

GUIDELINES FOR REGULATORY RETURNS

Under the Financial Services Commission Act, 2010 -11 all financial institutions are required to comply with certain regulatory requirements. This section sets out the guidelines for submission of regulatory returns for all domestic insurance companies, qualifying insurance companies and exempt insurance companies. Exempt insurance companies and qualifying insurance companies are required to submit audited financial statements only.

DOMESTIC INSURANCE COMPANIES

Section 39 of the Insurance Act requires every domestic insurance company, at the end of each financial year, to prepare annual accounts for submission to the Financial Services Commission. The forms can be downloaded and completed on line.

- The returns must be submitted within four months after the end of the financial year. The accounts must be certified by an auditor, who is approved by the Financial Services Commission.
- In the case of long term business, the insurance company must within one month of commencement of business, appoint an actuary, and notify the commission in writing within 14 days of the appointment, stating the name and qualifications of the person appointed.
- An insurance company carrying on long term insurance business is required to submit an actuarial review of the company's operations, including a valuation of the liabilities, between one to three years.
- A foreign insurance company is required to submit annually a copy of the statutory returns it is required to file in the country in which its head office is situated.
- Where two or more insurance companies which operate as separate entities that can be wound up in accordance with the law under which they are incorporated, are associated in a group, in addition to separate accounts, the parent of the group must submit a consolidated balance sheet and a consolidated profit and loss account.
- Companies are also required to publish the balance sheets and profit and loss accounts annually in the Official Gazette and a daily newspaper within four months of the end of the financial year.
- Quarterly financial statements are to be submitted.
- Companies are also required to comply with the solvency requirements as set out in section 58 of the Insurance Act, cap 310.

QUALIFYING INSURANCE COMPANIES

In accordance with the Insurance Act, cap 310, the guidelines for reporting are as follows:

- Within six months of the close of the financial year end, qualifying insurance companies are required to submit audited financial statements, accompanied by an auditor's report.
- In terms of long term business, an actuarial certificate must be submitted stating that reserves are adequate to meet liabilities.
- A certificate of solvency must be submitted by the auditor, in accordance with the Fourth Schedule of the Insurance Act, CAP 310
- A licensee is required to submit an actuarial review of its outstanding claims, where the claims exceed the capital and surplus accounts by 200 per cent.
- The actuary giving the review must be approved by the Financial Services Commission.

EXEMPT INSURANCE COMPANIES

In accordance with the Exempt Insurance Act, cap 308A, the guidelines for reporting are as follows:

- Within six months of the close of the financial year end, exempt companies are required to submit audited financial statements, accompanied by an auditor's report.
- In terms of long term business, an actuarial certificate must be submitted stating that reserves are adequate to meet liabilities.
- A certificate of solvency must be submitted by the auditor, in accordance with section 24 of the Exempt Insurance Act.
- A licensee is required to submit an actuarial review of its outstanding claims, where the claims exceed the capital and surplus accounts by 200 per cent.
- The actuary giving the review must be approved by the Financial Services Commission