



**GUIDANCE NOTES ON
THE RESPONSIBILITIES OF INSURANCE MANAGERS
(Issued under Section 48 of the Financial Services Act)**

1. Statement of Objectives

The objective of these guidelines is to set out minimum standards of responsibilities for Insurance Managers operating in or from within Anguilla.

2. Statutory Requirements

Section 8 (8) of the Insurance Act requires every insurer who maintains a Class B Licence to appoint an Insurance Manager.

An Insurance Manager is defined as a person resident in Anguilla, who not being an employee of any insurer, is or has available to him, a person(s) with such insurance knowledge and expertise as the Commission may deem necessary for the conduct and management of the insurance business of any insurer(s) in a competent manner.

3. Responsibilities

The Insurance Manager should act as a consultant and advisor to the managed company in respect of insurance matters. The Insurance Manager should be responsible for or have oversight over the following:

- i) Compliance with all applicable legislation;
- ii) Risk management;
- iii) Policy administration;
- iv) Collection of premiums;
- v) Settlement of liabilities and obligations when due;
- vi) Payment of commissions and brokerage fees;
- vii) Recording of claims and technical reserves;
- viii) Arrangement of adequate reinsurance protection;
- ix) Reinsurance recoveries;



- x) Issuing debt and credit notes;
- xi) Claims settlement; and
- xii) The investment of assets and reserves.

4. Management and Control

Notwithstanding the aforementioned duties the Insurance Manager is responsible for the effective management of the insurer. This includes, but is not limited to, doing the following:

- i) Appointing and granting powers to other parties. The Commission should be notified of all such appointments or granting of powers, and be provided with copies of all related contracts or service agreements.
- ii) Ensuring that bank accounts of the Class B Insurer are properly managed, and that all assets are properly secured and controlled.
- iii) Ensuring that all transactions are properly recorded on a timely basis.
- iv) Ensuring that the insurer has adequate staff, support personnel, offices and supporting facilities to perform its functions adequately and efficiently.
- v) Acting as the liaison or point of contact between the Insurer and the Commission ;
- vi) Consequent to the above the Insurance Manager's responsibilities will include:
 - a) Providing the insurer with timely updates on all applicable legislation, regulations, rules, or guidelines;
 - b) Providing any other information that is reasonably necessary for the insurer to comply with the above;
 - c) Preparing and providing, at least annually, reports on the insurer's financial condition to its directors;
 - d) Ensuring the timely submission of prescribed reports, financial statements and statistical returns on behalf of the insurer;
 - e) Paying the insurer's licence fees to the Commission;



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- f) Notifying the Commission of material changes in the business plan or business model of the insurer;
 - g) Notifying the Commission of changes in directors, managers and officers of the insurer;
 - h) Notifying the Commission of changes in shareholders/beneficial interest of the insurer;
 - i) Notifying the Commission of any difficulties being experienced in obtaining required information from the insurer;
 - j) Providing the Commission with any known information that could have an adverse material impact on the operations of the insurer;
 - k) Providing assistance where necessary at meetings with the Commission concerning the insurer;
 - l) Maintaining complete and proper records for the insurer, including Minutes of Board Meetings;
 - m) Ensuring compliance with the Anti Money Laundering Regulations and submitting Suspicious Transaction Reports as and when applicable.

5. Contractual Arrangements – Insurance Manager/Insurer

- i) There should be a formal agreement between the Insurance Manager and the insurer. This will describe and govern the relationship between the parties and set out the respective functions, duties and responsibilities;
- ii) The Management Agreement should address the following:
 - a) The power of the manager to act on behalf of and in the name of the principal;
 - b) The provision of regular management information reports by the Insurance Manager to the directors of the insurer;
 - c) The record keeping function and the records to be maintained by the Insurance Manager; all records should be maintained in accordance with the requirements of all applicable legislation and/or regulations;



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- d) A requirement that the Insurance Manager will ensure compliance by the insurer with all requirements of the Commission;
 - e) Applicable termination of contractual arrangements, consistent with the applicable insurance and company legislation; and
 - f) Confidentiality arrangements.

Insurance Managers are invited to contact the Commission should further guidance be required on setting out policies and procedures pursuant to the above guidelines.

Made by the Anguilla Financial Services Commission this 1 day of March 2008

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