

# RESERVE BANK OF FIJI

## CHECKLIST OF REQUIREMENTS FOR APPLICATION FOR A LICENCE TO CONDUCT BUSINESS AS AN INSURANCE AGENT IN FIJI

The following are the requirements<sup>5</sup> that applicants must submit to the Reserve Bank of Fiji for consideration of an application for a licence to conduct business as an insurance agent in Fiji.

1. **Application letter**  
Letter from the insurer nominating applicant to be their agent. The letter to also describe and confirm the following:
  - (a) An agent has met the (i) Competence, (ii) Financial Soundness and (iii) Honesty, Integrity and Reputation requirements of Fit and Proper Criteria as per the Insurance Supervision Policy Statement No. 12; and,
  - (b) An agent has met all the requirements as per the Insurance Supervision Policy Statement No. 12 on Appointment and Supervision of Agents.
2. **The completed application form for an application for a licence as an agent**  
Form 4 of the Insurance Regulation 1998<sup>6</sup>.
3. **Code of Ethics signed by the agent and witnessed and stamped by the nominated insurer**
4. **Curriculum Vitae for Individual agents only**
5. **Credentials of Directors or Senior Managers in Fiji or the Responsible Officers for Corporate agents only**
6. **Prescribed licence fees (per term):**  
New and renewal application fees are provided in the tables below:

NEW APPLICATIONS	TERM OF LICENCE				
	1year	2years	3years	4years	5years
Insurance Agent					
Corporate	\$1000	\$1400	\$1800	\$2200	\$2600
Individual	\$250	\$450	\$650	\$850	\$1050

<sup>5</sup> This checklist remains same for new appointments and renewal of agent's licence.

<sup>6</sup> Form 4 – Application for Licensing as an agent may be found in the *Insurance Regulations 1998*.

RENEWAL APPLICATIONS	TERM OF LICENCE				
	1year	2years	3years	4years	5years
Insurance Agent					
Corporate	\$400	\$800	\$1200	\$1600	\$2000
Individual	\$200	\$400	\$600	\$800	\$1000

*(All fees are VAT exclusive)*

7. **Original or certified true copy** of the following documents:
  - i. Birth certificate; and
  - ii. Certified true copy of the joint Fiji Revenue & Customs Authority and Fiji National Provident Fund card.
  
8. For individual agents, 2 recent passport-size photographs (names to be written at the back of the photographs).
  
9. Any other information that the Reserve Bank of Fiji may deem appropriate.

[INS 10,190]

LAWS OF FIJI

FORM 4

INSURANCE ACT 1998

[INS 10,190]

FORM 4

APPLICATION FOR LICENSING AS AN AGENT

NEW APPLICATION

RENEWAL APPLICATION

Term: 1yr  2yrs  3yrs  4yrs  5yrs

(Tick as applicable)

I. Name of applicant:.....

II. Licence No (applicable only to licence renewals):.....

III. Date of incorporation (applicable only to a corporate agent).....

IV. Place of incorporation (applicable only to a corporate agent):.....

V. Address for service of notices (section 158 of Insurance Act 1998):.....

VI. Postal address:.....

VII. Telephone No:..... Fax No:.....

VIII. Details of applicant's employment history, qualifications and experience (particularly in relation to insurance);

.....  
.....  
.....  
.....  
.....

IX. Has the applicant (in the case of an application for a corporate agent any director, general manager, secretary or other similar person) been convicted of an offence in respect of conduct relating to insurance or dishonest conduct or at any time been declared bankrupt?  
Yes/No

If "yes" give details:.....  
.....  
.....

X. State the class or classes of insurance business for which the applicant is seeking a licence in Fiji and the name of the insurer for each class or classes of insurance business the applicant will be acting for:

Name of insurer..... Class(es) of business.....

XI. As accounted for in the policies register, provide details of the premiums paid or payable on policies obtained as an agent during the 12 months ending 30 September (applicable only to licence renewals):

Life insurance \$..... General insurance \$ ..

XII. As accounted for in the policies register, provide details of the number of policies obtained as an agent during the 12 months ending 30 September (*applicable only to licence renewals*):

Life insurance..... General insurance.....

XIII. Provide details of commissions received as an agent from each nominated insurer during the 12 months ending 30 September (*applicable only to licence renewals*):

Life insurance \$ ..... General insurance \$.....

XIV. If any details have changed since your last licence application, provide details here:

**AGENT DECLARATION**

I hereby declare that the above statements and details are correct and I understand and accept that any statement or detail found to be incorrect may result in the rejection of my application/immediate cancellation or revocation of my licence and/or prosecution under the Insurance Act 1998.

Signed on this                      day of                      ,                      .

Agent's signature.....

**NOMINATED INSURER(S) DECLARATION**

We hereby certify that we are satisfied that..... remains, by reason of reputation and/or personal qualities, skill, knowledge, financial standing and otherwise, a fit and proper person to be an insurance agent of our company.

1. .... Name of principal officer

..... Signature of principal officer  
Class(es) of business officer

Signed on this                      day of                      ,                      .

2. .... Name of principal officer

..... Signature of principal officer  
Class(es) of business officer

Signed on this                      day of                      ,                      .

3. ....  
Company Name Name of principal officer

.....  
Class(es) of business Signature of principal officer

Signed on this day of ,

XV. Every new and renewal application must be accompanied by: (a) the prescribed fee; and (b) Where applicant is an individual, 2 passport sized photos.

## **FIT AND PROPER CRITERIA FOR INSURANCE AGENTS**

1. The Nominated Insurer must review the fitness and propriety of any agent prior to the finalisation of their appointment.
2. Where the agent appoints sub-agents, the agent (now referred to as Principal Agent) must also review the fitness and propriety of its sub-agents prior to the finalisation of their appointment. References to the '*nominated insurer*' will be replaced with the '*principal agent*' and '*agent*' will be substituted with '*sub-agent*'.
3. An applicant or Agent must satisfy the following minimum conditions and requirements:

### **Threshold Conditions**

4. An agent who is a natural person must be:
  - a. At least 18 years of age; and,
  - b. A Fiji Citizen or a Fiji Permanent Resident.
5. An agent who is not a natural person must also satisfy the Fit and Proper Requirement as described below.

### **Competence Requirements**

6. An agent who is a natural person must at least:
  - a. Complete Form 6 level education or equivalent or have more than 5 years of experience in the insurance industry; and,
  - b. Successfully completed the examination set by the nominated insurer.
7. For corporate Agents, the employee responsible for insurance must meet the requirements described in paragraph 5.
8. In evaluating the competency and capability of an agent, the nominated insurer should consider all relevant factors, including, but not limited to:
  - a. Whether the agent has demonstrated, through qualifications and experience, the capacity to successfully undertake the responsibilities of the position;
  - b. Whether the person has any medical condition that may affect competency; and,

- c. Whether the person has acquired a sound knowledge of the agent business and the responsibilities of the position.

### **Financial Soundness**

9. Whether an agent has been subject of any judgement or award that remains outstanding or was not satisfied within a reasonable period; and,
10. Whether the agent has made any arrangements with his/her creditors, filed for bankruptcy, been adjudged bankrupt, had assets confiscated, or has been involved in proceedings relating to any of the above mentioned.

### **Honesty, Integrity and Reputation**

11. An agent must not be convicted of:
  - a. An offence under the Insurance Act 1998 or any rules and regulations of the Reserve Bank of Fiji and the nominated insurers, including the Code of Ethics for agents and sub-agents;
  - b. An offence against any law in Fiji Islands or elsewhere; or
  - c. A criminal offence involving fraud, misrepresentation or dishonesty.
12. An agent must not:
  - a. Be the subject of criminal proceedings which are pending in Court; and,
  - b. Have had any judgement (in relation to the finding of fraud misrepresentation or dishonesty) given against him/it in any civil proceedings in Fiji or elsewhere, or is a party to any pending proceedings that may lead to such a judgement.
13. An agent has not been dismissed, asked to resign from employment because of questions about integrity and honesty.
14. An agent has not been fair, truthful and forthcoming in dealings with customers, superiors, auditors and regulatory authorities.
15. Whether an agent demonstrates a readiness and willingness to comply with the requirements and standards of both the Reserve Bank of Fiji and the nominated insurer.

## **CODE OF ETHICS FOR AGENTS and SUB-AGENTS Insurance Act 1998 (Section 43(1))**

### **A. Preamble**

A person who is licensed to act as an agent under Division 3 of the Insurance Act 1998 is subject to the Code of Ethics as set out below. Any agent who commits any act thereunder forbidden or declared to be unethical or fails to do anything they are required to do shall be in breach of the Code of Ethics.

Sub-agents referred to in section 4(6) of the Insurance Act 1998 are also subject to the Code of Ethics as set out below. Any sub-agent who commits any act thereunder forbidden or declared to be unethical or fails to do anything they are required to do shall be in breach of the Code of Ethics.

Any breach of the Code of Ethics would be a sufficient ground for the cancellation of any such licence issued to the agent. For clarity purpose, the Code of Ethics refers to agents or sub-agents by the first person “you”.

### **B. Codes**

1. You shall discharge your duties to clients, members of the public, fellow agents and insurers with integrity/honesty. Integrity/Honesty is a fundamental quality demanded of every insurance agent as trust is the foundation of all dealings in the insurance industry. You must be trustworthy, conducting all professional activities with integrity, reliability and honesty. The principle of trustworthiness extends beyond insurance business activities. Your conduct in other areas may reflect on your trustworthiness and call into question your suitability to hold an insurance agent’s licence.
2. All agents of companies have a common obligation to work together in serving the best interest of the insuring public, by understanding and observing the law governing insurance in letter and in spirit, and by being fair in all relations with the fellow agents and competitors, always placing the policyholder’s interest first.
3. You must give advice only on insurance matters on which you are sure of the correctness of the statement you make and not hazard an opinion on matters about which you cannot be certain. In areas of uncertainty and complexity including for example the legal positions of the parties to the contract, estate planning, business assurance where matters of taxation, death duties and gift duties are concerned, you must seek or recommend insurer’s advice.



4. You shall not place yourself in a conflict of interest with your client, unless the client has first approved of your conduct after full disclosure of the conflict, preferably in writing.
5. Where there is an irreconcilable conflict between your duty to a client and your other duties as an agent, you should decline to act in the transaction. For example, if a client asked you to conceal information from an insurer that was material to the risk, you should decline to act.
6. A conflict of interest is also said to occur where you have a personal interest that conflicts or might possibly conflict with your role to provide the best possible advice or service to a customer. This may occur as a result of agency relationship or family or personal relationships with insurer. In circumstances where avoidance of such conflicts of interest may not be practicable, you should disclose to the customer the conflict of interest arising from the relationship with the insurer, including any material information or facts that may compromise your objectivity, before the insurance is arranged.
7. In selling insurance policies, you must:
  - a) Explain all provisions of the insurance cover afforded by the policy or policies which you are recommending so as to ensure as far as possible that a prospective policyholder understands what he or she is or may be buying;
  - b) Draw attention to all restrictions, exclusions and conditions applicable to the policy;
  - c) If necessary, obtain from the insurer specialist advice in relation to items (a) and (b) above;
  - d) Not impose any charge in addition to the premium required by the insurer;
  - e) In the case of with – profit business, make clear that bonuses declared in the future may be lower or higher than those currently quoted, thus past performance may not necessarily be a guide to future performance; and,
  - f) Where projected benefits are illustrated, make clear where applicable that they are based on certain assumptions and hence are not guaranteed and these assumptions should be stated.
8. You shall treat all information supplied by the prospective policyholder, whether or not associated with the proposed policy of insurance, as completely confidential to you and to your principal.
9. You should not collect, use or disclose personal data about a client unless:

- a) The client has given his/her consent to the collection, use or disclosure; or,
  - b) The collection, use or disclosure, is required or authorized under any written agreement and rules of the insurer and the Reserve Bank of Fiji.
10. Twisting is declared to be unethical. Twisting is the act of including a policyholder, premium payer or owner to lapse, surrender or cancel a policy or convert it a paid up policy for the purpose of replacing such policy with a new one to the financial detriment of such holder, premium payer or owner.
11. Rebating is hereby declared to be unethical and defined as giving or offering to give any inducement not included in the policy contracts to persuade or induce a person to enter into an insurance contract.
12. Defamation is hereby declared to be unethical and defined as making, publishing, or circulating an oral, written or printed statement which is false, or maliciously critical of or derogatory to the financial condition of any insurance company or agent or which is calculated to injure any person engaged in the business of insurance.
13. The conduct of transferring your existing client base portfolio to another agent or to another insurer should you join a new insurer for monetary gain is hereby declared to be unethical. Policyholders are clients of the insurer and the insurer has the ultimate right to deal with the policyholders directly. Should you ending your agency with an insurer, you should advise your clients to deal with the insurer directly.
14. Misrepresentation is hereby declared to be unethical and defined as making, publishing, or circulating any false, deceptive, or misleading statements or illustrations:
- a) as to the term benefits, dividends, or other advantages of any policy already issued, or to be issued; or
  - b) as to the financial condition of any life insurance company; or
  - c) with respect to any person in the conduct of his insurance business.
15. (a) Wherever you submit a completed proposal for any prospective client, such proposals should contain the following information:
- i. the date of the proposal; and,
  - ii. the signature and address of the agent submitting it.
- (b) you shall ensure that all proposal forms are completed by the proposer, except where the proposer is unable to read and write English sufficiently to complete the proposal form.

- (c) You should not withhold from a policyholder or client any written evidence or documentation relating to the contract of insurance.
16. In procuring new life insurance business, you shall:
- a) take into consideration the needs of the proposers for life insurance and make reasonable efforts to ensure that they do not exceed their capacity to pay premiums;
  - b) make all reasonable inquiries in regard to the lives to be insured, their health and habits, their family background and financial commitments before recommending proposals for acceptance, and bring to the notice of the insurer any circumstances which may adversely affect the risk to be underwritten. Any statement concerning the financial capacity and commitment shall be signed by the proponent;
  - c) not interfere with any proposal introduced by any other agent;
  - d) obtain any required medical record certificate before submitting the proposal to the insurer for processing.
17. You shall, with a view to conserving the business secured, maintain contact with the persons who have become policyholders through you and shall:
- a) advise every policyholder to effect nomination or assignment in respect of his policy and offer necessary assistance in this behalf;
  - b) as a part of the service to policyholders of his introduction, keep in continuous touch with them with a view to ensuring that premiums on their policies are paid as and when they fall due.
  - c) endeavour to prevent the lapsing, surrender or cancellation of a policy or its conversion into a paid up policy;
  - d) render all reasonable assistance to claimants in filling claim forms and generally in complying with the requirements laid down in relation to settlement of claims.
18. You shall not make comparisons with other types of policies unless you make clear the differing characteristics of each policy and also not comment on other insurers policies.
19. All Individual agents must present the valid licence card to the clients to ensure that you are an agent licensed to sell insurance policies for the nominated insurer(s).

20. You must comply with and observe all relevant laws and regulations at all times.

I .....hereby state that I have read and fully understood the above Code of Ethics subject to which an insurance AGENT'S licence may be issued to me and I hereby agree to abide by the Code of Ethics if any application by me for an insurance agent's licence is accepted and I further accept that any breach of the Code of Ethics would be a sufficient ground for the cancellation of any such licence issued to me.

**SIGNATURE:** .....

**DATE:** .....

Witnessed by:..... (Name of Nominated Insurer or Responsible Person)

Signature: .....

Date: .....

Company Stamp: