

## **1. INTRODUCTION**

The Insurance Act, 2008 (the Act) became fully operational on 1<sup>st</sup> April, 2008. The Act repealed and replaced the Insurance Act, 1994 which had until then been the statutory basis for regulating the insurance industry in Seychelles.

The Act vests the responsibility of regulating and supervising the insurance sector in the Central Bank of Seychelles.

The Act prescribes and defines the insurance related activities which are to be regulated, including that of insurance manager (Corporate).

### **1.1 Insurance Manager**

According to the Act a person acts as an insurance manager if it does any of the following acts on behalf of an insurer;

- manage any part of an insurance business originating from outside the Seychelles ; and whose activities consist of accepting an appointment from any insurer to;
  - manage any part of its business; or
  - exercise managerial functions in the insurer's business; or
  - responsible for maintaining accounts or other records of such insurer; or
  - enter into contracts of insurance on behalf of the insurer.

## **2. LICENSING**

A person cannot act as an insurance manager in Seychelles unless that person holds a licence issued by the Central Bank of Seychelles to that effect. An application for a licence should be made on the form specified by the Central Bank. Application forms available from the CBS website: [www.cbs.sc](http://www.cbs.sc)

### **2.1 Licensing Requirements**

Before the Central Bank will consider an application for a licence the following conditions must be fulfilled:

1. An application form must be completed and submitted;
2. The applicant must substantiate that its director, substantial shareholder and principal officer are fit and proper (See **Fit and Proper Guidelines** and **Minimum Competency Requirements** – [www.cbs.sc](http://www.cbs.sc)) by submitting;

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- (a) evidence of relevant industry experience and academic/professional qualifications;
  - (b) a completed Personal Questionnaire Form;
  - (c) evidence of financial resources necessary to conduct business as insurance agent, the evidence can be in the form of a bank statement.
3. A copy of the proposed agreement between the applicant and the insurer must be submitted.
  4. The applicant's submission must include a business plan containing such information as are set out in Annex 1 of the application form.
  5. The application must be accompanied by a certified copy of the applicant's professional indemnity insurance policy.
  6. The applicant must pay \$1,000 as application fee.

### **2.2 False Representation or Statement**

Applicants are advised to complete the application form conscientiously. A false representation or statement in the making of an application is an offence punishable by a fine of Rs100, 000 and imprisonment for a period not more than a year. The same punishment may be visited on a person who recklessly makes a statement which is false in a material particular.

## **3. CONTINUING OBLIGATIONS**

Once licensed an insurance manager is subject to the obligations stipulated in the Act and any Regulations or Rules made thereunder. It should be noted that the Central Bank may impose additional conditions on a licensee's scope of business. Licensees are therefore advised to take note of the conditions that may be attached to the reverse of their licence certificates.

### **3.1 Financial Statements and Returns**

Section 69 of the Act imposes on insurance managers the obligation to submit to the Authority its audited financial statements. The statements have to be submitted not later than 3 months after the expiry of the financial year to which they relate.

It should be noted that the Central Bank may prescribe such other records to be kept by licensees as well as such other statements and returns to be furnished to it.

### **3.2 Treatment of Premiums Received**

Where the agreement between an insurer and an insurance manager allows the latter to receive, hold or otherwise deal with premiums payable, any premiums paid must be kept in an account separate from the account in which the insurance broker keeps his/her own funds.

A licensee who receives premium on behalf of an insurer must remit such premium to the insurer, after deducting therefrom any commission to which, by written consent of the insurer, to which it is entitled. The remission is to be done in such manner as agreed to in advance by the insurer.

### **3.3 Due Diligence and KYC Procedures**

Insurance managers are subject to the provisions of the [Anti-Money Laundering Act, 2006](#) and must comply with the obligations imposed by that Act on reporting entities.

It should be noted that on-site inspection conducted by the Central Bank will seek to ascertain whether licensees satisfy the criteria or standards set out in the Anti-Money Laundering Act and the Prevention of Terrorism Act, 2004.

The Financial Intelligence Unit (FIU) has issued guidelines as to how the provisions of the Anti-Money Laundering Act should be implemented. The guidelines are available on the Central Bank's website or can be obtained from the FIU.

## **4. ROLE OF THE CENTRAL BANK**

The Central Bank's powers of supervision over insurance managers include:

- the power to issue direction to a licensee to comply with the provisions of the Act in instances of non compliance;
- the power to issue general directions on sound insurance principles and practice;
- the power to request information and take extracts from or make copies of documents;
- the power to inspect the affairs of a licensee;
- the power to conduct investigations into the business of the licensee;
- the power to suspend or revoke a licence.

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### **NOTE**

These guidance notes are not intended to be comprehensive nor replace or override any legislative provisions. Applicants are expected to apprise themselves of the provisions of the Insurance Act and guidelines issued by the Central Bank.