RESERVE BANK OF FIJI

LICENSING CHECKLIST OF REQUIREMENTS FOR APPLICATION FOR A LICENCE TO CONDUCT INSURANCE BUSINESS IN FIJI

These sections provide requirements that applicants must submit to the Reserve Bank of Fiji for consideration of an application for a licence to conduct insurance business in Fiji.

PRIMARY REQUIREMENTS

1. Section 2 of the Insurance Act 1998 defines *Insurance Business as –*

(a) The business of undertaking liability by way of insurance, including reinsurance, in respect of a life, or any loss of damage, including liability to pay damages or compensation, contingent upon the happening of a specified event; and

(b) Business relating to the continuance, renewal or revival of the business referred to in paragraph (a).'

2. Section 24(1) of the Insurance Act 1998 stipulates that a body corporate that-

(a) is either incorporated in the Fiji Islands under the Companies Act or registered under Part X of the Companies Act; and

(b) is not a private company as defined in section 32 of the Companies Act,

may apply to the Reserve Bank to be licensed to carry on insurance business under the Act.

3. Application Letter

A letter from the applicant requesting for a licence to conduct insurance business in Fiji. This letter must be accompanied by:

(a) Board Resolution:
The Board of Directors for the applicant company must attest in writing with their endorsement full support for the establishment of the company and their confirmation of the nominated person who will be liaising with the RBF during the licensing process.

(b) Shareholders Resolution:
A certified copy of all the shareholders endorsements signifying their approval to apply for a licence to operate an insurance business in Fiji.

An application that is received without an application letter WILL NOT be processed.

4. Parent Company Consent

In the case that the applicant is a subsidiary of a parent company either locally or foreign owned, they must provide an official written consent from the parent company to operate under their banner.

Furthermore, the parent company must submit their:

(a) Articles of Association;

(b) Certificate of Registration;
(c) Audited Financial Reports of the last three years
(d) Sworn undertaking by the Parent Company to provide additional capital; and
(e) If it is an existing insurer abroad, one must provide the home supervisor's confirmation that the parent company is licensed and regulated within its jurisdiction.

5. Application Fee (non-refundable)
F$15,000 (Plus VAT) Payment must be made via a bank cheque or bank transfer payable to the Reserve Bank of Fiji

OTHER PRIMARY REQUIREMENTS

A. PRESCRIBED FORMS
As per the Insurance Regulations 1998, the following prescribed forms must be completed by the applicant:

- Form 2 – Application Form
- Form 5 – Appointed Auditor
- Form 6C – Balance Sheet for General Insurers (refer financial projections)
- Form 8C – Balance Sheet for Life Insurers (refer financial projections)

The completion of these forms would also entail the submission of the following supporting documents:

(1) Articles of Association
A copy of the prospective company's Articles of Association describing in detail the business of insurance that they intend to undertake and the shareholding composition.

(2) Company Registration

- An original or certified copy of the certificate of Registration from the Registrar of Companies for a local company
- The original or certified copies of the certificate of Foreign Investment Certificate issued by the Fiji Islands Trade and Investment Bureau (FTIB) and the certificate of registration from the Registrar of Companies for a foreign company.

(3) Affiliation Contracts
The applicant must provide details of any contracts of affiliation with another company. The contract arrangement and the details of the company which the applicant is affiliated to must be provided to the Reserve Bank.

(4) Outsourcing Contracts
If the applicant company is involved or intends to be involved in any arrangement pertaining to outsourcing, this must be submitted to the Reserve Bank.

B. FINANCIALS

(1) Audited Accounts of the Applicant

The applicant must provide at least a signed declaration by an RBF approved auditor stating that their client is financially sound.

(2) Financial Accounts of Related Persons

Where the applicant is related to another person pursuant to section 2(3)[1] of the Act, the related persons audited accounts for the past two years must be provided.

C. BUSINESS PLAN

The various strategies that the company has developed to address how, when and who would be executing functions of the company to achieve work outputs. A 3 to 5 year business plan illustrating the goals, strategies and objectives that will lead the company must also be submitted. The Business Plan must at a minimum contain:

(1) Financial Projections

- Balance Sheet – Form 6C and 8C Balance Sheet projections of three years must be provided. These must be completed 3 months prior to the submission of the application.
- Profit and Loss Accounts Profit and Loss projections of three years detailing potential revenues and estimated expense amounts.
- Underwriting Account - The underwriting account that the company intends to establish and maintain must be submitted along with projected figures for the first three years.
- Cash Flow Projections for the first three years must also be provided.

ASSUMPTIONS MADE MUST BE CLEARLY ITEMISED ON THE FINANCIAL REPORTS AND PROJECTIONS

(2) Premium Rates

The intended basis that the applicant will use to calculate premium amounts must be provided. This must be approved and endorsed by the Board of Directors and an approved actuary.

(3) Proposed Policy Wording

The applicant is required to submit sample policy wordings for assessment.

(4) Internal Controls

A submission of the applicant company's internal controls that have been approved and endorsed by the Board of Directors must be provided.

[1] Section 2(3) of the Act states that a person is related to an insurer if- (a) that person directly or indirectly controls, by any means whatsoever, the management of the insurer; (b) that person owns directly or indirectly 20% or more in the nominal value of the equity share capital, as defined in section 156 of the Companies Act of the insurer; (c) the insurer directly or indirectly controls, by any means whatsoever, that person; or (d) the insurer owns directly or indirectly 20% or more of the equity share capital, as defined in section 156 of the Companies Act, of that person.

(5) Capital Management Plan

This plan must illustrate the assumptions and projections in terms of how and what the company intends to do to grow and manage their capital.

(6) Investment

A report detailing how the applicant intends to invest its funds.

(7) Accounting System

The proposed accounting methods/software that would be used to prepare financial statements. The internal auditing procedures as well as the external auditor who will assess the applicant insurers' statements must be submitted.

(8) Management Information System

Details of the design and operation systems and procedures to facilitate the recording, analysis and reporting of information within the company and to the Reserve Bank.

(9) Potential Clients

Support letters and contact details of ten potential clients stating that they would place their business with the insurer. These letters must be endorsed by each client. The clients must be body corporates or private companies.

(10) Reinsurance Arrangements

A summary of the reinsurance arrangements of the applicant company

(11) Risk Management

- Indication that the Insurer has drawn up appropriate policies to counter and address risks that the institution is likely to face.
- confirmation that internal controls explicitly incorporate AML/CFT controls, including transaction monitoring, escalation procedures and independent compliance reviews.

(12) Appointed Auditor and Actuary

- Details of the Auditor to be appointed. Refer Insurance Supervision Policy Statement No. 1 Role of External Auditors in the Supervision of Licensed Insurance Companies in Fiji Complete Form 5.
- Details of the Actuary to be appointed. Refer Reserve Bank's Insurance Supervision Policy Statement No. 10.

ASSUMPTIONS MADE MUST BE CLEARLY ITEMISED ON THE REPORTS AND PROJECTIONS

(13) Contingency Plan

The applicant must submit the company's contingency plan. This would be the company's proactive approach to most likely a crisis or unforeseen events that may occur.

(14) Further Capital Management Plan

A submission of how the applicant intends to manage and grow its capital portfolio over the short to medium term.

(15) Physical Location & Expansion of Business

Physical address of the proposed registered office and operational office of the insurance company. The applicant must identify future company expansionary policies that it may have in place. These would include diversification of products, acquisitions and so forth.

(16) Appointments

Any proposed appointment, including the Principal Officer, Board Members, or any other person holding a responsible position identified in the application, must be supported by the following documents at a minimum:

- Current Curriculum Vitae (CV)
- Recent Financial Statements
- Valid Police Clearance

All appointments must comply with the requirements set out in the Fit and Proper Requirements Policy.

D. FEASIBILITY SUDY

(1) Market Survey

A market survey report detailing a study of the current and 3 year projected
(a) market trends;
(b) the products the applicant would offer;
(c) its competitors; and
(d) the clients the applicant hopes to capture.

E. FINANCING

(1) Deposit Requirement

Section 20 of the Insurance Act 1998 stipulates that: (1) An insurer under the Act must make and maintain a deposit which –
(a) is of the prescribed nature and in its prescribed form;
(b) is acceptable to the Reserve Bank; and
(c) has a market value of not less than surplus of assets over liabilities required to be maintained by the insurer under section 31.

In addition, Section 25(2) (a.) further emphasizes that the Reserve Bank must not license an applicant if the deposit required under section 20 has not been made.

The deposit certificate(s) will be retained with the Reserve Bank.

Proof of these in the form of bank statements that illustrate the availability of these funds must be provided to the RBF.

F. PROPOSED ORGANISATION AND CORPORATE STRUCTURE

(1) Organisation Structure

This would constitute an illustration of the applicants' shareholders, the different functions, departments and positions held within the organisation. There must also be a clear indication of reporting lines within the organization.

(2) Corporate Structure

- If the applicant is a subsidiary of an existing parent company, details of the parent company along with other subsidiary companies within the ambit of the parent company companies must be provided.
- Names of 10 largest shareholders, their respective shareholdings and details of any related entities in Fiji
- Brief history of the applicant and an outline of existing operations (where relevant)

(3) Parent Company and other Subsidiaries

An illustration and details of the parent company and any other subsidiaries associated with the parent company is required.

(4) Ultimate Beneficial Ownership (UBOs)

- Ultimate Beneficial Owner' means any natural persons who ultimately own or exercise control over the supervised entity, whether directly or indirectly, through shareholding, voting rights, or other means of effective control. In terms of ownership threshold, a person must meet one of the following criteria:

    (i) *Significant Shareholding*: Owning 20% or more (including both direct and indirect ownership) of a company's shares or capital in an entity; or

    (ii) *Voting Rights*: Holding 20% or more (including both direct and indirect) of the voting rights within the entity.

- Disclosure and verification of all UBOs, being natural persons who ultimately own or control the applicant directly or indirectly through shareholding, voting rights, or other effective control, including those with 20% or more ownership or voting rights.
- Full ownership structure up to natural persons, including percentage ownership, jurisdiction of incorporation, nominee or trust arrangements, and source of wealth/source of funds.
- Information to support assessment of each UBO's fitness and propriety, financial soundness, integrity, regulatory history, exposure to high-risk jurisdictions, political exposure, and ML/TF risks.
- Declaration that future UBO changes require prior Reserve Bank approval, with annual confirmation and ongoing identification, verification and monitoring mechanisms as required

G. OTHER DOCUMENTS

The applicant must submit any other documents that the Reserve Bank may require for assessment.

Financial Institutions Group
<u>Reserve Bank of Fiji</u>
Revised April 2026

Annexures:

1. **Prescribed Forms:**

   Form 2 - Prescribed Application Form
   Form 5 - Appointed Auditor
   Form 6C - Balance Sheet for General Insurers
   Form 8C - Balance Sheet for Life Insurers

2. **RBF's Insurance Supervisory Policies – refer RBF website: www.rbf.gov.fj**