

## **Insurance Intermediaries Rule 24 of 2009**

### **Introducers**

#### **Rule pursuant to article 4 of the Act**

1. (1) This Insurance Intermediaries Rule on persons effecting introductions (“this Rule”) is made by the Authority pursuant to article 4 of the Act for the purposes of regulation 4 of the Insurance Intermediaries (Exemption) Regulations, 2006.

(2) This Rule shall come into force on the 30<sup>th</sup> April 2009.

#### **Application**

2. This rule applies to:

(a) an undertaking authorised under the Insurance Business Act or a person enrolled under the Act to act as an insurance agent or insurance broker desirous of appointing a person to effect introductions (the “licence holder”); and

(b) a natural or legal person desirous of effecting introductions (the “introducer”).

#### **Scope**

3. The scope of this Rule is to determine the conditions under which a person qualifies as an introducer and which an introducer must satisfy for the activity he carries out not to amount to an insurance intermediaries activity in terms of the Act.

#### **Definitions**

4. In this Rule, unless the context otherwise requires -

“introducer” means a natural or legal person desirous of effecting introductions who enters into an arrangement with an undertaking authorised under the Insurance Business Act or with a person enrolled under the Act to act as an insurance agent or insurance broker solely to introduce on a regular basis prospective policyholders to the licence holder.

### **Appointment of Introducers**

5. Every licence holder shall establish and maintain a register containing the names and addresses of the introducers and any other particulars as the licence holder may deem appropriate.

### **Conditions applying to Introducers**

6. Persons acting as introducers shall be subject to the following conditions:

(a) the introducer shall not, under any circumstances, give advice on, promote or market any insurance product or undertake any insurance intermediaries activities in terms of the Act;

(b) the introducer shall not pass on any documentation promoting any particular product or service to the prospective policyholder on behalf of the licence holder or assist such prospective policyholder in the completion of any documentation relating to a contract of insurance;

(c) the introducer shall not receive any monies from a prospective policyholder or give any insurance commitments on behalf of the licence holder;

(d) the arrangement between the introducer and the licence holder shall be limited to the passing on of the contact details of prospective policyholders to the licence holder and, or to arranging a meeting between the licence holder and such prospective policyholders; and

(e) the introducer shall not advertise or otherwise hold himself out as offering the services of an introducer.

## **Obligations of licence holders**

### **7. The licence holder:**

(a) shall keep a record of any remuneration paid to each introducer and these records shall be available for inspection by persons appointed under article 30 of the Insurance Business Act and article 54 of the Act;

(b) shall remain responsible for “Know Your Customer” checks in accordance with the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008 irrespective of any introductions made in terms of this Rule.

## **Persons who cannot act as introducers**

**8.** Any person authorised under the Insurance Business Act or registered or enrolled under the Act shall not act as an introducer.