

## ***LICENSING/REGISTRATION REQUIREMENTS FOR BROKERS UNDER THE INSURANCE ACT CAP 310***

### **The Process**

Under section 6 of the Financial Services Commission Act, no person shall operate any insurance business without first applying to the Commission to be registered or obtain a licence.

#### **Step 1.**

To become registered or obtain a licence, you will need to complete the application form that is applicable to your type of business. The application form can be completed on line, or delivered to the Financial Services Commission.

#### **Step 2.**

On receipt, your application form is assessed, along with the supporting documents. If necessary, we will ask for clarification of any issues. If the application is successful, you will be notified in writing, or where appropriate granted permission to incorporate the company.

#### **Step 3.**

If the application is unsuccessful, you will be informed in writing, and notified of your right to a review of the decision to refuse your application, as provided under section 177 of the Insurance Act Cap 310.

For the registration of a broker in Barbados, the following is required:-

- An application form (**Form A3** – Application for registration by brokers, salesmen, agents, sub-agents, adjusters, loss assessors, insurance surveyors)
- Applications for registration as brokers should be made in accordance with the categories of Insurance Business listed under Section 3 (1) of the Insurance Act of Barbados, CAP 310

Only applications submitted by

- **Individuals** - who are citizens or permanent residents of Barbados, or
- **Companies and other corporate entities** – resident in and controlled by citizens and/or permanent residents of Barbados will be accepted.

### **PROFESSIONAL EXPERTISE**

Applications may only be approved where the FSC is satisfied that the applicant will have full-time members of staff, with the following professional qualifications and experience:-

#### **I. Long-Term Insurance Business and Accident and Sickness Insurance Business**

- a. Certified Life Insurance Underwriter or equivalent and not less than 5 years experience with an acceptable Life Insurance company; or
- b. at least 10 years experience with an acceptable Life Insurance company, including not less than 3 years in a management position.

#### **II. General Insurance Business**

- a. Association of Chartered Insurance Institute or equivalent and not less than 3 years experience in a management or senior technical position with an acceptable General Insurance company, agency or broker; or
- b. at least 7 years experience in a senior technical position with an acceptable General Insurance company, agency or broker.

#### **III. Long Term and General Insurance Business**

Combined expertise as at I and II above.

**RESTRICTION ON RELATIONSHIP WITH INSURANCE COMPANIES**

No broker or officer of a firm of brokers can be registered or maintain registration as an agent, sub-agent or salesman in an insurance company or hold any official position with an insurance company.

**PROFESSIONAL INDEMNITY**

- Every registered broker must maintain professional indemnity cover of not less than BDS\$1 million. This cover must be placed through a locally registered insurer.
- Every application for registration must be accompanied by a letter from a registered insurer, undertaking to provide the minimum cover, if the application is approved. A certificate of registration will not be issued until the Supervisor is satisfied that satisfactory cover has been executed.

**DEPOSITS**

In accordance with Section 99 (2) of the Insurance Act, Cap 310, every broker shall deposit with the Financial Services Commission, the amounts set out in the Third Schedule of the Insurance Act as follows:

<b>Gross Annual Commission</b>	<b>Amount of Deposit (BBD\$)</b>
Up to 500,000	50,000
500,000 to 1,000,000	100,000
1,000,001 to 2,000,000	200,000
Over 2,000,000	300,000

The application and license fees are set out in the **Fee schedule.**