



CENTRALE BANK VAN ARUBA

Dispensation Policy regarding insurance brokers operating as “sales agents” in Aruba based on article 4, paragraph 2 of the State Ordinance on the Supervision of the Insurance Business (*Landsverordening toezicht verzekeringsbedrijf*) (AB 2000 no. 82) (SOSIB)

1. Introduction

As of January 30, 2014, and pursuant to article 27a, paragraph 1, of the SOSIB insurance brokers have been placed under the supervision of the Centrale Bank van Aruba (CBA) by virtue of the State Decree on the Supervision of Insurance Brokers (*Landsbesluit toezicht assurantiebedrijfsbemiddelaars*) (AB 2014 no. 6) (SDSIB).

The CBA has been approached by a number of insurance brokers/agents with the request whether it is possible to grant a dispensation in specific cases. In view of the fact that the situation of mentioned sales agents is (in fact) similar to the situation of persons who perform brokerage services on the account of an employer contract and the latter activities are not regulated by the SDSIB, the CBA is of the opinion that the risks associated with the activities of sales agents are limited and that, therefore, the granting of a dispensation, under certain conditions, will not be in conflict with the interests that the SDSIB and SOSIB seek to protect.

2. Legal framework

Pursuant to article 2, paragraph 1, of the SDSIB it is prohibited to conduct brokerage services without being in the possession of a license of the CBA.

Pursuant to article 4, paragraph 2, of the SOSIB, the CBA may grant a dispensation from the regulations laid down by or pursuant to the SOSIB, provided that it is of the opinion that this is not in conflict with the interests the SOSIB seeks to protect.

3. Dispensation policy sales agents

The CBA is willing to grant a specific category of insurance brokers, the so called “sales agents” a dispensation as mentioned in article 4, paragraph 2, of the SOSIB if the following conditions are met on a continuous basis.

1. The sales agent is a natural person.
2. The activities of the sales agent must be restricted to sales activities.
3. The sales agent may only sell insurance policies for one insurance company or insurance group.
4. The sales agent’s office must be located at the premises of the insurance company or insurance group.
5. The sales agent may not write any insurance contracts.
6. The sales agent is not allowed to collect premiums for the insurance company or insurance group.
7. The integrity of the sales agent must be beyond any doubt and his/ her suitability must be sufficient to conduct sales activities.

8. There must be a written sales agent agreement in place between the sales agent and the insurance company or insurance group that meets the conditions mentioned under points 2 to 6 above.

4. Exemptions

Sales agents with a dispensation will be exempted from the following articles of the SDSIB:

Articles	Provision					
Article 2, paragraph 1	License requirement for insurance brokers.					
Article 4, paragraphs 3 and 4 (stipulating that articles 10, 14a-14e of the SOSIB apply mutatis mutandis)	<table border="1"> <tr> <td>Article 10 of the SOSIB:</td> <td rowspan="4">CBA regulations on management controls and administrative organization. Requirements regarding qualifying holdings in an insurance broker. Requirements regarding sound business operations. Requirements regarding the formal and factual control structure.</td> </tr> <tr> <td>Article 14a-14c of the SOSIB:</td> </tr> <tr> <td>Article 14d of the SOSIB:</td> </tr> <tr> <td>Article 14d of the SOSIB:</td> </tr> </table>	Article 10 of the SOSIB:	CBA regulations on management controls and administrative organization. Requirements regarding qualifying holdings in an insurance broker. Requirements regarding sound business operations. Requirements regarding the formal and factual control structure.	Article 14a-14c of the SOSIB:	Article 14d of the SOSIB:	Article 14d of the SOSIB:
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Article 14a-14c of the SOSIB:						
Article 14d of the SOSIB:						
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Article 5	Required legal form and number of day-to-day policy makers residing in Aruba.					
Article 6	Prior approval requirement for changes in management.					
Article 7	Periodic reporting requirements vis-à-vis the CBA.					
Article 8	Minimum equity capital requirement.					

5. Submission of the request

A dispensation request must be submitted to the CBA in writing and must include in any case the following information and documents:

1. Personal information of the applicant, including in any case surname, given name(s), birth date and place, nationality, private address, telephone number, e-mail address.
2. Information whether the applicant is a director or shareholder of any company, and if so, of which company/ies.
3. The business address of the applicant.
4. The name of the insurance company or insurance group for which the applicant conducts or intends to conduct sales activities.
5. A written statement of the applicant that his/her activities are restricted to sales activities, he/she will not write any insurance contracts, and he/she will not collect premiums.
6. A certified true copy of the photograph and signature page(s) of the Candidate's passport ensuring that the photograph is clear and the signature legible.
7. An extract (*uittreksel*) from the Civil Registry (*Bevolkingsregister*) not older than two (2) months.
8. A declaration of Good Conduct (*verklaring van goed gedrag*) not older than three (3) months;
9. Copies of the test results of any assessment with respect to the applicant's integrity or suitability by a regulator in charge with financial supervision.
10. Copies of the applicant's certificated qualifications.
11. The applicant's curriculum vitae.

12. A separate written statement of the applicant confirming that he/she does not have any of the following antecedents:
 - a. criminal antecedents as meant in 4.1. and 4.2 of the Personal Questionnaire (<http://www.cbaruba.org/cba/readBlob.do?id=2994>);
 - b. personal financial antecedents as meant in 5.1, 5.2 and 5.3 of the PQ;
 - c. supervisory antecedents as meant in 6.1 and 6.2 of the PQ;
 - d. tax related antecedents as meant in 7.1, 7.2, 7.3 and 7.4 of the PQ;
 - e. business related financial antecedents as meant in 8.1, 8.2 and 8.3 of the PQ; and
 - f. other antecedents as meant in 9.1, 9.2 and 9.3 of the PQ.
13. A separate written statement of the management of the insurance company for which the sales agent conducts or intends to conduct sales activities confirming that the insurance company will ensure and see to it that the sales agent's activities are restricted to sales activities, he/she will not write any insurance contracts, and he/she will not collect premiums and there have been no irregularities during their business relationship (if any).

The CBA maintains the right to request any additional information it deems necessary to evaluate a request made for a dispensation as meant in article 4, paragraph 2, of the SOSIB.

Note that, pursuant to article 4, paragraph 1, of the SOSIB, the CBA may impose restrictions and attach stipulations and (further) conditions to the dispensation.

6. Effective date

This dispensation policy will come into force as of June 4, 2014.

Aruba, June 4, 2014.