



**How to Become a Licensed Registered Agent for International Insurance**

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***What is the nature of the NIIO?***

The NIIO was enacted in April of 2004 and has provided registered insurers and auxiliary service providers the ability to carry on related business from within Nevis. These types of businesses require the use of proper supervision and regulatory guidelines in order to ensure that there are flexible and progressive provisions, while at the same time maintaining strong regulatory standards.

***What services are offered by the NIIO?***

From inception the Ordinance facilitates the registration of a number of businesses such as:

- ◆ Captives
- ◆ Reinsurance
- ◆ Long -Term Insurance
- ◆ General Insurance
- ◆ Insurance Manager (IM)
- ◆ Registered Agent (RA)

The pilot ordinance has seen amendments in 2006 and 2009 to further enhance the legislation for all parties involved. By so doing, it provided for the formation of:

- ◆ Allied Annuity Company
- ◆ Allied Reinsurance Company
- ◆ Insurance Broker
- ◆ Insurance Adjuster

***Who is a Registered Agent?***

As outlined by the NIIO, a "Registered Agent means a person appointed to act as an agent under section 31 of this Ordinance." Section 31 therefore states:

*"(1) A registered insurer shall appoint a Registered Agent in Nevis where its principal place of business is outside Nevis and a Manager is not a resident in Nevis.*

*(2) Section 29 of this Ordinance shall apply, with the necessary modification in relation to any person acting as a registered agent as they apply to a manager."*

***What are the Requirements of a Registered Agent?***

As seen in the NIIO, the Nevis International Insurance Regulations, applications made in connection with the Ordinance shall be in the form and shall contain the information specified in Part A of the schedule to these Regulations. As a result, each application should be accompanied by:

- (a) Form 1 (Application Form for a Registered Agent) ;
- (b) Form 2 for each control person (Shareholders and Directors) in connection with the application;
- (c) Application fee in the amount of US\$250.00 (as outlined in Section 5 (f) of the Regulations cited under the NIIO);
- (d) A business plan outlining the following key areas:
  - (i) Company Background;
  - (ii) Company Structure;
  - (iii) Marketing Strategies
  - (iv) Background information on the Insurance Manager and technical skills;
  - (v) Audited Financial Statements for the past 3 years; and
  - (vi) Evidence of legal existence and Certificate of Good Standing .

Additionally, Section 29 (2), (3) and (4) of the NIIO, highlighted further requirements for obtaining a Registered Agent's License. These include but are not limited to:

*"(3)(a) A complete curriculum vitae signed in his own name providing the following information:*

- (i) name, surname, place and date of birth;
  - (ii) permanent address and nationality;
  - (iii) professional education (including dates, schools and universities, diplomas);
  - (iv) membership in professional organizations;
  - (v) full record of the applicant's professional career (including the names of all previous employers); and
  - (vi) the type and duration of the applicant's respective activities.
- (b) A declaration confirming that no criminal proceedings are or have been pending against him.
- (4) Sections 35, 36, 37 and 43 of this Ordinance shall apply, with the necessary modification in relation to any person acting as an insurance manager as they apply to a registered insurer."

In addition to the above, all control persons in connection with a Registered Agent's application who are not citizens of St. Christopher and Nevis are required to submit US\$1,200 as down payment together with any additional charges that are deemed necessary to conduct an external due diligence search. This step is used to facilitate the Department's policy to establish the control persons' fit and proper statuses before recommendation can be given for approval of the application. The Minister of Finance (under the flying seal of the Regulator and the Permanent Secretary of Finance) has the authority in this regard to approve or disapprove the application.

Each control person who is not a citizen of St. Christopher and Nevis is also asked to apply to the Agriculture Department for an Alien Landholding License in order to conduct business from the island of Nevis.

After the Registered Agent's License has been approved, a registration fee of US\$1,000 would be required (pro-rated from June of that particular year) and an annual renewal fee of US\$1,000 to be paid on or before the 31st day of January thereafter.

#### *What factors contribute to an offense under NIIO as it relates to a Registered Agent?*

As indicated by Section 29 (6) and (7):

- (6) Where a person carries on a business which in any respect is or in the opinion of the Registrar appears to be, of a similar character to the business carried on by an insurance manager, that person upon a declaration made by the Registrar in writing shall be subject to the provisions of this section and shall be deemed to be acting as an

insurance manager.

- (7) Any person who contravenes subsection (1) of this section or willfully
  - (a) takes or uses any style, title or description which consists of or includes the expression "insurance manager" when he is not registered; or
  - (b) takes or uses any style, title or description falsely implying or otherwise pretends, that he is registered, commits an offence against this Ordinance.

Additionally, Section 36 of the NIIO, gives the Registrar the power to obtain information or documentation about any Registered Insurer under their management and any registered insurer who fails to do so commits an offense against this Ordinance.

#### *What is the Prohibited Interest of a Registered Agent?*

As outlined in Section 32 of the NIIO,

"A person registered as an insurance manager or a registered agent or any person acting as an insurance manager or a registered agent shall not directly or indirectly be interested as a shareholder in or a director, officer or employee of any registered insurer for which he acts as manager, ... or registered agent."

#### *Inspection and Investigation of a Registered Agent*

Section 37 of the NIIO gives the Registrar the right to inspect and investigate the affairs of a company registered under the Ordinance with guidance from the Financial Services Regulatory Commission Act, 2009. Failure to do so, the Financial Services Commission may order the registered insurer or any related company whose officers have committed an offence under the provisions of this section to pay all or any of the expenses properly incurred in connection with the investigation or in connection with the proceedings instituted as a result of the investigation.

#### Source

<http://www.nevisfsrc.com/products/insurance/legal-framework>

