

## Insurance Business supplement

This supplement form must be submitted by applicants applying to conduct one or more of the Regulated Activities<sup>1</sup> of Insurance Intermediation, Effecting Contracts of Insurance, Carrying Out Contracts of Insurance and/or Insurance Management, as defined in Schedule 1 of the AIFC General Rules.

In addition to this supplement you<sup>2</sup> will also have to complete the *Application for a Licence to carry on Regulated Activities* form. Depending on the suite of Regulated Activities your firm will be offering, there might be other forms or supplements that need to be completed and submitted. Where you believe a question in this supplement may have already been answered in the *Application for a Licence to carry on Regulated Activities* form or other forms then you may provide an unequivocal cross reference to the relevant section.

To assist you in completing this form we occasionally make reference to various Rules, sections, or chapters of the various modules which make up the AIFC Regulations and Rules. However, these references are provided only as a guide and are not an exhaustive list of the Rules that may be applicable to your situation. It is your responsibility to research any Rules that might be pertinent to your application.

Do not leave any response-cells empty. If a question we ask does not pertain to your intended Regulated Activities respond to that effect in the cell. If it is more appropriate to answer certain questions in an attachment then indicate in the cell that that is the case. The use of acronyms is to be avoided. If you do need to use acronyms then they must be defined.

As a matter of good practice, and to avoid any confusion, words and terms that are defined in AIFC Glossary should have their first letter in upper-case.

Ensure that that you are using the latest version of this application form. AFSA will only accept out-of-date forms if they are submitted within one month of the latest version available on our website.

You are advised to retain a copy of the form and all relevant attachments for the records.

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<sup>1</sup> Terms defined in the Glossary (GLO) or the glossary sections in the Rules are identified by the capitalisation of the initial letter of a word or of each word in a phrase, unless the context otherwise requires the word to have its natural meaning.

<sup>2</sup> The terms “you” and “your” as used throughout are not implied in the personal sense, but rather refer to the applicant applying for a Licence to carry on Regulated Activities. The terms “we” and “our” refer to the AFSA.

## 1. Declaration by the applicant

1.1 I declare that, to the best of my knowledge and belief, having made due inquiry, the information given in this form, the supplements and documents attached, as well as any applicable supporting documents, is complete and correct. I understand that it may be a breach of Article 119(e) of the AIFC Framework Regulations to provide to the AFSA any information which is deceptive, misleading or dishonest.

1.2 I declare my understanding that the AFSA may request more detailed information (including but not limited to, personal educational, employment and financial information) should it be deemed necessary to adequately assess the fitness and propriety of the firm or any person connected to the firm. I consent to the AFSA contacting any previous employers, educational institutions, professional organisations or any other organisation, to verify any information contained in this form.

1.3 I confirm that I have the authority to make this application, to declare as specified above and sign this form for, or on behalf of, the applicant. I also confirm that I have authority to give the consent specified above.

1.4 I understand that any personal data provided to the AFSA will be used to discharge its regulatory functions under the AIFC Data Protection Regulations, and other relevant legislation and may be disclosed to third parties for those purposes.

1.5 I confirm that all documents submitted as part of this application, whether physical or electronic, become property of the AFSA.

\_\_\_\_\_  
Signature of Director/Partner of the applicant<sup>3</sup>

\_\_\_\_\_  
Date

Enter the name and position or title of the above signed Director/Partner of the applicant:

<sup>3</sup> Or the person who will be authorised by the entity once it has been incorporated or established.

## 2. Proposed Insurance Business

2.1 For Insurers and intermediaries, indicate in the table below the categories you will be providing. Categories are set out in Schedule 1 and 2 of AIFC Insurance and Reinsurance Prudential Rules:

Regulated Activities	Categories of General Insurance	Categories of Long-Term Insurance
Effecting Contracts of Insurance:		
Carrying Out Contracts of Insurance:		

2.2 Describe the Insurance Business that you are proposing to carry on:

2.3 Describe the experience you have in carrying on Insurance Business:

2.4 Indicate the expected proportion split among the various classes of your projected Insurance Business projected<sup>4</sup>:

2.5 If this is an application to carry on Captive Insurance Business, describe the business rationale for making the entity a Captive Insurer and how it will be used as a risk management tool:

2.6 Confirm whether the Captive Insurer will be self-managed. If so, describe the experience you have in carrying on Insurance Business:

2.7 Confirm whether the Captive Insurer will be managed by a Captive Insurance Manager. If so, confirm the name of the Captive Insurance Manager:

2.8 Confirm whether the Captive Insurer will be a new Cell Company:

**Risk Management:**

This section is only required to be completed by firms applying for one or both of the Regulated Activities of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance. Reference should be made to AIFC Insurance and Reinsurance Prudential Rules which specifically addresses risk management.

<sup>4</sup> Refer to AIFC Insurance and Reinsurance Prudential Rules, Schedules 1 and 2.

- 2.9 Describe your firm’s underwriting strategy and your reinsurance and retrocession strategies. Include your systems and controls, levels of authority, products, the maximum capacity per risk and how premium rates will be set. Attach copies of your reinsurance and retrocession programmes:

[Insert text here]

**Reinsurance:**

- 2.10 Describe the breakdown between your proportional and non-proportional treaty reinsurance business:

[Insert text here]

- 2.11 Describe the maximum retention per risk or event after all reinsurance ceded, by principal category of business undertaken:

[Insert text here]

- 2.12 Describe the principal reinsurers. Include names, addresses, countries of incorporation, and any relationships with your firm or the Group:

[Insert text here]

- 2.13 Describe details of any financial or other non-traditional reinsurance:

[Insert text here]

- 2.14 Describe your firm’s internal systems, controls, and decision-making processes over the placing of reinsurance:

[Insert text here]

- 2.15 Provide an assessment of the risks of, and the additional financial resources required to support the reinsurance business proposed:

[Insert text here]

- 2.16 Describe your reserving policy and methodology and explain how actuarial input is obtained.

[Insert text here]

- 2.17 What is the name and contact details of your principal actuary:

[Insert text here]

**Investment strategy:**

- 2.18 Describe the proposed investment methodology and the decision-making processes and how they are tailored to address relevant funding risks:

[Insert text here]

- 2.19 Provide a list of all proposed investments and a description of how they will be used:

[Insert text here]

2.20 Describe your asset/liability matching. Include description of the duration, location, and currency matching:

[Insert text here]

### 3. Conduct of business risks to Clients and markets

This section is only required for firms applying for one or both of the Regulated Activities of Insurance Management and Insurance Intermediation:

- 3.1 Will your firm hold or receive Client Monies which belong to your customers? If “Yes”, describe the systems and controls that will be in place to receive, hold and segregate Client Monies in compliance with the rules set out in AIFC Conduct of Business Rule 8.5 – Client money: Insurance Intermediation and Insurance Management:

[Insert text here]

- 3.2. Describe what controls will be but in place to ensure compliance with the other conduct of business rules arising under AIFC Conduct of Business Rules, such as disclosure, provider selection, suitability, etc.:

[Insert text here]

- 3.3. Will your firm enter into insurance broking agreements with Insurers? That is, will you have cover agreements, agency agreements, binding authorities or mandates with Insurers that give you authority to accept risk on behalf of Insurers?

[Insert text here]

- 3.4. List the Insurers that you intend to use over the course of the first year of being authorised and provide the limits of the authorities that you have to accept risks on behalf of the Insurers:

[Insert text here]