

REGISTRAR OF FINANCIAL INSTITUTIONS

GUIDELINES FOR THE APPLICATION OF A LICENCE FOR A CLAIM SETTLING AGENT IN MALAWI

(Financial Services Act and Insurance Act)

FINANCIAL SECTOR REGULATION DEPARTMENT

PART I - PRELIMINARY

1.0 INTRODUCTION

The Registrar of Financial Institutions ('the Registrar') is responsible for the licensing and regulation of entities in the insurance sector. In line with the provisions of the Financial Services Act, 2010 and the Insurance Act 2010, the Registrar has issued these Licensing Guidelines to facilitate the processing of applications for a licence to operate as a claim settling agent. The Guidelines are intended to provide guidance on the licensing criteria for a person or entity applying for a claim settling agent's licence or licence renewal.

These Guidelines should be read in conjunction with the provisions of the Financial Services Act 2010, the Insurance Act 2010 and any subsidiary legislation made under the Acts.

2.0 DEFINITIONS

In these Guidelines, unless the context otherwise requires:

"Applicant" means a person or entity applying for licensing as a claim settling agent under these guidelines;

"Claim settling agent" means any person licensed under the Financial Services Act whose role is largely to facilitate the settlement of insurance claims;

"Principal officer" means the principal officer, of an insurer or an insurance intermediary, appointed under the Insurance Act;

"**Registrar"** means the Registrar of Financial Institutions appointed under the Financial Services Act, 2010;

"Renewal period" means a period between 1 January and 31 January when applications for renewal of licence should be made to the Registrar.

PART II: APPLICATION PROCEDURES

1.0 An application for a licence to conduct business as a claim settling agent must be made by completing the application form provided in ***Appendix I***.

2.0 An applicant should not leave any requirements blank or unanswered. If a response to any requirement is '*no*', '*none*', '*not applicable*' or '*not known*' it must be so stated and an explanation provided, where necessary.

3.0 The application must be supported by information outlined in ***Part III***. An application which does not contain all the information as required in ***Part III*** shall be deemed incomplete and will not be processed.

4.0 Submitting inaccurate or misleading information will result in an outright rejection of the application.

5.0 The Registrar may, in his discretion, require further information to support processing of the application.

6.0 An application shall be accompanied by a non-refundable licence assessment fee of Seventy Five Thousand Kwacha only (**K75,000.00)** payable to the Reserve Bank of Malawi.

7.0 The application must be duly signed by the applicant(s) and must provide details of a contact person formally designated by the applicant(s) to act on its behalf on matters connected to the application. All communication between the Registrar and the applicant(s) will be conducted through the contact person provided.

8.0 The application must be submitted to the following address:-

The Registrar of Financial Institutions
Reserve Bank of Malawi
P O Box 30063
Capital City
LILONGWE 3

PART III: LICENSING REQUIREMENTS

1.0 An applicant for a claim settling agent licence must provide evidence of the form of business organization in which it operates. The evidence may include a certificate of incorporation, partnership deed or business registration certificate.

2.0 The registered name of the applicant must include the words ***"Claim Settling Agent"***.

3.0 The proposed claim settling agent must have a principal officer.

4.0 The principal officer of a claim settling agent must have a minimum qualification of a Diploma obtained from the Chartered Institute of Insurance of the United Kingdom or any relevant professional qualification acceptable to the Registrar. In addition, the principal officer must have at least 2 years satisfactory work experience in claims management with an insurer or insurance broker.

5.0 The applicant must be ready to attend an interview with officers from the Registrar's office to assess suitability and familiarity with applicable financial services laws.

6.0 The proposed claim settling agent will be required to effect professional indemnity insurance policy and fidelity insurance policy with minimum coverage of Fifteen Million Kwacha only (K15,000,000.00) and Five Million Kwacha only (K5,000,000.00), respectively. Evidence of cover must be must be submitted with the application.

7.0 The applicant must not have an adverse credit history.

8.0 The applicant must not have been convicted by any court of an offence involving dishonesty and does not otherwise have a criminal record.

9.0 The applicant shall not seek to be licensed under a name identical with the name of another insurance entity or so nearly resembling the name of another insurance entity already licensed under this Act or the Financial Services Act.

PART IV: APPROVAL PROCESS

For purposes of licence application, an applicant must submit the following:-

1.0 a certified true copy of the certificate of incorporation, partnership deed, business registration, whichever is applicable;

2.0 ownership structure of the applicant showing names, profession/business of proposed investors, and percentage owners including beneficial owners. Bio-data/ résumé and certified true copies of educational and professional certificates of shareholders must also be attached, whichever is applicable;

3.0 bio-data/résumé and certified true copies of educational and/or professional certificates of owners;

4.0 a copy of the Bio-data/ résumé of the claim settling agent's principal officer;

5.0 certified true copies of educational and professional certificates for the principal officer;

6.0 the services to be rendered and fee structure;

7.0 reference letters from insurers;

8.0 Police clearance report;

9.0 credit reference report from licensed credit reference bureau.

PART V: LICENCE RENEWAL REQUIREMENTS

1.0 A licence to operate as a claim settling agent shall expire on the 31st day of March, every year and shall require to be renewed.

2.0 An application to renew a licence to operate as an insurance claim settling agent should be submitted to the Registrar between **1 January** and **31 January** of each year.

3.0 An application shall be accompanied by a non-refundable licence renewal fee of Twenty Thousand Kwacha only (**K20, 000.00)** payable to the Reserve Bank of Malawi.

4.0 Any submission received by the Registrar after 31st January shall attract a penalty fee of Ten Thousand Kwacha only (K10,000.00) and thereafter Five Thousand Kwacha only (K5,000.00) for each additional month of non-renewal. An insurance claim settling agent who does not wish to renew its licence must inform the Registrar within the renewal period of the intention not to renew.

5.0 An application to renew a licence shall be submitted to the Registrar in the format prescribed under ***Appendix II***.

6.0 An application to renew a licence shall be supported by documents indicated in ***Part III*** above.

7.0 Any application made after 1st April shall be considered as a new application.

ENQUIRIES

Enquiries concerning the preparation, submission and status of an application should be addressed to:-

The Director
Financial Sector Regulation
Reserve Bank of Malawi
P O Box 565
BLANTYRE

E-mail: fsr@rbm.mw

The licensing requirements, other guidelines and relevant forms can be downloaded from the Reserve Bank of Malawi's website: http://www.rbm.mw

APPENDIX I

APPLICATION FORM

1. Name of applicant:

_____

2. Mailing address:

_____

3. Phone no(s):

   Fax no:

   E-mail:

_____

4. Location of offices:

   i. Head office (provide physical address)

   ii. Branches

_____

5. Indicate legal form of the applicant (body corporate, sole proprietorship, partnership)

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6. List names of the shareholders, indicating their addresses, nationality, and their capital account contributions.

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7. Principal officer:

   i. Name of individual designated as principal officer.

   ii. Provide details regarding his/her professional and educational qualification.

   iii. Provide details regarding his/her employment history, including positions held and level of managerial experience.

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8. Provide name, address and account number of the proposed claim settling agents' Bankers.

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9. Does the applicant or any of the promoters of the applicant carry on any business or have an interest in any business other than the claim settling agent business? If yes, give full details, including the name of the business, its address, and the nature of its business?

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10. Other information:

   i. Has the applicant (s), or any affiliate of the applicant ever been refused a licence under the Financial Services Law or under the laws of any other jurisdiction which required such licensing, or has any such licence been suspended or cancelled? (if yes, please provide details).

   ii. Provide details if any of the shareholder(s) has ever been:

      a. charged or convicted under the Laws of Malawi or any other country;

      b. a defendant in any proceedings in any civil court or tribunal in any country where fraud, theft, misrepresentation, negligence or other similar conduct was alleged;

c. declared bankrupt or made a voluntary assignment in bankruptcy, or been subject of proceedings relating to insolvency, dissolution or winding up of business;

d. a recipient of a judgement or garnishment in any civil court in any country;

e. refused professional indemnity insurance or a fidelity bond or ever had any of such insurance cancelled.

iii. Is there any person or entity, whose name is not disclosed in this application who has any direct or indirect beneficial interest in the applicant?

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DECLARATION

With regard to

APPLICATION FOR LICENCE TO CONDUCT BUSINESS AS CLAIM SETTLING AGENT

We, the undersigned, do hereby certify that:

i) all the information given in response to and in support of the questions in this application is true and correct to the best of our knowledge and belief; and

ii) this application is made in good faith with the purpose and intent that affairs and business of the proposed claim settling agent will at all times be honestly conducted in accordance with good and sound business principles and in full compliance with all applicable laws and regulations.

We further certify that to the best of our knowledge and belief there are no other facts or information relevant to this application of which the Registrar should be aware, and we pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered.

NAME	SIGNATURE	TITLE/POSITION

Date:……..

APPENDIX II

LICENCE RENEWAL APPLICATION FORM

1. Name of applicant:

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2. Mailing address:

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3. Phone no(s):

   Fax no:

   E-mail:

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4. Location of offices:

   i. Head office (provide physical address)

   ii. Branches

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5. Indicate legal form of the applicant (sole proprietorship, partnership, body corporate)

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6. A list of all the partners, their addresses, nationality, and their capital account contributions.

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7. Principal officer:

   i. Name of individual designated as principal officer.

ii. Provide details regarding his/her professional and educational qualification.

iii. Provide details regarding his/her employment history, including positions held and level of managerial experience.

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8. Provide name, address and account number of the claim settling agent's Bankers.

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9. Does the applicant or any of the promoters of the applicant carry on any business or have an interest in any business other than the claim settling agent business? If yes, give full details, including the name of the business, its address, and the nature of its business?

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10. Other information:

i. Has the applicant (s), or any affiliate of the applicant ever been refused a licence under the Financial Services Law or under the laws of any other jurisdiction which required such licensing, or has any such licence been suspended or cancelled? (if yes, please provide details).

ii. Provide details if any of the shareholder(s) has ever been:

a. charged or convicted under the Laws of Malawi or any other country.

b. a defendant in any proceedings in any civil court or tribunal in any country where fraud, theft, misrepresentation, negligence or other similar conduct was alleged.

c. declared bankrupt or made a voluntary assignment in bankruptcy, or been subject of proceedings relating to insolvency, dissolution or winding up of business.

d. a recipient of a judgement or garnishment in any civil court in any country.

e. refused professional indemnity insurance or a fidelity bond or ever had any of such insurance cancelled.

iii. Is there any person or entity, whose name is not disclosed in this application who has any direct or indirect beneficial interest in the applicant?

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DECLARATION

With regard to

APPLICATION TO RENEW LICENCE TO CONDUCT BUSINESS AS A CLAIM SETTLING AGENT

We, the undersigned, do hereby certify that:

i) all the information given in response to and in support of the questions in this application is true and correct to the best of our knowledge and belief; and

ii) this application is made in good faith with the purpose and intent that affairs and business of the proposed claim settling agent will at all times be honestly conducted in accordance with good and sound business principles and in full compliance with all applicable laws and regulations.

We further certify that to the best of our knowledge and belief there are no other facts or information relevant to this application of which the Registrar should be aware, and we pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered.

NAME	SIGNATURE	TITLE/POSITION

Date:……..