



## INFORMATION CIRCULAR

### SEGREGATION AND IDENTIFICATION OF PREMIUMS

**MARCH 6, 2015**

1. The Financial Services Commission (the Commission) intends through this circular to provide information on the requirement at paragraph 8.0 of Guideline No. 3 - Market Conduct. Guideline No. 3 paragraph 8.0 requires that *“where an intermediary has control of or is otherwise responsible for assets belonging to a customer which it is required to safeguard, it should arrange proper protection for them, by way of segregation and identification of those assets or otherwise, in accordance with the responsibility it has accepted.”*
2. This circular is not intended to be a substitute for or replace any additional obligations under the Insurance Act, Cap.310, its regulations or the Financial Services Commission Act, 2010-21. Due to the dynamic nature of the various financial institutions that the Commission regulates, there may be the need for revision of this circular from time to time.
3. The Commission wishes to inform insurance brokers that pursuant to Guideline No.3 paragraph 8.0 and in keeping with sound business practices, client monies received by brokers to be paid over to insurance companies should be segregated from those of the operations of the entity.
4. Brokers are encouraged to consider:
  - a. Maintaining a statement of account of premiums received and paid to the insurer; and
  - b. Keeping client monies subject to any agreement, at a financial institution registered under the Financial Institutions Act CAP324A or the Co-operative Societies Act, Cap. 378A.
5. This circular seeks to ensure that best practices with respect to the procedure of segregation of funds concerning those of the insurer and broker are satisfied.

Mr. Randy Graham  
Chief Executive Officer