



Setting up an Insurance Brokerage Company

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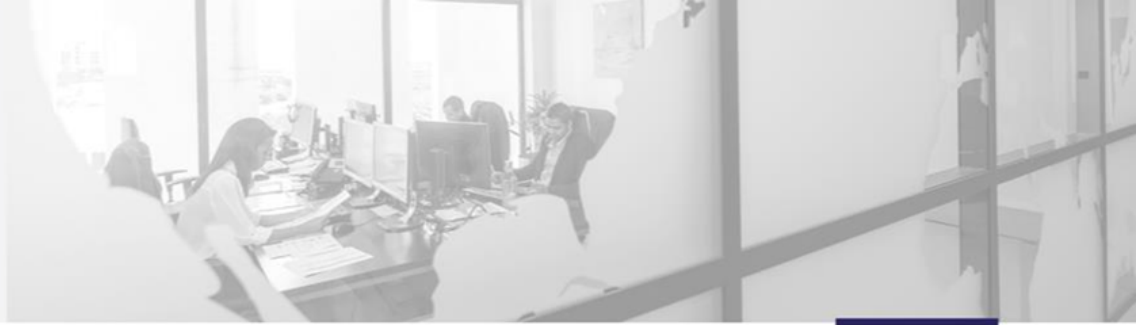
What is the insurance broker licence?

The Insurance Broker licence is issued by the Financial Services Commission Mauritius (FSC) to any person or company who wishes to do business as Insurance Broker. An insurance broker is defined as a person who arranges insurance business with insurers on behalf of prospective policyholders, or as a representative of a policyholder, and includes a reinsurance broker carrying on reinsurance brokering for an insurer.

What are the duties and activities of an Insurance Broker?

As per the Insurance (Insurance Brokers) Rules 2008, the duties of an insurance broker are as follows:

- obtaining detailed information of the client's business and risk management philosophy;
- familiarizing himself with the client's business and underwriting information so that this can be explained to an insurer or any relevant person;
- maintaining detailed knowledge of available insurance products, as may be applicable;
- providing detailed knowledge of all the suitable insurance products available in the market;
- rendering advice on appropriate insurance cover and terms;
- submitting quotations received from insurer(s) for consideration of a client;
- providing requisite underwriting and customer due diligence information as required by an insurer in assessing the risk to decide pricing terms and conditions for cover;
- advising the client of the exact dates on which the premiums have to be paid and the implications of not paying the premiums
- acting promptly on instructions from a client and providing him written acknowledgements and progress reports;
- assisting clients in paying premiums in terms of all the premium payment options available with the insurers;
- providing services related to insurance consultancy and risk management;
- assisting in the negotiation of the claims;
- maintaining proper records of claims.



Setting up an Insurance Brokerage Company

Are there any restriction?

- An insurance broker shall not be dependent on any particular insurer in transacting insurance broking business and in the event where more than 40 percent of premium concluded in any financial year is placed with one insurer, the Insurance broker needs to immediately inform the regulator and give details of all insurance contracts placed with such insurer.
- An insurance broker cannot hold shares, or any other significant interests, whether directly or indirectly in any insurer, insurance agent or reinsurance company, unless approved by the regulator
- An insurance broker cannot provide its services in relation to an insurance policy where it would also directly or indirectly provide reinsurance broking services in respect of the same insurance policy.
- An insurance broker shall not be entitled, when providing its services in relation to an insurance policy, to act directly or indirectly as an introducer or agent for a reinsurance broker or consultant nor receive any form of remuneration whether directly or indirectly from the reinsurance broker or consultant in respect of any reinsurance arrangement in connection with the same insurance policy.

What are the main requirements of the licence?

The Insurance broker needs to comply at all times with the provisions of the Insurance Act 2005 and any subsequent rules, however the main requirements will be:

- An insurance broker shall open and maintain one or more appropriately identified bank accounts for keeping of premium received and such accounts shall be separate from any account which the insurance broker may open and maintain for the keeping of its own funds. However, if the insurance broker is licensed to carry on business as both general insurance business broker and long term insurance business broker or both long term reinsurance business broker and general reinsurance business broker, it shall establish and maintain separate accounts with a bank in respect of each category of business for which it is licensed
- An insurance broker may levy a broker fee to the client, provided it r discloses the existence of the broker fee which it proposes to charge at the time of the initial premium quotation and discloses the remuneration, which is allowed in the premium in absolute terms at the time of initial premium quotation. The client needs also to agree to the broker fee in advance of the agreement, after full disclosure of all material facts surrounding the broker fee.
- An insurance broker shall maintain a register of its broking staff
- The Insurance Broker needs to have a Money Laundering Reporting Officer and an Alternate Money Laundering Reporting Officer
- The Insurance broker needs to have a manual of internal control and compliance procedures
- The insurance boker needs to have a professional indemnity insurance



Setting up an Insurance Brokerage Company

The Insurance Broker needs to nominate someone in the organization who will be the designated officer vis a vis the FSC. A Designated Officer is an officer of the company who is expected to have the minimum technical competencies prescribed under the Competency Standards. The designated officer is expected to have:

- Advanced knowledge of:
 - insurance principles and practices;
 - classes of insurance and insurance products;
 - risk management and practices;
 - the industry and the regulatory framework in Mauritius;
 - the claims procedures;
 - the underwriting procedures;
 - the contractual agreement between the policy holder and the insurer.
- Understanding the duties of insurance broker.
- Understanding client's needs and providing advice on general and/or long-term insurance products available.
- A Minimum of 3 years full time professional or academic qualification in insurance from a recognised institution and also hold relevant experience of at least 3 years in a managerial position in insurance business.

About Sunibel

Sunibel originates from the needs and requirements of a network of partners which has existed for over 35 years. As a service provider which operates in the Corporate, Trust, & Fiduciary environment, we accompany clients who operate in the global business, require cross border structuring & ongoing administration services. We also provide support to companies who operate in the field of investment advisory, private wealth management & fund management activities amongst other specialised activities which can be contemplated.

Sunibel forms part of a versatile network of professionals, providing a uniquely broad range of services and solutions out of its office in Mauritius.

How Sunibel can assist?

- Assess your eligibility for the above tax holidays, provide appropriate tax advice and undertake any necessary formalities
- Liaise with the regulator(s) for obtaining the required licence for existing and new corporations
- Assist in the formation and on-going administration of the company in Mauritius
- Provide back office services

Disclaimer

This document has been prepared based on limited information available and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. We can arrange for specific tax, legal and accounting advisors for that purpose.