

Supervision and Regulation

Applications, Licensing & Registration Requirements

REQUIREMENTS FOR REGISTRATION AS AN **INSURANCE BROKER**

Under the Insurance Act 84:01

Required:

1. Completed application form inclusive of all of the information requested therein.
2. Receipt showing payment of the prescribed fee (non-refundable, non-transferable).
3. Evidence of having achieved a grade of 70% or greater in the relevant State Licensing Examination or other relevant qualifications, approved by the Trinidad and Tobago Insurance Institute, together with at least 10 years of practical insurance experience of which 5 of those years must have been in an insurance broking business at a senior level.

Or

Qualified as a Fellow or Associate of the Chartered Insurance Institute (general), or National Diploma in Insurance (general) or other equivalent qualification from the above institutes, together with at least 5 years practical insurance experience of which 3 of those years must have been in an insurance broking company at a senior level.

4. Proof to the satisfaction of the Central Bank of Trinidad and Tobago, that there is in force professional indemnity insurance of not less than five million dollars placed with an insurer approved by the Central Bank of Trinidad and Tobago. The deductible to be applied in respect of any claim should not exceed fifteen thousand dollars.
5. Where the applicant is a firm or a partnership, certified copies of the instrument constituting the firm or partnership as such, including by-laws and a statement setting out the details of beneficial shareholding, in the case of a firm; or setting out full details in respect of the name and business interests of all the partners, in the case of a partnership.
6. A schedule of shareholders (breakdown by shareholder name, address, percentage and value of holding of each shareholder).
7. Where the applicant is a partnership, evidence that each member of the partnership has been registered.
8. The proposed management structure of the applicant company, inclusive of an organization chart.

9. The fit and proper criteria must be satisfied by submitting a completed and signed Personal Questionnaire and Declaration (PQD) form for each member of the proposed Board of Directors, management team and the executive director. (PQD Form is available at: http://www.central-bank.org.tt/financial_stability/3049.pdf).

10. Where the applicant is a body corporate, evidence that the paid up capital in cash is not less than one hundred thousand dollars;

OR

where the applicant is a partnership, evidence that the joint capital account of the partners at the date of application is not less than one hundred thousand dollars.

Proof must be provided by the submission of the following:

a. Confirmation from a licensed deposit taking institution that not less than one hundred thousand dollars is being held in a cash deposit in the name of the body corporate or the joint partners.

b. Confirmation from an Auditor, who is a practicing member of the Institute of Chartered Accountants of Trinidad and Tobago, that at least one hundred thousand dollars in cash was contributed as paid up share capital by the shareholders/partners.

11. A Business Plan inclusive of details of the type/class of insurance business that is proposed to be placed and a three-year projection of premium generation, expenses, commission income on a class by class basis and other income all on a monthly basis. The Business Plan should also include projected balance sheets and profit and loss accounts for a minimum of three (3) years as well as monthly cash flow statements for three years. The Business Plan should include the underlying assumptions.

12. This plan must be approved by the Board of Directors or the Executive Director.

13. Details of proposed internal control and management information support systems. Please note that:

- the proposed support structures (i.e. IT, HR, Governance, Controls) must be suitable for the type and level of business projected in the business plan;

- management information systems must be appropriate for both insurance and accounting records;

- the accounting system must provide:

- o premiums owed and outstanding from clients

- o the premium owed and outstanding to insurers

- o premium collected from clients and not paid to insurers

- the Insurance processes must include documented procedures for:

- o placing business with insurers (Brokerslip system)

- o claims handling

- o filing of client records

- o recording and follow up client renewals.

14. A list of insurers/ reinsurers that will be used by the applicant.

15. Any other information deemed necessary by the Central Bank.

Please note that upon registration, all Registered Brokers must submit to the Central Bank, in writing, their financial year end, and submit within six months of the close of each financial year, three copies of the audited accounts of the company for that financial year.

Registered Brokers are also required to appoint an Auditor who is a practicing member of Institute of

Chartered Accountants of Trinidad and Tobago to audit their annual financial statements as specified by the Insurance Act 84:01. The Auditor's Report must satisfy the requirements of Regulation (14) of the Insurance (Agents, Brokers, Salesmen and Adjusters) (Registration) Regulations, which requires that the auditor shall state in a certificate to the accounts whether or not: the accounts have been properly kept, the balance sheet and profit and loss statements fairly present the state of the broker's affairs for the period and whether or not Regulations 11 and 12 have been satisfied and all monies received for an insurer or insured have presently been paid over.

It is expected that applicants will fully apprise themselves of all the applicable requirements of the Insurance Act 84:01, the Insurance (Agents, Brokers, Salesmen and Adjusters) (Registration) Regulations, Central Bank guidelines and any other relevant legislation. The necessary steps should be taken to ensure compliance.

Queries can be directed to:

The Manager Regulations
Financial Institutions Supervision Department
Central Bank of Trinidad and Tobago
Eric Williams Plaza
Independence Square
Port of Spain