

Insurance Rule 8 of 2008

Qualifications of Individuals Who Are Responsible for the Effective Management of Insurance and Reinsurance Companies, or Branches Thereof

Rule pursuant to articles 4 and 11 of the Act

1. (1) This Insurance Rule on the qualifications of individuals who are responsible for the effective management of insurance and reinsurance companies or branches thereof (“this Rule”) is made by the Authority pursuant to, and for the purposes of, articles 4 and 11 of the Act.

(2) This Rule shall come into force on the 1st August 2008.

Application

2. This Rule applies, on continuing basis, to an individual who is responsible for the effective management of an authorised insurance or reinsurance company, or any branches thereof (the “individual”).

Scope

3. The scope of this Rule is to determine the qualifications of individuals who are responsible for the effective management of authorised insurance or reinsurance companies or branches thereof or who manage the affairs of such companies.

Definitions

4. In this Rule, unless the context otherwise requires “insurance intermediaries activities” means insurance intermediaries activities carried out by an insurance agent, insurance manager or insurance broker enrolled under the Insurance Intermediaries Act, 2006.

Qualifications of individuals

5. (1) The qualifications of individuals as determined by this Rule are those set out in paragraphs (2) to (4) of this article.

(2) An individual is a fit and proper person within the meaning of Insurance Rule 2 of 2007 on the Criteria of Fitness and Properness.

(3) An individual demonstrates the ability and willingness to assume responsibilities relevant to the position so that the criteria of sound and prudent management are fulfilled with respect to the company issuing the appointment.

(4) In the case of an individual who is responsible for the effective management of an authorised insurance or reinsurance company or branches thereof -

(a) the individual is a fellow or associate of the Chartered Insurance Institute of the United Kingdom or holds an insurance qualification of similar standing of an institute of repute recognised for such purpose by the Authority and has had adequate practical experience in business of insurance or of insurance intermediaries activities; or

(b) the individual holds a qualification recognised by the Authority for the purposes of such article and has carried on business of insurance or insurance intermediaries activities for a period of not less than five years during the last seven years; or

(c) the individual holds a qualification recognised by the Authority for the purposes of such article and has been employed in a managerial capacity by a company carrying on business of insurance or insurance intermediaries activities for a period of not less than three years during the last seven years; or

(d) the individual possesses adequate general, commercial and professional knowledge and ability and has practical experience in business of insurance or insurance intermediaries activities, as the case may be, within the meaning of article 6 of this Rule.

Knowledge and ability

6. (1) The Authority accepts as sufficient evidence of the knowledge and ability of an individual as referred to in sub-paragraph (d) of paragraph (4) of article 5 of this Rule if the evidence produced by the individual is evidence which demonstrates that the individual has pursued locally or overseas business of insurance or carried out insurance intermediaries activities for any of the following periods -

(a) not less than seven consecutive years during the last ten years; or

(b) in a managerial capacity for not less than five consecutive years during the last ten years.

(2) In a case falling within paragraph (1) of this article, an individual who has pursued business of insurance or insurance intermediaries activities in a managerial capacity for the period specified in the sub-paragraph to which the evidence relates but the period during which the individual has so pursued business of insurance or carried out insurance intermediaries activities is a period longer than the period specified in the said sub-paragraph, if the individual has pursued business of insurance or carried out insurance intermediaries activities for a period of not less than one continuous year immediately before the date of appointment in such position, that individual shall, with respect to that period, be deemed to satisfy the qualifications specified in the sub-paragraph to which the evidence relates.

Activity in a managerial capacity

7. (1) An individual is regarded as having pursued an activity in a managerial capacity within the meaning of articles 5 and 6 of this Rule where the duties in a company carrying on business of insurance or the carrying out of insurance intermediaries activities have involved the management of persons who effectively carried on the business of insurance or insurance intermediaries activities or the supervision of their work.

(2) The activities and duties referred to in paragraph (1) of this article must have entailed responsibility in respect of the acquisition, administration and performance of contracts of insurance.

Repeals and Savings

8. (1) Saving the provisions of paragraph (2) of this article, Insurance Directive 8 of 1999 - Qualifications of Individuals Who Effectively Direct the Business or Manage the Affairs of Insurance Companies, Insurance Agents, Insurance Managers or Branches Thereof, is hereby repealed.

(2) Every action, directive, instruction, guideline or order whatsoever taken or commenced thereunder, in so far as insurance companies are concerned, shall continue to be valid and in force, as if such action directive, instruction, guideline or order whatsoever were taken or commenced under this Rule.