulsory vehicle insurance under the Road Traffic Act 1985) that covers the risk of</p> <ul style="list-style-type: none"> • The breakdown of goods (including vehicles) or the loss of or damage to goods or services provided by that person and other associated risks; • The non-use of services provided by that person; or • Damage to or loss of baggage and other risks linked to the travel booked using the services of that person, <p>where the principal business of that person is not that of an insurance intermediary.</p>
FSA08	Financial Services Act 2008
General Insurance Contracts	may include private motor, household, commercial property, business interruption, employer’s liability, professional indemnity and D&O.
IIGBR20	Insurance Intermediaries (General Business) Regulations 2020
IA08	Insurance Act 2008
The Authority	The Isle of Man Financial Services Authority
Long-term Insurance	means rights under a contract of insurance of the following descriptions, namely life, annuity, marriage, birth, permanent health, tontines, capital redemption and pension fund management, but does not include pure protection contracts. <i>(Regulated Activities Order 2011 as amended 2013, 2016, 2018 & 2019)</i>
Pure Protection Contracts	<p>means a long term insurance contract in respect of which the following conditions are met –</p> <p>(a) the benefits are payable only on death or in respect of incapacity due to injury, sickness or infirmity;</p> <p>(b) there is no surrender value or the consideration consists of a single premium and the surrender value does not exceed that premium; and</p> <p>(c) there is no provision for its conversion or extension in a manner that would result in its ceasing to comply with (a) or (b) of this definition.</p> <p><i>(Regulated Activities Order 2011 as amended 2013, 2016, 2018 & 2019)</i></p> <p>Note - The Authority deems private medical insurance to be a general insurance contract and does not fall within the definition of a pure protection contract.</p>

1. Introduction

This guidance document summarises the requirements for registration as an insurance intermediary in respect of general insurance business by **the Authority**.

Under the Isle of Man's intermediary framework, an insurance intermediary can either be fully registered, partially exempt, or exempt from the requirement to register.

2. Legislation

Any registered intermediary, or applicant for registration, is responsible for its own compliance with applicable legislation and, accordingly, should familiarise itself with all applicable legislation including the:

- **IA08**;
- **IIGBR20**;
- Insurance Intermediaries (Conduct of Business) (General Business) Code 2020;
- Insurance Intermediaries (Corporate Governance) (General Business) Code 2020; and
- Insurance Intermediaries (Restriction on Advertising) Regulations 2020.

Copies of which can be found at:

<https://www.iomfsa.im/legislation-guidance/>

- Anti-Money Laundering and Countering the Financing of Terrorism Code 2019

A copy of which can be found:

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

3. Requirement for Registration

Section 24 of the **IA08** requires the registration of an insurance intermediary that carries on business, in or from the island. Unless otherwise stated, Section 54 of the **IA08** sets out the meaning of terms such as "insurance", "insurance business" and "insurance intermediary".

Any person (whether an individual or body of persons, corporate or unincorporate) acting as, or holding themselves out to be, an intermediary must either be registered or is exempt.

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 **IA08**) to determine whether its activities require registration as an insurance 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 insurance intermediary then that person should obtain competent independent advice.

The flowcharts under **Appendix 1** outline the scenarios in which a full registration or a partial registration is required, and includes reference to the exemptions available under the **IIGBR20**.

The flowcharts under **Appendix 1** are an aid to the application of the **IIGBR20**. These are not exhaustive and are not a substitute for (and does not limit or extend in any way) the **IIGBR20** or any powers by the Authority under the **IIGBR20**.

4. Application for Registration – Fully Registered or Partially Exempt

Section 25 of the **IA08** sets out the requirements in relation to an application for registration as an insurance intermediary. Additional documents and information may be required from an applicant in accordance with Section 25(2) of the **IA08** on a case by case basis.

The application forms for registration as either a fully registered insurance intermediary or partially exempt insurance intermediary sets out the additional information which is required to be supplied along with the application form. A copy of the relevant application forms can be found at:

<https://www.iomfsa.im/regulated-sectors/regulated-sectors-general/application-to-become-a-regulated-entity/licence-application-and-change-of-control-forms/>

5. Management in the Isle of Man

Section 25(3)(c) of the **IA08** 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 insurance intermediary's activities for which it requires registration under the **IA08**. That management must have sufficient presence in the Island to effectively ensure the insurance 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 insurance intermediary (and others, as may be applicable, such as providers of outsourced functions of the insurance intermediary) i.e. management must consist of at least two directors who are resident 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 insurance 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 insurance intermediary must be able to demonstrate how, on an ongoing basis, it exercises an appropriate level of management in the Island.

6. Fully Exempt Insurance Intermediary

Under regulation 5(1)(C) of the **IIGBR20** a person acting as an insurance intermediary which –

- (i) Is authorised under the Financial Services and Markets Act 2000 (of Parliament) to act as an insurance intermediary; and
- (ii) Is not ordinarily resident in the Island,

may be able to utilise the exemption as stated under regulation 5(1)(C) of the **IIGBR20**. A company utilising this exemption is required to submit notice of this via the following form:

<https://www.iomfsa.im/media/2736/exempt-fca-intermediary-notice-5-2-a.pdf>

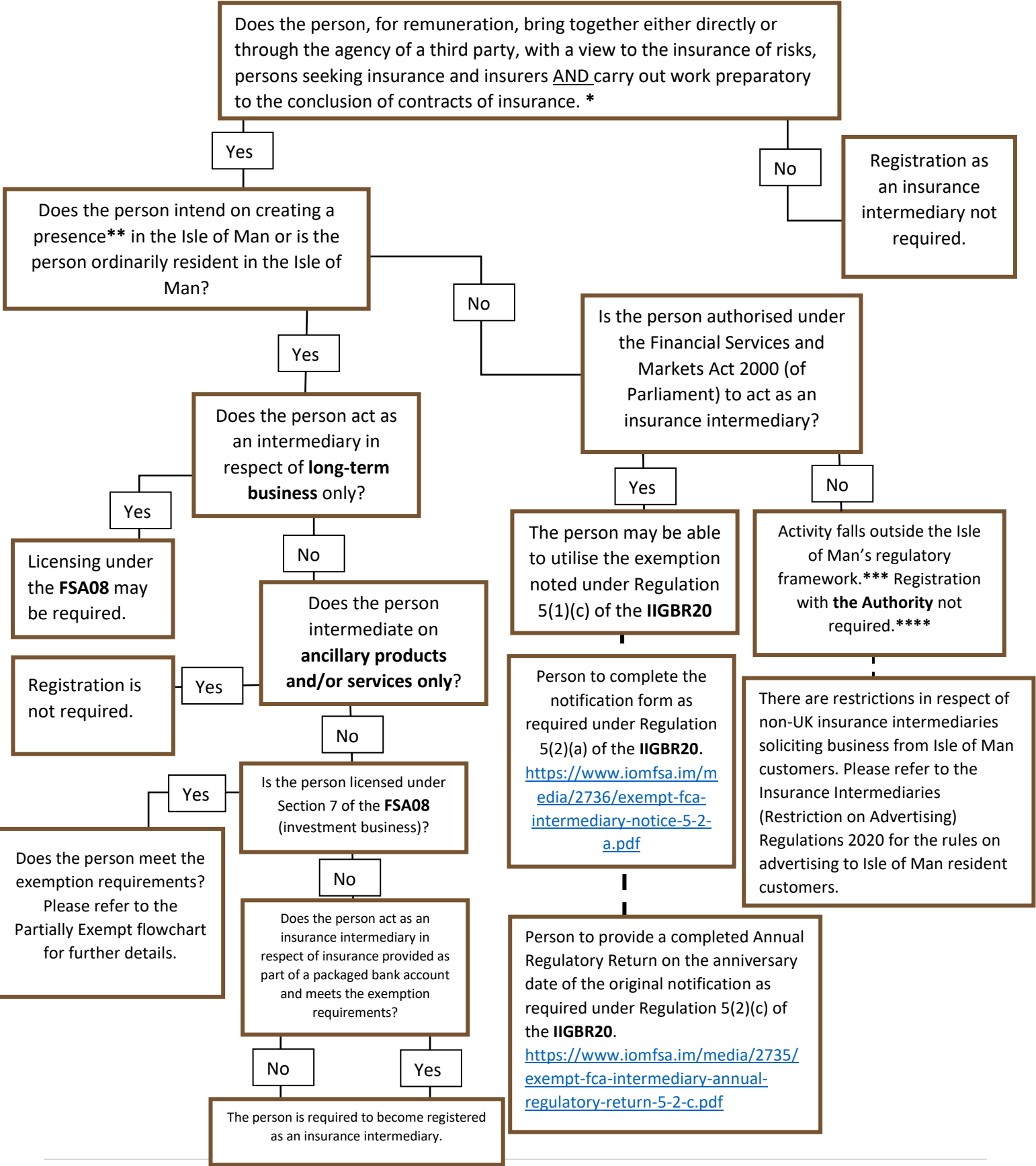
and complete an annual regulatory return thereafter. This form can be found at the following link:

<https://www.iomfsa.im/media/2735/exempt-fca-intermediary-annual-regulatory-return-5-2-c.pdf>

Note - if no representative of the company intends on visiting the island, then the Isle of Man's regulatory framework does not extend to capture the company's regulatory activities outside of the Isle of Man. There is therefore no requirement to provide notice to **the Authority**.

Appendix 1 - Flowcharts

Requirement to register as an insurance intermediary



Notes to the flowchart

* The definition of insurance intermediary as per Section 54 of the **IA08**.

** establishing a presence in the Isle of Man can include incorporating a legal entity, however it does not include having an agency agreement with an Isle of Man based insurance intermediary.

*** There is no exemption contained within the Isle of Man's intermediary framework for an off island non-UK insurance intermediary. The Authority would have no regulatory remit in this instance as there is no local presence.

**** Customer should check that the company in question holds the relevant permission in its home jurisdiction.

Partially Exempt Insurance Intermediary

