

**GUIDELINES FOR THE REGULATION OF INSURANCE
BROKERS IN NIGERIA**

ISSUED BY

NATIONAL INSURANCE COMMISSION

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Preamble

- 1.1 The National Insurance Commission (herein referred to as “the Commission”) as the statutory body vested with the responsibility of regulating Insurance businesses in Nigeria in exercise of the power conferred on it by the enabling laws has issued various instruments including rules, regulations, guidelines, circulars and standards for licensing and regulation of insurance institutions.
- 1.2 The issued instruments include, inter alia, Insurance Regulations 2003, Market Conduct Guidelines 2015, Prudential Guidelines 2015 and Guidelines on Insurance Premium Collection and Remittance. The issued instruments consist, inter alia, provisions applicable to insurance brokers
- 1.3 The Commission in the exercise of the powers conferred on it by the National Insurance Commission Act 1997 and the Insurance Act 2003 hereby issue this guideline to consolidate the existing regulatory and supervisory framework which were hitherto contained in various instruments and to provide for other specific issues addressed herein.
- 1.4 The Guideline shall be read in conjunction with the provisions of the NAICOM Act 1997 and Insurance Act 2003 and issued regulatory instruments.
- 1.5 Where this Guideline is in conflict with any provision of the Insurance Regulations 2003, Market Conduct Guidelines 2015, Prudential Guidelines 2015 and Guidelines on Insurance Premium Collection and Remittance, the provisions of these Guidelines shall supersede.
- 1.6 These Guidelines shall become effective on xxxxxxxxxxxxxxxxxxxx.

A. Definitions

Unless the context otherwise requires,—

- i) "Act" means the Insurance Act, 2003 as amended from time to time;
- ii) "NAICOM Act" means the National Insurance Act 1997.
- iii) "CAMA" means Companies and Allied Matters Act 2004.
- iv) "Applicant" means an applicant for registration as insurance broker under these Guidelines;
- v) "Commission" means the National Insurance Commission.
- vi) "Form" means the forms specified under these Guidelines;
- vii) "Insurance broker" means a person for the time-being licensed by the Commission to provide insurance broking services.
- viii) "Reinsurance broker" means a person for the time-being licensed by the Commission to provide reinsurance broking services.
- ix) "Principal Officer" means
 - a) the Chief Executive Officer and Executive Management staff approved by the Commission to carry out the day to day administration of the company;
 - b) a director approved by the Commission to carry out oversight functions.
- x) "Guidelines" means the National Insurance Commission's Guidelines for Insurance Brokers in Nigeria;
- xi) "Solicitation" – for the purpose of these Guidelines is the approach of a client by an insurer or an intermediary with a view to convince the client to purchase an insurance policy;

- B.** Words and expressions used and not defined in these Guidelines but defined in the Insurance Act, 2003, or National Insurance Commission Act, 1997 shall have the meanings respectively assigned to them in those Acts or the rules and Guidelines made thereunder, as the case may be.

1.0 Categorization of Insurance Brokers

1.1 The following are the categories of insurance brokers, namely:

- i) Corporate Insurance Broker
- ii) Partnership Insurance Broker

2.0 Types of Application

2.1 All application for registration shall clearly state the type of licence required, either as:

- i) Corporate Insurance Broker; or
- ii) Partnership Insurance Broker

3.0 Functions of a Corporate and Partnership Insurance Broker

3.1 The functions of Corporate Insurance Broker and Partnership Broker shall include the following:

- a) Obtaining detailed information of the client's business and risk management philosophy;
- b) Familiarization with the client's business and underwriting information so that this can be explained to an insurer and others;
- c) Providing insurers with adequate information (risk details and claims history) to guide in the determination of appropriate underwriting actions;
- d) Rendering advice on appropriate insurance cover and terms;
- e) Maintaining detailed knowledge of available insurance products and markets, as may be applicable;
- f) Submitting quotation received from insurer(s) for the consideration of the client;
- g) Providing requisite underwriting information as required by an insurer in assessing the risk to decide pricing terms and conditions for cover;
- h) Acting promptly on instructions from a client and providing him written acknowledgements and progress reports;
- i) Guiding clients on the modalities for premium payment in accordance with Section 50 of the Insurance Act 2003;
- j) Providing services related to insurance consultancy and risk management;
- k) Assisting in the negotiation of the claims; and
- l) Maintaining proper records as required by extant laws, guidelines and regulations;
- m) **For an Insurance Broker that has been authorized to transact reinsurance**

business, the Broker shall also perform the following functions:

- a) Rendering advice based on technical data on the reinsurance covers available in the international insurance and the reinsurance markets;
- b) Maintaining a database of available reinsurance markets, including solvency ratings and financial strength ratings (FSR) of individual reinsurers;
- c) Selecting and recommending a reinsurer or a group of reinsurers;
- d) Negotiating with a reinsurer on the cedant's behalf;
- e) Acting promptly on instructions from a cedant and providing it written acknowledgements and progress reports;
- f) Collecting and remitting premiums and claims in line with the terms and conditions of the reinsurance contract or applicable statutory provisions;
- g) Maintaining proper records of reinsurance claims and other relevant data;
- h) Exercising due care and diligence at the time of selection of reinsurers and international insurance brokers having regard to their respective security rating and establishing respective responsibilities at the time of engaging their services;
- i) Creation of market capacity and facility for new, stressed, emerging and existing business and asset class for and from both direct insurers and reinsurers;
- j) Render preliminary loss advice (PLA) within reasonable time;
- k) Ensuring compliance with requisite reinsurance laws and regulations relating to utilization of in-country capacity.
- l) Given the nature of business, separate norms need to be followed for Inward and Outward business
 - i) Inward business:
 - a. Broker to have adequate specific knowledge of the country whose business is being offered like: political stability, economic position, local Guidelines, tax laws, etc.
 - b. Introduce new business/products depending on the reinsurers business plan and risk appetite
 - ii) Outward business
 - a. Rating and market credibility of the reinsurer
 - b. To ensure prompt collection and remittance of funds, follow up for funds to be initiated sufficiently before the due dates for settlement from cedant to reinsurer and from reinsurer to cedant as relevant;

4.0 Requirements for Registration as a Corporate Insurance Brokers

4.1 An application for registration as a corporate insurance broker pursuant to section 36 of the Insurance Act, 2003 shall be accompanied by the items listed in Schedules 1A and 1B of these Guidelines.

5.0 Requirements for Registration as a Partnership Insurance Broker

5.1 An application for registration as a Partnership Insurance broker shall be accompanied by the items listed in Schedule 1A and 1C of these Guidelines.

6.0 Additional Registration Requirements:

6.1 Additional requirements shall accompany an application under section 36(2) and (3) and 38 of the Insurance Act, 2003 as listed in Schedule 1D of these Guidelines.

7.0 Furnishing of information, clarification and personal representation.

7.1 The Commission may require an applicant to furnish any further information *and/or* clarification *and/or may direct the applicant to comply with certain requirement/s* for the purpose of disposal of the application, and, thereafter, in regard to any other matter as may be deemed necessary by the Commission.

7.2 The Commission shall give the applicant an opportunity to submit the requirements/clarifications/additional information etc sought by the Commission within a specified period from the date of receipt of the communication from the Commission to enable the processing of the application.

7.3 The applicant along with their principal officer shall, if so required, appear before the Commission for a personal representation.

7.4 The Commission may direct an applicant to submit any information/data /clarification as may be required.

7.5 The applicant shall bring to the notice of the Commission, on its own, such further information/or clarification, which might have a bearing on consideration of any application or matter pending before the Commission.

8.0 Special Requirements for Setting Up

8.1 Subscription by Shareholders or Partners in all cases shall only be in cash;

8.2 The applicant shall exclusively carry on the business of an insurance broker as licensed under these Guidelines.

8.3 The shares of an insurance broker held as capital shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered.

9.0 Reservation of Name

9.1 The no objection of the Commission must be sought and obtained before presenting a name to Corporate Affairs Commission for registration.

10.0 Fitness And Propriety Criteria

10.1 The applicant should satisfy the Commission that:—

- a) Each Principal Officer is a fit and proper person to be licensed;
- b) The Managing Director/Chief Executive Officer, is fit and proper person to hold the office;
- c) The Directors are fit and proper persons to hold the office;
- d) All of its substantial shareholders/partners are fit and proper persons;
- e) All persons having effective control on the applicant are fit and proper persons to carry out the business.
- f) All Key Management Personnel of the applicant are fit and proper

11.0 Requirements for renewal of Licence of a Corporate Insurance Broker

11.1 The requirements for renewal of a Corporate Insurance Broker's license shall be as specified in Schedule 2A and 2C of these Guidelines.

12.0 Requirements for Renewal as a Partnership Insurance Broker

12.1 The documents which are required pursuant to section 36(3) of the Insurance Act, 2003 for the renewal of the certificate of a partnership insurance broker are as specified in Schedule 2B and 2C of these Guidelines.

13.0 Appointment of Principal Officers – Corporate or Partnership Insurance Broker

13.1 A corporate or partnership insurance broker shall submit a proposal for the appointment of a Chief Executive Officer or Managing Partner, Director or Partner, Management staff or from AGM and above, and Heads of Departments (listed in 5.2.0) and obtain approval prior to appointment.

- a) For Insurance and Reinsurance Brokers, the requirements shall be as contained in Schedule 3A of these Guidelines.

- b) For Partnership the requirements shall be as contained in Schedule 3B of these Guidelines.

14.0 Official Correspondence with the Commission

- i) A broker shall ensure that every correspondence addressed to the Commission shall be signed by the Chief Executive or Managing Partner.
- ii) Where more than one signatory is required, the Chief Executive or Managing Partner shall sign along with other prescribed signatories.
- iii) Where the Chief Executive or Managing Partner is unavailable due to leave or other such reasons, the Commission shall be informed indicating the professionally qualified Executive Director or Partner who is to hold forth for the duration of the Chief Executive or Managing Partner's absence.
- iv) The Executive or Partner must have been previously recognized and approved by the Commission.
- v) The duration of the period for which the Executive or Partner shall hold forth shall conform with the duration as may be prescribed by the Commission in its No Objection.

15.0 Filing of Returns and Accounts

- 15.1 In compliance with Section 42 (3) of the Insurance Act 2003, all Insurance Brokers shall file an audited statement of accounts comprising statement of Financial Position, Statement of profit or loss and other comprehensive income, Statement of Changes in Equity, Statement of cash flow, Accounting policies and notes to the accounts with the Commission not later than six (6) months after the accounting year. The accounting year shall run from 1st January to 31st December.
- 15.2 Submission of Clients accounts as prescribed by the Commission.
- 15.3 Certificate on oath of external Auditors, made under the Insurance Act 2003
- 15.4 Late filing of annual returns shall attract a fine of N5, 000.00 per day for each day of default
- 15.5 The filing shall be in accordance with the prescribed format.

16.0 Bi-annual Returns

- 16.1 All Insurance Brokers shall, within thirty (30) days from the end of each half year, file unaudited returns of their operations as at the end of the half year with the Commission as follows:
 - i) Submission of Clients account as prescribed by the Commission.
 - ii) Statement of business generated in the half year stating:
 - a) Name of insured;

- b) Sum Insured;
- c) Gross premium (Local & Foreign);
- d) Premium received from insured;
- e) Premium remitted to insurers;
- f) Outstanding premium; and
- g) Commission earned.

17.0 Personnel Returns

- i) All insurance broking firms shall file with the Commission the personnel status of its establishment as at the end of each year in line with the format set out in the Schedule to these Guidelines.
- ii) Every member of staff of insurance broking firms including Executive Directors, must be a full time employees on the firm's pay roll.

18.0 Penalties

- 18.1 Late filing of returns shall attract a fine of N5,000.00 per day for each day of default in addition to the applicable penalty for non-compliance with the Guidelines.
- 18.2 Failure to render returns shall be a ground for cancellation of license.

19.0 Bank Accounts:

- 19.1 A Partnership and Corporate Insurance Broker shall, prior to opening any form of Bank Account with any financial institution, seek and obtain written approval of the Commission.
- 19.2 Failure to comply with this requirement shall attract stiff penalty and/or cancellation of licence.

20.0 Clients' Accounts

- 20.1 In order to minimize differences arising from accounting mismatch and associated problems, and in line with section 40 (1) of the Insurance Act. 2003, the following shall apply subject to specific requirements under the IFRS Carve-out.

20.2 Records of Clients' Account

- i) All insurance brokers shall keep record of clients' account as distinct from own operating records such that a separate balance sheet can be extracted from clients' account.
- ii) No insurance brokers shall be allowed to carry premium receivable and premium payable as assets and liabilities respectively in its own balance sheet.

- iii) In every Insurance Brokers' balance sheet, clients' accounts shall be separated and reported as off-balance sheet item with details in the notes to the accounts.
- iv) Insurance Brokers' records of clients' account shall contain the following details:
 - a) Cheques/cash in hand
 - b) Clients' bank balances
 - c) Premium receivables from clients
 - d) Premium payable to Reinsurer
 - e) Commission payable to insurance Brokers
 - f) Premium received awaiting remittance to Insurers
 - g) Commission received awaiting remittance
 - h) Others
- v) The relationship between control account for above records shall be as follow:
 - a) The total of cheques/cash in hand plus Bank Balance must be equal to the total premium and commission awaiting remittance.
 - b) The total premium receivable must be equal to the total premium and commission payable.
- vi) For ease of reconciliation, all Brokers are required to exchange statement of accounts with Insurers on all transactions between them on quarterly basis.
- vii) All reconciling items shall be cleared within 60days.
- viii) Only suitably qualified and competent staff shall be assigned to the maintenance of clients' records.
- ix) In line with Section 42 (1) of the Insurance Act 2003, all insurance brokers shall keep separate records in respect of:
 - a) Insurance business entered with insurers registered in Nigeria;
 - b) Insurance business entered into with persons outside Nigeria

21.0 Clients Bank Account

- 21.1 Clients' funds shall be separated from broker's funds.
- 21.2 All clients' bank account name must be pre-fixed by "Clients' Account of..." (For example the name of clients account opened by New Agenda Insurance Brokers would be "Clients' Account of New Agenda Insurance Brokers").
- 21.3 Every mandate for clients' accounts shall specify that the account is a client' account and therefore subject to the requirements of Insurance Act 2003 and relevant regulations and guidelines. It shall also state that the funds in the account can neither be used as collateral for any facility nor offset against any liability.

- 21.4 All brokers shall cause their bankers to forward to the Commission certificate of compliance with the above requirement which shall contain the following:
- i) Account Name,
 - ii) Account Number,
 - iii) Account type (current or Term deposits) and
 - iv) Mandate for operations of the account(s).
- 21.5 All clients' Bank Account shall be maintained only in Deposit Money Banks insured by NDIC.
- 21.6 The following shall be the only permissible outgoings from the clients' bank account:
- i) Identifiable payments to insurers and reinsurers;
 - ii) Brokers' commission; and
 - iii) Bank charges
 - iv) Any other payment as may be allowed by the Commission

22.0 Returns on Clients Account

- 22.1 All brokers shall on a quarterly basis file with the Commission statement in respect of operation of the clients' banks account which shall contain the following details:
- i) An unaudited balance sheet of clients' account;
 - ii) Statement of balances in clients' bank account for each month in the quarter
 - iii) Statement of movement in the clients' bank accounts detailing
 - a) Total premium received;
 - b) Total Commission Paid;
 - c) Total Premium Paid and
 - d) Any other relevant information.

23.0 Insurance Levy Returns

- 23.1 Insurance intermediaries shall, not later than 31st March of each year, file with the Commission a duly completed assessment forms 1C & 1D of Insurance Regulations 2003 as applicable for the purpose of insurance levy assessment. Assessments made pursuant to the above paragraph shall be confirmed modified or varied on presentation of audited financial statement as at 31st December each year.
- 23.2 Every sum payable by any Broker by way of insurance levy that remained unpaid after 30th September of the year of assessment shall attract interest at the rate of 2.5% above the Central Bank of Nigeria Monetary Policy Rate (MRR).

24.0 Audit

- 24.1 The tenure of an external auditor appointed in any insurance intermediary shall be for a maximum period of 5 years. The appointment of such external auditor must be communicated to the Commission. A waiting period of five (5) years before reappointment shall be applicable.

25.0 Returns in Respect of Aviation Insurance Placements by Brokers

- 25.1 Where an aviation insurance placement and premium payment was through an Insurance Broker, it shall be the duty of the Broker to submit to the Commission, on Occurrence Basis, the proposed schedule of premium remittance, not later than 72 hours from the date of the receipt of the premium from the insured.

26.0 Claims Notifications

- 26.1 An Insurance intermediary shall advise the client without delay of the insurer's decision or otherwise on a claim; and give all reasonable assistance to the client in pursuing his claims provided that, the intermediary shall not take up recovery assignment on a policy contract which has not been serviced through him or shall not work as a claims consultant for a policy which has not been serviced through him.
- 26.2 Where claims notification (or an incident that may give rise to claims) is received by an intermediary, such notification shall immediately but not later than 2 working days be transmitted to the insurer.
- 26.3 When a policyholder or claimant reports a loss, the insurer, broker or agent shall make available an appropriate claims form for the class of business, with clear instructions as to how the form shall be completed. This shall be done within 2 working days of receiving notification of a claims.
- 26.4 When a loss is reported, the insurer, broker or agent shall advise the policyholder or claimant to co-operate in the investigation by providing the insurer with all relevant information to ensure timely processing of the transaction.

26.5 If the insurance institution requires specific documents from policyholder or claimant when a claim is filed, such as copies of official documents regarding the loss or any other relevant form of evidence, the insurer, broker or agent shall provide a list of these requirements with the claims form.

26.6 If a broker or agent is the initial contact for the policyholder, the broker or agent shall forward the completed claims form to the insurer within 2 working days from the date of receipt of the completed claims form.

27.0 Foreign Facultative Reinsurance Placements

27.1 The following are the general requirements for Foreign Facultative Reinsurance Placements:

27.1.1 Foreign facultative reinsurance placement of all risks from Nigeria must comply with Section 72 (4) of the Insurance Act 2003 which requires prior approval of the Commission.

27.1.2 A Reinsurance Broker that intends to arrange any facultative reinsurance of any risk abroad shall apply for Approval-in-Principle (AIP) and subsequently submit Post Placement Reports for issuance of Certificate for Offshore Reinsurance (COR) within the timeline required.

27.1.3 An insurance Broker seeking to act as Reinsurance Broker and/or intending to apply for the Commission's Approval-in-Principle (AIP) to reinsure a proportion of any risk abroad shall obtain a Letter of Authority from the Lead Insurer, appointing the Broker as the Reinsurance Brokers for the particular risk. A copy of the Letter of Authority shall be forwarded to the Commission together with the application for AIP.

27.1.4 Where a Letter of Authority has been issued to the Reinsurance Broker, it shall be the responsibility of the Broker to ensure compliance with local content requirements as may be required by the Commission.

27.1.5 No insurance broker shall provide additional service as a reinsurance broker in the same insurance transaction where it had acted as a direct insurance broker.

27.1.6 Where a direct insurance broker intends to provide additional service in the same insurance transaction where it had acted either as a direct insurance broker or a reinsurance broker, it shall take steps to control any potential conflict of interest by:

- i) Full formal disclosure to the insured of the potential conflict of interest and disclosure of the income derivable from this transaction to the insured
- ii) Taking additional measures to eliminate the potential conflict of interest.
- iii) Establishment and maintenance of a distinct reinsurance department/unit
- iv) Refusal to act in those capacities if there exists some form of conflict of interest.

27.1.7 In order to reduce undue exposure of Policyholders to potential unprotected proportion of a risk as well as to provide time for review of request for Approval-in-Principle, all applications must be submitted to the Commission at least ten (10) days prior to the commencement period of insurance.

- 27.1.8 There shall be no Assignment of Insurance/Reinsurance Policy either by the Reinsured or through a Reinsurance Broker. The financial interest of a third party may, however, be noted in the policy by way of either a “Loss Payee” or “Lien Clause” or other conventional clauses provided it does not constitute an assignment of the policy.
- 27.1.9 There shall be no Direct Premium Payment Cut Through Clause which allows direct payment of premium by the insured to the Reinsurer or its Agent.
- 27.1.10 All Primary Policies must unambiguously state the Order Hereon to read 100% of 100%, while the Reinsurance Slip must state the exact proportion intended to ceded offshore.
- 27.1.11 All applications for Approval in Principle, Letter of Attestation and Certificate of Offshore Reinsurance shall be filed in compliance with the template as prescribed by the Commission. Non utilization of the template for applications would be rejected by the Commission.
- 27.1.12 Incomplete submission shall be treated as non-submission and, fresh application shall be required. All applicants are required to ensure strict compliance with the procedure and documentary requirements for each category of application.
- 27.1.13 All applicants adjudged to have material non-compliance with the requirements of the law would be disapproved. The Applicant would be duly notified.
- 27.1.14 Failure to provide further clarification or documents required by the Commission within the timeline specified in the letter will result in closure of the file. All such applicants shall have to file a fresh application with all documentary requirements.
- 27.1.15 Where Approval-in-Principle (AIP) has been granted by the Commission, the Broker shall, within ninety (90) days from the date of issuance of the AIP or Thirty (30) days from the date of issuance of the Letter of Attestation, whichever is earlier, submit a Post-Placement Report and apply for Certificate for Offshore Reinsurance.
- 27.1.16 In order to reduce undue exposure of Policyholders to potential unprotected proportion of a risk as well as to provide time for review of request for Approval-In-Principle, all applications must be submitted to the Commission at least ten (10) days prior to the commencement period of insurance.
- 27.1.17 There shall be no Assignment of Reinsurance Policy either by the Reinsured or through a Reinsurance Broker. The financial interest of a third party may however be noted in the policy by way of either a ‘Loss Payee’ or Lien Clause’ or other conventional clauses.
- 27.1.18 There shall be no *Direct Premium Payment Cut through Clause* which allows direct payment of premium by the insured to the Reinsure or its Agent.
- 27.1.19 All Primary Policies must unambiguously state the Order Hereon to read 100% of 100%, while the Reinsurance Slip must state the exact proportion intended to be ceded offshore.
- 27.1.20 All applications for Approval in Principle, Letter of Attestation and Certificate for Offshore Reinsurance shall be filed in compliance with the template as prescribed by the Commission. Non utilization of the template for applications would be rejected by the Commission.

- 27.1.21 Incomplete submission shall be treated as non-submission and, fresh application shall be required. All applicants are required to ensure strict compliance with the procedure and documentary requirements for each category of application.
- 27.1.22 All applications adjudged to have material non-compliance with the requirements of the law would be disapproved. The applicant would be duly notified.
- 27.1.23 Failure to provide further clarification or documents required by the Commission within the timeline specified in the letter will result in closure of the file. All such applicants shall have to file a fresh application with all documentary requirements.
- 27.1.24 Where Approval-in-Principle (AIP) has been granted by the Commission, the Broker shall, within Ninety (90) days from the date of issuance of the AIP or Thirty (30) days from the date of issuance of the Letter of Attestation, whichever is earlier, submit a Post-Placement Report and apply for Certificate for Offshore Reinsurance. The Post-Placement Report shall contain the following:

28.0 Divestment

28.1 Divestment from an insurance broking firm shall be by sale or any other mode of transfer approved by the Commission.

28.2 The acquirer must guarantee that all collected premium must be remitted to the underwriters.

28.3 No Objection

- i) Except the shares are acquired on the floor of the Nigeria Stock Exchange, all affected entities shall apply to the Commission for a “No Objection” on behalf of the parties involved before proceeding with the divestment plans.
- ii) Request for a “No Objection” shall be contained in a memorandum of Information, addressing the following;
 - a) Description of preferred divestment route
 - b) A business continuity plan
 - c) Proposed management structure post-divestment
 - d) Identity of potential investors (proxies or trust are not acceptable)
 - e) Declarations as to the following;
 - i) That all insurance funds are adequate and related qualifying investments required under the Insurance Act are being and will continue to be maintained.
 - ii) That there are no pending regulatory sanctions (supported by clearance documents from relevant regulators)
 - iii) That all outstanding claims have been declared and will be honoured by new owners

29.0 Transfer of ownership:

- 29.1 The insurance broker shall not register any transfer of shares or contribution, as the case may be, without the prior written approval of the Commission where after the transfer, the total paid up equity holding or contribution of the transferee is likely to exceed five per cent of their paid up capital or contribution.
- 29.2 Where the nominal value of shares intended to be transferred by any individual, firm, group, constituents of a group or a body corporate under the same management jointly or severally exceeds five per cent of the paid-up capital or the contribution, prior written approval of the Commission shall be obtained.
- 29.3 The beneficial ownership and control of the shares or contribution shall totally and completely rest with the entity / individual approved by the Commission.
- 29.4 The documents required for seeking approval of the Commission for transfer of shareholding are indicated at **Schedule 10** of these Guidelines.

30.0 Maintenance of minimum amount of net worth:

- 30.1 The net worth of an insurance broker shall at no time during the licence period fall below 100% of the amount required.
- 30.2 In the event of shortfall, the insurance broker shall inform the Commission on the steps taken by it to restore the net worth to 100% of the amount required.
- 30.3 The insurance broker is required to submit to the Commission a net worth certificate.

31.0 Requirement of Professional indemnity insurance:

- 31.1 Every insurance broker shall take out and maintain at all times a professional indemnity insurance cover throughout the validity of the period of the licence granted to them by the Commission, as specified in Schedule 9C of these Guidelines.
- 31.2 Provided that the Commission shall in appropriate cases allow a newly licensed insurance broker to produce such a guarantee prior to collection of licence.

32.0 Payment of fees and the consequences of failure to pay fees

- 31.1 The fees payable are as specified in Schedule 13 of these Guidelines.
- 31.2 Every applicant eligible for the grant of a licence and renewal of licence shall pay such fees in such a manner and within such a period may be as specified from time to time by the Commission.
- 31.3 Where an insurance broker fails to pay the fees payable, the Commission may decline to grant the licence.

31.4 The evidence of payment of the fees above shall be provided as may be required by the Commission.

31.5 The fees may be reviewed from time to time by the Commission as may become necessary.

33.0 **Validity of licence**

31.1 A licence once issued shall be valid for a period of two years from the date of issue, (or any other period as may be specified in the license unless the same is suspended or cancelled.

31.2 No insurance broker shall be permitted to do insurance business without a valid and current licence.

34.0 **Rejection of Application**

34.1 Where an application for grant of a licence does not satisfy the conditions set out in [this guideline](#), the Commission may refuse to grant the licence, provided that no application shall be rejected unless the applicant has been given a reasonable opportunity of being heard.

35.0 **Renewal Application Timelines**

35.1 The application for renewal of licence shall be submitted to the Commission by the insurance broker at least Forty five (45) days before the expiry of the licence:

35.2 Provided that if the application reaches the Commission later than the period mentioned in sub-guideline (1) above but before the actual expiry of the current licence, an additional fee of Two Hundred Thousand Naira (N200,000.00) for partnership Insurance Broker and Five Hundred Thousand Naira (500,000.00) for either Corporate Insurance Broker shall be payable by the applicant to the Commission:

35.3 No insurance broker shall transact any fresh insurance business after expiry of the licence, except servicing the existing policyholders.

35.4 The Principal Officer and employees responsible for soliciting insurance business of an insurance broker before seeking a renewal of licence shall have completed at least twenty hours of theoretical and practical training, imparted by an institution recognized by the Commission.

35.5 (8) The Commission, on being satisfied that the applicant fulfils all the conditions specified for renewal of the licence, shall renew the licence for a period of two years or for such period as may be prescribed in the licence.

36.0 **Procedure where a renewal of licence is not granted**

36.1 Where an application for renewal thereof does not satisfy the conditions set out in this guideline, the Commission may refuse to grant the licence, provided that no application shall

be rejected unless the applicant has been given a reasonable opportunity of being heard.

37.0 Effect of refusal to grant licence

37.1 Any applicant, whose application for renewal thereof under guideline 18 has been refused by the Commission, shall, on and from the date of the receipt of the communication under **these Guidelines** cease to act as an insurance broker. He, however, shall continue to be liable to provide services in respect of contracts already entered into through them. Such a service shall continue only up to the period of expiry of those current contracts, details of which shall be disclosed to the Commission on receipt of the communication from the Commission

38.0 Issue of a duplicate licence

38.1 In the event of a licence being lost or destroyed or mutilated, an insurance broker shall submit to the Commission an application along with such fee as may be specified by the Commission, requesting for the issue of a duplicate licence and with a declaration giving full details regarding the issue of the licence and its loss or destruction or mutilation.

38.2 The Commission, after satisfying itself that the original licence has been lost, destroyed or mutilated, shall issue a duplicate licence with an endorsement thereon that it is a duplicate one.

39.0 Sale of Insurance Online

39.1 Insurance brokers may enter into an agreement with insurers for sale of insurance products online by linking to the web portals of the insurers

39.2 The insurance broker shall comply with the requirements and procedures as may be specified by the Commission.

40.0 Action against a person acting as an insurance broker without a valid licence:

40.1 Where the person falling under sub-guideline (1), is a company or firm or body corporate, without prejudice to any other proceedings which may be initiated by the Commission against such company or firm or body corporate; every director, manager, secretary or other officer of the company or body corporate, and every partner of the firm, who is knowingly a party to such a contravention shall also be liable to be proceeded against.

41.0 Remuneration:

41.1 No insurance broker shall; in respect of a direct business; be paid or contract to be paid by way of remuneration (including royalty or licence fees or administration charges or in any other form), an amount exceeding the limits as specified/notified by the Commission.

41.2 No brokerage can be paid in respect of an insurance where agency commission is payable and likewise, no agency Commission can be paid in respect of an insurance where brokerage

is payable.

- 41.3 The settlement of accounts by insurers in respect of remuneration of insurance brokers shall be done on within thirty days of the collection of that premium and it must be ensured that there is no cross settlement of outstanding balances.

42.0 Ceiling on business from single client

- 42.1 The business of an insurance broker shall be carried out in such a manner that, not more than 50 percent of the premium (quantum, receipts, etc. as the case may be) shall emanate from only one client in a consecutive period of two (2) years. For the purposes of this guideline, the term “client” shall include, in the case of a firm or a company, an associate or a subsidiary or a group concern under the same management.
- 42.2 The percentage of premium as specified in sub-guideline (1) will not include reinsurance premium.
- 42.3 The decision of the Commission as to whether a company, a business or an organisation is under the same management shall be final.

43.0 Collection of Insurance Premium

- 43.1 Partnership Insurance Brokers shall not collect premiums, claims proceeds or any money due to an Insurance/Reinsurance Company or client.
- 43.2 Notwithstanding the provision of this guideline, the Brokers may however collect any instrument issued in the name of an Insurance/ Reinsurance Company or client for onward transmission to the client. Such transmission shall be not later than 72 working hours.

44.0 Segregation of insurance money

- 44.1 In the case of reinsurance contracts, it may be agreed between the parties specifically or as part of international market practices that the licensed broker can collect the premium and remit to the reinsurer and/or collect the claims due from the reinsurer to be passed on to the reinsured. In these circumstances the money collected by the licensed insurance broker shall be dealt with in the manner specified in Schedule 9E of these Guidelines.

45.0 Code of conduct for Insurance brokers

- 45.1 Every insurance broker shall abide by the Code of Conduct as specified in Schedules 15A and 15B of these Guidelines in all its dealings.

46.0 Internal control and systems

- 45.1 Every Insurance broker shall ensure that a proper system of internal audit is in place and that their internal controls and systems are adequate for the size, nature and complexity of its business.
- 45.2 In case of Corporate Insurance Broker it is mandatory that the insurance broker shall have internal audit systems and designate a compliance officer who is an employee of the insurance broker.
- 45.3 Without prejudice to the above, it is mandatory for a Partnership Insurance Broker whose business in a financial year is more than Twenty Five Million Naira (N25,000,000.00) of premium to have a designated Compliance Officer in the matter who will be responsible for the internal controls and systems. This applies to Corporate Insurance Brokers irrespective of the size their premium Income

47.0 Claims Consultancy:

- 47.1 Claims consultancy by insurance brokers shall be subject to the following conditions:
- 47.2 before offering the consultancy, the insurance broker shall obtain a written mandate from the client to represent the client with the insurer concerned for the claims for which consultancy has been sought by the client and offered by the insurance broker.
- 47.3 the insurance broker may charge fee for such services as may be mutually decided between the insurance broker and the client. However the fee shall not be expressed as a percentage of the claims nor be charged in addition to the commission already payable (if any). Where the broker is different, the fee and commission (if any) when aggregated shall not constitute more than the maximum commission allowed by the Insurance Act
- 47.4 The broker shall not accept to act as a claims consultant where doing so would undermine extant insurance laws and regulations or negate the concept and principle of insurance and its sustainability.
- 47.5 The Commission will review and decide the norms regarding claims consultancy from time to time.

48.0 Co-broking:

- 48.1 It is the prerogative of the client to appoint in writing more than one insurance broker to jointly handle the broking of its insurance requirements depending on the skills that the insurance brokers may bring to the activity and to decide the manner in which the brokerage payable on the business may be shared among them. In any case, the total of brokerage shared among the insurance brokers together shall not be more than the limits specified by extant laws and regulations.
- 48.2 Each of the direct insurance co-brokers shall be insurance brokers who are licensed to broker the class of business concerned and each co-broker shall be responsible to ensure compliance with the co-broking provisions and guidelines issued by the Commission from time

to time.

48.3 The manner in which the brokerage is shared among the co-brokers shall be disclosed to the insurer on request. The insurer will be guided by the instructions of the client with regard to payment of brokerage to each co-broker for their share or to the lead co-broker who will then be responsible to pay the other co-brokers.

48.4 Each of the co-brokers on a reinsurance placement shall also be responsible to ensure that these Guidelines are complied with by themselves and any foreign brokers used by them.

49.0 Reinsurance brokers sharing of Brokerage with a foreign broker for the placement of risks:

49.1 Where any insurer/reinsurer licensed in Nigeria, utilizes the services of any reinsurance broker for the placement of reinsurance abroad, such placement shall be through a reinsurance broker licensed by the Commission only.

49.2 A licensed reinsurance broker may utilize the services of a foreign broker for placement of reinsurance with insurers or reinsurers outside Nigeria.

49.3 The licensed reinsurance broker shall not share more than 50% of the brokerage with the foreign broker for the services obtained from them.

49.4 In case of foreign inward reinsurance business to insurers/reinsurers in Nigeria, if such placement involves an insurance broker, it shall be through reinsurance broker licensed by the Commission only.

50.0 Dealings with Group companies:

50.1 Promoter Company of the insurance broker shall give an undertaking that none of the clients within promoter group will be compelled for their insurance requirements. An explicit disclosure of their being a Group company within the same promoter group shall be made in all the communication.

50.2 There must be mandatory disclosures of related party transactions with the promoter group in their audited accounts and balance sheet as per accounting standard 18 of ICAI

51.0 Nomenclature of Insurance Brokers

51.1 The insurance brokers shall have the word `Insurance Broker`/ `Insurance Brokers`/ `Insurance Broking` in the name of the Insurance Broker to reflect their line of activity and to enable the public to differentiate NAICOM licensed insurance brokers from other non-licensed insurance related entities such as consultants, risk managers and alike. The application of the new applicants seeking the broking licence shall not be considered in the absence of the compliance with the nomenclature requirement.

51.2 Every licensed insurance broker shall display clearly in all their correspondences with all

stakeholders, their name registered with the Commission, address of the Registered and Corporate Office, NAICOM licence number, the category for which the insurance broker is licensed, validity period of the licence including an Authorization Confirmation Footer in its letter-headed papers, emails, brochures, pamphlets, leaflets, website and any publication thereof. The clause shall read: "Authorised and Regulated by the National Insurance Commission RBC or RPC No xxxxx". An Insurance broker shall not use any other name in their correspondence/literature/letter heads or any other publication without the prior approval of the Commission.

51.3 Corporate Insurance Brokers shall maintain a website to contain among other things their address of the Registered and Corporate Office and all their branches, NAICOM licence number, the category for which the insurance broker is licensed, the services/product they offer, the name of the Board of Directors and Management, claim procedure and other relevant information.

52.0 Commission on Group Life

52.1 The Commission on Group Life Assurance Business shall not exceed the maximum as prescribed by the Commission.

53.0 ISS Levy

53.1 A broker shall not impose or allow to be imposed an additional charge or transfer to the clients the cost of the ISS Levy payable in respect of the gross premium income.

54.0 Financial penalty for certain violations/breaches:

54.1 Where a licensed insurance broker violates any of the provisions of Insurance Act, 2003, NAICOM Act, 1999 and Rules and Guidelines made there under, any circular/guidelines/orders issued by the Commission from time to time, the Commission may issue such order imposing appropriate penalty depending on the nature/gravity of violation.

54.2 The insurance broker, if aggrieved by the decision of the Commission, may apply, within a period to be specified, to the Commission for a reconsideration of its decision.

54.3 The Commission shall consider such an application and communicate his decision thereon to the applicant in writing within forty five days of the receipt thereof.

54.4 Where the Commission, after reconsideration of the application made under sub-guideline (2) above, rejects the application, the insurance broker shall pay the penalty imposed under sub-guideline (1) above within 2 weeks of the receipt of the decision of the Commission, failing which their licence may be suspended or cancelled.

55.0 Disclosures to the Commission

- 55.1 An insurance broker shall disclose to the Commission on their own any material change which has a bearing on their licence immediately.
- 55.2 An insurance broker shall disclose to the Commission, as and when required by it, in any event not later than the period specified by the Commission the following information, namely
- i) their responsibilities with regard to the placement of an insurance contract;
 - ii) any change in the information or particulars previously furnished, which have a bearing on the licence granted to them;
 - iii) the names of the clients whose insurance portfolio they manage or have managed;
 - iv) any other requirement or information specified by the Commission from time to time:
- 55.3 In any case, an insurance broker shall have to take the prior approval of the Commission for the following;
- i) Change of Principal Officer;
 - ii) Change in Director(s)/Partner(s);
 - iii) Change in name of the company;
 - iv) Change in place of corporate/registered office;
 - v) Change in principal place of business
- 55.4 An insurance broker shall furnish to the Commission the following information as and when there is a change/addition to the information furnished previously to the Commission
- i) Opening/closing of branch offices;
 - ii) list of broker qualified persons;
 - iii) in respect of a claim under the professional indemnity policy;
 - iv) acquiring of immovable property;
- 55.5 The Commission may from time to time require the insurance broker to furnish information/data/documents in the manner as may be specified in the matter.
- 55.6 Failure to comply with this guideline will lead to stiff regulatory action, in accordance with the provisions of extant insurance laws and regulations
- 55.7 Provided that in case of a person specified in **guideline 2(1)(l)(d)** the Commission may call for and obtain such information as it deems fit.
- 55.8 *For the purpose of this guideline, 'material change' means any change which has a bearing on consideration of their application under guideline 8 the Guidelines.*
- 55.9 *For the purpose of this guideline, the 'principal place of business' means location of head office of a business where the books and records are kept and/or management works.*

56.0 Suspension of licence with notice

56.1 The licence of an insurance broker may be cancelled or suspended after due notice and after giving them a reasonable opportunity of being heard if they as contained in the Insurance Act 2003.

57.0 Cancellation or suspension of licence without notice

57.1 An insurance broker that contravenes statutory provisions warranting the cancellation of its license shall be done in accordance with the prescriptions of extant insurance laws and regulations.

58.0 Publication of order of suspension

58.1 The order of suspension of the licence made under [guideline 41](#) and [guideline 42](#), shall be displayed on website of the Commission and communicated to the insurers, so that acceptance of new business or renewal of existing ones by the suspended insurance broker is stopped forthwith by the insurers.

58.2 On and from the date of suspension or cancellation of the licence, the insurance broker, shall cease to function as an insurance broker.

58.3 An insurance broker however shall continue to service the contracts already concluded through them for a period of six months within which he shall make suitable arrangements for having the contracts attended to by another licensed insurance broker.

59.0 Manner of holding of enquiry after suspension of licence of the insurance broker:

59.1 All enquiries after suspension of licence of an insurance broker shall be conducted in accordance with the Insurance Act 2003.

59.2 The enquiry officer shall make all necessary efforts to complete the proceeding at the earliest but in no case beyond 60 days of the commencement of the enquiry:

59.3 Provided that in case the enquiry cannot be completed within the prescribed time limit of 60 days as mentioned in (9) above; the enquiry officer may seek additional time from the chairman stating the reason thereof;

59.4 The enquiry officer shall, after taking into account all relevant facts and submissions made by the insurance broker, submit a report to the Commission within 30 days of the completion of the enquiry proceedings.

60.0 Procedure for Cancellation of licence:

60.1 The procedure for cancellation of the licence of the Insurance Broker shall be as prescribed by the Insurance Act 2003.

61.0 Effect of cancellation of licence

- 61.1 On and from the date of suspension or cancellation of the licence, the insurance broker, shall cease to act as an insurance broker.
- 61.2 An insurance broker however shall continue to service the contracts already concluded through them for a period of six months within which suitable arrangements shall be made by them for having the contracts attended to by another licensed insurance broker.
- 61.3 Another licensed insurance broker who agrees to take over the obligations of policy service can collect brokerage on current contracts which were not collected earlier from insurers, provided the insurance broker undertakes to service the policies through its term.

62.0 Voluntary Surrender of Licence

- 62.1 An Insurance Broker licensed under **these guidelines** may make an application to the Commission for surrender of their licence. The Commission may consider such application on merit.
- 62.2 Upon acceptance of the application for surrender made by the insurance broker, the Commission may pass an order for surrender of licence.
- 62.3 The insurance broker whose licence is surrendered and accepted by the Commission shall have to make arrangements as required by these Guidelines.
- 62.4 The documents/information required to be submitted for surrender of licence is as per Schedule 11 of these Guidelines.

63.0 Power of the Commission to issue clarifications etc

- 63.1 In order to remove any difficulties in the application or interpretation of these Guidelines, the Commission may issue clarifications, directions and guidelines in the form of circulars.

64.0 Oil & Gas Insurance Business Participation Criteria

- 64.1 All Insurance brokers holding current licence of the Commission shall be eligible to provide broking services in Oil & Gas insurance business.
- 64.2 Insurance Brokers intending to participate in Oil & Gas Insurance Business shall have an office in at least one of the Oil Producing States of Nigeria and shall file evidence of such with the Commission.
- 64.3 The Insurance Broker must possess a current professional indemnity policy with a minimum limit of liability of N100million.
- 64.4 The Insurance Broker must possess a certified true copy of its operational licence.

- 64.5 The Insurance Broker must possess the following requirements:
- i) Current tax clearance certificate
 - ii) Current VAT Registration
 - iii) Current Evidence of Workmen's Compensation Insurance
 - iv) Pension Registration and Group Life Insurance Certificate
 - v) Department of petroleum Resources (DPR) Permit
 - vi) Latest Audited Accounts
- 64.6 Any Insurance Broker, who desires to participate in any Oil & Gas Insurance placement, must have at least one experienced staff in Oil & Gas Insurance business in its employment
- 64.7 Consortium bidding may be allowed for Insurance Brokers holding current licence of the Commission subject to the following:
- i) All consortia/syndicates shall have a contracting leader who will bid on behalf of its members.
 - ii) Members of the consortium shall make available all documents required in the pre-qualification adverts to their contracting leader who will collate and submit a bid for and on behalf of the consortium on single entry basis
- 64.8 All quotations submitted by an Insurance Broker must contain the following:
- i) Statement that the quotation is supported by a lead underwriter whose identity and participation must be clearly specified.
 - ii) An undertaking that the quotation is valid for a period of thirty (30) days following the close of bid.
 - iii) A selected broker that fails to secure placement of the risk at the quoted terms shall be disqualified from participating in subsequent Oil & Gas bids for a period not less than three (3) years.
- 64.9 An Insurance Broker who participates in any Oil & Gas Insurance business in contravention of the provisions of sub- sections 6.1 to 6.8 above shall be liable to penalty equivalent to 5 times the Brokerage Commission receivable therefrom and may be banned from future participation in any Nigerian Oil & Gas insurance business.
- 65.0 Insurance Premium Collection**
- 65.1 All insurance brokers shall within 48 hours of receiving insurance premium on behalf of any insurer, notify the insurer in writing in each case, of the receipt of such insurance premium. All such notification shall be accompanied by the broker's credit notes acknowledging indebtedness to the insurer (or insurers in the case of co-insurance). Upon the receipt of such credit notes, the insurer shall issue cover and forward the policy documents along with the related debit notes to the insurance broker. An insurance broker who fails to notify the insurer of any premium received on his behalf shall be liable to a penalty of not less than N250,000.00 in each case of failure to notify.

65.2 An insurance broker shall within 48 hours of receiving insurance premium on behalf of any insurer, notify the insurer in writing in each case, of the receipts of such insurance premium. All such notifications shall be accompanied by the broker's credit notes acknowledging indebtedness to the insurer (or insurers in the case of co-insurance). Upon the receipt of such credit notes, the insurer shall issue cover and forward the policy document along with the related debit notes to the insurance broker. An insurance broker who fails to notify the insurer of any premium received on his behalf shall be liable to a penalty in the sum between 1 and 10 times the premium subject to a minimum of N500,000 in each case of failure to notify.

66.0 Notification of unremitted Premium

66.1 All Insurance brokers shall not later than 30 days from the end of every quarter, render to the Commission returns of premiums received and unremitted to the insurers on quarterly basis. Any insurance broker who fails to render this return shall be liable to a penalty in the sum of N5,000.00 for each day of default.

66.2 An Insurer Broker or lead insurer shall, not later than 30 days from the end of every quarter, render to the Commission returns on premiums received and unremitted to the insurers on quarterly basis. Failure to render this return shall be liable to a minimum penalty of N250,000 and additional sum of N10,000 for each day of default.

67.0 Branch Networks for a Corporate Insurance Broker

67.1 Any applicant seeking to become a Corporate Insurance Broker shall, at a minimum, undertake to setup; in the first twelve months, at least a branch each in at least two geopolitical zones of the Nigerian federation. In the following twelve months thereafter, it shall set up at least another one branch each in two of the remaining four geopolitical zones (making four branches in four geo political zones in twenty four months from licensing). And another additional one branch in each of the remaining two geo political zones by the third year (making one branch in each of the six geo political zones of the Federation).

67.2 Subject to above, a Corporate Insurance Broker shall have a minimum of one (1) branch in each of the six (6) geo-political zones of the Federation by the third year of licensing.

67.3 Each branch shall have the necessary staff complements and infrastructure such as office space, office equipments, IT infrastructure and trained manpower.

67.4 The broker shall have a minimum of one (1) personnel each for life and non-life business who possesses the necessary qualifications and experience specified in these Guidelines to conduct the business of insurance broking.

67.5 In the event of exit of a qualified person from any of the branches, another qualified person shall be directed to oversee the operations of the branch tentatively pending the appointment of a suitably qualified substantive not later than three (3) months from the date of exit.

67.6 A broker that fails to maintain a branch shall suspend operation in that branch pending engagement of a suitably qualified staff.

- 67.7 Failure to maintain the minimum number of branches required in these Guidelines shall attract a penalty between N5,000 and N100,000 for each day of default.
- 67.8 Continuous failure to maintain the minimum number of branches required in these Guidelines for 6 months shall be a ground for suspension or cancellation of licence of the Broker.
- 67.9 The Branch Offices shall be opened and be available for inspection on all working days to such officers of the Commission or authorized persons or consultants.
- 67.10 The Broker shall obtain the prior No Objection of the Commission before the opening and closing of branch offices, changes to the list of the qualified persons and notify the Commission in the event of claims under its professional indemnity policy and on acquisition of immovable property.

68.0 Transitional Requirements

- 68.1 From the date of commencement of these Guidelines no person can function as an insurance broker unless a licence has been granted to them by the Commission under these Guidelines or a license exist issued under the old dispensation.
- 68.2 Insurance brokers including the insurance brokers licensed under the old dispensation shall be governed by the provisions of this guideline from the date of notification of these Guidelines.
- 68.3 Every insurance broker shall transit not later than twelve (12) months from the date of issuance of these Guidelines.

Schedule–1A

Requirements for Obtaining Fresh Broker Licence

A. Submission of Completed Application.

- a) Submission of relevant information as required in the FORM A.
- b) Remittance of requisite fee as per category of insurance broker requested.
- c) Submission of copy of applicant's Memorandum and Articles of Association. The main objects of the Memorandum and Articles of Association should be as per extant Laws and Regulations.
- d) Evidence of compliance with the training requirements as specified in these Guidelines. This is a requirement to be complied with before any application could be considered for grant of licence.
- e) Principal Officer: Data pertaining to the Principal Officer along with the FIT and Proper criteria format as as required by this Guideline to be submitted, refer to Section 8 for details.
- f) Principal Officer to submit an affidavit, to the effect that the applicant (directors/partners, principal officer and key management personnel of the company) are not suffering from any of the disqualifications specified under the Insurance Act, 2003.
- g) Details of Directors/Partners, Shareholder, Promoter and Key Management Personnel are to be provided along with the FIT and PROPER criteria format in the prescribed manner.
- h) List of employees who will be responsible for soliciting and procuring insurance business along-with their qualifications are to be provided in the prescribed format.
- i) Details of statutory auditors and all Bankers along with the Bank Account Number of applicant.
- j) Details of infrastructure along with supporting evidence thereof like ownership or lease agreement papers with regard to office space, equipment, trained manpower, etc. for the registered office and the future planning for opening branch offices at various locations in the country and the estimated timeframe with photographs of premises.
- k) Projections of administrative expenses, salaries and wages and other expenses, draw the revenue account, the profit and loss account and the balance sheet for the projected 5 years.
- l) Organization chart giving a complete picture of the company's activities like IT, underwriting, risk assessment, claims settlement, marketing, accounts, back office etc.
- m) List of experienced personnel inducted from and life insurance background with good knowledge and experience of working in the areas of risk assessment, underwriting and claims management etc. Submit detailed CV, copies of educational qualifications along

with their appointment/joining letters of the people, so selected, to the Commission.

- n) Bring on record any other information, which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business.
- o) Any other requirements as may be deemed necessary by the Commission.

B. Signatories.

- a) Two Directors (including the Chief Executive Officer) and the Principal Officer should sign the Application Form and the various forms mentioned above.

The above list of documents/requirements is indicative only and not exhaustive. The additional documents will be advised based on the category of licence applied, pattern of shareholding, any other compliance matter, as may be required by the Commission.

C. Personal Presentation

The applicant on fulfilling the given requirements to the satisfaction of the Commission may be required to appear before the Commission for a Pre-Registration Interview and Presentation of business plans in connection with the application.

Schedule – 1B

Requirements for Application for Registration as a Corporate Insurance Broker

An application for registration as an insurance broker pursuant to section 36 of the Insurance Act, 2003 shall be accompanied by:

- a) Copy of CAC form C2.2, C2.3, C2.5
- b) Memo & Article of Association.
- c) Evidence of Incorporation as a limited liability company.
- d) Application form 20.
- e) Evidence of payment of Application fee
- f) Sworn declaration by the CEO as to location of principal place of business.
- g) Sworn declaration by the CEO as to company's financial interest in other Insurance Institutions.
- h) Professional indemnity cover.
- i) CV and credentials of CEO.
- j) Evidence of professional qualification or related course.
- k) Evidence of registration of the CEO with CIIN
- l) Directors profile with detail of employment history for the past ten years.
- m) Evidence of resignation of the proposed CEO from previous employment & evidence of acceptance of the resignation.
- n) Letter of offer of appointment and acceptance of offer of proposed CEO.
- o) Completed personal data form.
- p) Five years Business plan.
- q) Payment of Application Registration Fee
- r) **For Authorization to Transact Reinsurance Broking, the applicant shall comply with the requirements of Section 43 of the Insurance Act 2003.**

Schedule – 1C

Requirements for Application for Registration as Partnership Insurance Broker

An application for registration as a Partnership Insurance broker shall be accompanied by;

- (a) A duly completed application Form 20;
- (b) Evidence of payment of registration fee;
- (c) Copy of Certificate of Registration as a partnership issued by the Corporate Affairs Commission;
- (d) A certified true copy of partnership deed of the insurance broker certified by the Corporate Affairs Commission;
- (e) A list showing the names, addresses and employment history of each partner;
- (f) The curriculum vitae, indicating in detail the academic and professional qualifications in insurance or related course which is recognised by the Institute, including photocopies of the credential of the proposed Managing Partner of the insurance broker;
- (g) Evidence of post professional qualification experience of not less than 5 years of the proposed Managing Partner,
- (h) Evidence that the proposed Managing Partner is a current member of the Institute,
- (i) Certified true copy of;
 - (i) Return of allotments in Form
 - (ii) Notice of situation of registered office in Form and
- (k) A professional indemnity policy with a limit of indemnity of not less than ten million naira.

Schedule – 1D

The following other additional requirements shall accompany an application under section 36(2) and (3) and 38 of the Insurance Act, 2003;

- (a) Evidence of the registration or formal disengagement of the proposed Chief Executive or Managing Partner from his previous employment (where necessary),
- (d) A sworn declaration by the Chief Executive or Managing Partner as to the location of the principal place of business or registered office of the insurance broker,
- (e) Details required pursuant to section 38 (d) of the Insurance Act, 2003 as specified in Form 31 set out in schedule 1 to these Regulations,
- (f) A sworn declaration that the insurance broker does not hold directly or indirectly financial interest exceeding 10 percent in an insurance or reinsurance company,
- (g) A sworn declaration that the insurance broker does not hold directly or indirectly financial interest in any Loss Adjusting company,
- (h) Where the partnership insurance broker intends to transact reinsurance business as specified in section 43 of the Insurance Act 2003, it shall submit to the Commission evidence that the Managing Partner or the Head of the reinsurance department of the insurance broker is;
 - (i) A fellow of the Institute or an Associate member of the Institute with specialty in practice of reinsurance and not less than three years post qualification experience in insurance business, or
 - (ii) An associate member of the Institute with not less than five years post qualification experience in underwriting in a reinsurance company or reinsurance broking company, or
 - (iii) An associate member of the Institute with not less than seven years post qualification experience, five years of which must be in the underwriting department of an insurance company.

Schedule – 2A

Checklist for the renewal of Corporate Insurance Brokers Licence

- a) Duly completed Application Form 20
- b) Evidence (receipt) of payment of Renewal fee
- c) Tax clearance Certificate
- d) Professional Indemnity Policy/Renewal Endorsement
- e) Certificate of Oath from External Auditor
- f) Statutory Declaration on Oath which shall contain the following:
 - i. Company does not hold financial interest in excess of 10% in an insurance/reinsurance company in Nigeria.
 - ii. Company does not hold directly or indirectly financial interest in any loss adjusting company.
 - iii. Sworn declaration of reasonable care to secure compliance with the Act and authenticity of any statement, information, book or any document whatsoever submitted.
- g) Other Declaration which shall contain the following:
 - i. That the company kept proper records of all business transacted during the preceding year.
 - ii. Company's premium income
 - iii. Company's brokerage income
 - iv. Declaration that no director is an employee of any insurer/reinsurer
 - v. Current contact details of the CEO and One Top Management Staff
 - vi. Declaration of where licence is to be collected by the broker (Abuja, Lagos, Enugu, Kano, Ilorin and Port-Harcourt)
- h) Summary of business transacted
- i) Evidence of payment of ISS levy
- j) Original copy of the current certificate
- k) Evidence that the CEO is a current member of CIIN
- l) Payment of any other outstanding fee/penalty (if applicable)

Schedule – 2B

Requirements for Renewal as a Partnership Insurance Broker

The documents which are required pursuant to section 36(3) of the Insurance Act, 2003 for the renewal of the certificate of a partnership insurance broker are;

- (a) A duly completed application as in Form 20 set out in schedule 1 to these Regulations,
- (b) A professional indemnity policy renewal endorsement of ten million naira or 50 percent of its annual brokering income, whichever is greater;
- (c) A schedule of business and a summary of transactions with each insurer, including premium and commissions for the preceding year;
- (d) Evidence that the Managing Partner and other partners are current members of the Institute;
- (e) The curriculum vitae of the Managing Partner showing in detail their academic, professional and other qualifications and work experience;
- (f) Copy of certificate issued by external auditors and sworn to at the High Court as in Form 29 set out in schedule 1 to these Regulations stating that all premiums collected have been remitted to the insurers concerned;
- (g) A declaration of the premiums on all insurance transactions handled and of total brokerage income earned on all insurance transactions in respect of the preceding year, signed by the Chief Executive including all local and foreign commissions earned;
- (h) Evidence of payment of levy on commission received and receivable;
- (i) The current certificate being renewed;
- (j) Evidence of payment of renewal fee;
- (k) A sworn declaration that the insurance broker does not hold, directly or indirectly financial interest exceeding 10 percent in an insurance or reinsurance company in Nigeria,
- (l) A sworn declaration that the insurance broker does not hold directly or indirectly financial interest in any Loss Adjusting company,
- (m) Audited statement of revenue, profit and loss accounts and balance sheet,
- (n) A list containing the names, addresses, employment history and Directorship of other companies of the Managing Partner and each Director or partner for the past ten years,
- (o) A sworn affidavit by the Managing Partner and other partners that they have taken all reasonable care to secure;

- (i) Compliance with the provisions of the Insurance Act 2003 and the National Insurance Commission Act 1997, as applicable, and
 - (ii) The authenticity of any statement, information, book or any document whatsoever submitted pursuant to the provision of the Act referred to in sub-paragraph (i) of this paragraph,
- (p) The approval of the Commission for the insurance broker to undertake reinsurance broking pursuant to section 43 of the Insurance Act, 2003 which shall be valid for one year and renewable every year, and
- (q) Where the insurance broker intends to transact business in the categories of insurance specified in section 43 of the Insurance Act, 2003 evidence that the Managing Partner or the head of reinsurance department of the insurance broker is;
- (i) A fellow of the Institute or an associate member of the institute with specialty in the practice of reinsurance and a minimum of three years post qualification experience in the insurance business; or
 - (ii) An associate member of the Institute with not less than five years post qualification experience in underwriting in a reinsurance company or reinsurance broking company, or
 - (iii) An associate member of the Institute with not less than seven years post qualification experience, five years of which must be in the underwriting department of an insurance company.

Schedule – 2C

Additional Documents to be attached with the Renewal Application Form

1. Form-A (Application form) duly filled in.
2. Due Date for renewal.
3. Renewal checklist duly signed by the CEO and a Director/Partner and the Principal Officer of the Company.
4. Shareholding pattern of the company as of now and at the time of previous renewal duly certified by the CAC.
5. Printed copy of Memorandum and Articles of Association issued by Registrar of Companies.
6. Renewal training certificate for 25 Hours undergone by the Principal Officer.
7. Undertaking duly signed by a Director/Partner and the Principal Officer of the Company as per the Format prescribed by the Commission.
8. Copy of current lease agreement of the Principal Office of the company.
9. List of employees who solicit and procure business on behalf of the company.
10. Business premium figures and list of top 10 clients year-wise for the last two years.
11. Copy of Fixed Deposit receipt along with letter from Bank confirming lien.
12. Copies of Professional Indemnity insurance policies for last two years.
13. Copies of previous two years annual reports along with cash flow statements.
14. Any other document specific to the applicant.

Schedule – 3A

List of Requirements for Appointment of Principal Officers – Corporate Insurance Broker

- a) An insurance broker shall submit a proposal for the appointment of a Chief Executive Officer, Director, Management staff from AGM and above, and Heads of Departments (listed in 5.2.0) and obtain approval prior to appointment.

b) For Insurance and Reinsurance Brokers

- i. A completed Personal History Statement Form (PHS)
- ii. Curriculum vitae and credentials of the proposed Managing Director/CEO
- iii. Evidence of post professional qualifications experience of not less than 5years of the proposed Chief Executive Officer.
- iv. Sworn declaration of Non-disqualification in line with section 12(1) of the Insurance Act 2003
- v. Copy of the proposed terms of employment
- vi. Sworn affidavit that the proposed Managing Director/CEO has not been convicted of any financial misappropriation or other related offence.
- vii. Extract of Board resolution in respect of the appointment of the proposed MD/CEO
- viii. Evidence that the proposed MD/CEO is a current member of CIIN
- ix. Handover Note/Exit report of the former Managing Director/CEO within 60 days of exit.
- x. The proposed Managing Director/CEO must pass Due Diligence Test conducted on him/her as the case maybe.

Schedule – 3B

The Chief Executive Officers or Managing Partner must submit the following supporting documents as required:

- i. A completed Personal History Statement Form (PHS)
- ii. Curriculum Vitae and credentials of the proposed Managing Director/CEO
- iii. Copy of the proposed terms of employment
- iv. Sworn affidavit that the proposed Managing Director/CEO has not been convicted of any financial misappropriation or other related offence.
- v. Extract of Board resolution in respect of the appointment of the proposed MD/CEO
- vi. Evidence that the proposed MD/CEO is a current member of CIIN
- vii. Handover Note/Exit report of the former Managing Director/CEO within 60 days of exit.
- viii. The proposed Managing Director/CEO must pass Due Diligence Test conducted on him/her as the case maybe

For other Executive Management or Partners of Insurance Broker:

- i. Board resolution in respect of the appointment.
- ii. A completed PHS form
- iii. Curriculum Vitae
- iv. Certified true copies of Credentials (Academic and Professional) for Executive Directors
- v. Evidence of current membership of the Chartered Insurance Institute of Nigeria or other relevant membership for Executives of Non-Technical Departments (Head of departments)
- vi. Copy of the proposed terms of employment
- vii. Sworn Affidavit
- viii. The proposed Executive Management must pass Due Diligence Test conduct on him/her her as the case may be

For Non-Executive Directors or Partners

- i. Board Resolution in respect of the appointment.
- ii. A completed Personal History Statement (PHS) form
- iii. Curriculum Vitae.
- iv. Academic/Professional qualifications of the proposed Director
- v. The proposed Non-Executive Director must pass Due Diligence Test conducted on him/her as the case may be.

Schedule –4A

Particulars of Principal Officer/Directors/Partners/Promoters/Shareholders/Key Management Personnel

Personal details of Principal Officer			
Full Name		Mention Mr. / Mrs.	
Address			
Date of Birth		Phone No.	
Nationality		Cell No.	
Position in the Organisation		FAX No.	
Current Position held from		Email id	
		Web Address	
Qualifications Experience and Achievement			
Name of the Institute	Country	Qualifications	Year of Study / Graduation
Professional Qualifications.			
(see section 1 below for Mandatory Professionals Qualifications)			
Present Shareholding in this Company – position as on _____			

Name of Company	No. of shares held	% of shares held in the company		
Equity Interest in other Companies / Shareholding held in other Companies				
Name of the Company	No. of shares held	% of shares held in the Company		
Directorship / Partnership / Proprietor positions held in other companies				
Name of company	Position held in the organisation	Period (from ___ to ___)		
Working Experience				
Name of the employer	Nature of Business	Designation	Description of duties	Period

- 1) I declare that all information given in this application above is true and correct.
- 2) I declare that I have filled in the FIT and Proper statement and enclosed it along with this form
Signature

Name

Date

Signature

Schedule-4B

Declaration and Undertaking for Principal Officer/Directors/Partners/Promoters/Shareholders/Key Management Personnel.

'Declaration and Undertaking' prescribed for the purpose of conducting due diligence to determine the 'fit and proper' status of Principal Officer/Directors/Partners/Promoters/Shareholders/Key Management Personnel is given below.

Henceforth, insurance brokers shall use the format for obtaining declaration and undertaking from existing Principal Officer and Directors/Partners as well as the person to be appointed as Principal Officer / Director/Partner.

A separate form needs to be submitted by each individual.

Name of Insurance Broker: _____		
I.	Personal Details	
	a.	Full Name
	b.	Position in the Broking entity
	c.	Date of Birth
	d.	Educational Qualifications
	e.	Relevant Background and Experience
	f.	Permanent Address
	g.	Present Address
	h.	E-mail Address / Telephone Number
	i.	TIN under the CITA
	j.	Relevant knowledge and experience in Insurance
	k.	Any other information relevant to position
II.	Relevant FIT & Proper Criteria	
	If answer is YES to any of the questions; please give full details.	
a.	Have you ever registered or obtained licence from any of the regulatory authorities under any law such as	

		NAICOM, CBN, PENCOT, SEC etc.	
	b.	Have you carried on business under any name other than the name stated in this Application	
	c.	Have you ever been refused or restricted by any regulatory authority to carry on any business, trade or profession for which a specific licence registration or other authorization is required by law.	
	d.	Have you been ever censured or disciplined or suspended or refused permission or licence or registration by any regulatory authority to carry on any business activity	
	e.	Have you been subject to any investigations or disciplinary proceeding or have been issued warning or reprimand by any regulatory authority	
	f.	Have you been convicted of any offence or subject to any pending proceedings under any law	
	g.	Have you been banned from entry at any profession / occupation at anytime?	
	h.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past for violation of economic laws and regulations	
	i.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the past against you	
	j.	Declaration that you have not been disqualified from being a director by statute	
	k.	Have you been subject to any investigation at the instance of Government department or agency?	
	l.	Have you at any time been found guilty of violation of rules / regulations / legislative requirements by customs /	

	excise / income tax / foreign exchange / other revenue authorities, if so give particulars	
m.	<p>Have you at any time come to the adverse notice of a regulator such as NAICOM, SEC, CBN, PENCOM, NDIC, etc.</p> <p>(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc, and not on merit. If the order of the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned).</p>	
n.	Has any of your group company/associate company/related party been carrying any licence issued by the Commission	
	Any other explanation / information in regard to items I and II and other information considered relevant for judging fit and proper	
Undertaking		
III	I confirm that the above information is, to the best of my knowledge and belief, true and complete. I undertake to keep the Commission fully informed, as soon as possible, of all events, which take place subsequent to my appointment, which are relevant to the information provided above.	
	Place:	Signature
	Date:	Name

Schedule – 5

Format of Share holding Pattern

S/ No.	Name of the Share holder	At the time of registration/last renewal whichever is later (as on)		At the time of renewal application		Remarks
		No. of shares held	% of paid up share capital	No. of shares held	% of paid up share capital held	

Note: The names of the share holders who do not hold/never held more than 5% should be shown in 'Others' unless they are associated or part of Dominant share holders

Details of Share holders who are not appearing above but held more than 5% of paid up capital since the date of registration/latest renewal date.

S/ No	Name of share holder	No. of shares held	Period of holding

Schedule – 6

Undertaking Format

Ref. No.

Date

The Commissioner for Insurance
The National Insurance Commission
Plot 1239, Ladoke Akintola Boulevard
Garki II, Abuja

Dear Sir,

UNDERTAKING

We hereby submit the following undertaking and confirm that:

1. There is no intervention by any other Regulatory Authority on the Promoters/Management/Applicant Company as on the date (If there is any intervention, details of the intervention to be furnished).
2. The company has the minimum number of persons in employment as on date and the minimum number of qualified persons in employment, that have the necessary qualifications specified in these Guidelines and necessary experience to conduct the business of insurance broker.
3. No Director/Partner/Principal Officer/Shareholder/Employee/person directly or indirectly connected with the Applicant Company, has been refused in the past the grant of a licence by NAICOM.
4. The Principal Officer has not violated the code of conduct as specified in these Guidelines, whichever is applicable, of the NAICOM (Insurance Brokers) Guidelines 2017.
5. The Applicant Company will comply with the requirement confining to Main Objects of the Memorandum of Association filed with the Commission.
6. The Principal Officer is appointed exclusively to carry out the functions of the Insurance Broker as prescribed in these Guidelines and is neither holding any Directorship/Employment/Assignment in nor represents, either on full time or on part time basis, any other Insurance related or any other entity.
7. None of the directors/partners or and employees of the company are holding any directorship/employment in or represent any other insurance related entity.
8. The Office Premises of the Insurance Broker and its branches are and will be exclusively used for Insurance Broking Business only and no other activity will be carried on.
9. None of our Associate companies/ Directors/ Promoters/ Key Management Personnel/Principal Officer/ Employees is holding Agency/Corporate Agency.

10. We have ensured that the clients pay the premium in line with extant laws and regulations, and have not paid the premium on behalf of the clients
11. We have not given any rebates of the whole or part of the commission payable or premium shown either directly or indirectly in contravention of extant laws and regulations.
12. We confirm that the minimum capital requirement is not diluted by its use in buying shares and securities as also keeping Inter Corporate Deposits and giving loans etc.
13. We confirm that the functions as specified in Section 4 of NAICOM (Insurance Brokers) Guidelines 2017 have been complied with during the licence period.

We confirm that the above statements are true to the best of our knowledge and belief.

We further undertake to comply with all the applicable Laws and Regulations, Rules, Notices, circulars as prescribed by the Commission from time to time.

Principal Officer
Signature

(Director, other than the PO)
Signature

Name

Name

Date

Date

Note: Strike out the declaration not applicable and attach relevant information separately.

Schedule – 7A

Undertaking to be submitted by the Insurance Broker for engaging Telemarketing Services

Name of the Insurance Broker:

Address for communication:

Licence No.

Category of licence:

Validity of licence:

We, M/s..... Insurance Broking Company wish to engage the services of M/s..... as Web Aggregator for the purpose of telemarketing of insurance products. We certify and undertake the following.

- 1) That the Web Aggregator being proposed to be engaged by us is registered with NAICOM with registration no. And the registration is valid upto.....
- 2) That we will ensure that the Web Aggregator engaged undertakes to comply with the regulations/circulars/ guidelines and directions issued by NAICOM in this regard and in case of any breach of the said documents by the Web Aggregator, the insurance broker shall be held responsible for such breach;
- 3) That the services of the Web Aggregator are proposed to be engaged for years and an agreement to this effect has been entered into detailing the scope of work, payment of fee and other terms and conditions. A copy of the agreement is filed with the Commission.
- 4) That we will ensure that the Web Aggregator complies with the regulations/guidelines/circulars/any other directions issued by the Commission in this regard from time to time.
- 5) That we will submit recordings/documents or any other information as required by the Commission from time to time.
- 6) That we are fully aware of the activities performed by the Web Aggregator other than services provided to our broking company and certify that none of the activities are related to any other insurance related entity.
- 7) That none of directors/partners/ key management personnel/shareholders/employees of the insurance broker are the directors/partners/key management personnel/shareholders/employees of the Web Aggregator.
- 8) That the Web Aggregator is/not a related party or associate company to the insurance broker and the details of the related parties/associated companies/group companies of the Web Aggregator are attached with this document.

- 9) That we have obtained full information from the Web Aggregator on the activities performed by the Web Aggregator for other entities and also obtained the information from them on the details of activities of related parties/associated companies/group companies of the Web Aggregator and certify that none of the activities are of any conflict of interest in nature.

(This certificate needs to be signed by two directors/partners and Principal Officer of the broking company)

Place:

Date:

ZERO DRAFT

Schedule – 7B

Undertaking to be submitted by the Web Aggregator engaged by the Insurance Broker for telemarketing Services

Name of the Web Aggregator:

Address for communication:

NAICOM Licence No.

Category of licence:

Validity of licence:

We, M/s. have been engaged by M/s..... as Web Aggregator for the purpose of telemarketing of insurance products. We certify and undertake as follows:

- 1) That we are registered with NAICOM with registration no. And the registration is valid upto.....
- 2) That we will comply with the regulations/circulars/guidelines and directions issued by NAICOM in this regard and in case of any breach thereof by us, we will abide by the actions/directions initiated or issued by the National Insurance Commission for such breaches;
- 3) That we are engaged for years and an agreement to this effect has been entered into with the insurance broker detailing the scope of work, payment of fee and other terms and conditions. A copy of the agreement is filed with the Commission.
- 4) That we will comply with the regulations/guidelines/circulars/any other directions issued by the Commission in this regard from time to time.
- 5) That we will submit recordings/documents or any other information as required by the Commission from time to time.
- 6) That we have not entered into any agreement with any other insurance related entity for providing any services.
- 7) That none of the directors/partners/key management personnel/shareholders/employees of our entity are the directors/partners/key management personnel/shareholders/employees of the insurance broker or any other insurance related entity.
- 8) That we are not a related party or associate company to the broking company or any other entity connected with insurance activities and the details of the related parties/associated companies/group companies are attached with this document.
- 9) That we have informed the insurance broker of the activities performed by our entity other than telemarketing services to the broking company and certify that none of the activities involves conflict of interest.

10) That we understand that the Commission has full powers to inspect the premises of the Web Aggregator or any other premises which the Commission feels necessary for verification of records/documents and has the power to seek any document/record, record statements of any employee of the Web Aggregator or make copies of documents/records at the discretion of the Commission.

11) That we will extend full cooperation and provide all assistance in connection with conduct of inspection on our premises by the Commission or any other person authorized to do so.

(This certificate needs to be signed by two directors of the Web Aggregator)

Place:

Date:

ZERO DRAFT

Schedule – 8

APPOINTMENT OF STATUTORY AUDITORS & AUDITING OF THE FIRM

Details of the Insurance Broker			
Name of the Insurance Broker			
Code Number			
Contact Address		Tel. No.	
		Cell No.	
		FAX	
		email	
Licence validity from		Licence validity to	
Category			
Name of the principal Officer			
DETAILS OF AUDITOR			
Name of audit firm			
Date of appointment of the audit firm			
Engagement for the audit relating to Accounting period ended 1 st April ____ to 31 st March ____ (if operation is part of the period please mention the period)			
Name of audit partner (who will be signing the audit report) (“signing partner”)			
Is there a change in audit firm or signing partner from the preceding engagement?			
If yes, state reason for the change			

I hereby declare that the Audited Reports for the previous two years have been filed with the Commission as per details given below.

Mention year	Mention Date of submission of the reports to the Commission

I hereby submit this application and declare that all information given in this application (including any annexes and appendices attached) is true and complete to the best of my knowledge and belief.

Name:

Designation: Principal Officer

Date:

ZERO DRAFT

Schedule – 9A

(Certificate to be issued by Auditors of the broking company on maintenance of capital and networth required under Sections 9 & 11) to be submitted half-yearly

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

We the Auditors of the broking company M/s..... having its registered office at have verified the books of accounts and certify that the broking company maintains the capital of as at We have also verified and found that the networth of the company during the said period is Naira..... We also annexe to this certificate the computation of networth for the information of the Commission.

We also certify that the foreign equity in the broking company as at the same period has not breached the limits prescribed in the NAICOM (Insurance Brokers) Guidelines 2017.

We also certify that the broking company is not engaged in any other business and carrying the business of insurance broking exclusively.

During the period under review, there is a change/no change in the shareholding for which the company has obtained/not obtained the prior approval of the Commission for such change.

Name and signature of the Auditor

With seal

Date:

Place:

Schedule – 9B

(Certificate to be issued by Auditors of the broking company on maintenance of Deposit required under Section) to be submitted half-yearly

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

Period to which this certificate relates:

We, M/s. _____, the Auditors of the broking company M/s..... having its registered office at have verified the necessary records and certify and confirm that the broking company maintains a deposit of, which is% of the minimum capital required under the NAICOM (Insurance Brokers) Guidelines 2017. We furnish below the details:

- 1) Name and address of the Bank where deposit is maintained;
- 2) Date of deposit and date of maturity;
- 3) Confirm whether any notice is given to the bank, and due acknowledgement taken from the bank, notifying that the accounts or deposit shall be operated in compliance with extant laws and regulations and that –
 - a)

Schedule – 9C

(Certificate to be issued by Auditors of the broking company on maintenance of Professional Indemnity Insurance required by the Insurance Act 2003 to be submitted half-yearly)

Name of the Insurance Broker:

Licence No. Category of licence:

Validity of licence:

We, _____, the Auditors of the broking company M/s..... having its registered office at have verified the necessary records and certify that the broking company has obtained a Professional Indemnity Insurance Policy from(name of the insurance company) as required under Section 13 of NAICOM (Insurance Brokers) Guidelines 2017. The details of the same are as mentioned below.

- 1) Name and address of the Insurance Company;
- 2) Policy No. & Date of commencement of the policy;
- 3) Date of expiry of the policy;
- 4) Limit of Indemnity and the total remuneration received during the year;
- 5) Un-insured excess;
- 6) Ratio of AOA:AOY

It is also certified that the broking company has not received any intimation of claim under the policy and the same has not been informed to the insurance company which has issued the PI Policy in writing. Name and signature of the Auditor With seal Date: Place:

Schedule – 9D

(Certificate to be issued by Auditors of the broking company on Remuneration received by the broking company under Section 25) to be submitted half-yearly

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence: Period to which this Certificate relates:

We, _____ the Auditors of the broking company M/s..... having its registered office at have verified their books of accounts and certify that the broking company has not received remuneration in excess of what is prescribed in Section 25 of NAICOM(Insurance Brokers) Guidelines 2017 and circulars/regulations issued in the matter.

Name and signature of the Auditor

With seal

Date:

Place:

Schedule – 9E

(Certificate to be issued by Auditors of the broking company on Segregation of Insurance Money required under Section 27) to be submitted half-yearly

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

Period to which this Certificate relates:

We, _____ the Auditors of the broking company M/s..... having its registered office at have verified their records and certify and confirm the following.

- 1) That the broking company has opened the “Clients’ Bank Account” with Bank, in compliance Insurance Laws and Regulations, details of which are annexed.
- 2) That the broking company has given written notice to and received written confirmation from the bank that the broking company is not entitled to combine the account with any other account or to exercise any right of set-off, charge or lien against money in that account.
- 3) That the Clients’ Bank Account/s has/have not been combined with any other accounts. The said account/s are used exclusively for the purposes outlined in the regulations and are not used for general purposes.
- 4) That the broking company has only removed charges, fees or commission earned from the Clients’ Bank Account/s and transferred to their other accounts.
- 5) That the monies received from direct insurers/reinsurers as part of the reinsurance contracts are kept in the Clients’ Bank Account/s and have not been diverted or transferred to any other account, except as prescribed in (4) as above. The said amounts have been transferred to insurer/reinsurer before the due date as required under the reinsurance contract.
- 6) That monies held in ‘Clients’ Bank Account’ are not held in Fixed Deposits or invested in any other instrument.

Name and signature of the Auditor

With seal

Date:

Place:

Schedule – 10

List of documents to be submitted for consideration of application for transfer of ownership when the transfer is exceeding 5% of the total paid up capital {as detailed in Brokers' Section 10 (1)}

If the proposed buyer is a Corporate entity:

1. A certified copy of resolution of the Board of Directors approving the proposed change in shareholding.
2. The proposed shareholding pattern
3. A certified copy of the Board Resolution of the transferee to acquire the shares.
4. The details of the monetary consideration for transfer of shares.
5. A certified copy of the shareholding pattern of the transferee.
6. A confirmation if any of the present directors of the Broking Company are already associated with the transferee.
7. The audited accounts of the transferee for the past years, along with the certified copies of IT returns.
8. The detailed list and activities of associate companies/ concerns of the transferee.
9. Rationale for the restructuring of the share capital of the insurance broker.
10. An undertaking from the transferee that none of the Directors and Key management personnel of the applicant company are holding any directorship/ employment in any other insurance related entity(s).
11. The details of any other proposed changes in your company.
12. Any other document, if so required by the Commission.

If the proposed buyer is an Individual:

- 1 A copy of the proposed shareholding pattern
- 2 The net worth certificate and the Income Tax returns for the last financial years of the transferee.
- 3 The details of the monetary consideration for the transfer of shares
- 4 A certified copy of resolution of the Board of Directors approving the proposed change in shareholding.
- 5 Duly Notarized Affidavit for source of funds to be invested in the Company by the transferee/s
- 6 Any other document, so required by the Commission.

Format of Share holding Pattern

Sr. No.	Name of the share holder	Prior to transfer of shares (1)		After transfer of shares (2)		remarks
		No. of shares held	% of Paid up share capital	No. of shares held%	% of Paid up share capital	

Note:

1. If the current shareholding pattern is not the same as the shareholding pattern at the time of registration/ last renewal (whichever is later), the details of the same should also be provided
2. The names of the share holders who do not hold/never held more than 5% should be shown in 'Others' unless they are associated or part of Promoter share holders

Schedule – 11

List of documents for Voluntary Surrender of Licence by the Broking Company.

- a) The Company shall ensure that, as on date of making the application, annual fee for all the preceding financial years has been paid
- b) A certified copy of resolution of the Board of Directors recording reasons for surrender of licence
- c) A confirmation from the Principal Officer that no fresh business would be placed from the date of their request for surrender of licence
- d) Original Certificate of valid Licence
- e) An undertaking from Directors of the Company to service the existing clients whose policies are in force for a period of six months within which suitable arrangements shall be made for having the contracts attended to by another licensed broker.
- f) To submit the statistics on claims, business premium for the preceding financial years, as per annexed format
- g) To provide the details of every event that has come to the Company's notice where your company may become liable to pay damages or compensation to clients, whether covered by the professional indemnity policy or not, giving the following information:
 - i. Date of period of occurrence.
 - ii. Name of client concerned.
 - iii. Nature of event likely to give rise to a claim.
 - iv. Brief description of basis of claim.
 - v. Intimated or estimated amount of claim.
 - vi. Amount provided by the insurance broker in its books for the claim.
 - vii. Present status of claim.
- i. Any other information, required by the Commission.

STATISTICS ON PREMIUM

General Classification of Business

Month							Miscellaneous		
	Fire	Marine	Marine	Motor	Engr	PA	Health	Others	Total

		Cargo	Hull						
April									
May									
June									
July									
August									
September									
October									
November									
December									
January									
February									
March									
Total									

Life Classification of Business

Month	Non-Linked	Linked	Annuity	Group	Health	Total
April						
May						
June						
July						
August						
September						

October						
November						
December						
January						
February						
March						

STATISTICS ON CLAIMS

No. of Claims				
Year	Reported	Settled	Rejected	O/s

SCHEDULE 11B

Requirement of Qualification, Training and Passing of Examination for Principal Officer and Any Other Person Responsible for Solicitation of Insurance

Section 1: Minimum Educational Qualifications

- a) Bachelors degree in Arts, Science, or Social Sciences or Commerce or its equivalent from any institution/ university recognized by any State Government or the Federal Government; or
- b) Bachelor's degree in engineering or its equivalent from any institution/university recognized by any State government or the Federal Government; or
- c) Bachelor's degree in law or its equivalent from any institution/University recognized by any State Government or the Federal Government; or
- d) Masters in Business Administration or its equivalent from any institution/ university recognized by any State Government or the Federal Government; or
- e) Associate/ Fellow of the Insurance Institute of Nigeria, Lagos; or
- f) Associate/ Fellow of the Institute of Actuaries of Nigeria; or
- g) Associate/Fellow of Chartered Insurance Institute, London; or
- h) any other qualification specified from time to time by the Commission under these Guidelines;

Section 2: Certification through a Professional Training and Examination:

- a) The Principal Officer of the applicant should have completed the prescribed fifty hours of theoretical and practical training from an institution recognised by the Commission from time to time, and should have passed an examination, at the end of the period of training, conducted by the Chartered Insurance Institute of Nigeria or any other examining body recognised by the Commission.
- b) The theoretical and practical training from an institution recognised by the Commission from time to time as mentioned in (a) above shall be twenty five hours in cases where the principal officer of the applicant:
 - i) has been carrying on reinsurance related activity or insurance consultancy for a continuous period of seven years, preceding the year in which such an application is made; or
 - ii) has for a period of, not less than seven years prior to the application made to the Commission has been a principal underwriter or has held the position of a Manager or higher in any insurance company in Nigeria; or

- iii) is an Associate/ Fellow of the Chartered Insurance Institute of Nigeria; or Associate/ Fellow of the Institute of Actuaries; or any post graduate qualification of the Associate/Fellow of Chartered Insurance Institute, London;
- c) The candidate who is covered by (b) above, shall be required to pass the examination, at the end of the period of training, conducted by the Chartered Insurance Institute of Nigeria or any other examining body recognised by the Commission.

ZERO DRAFT

Schedule 12

Maintenance of Professional Indemnity Insurance —

1. The insurance cover must indemnify an insurance broker against
 - a) any error or omission or negligence on their part or on the part of their employees and directors;
 - b) any loss of money or other property for which the insurance broker is legally liable in consequence of any financial or fraudulent act or omission;
 - c) any loss of documents and costs and expenses incurred in replacing or restoring such documents;
 - d) dishonest or fraudulent acts or omissions by insurance brokers' employees or former employees.
2. The indemnity cover —
 - a) shall be on a yearly basis or for the entire period of licence whichever is greater;
 - b) shall not contain any terms to the effect that payments of claims depend upon the insurance broker having first met the liability;
 - c) shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.
 - d) Provided that an indemnity insurance cover not fully conforming to the above requirements shall be permitted by the Commission in special cases for reasons to be recorded by it in writing.
3. Limit of indemnity for any one claim and in the aggregate for the year in the case of insurance brokers shall be as follows:

Category of broker	Limit of indemnity
a) Corporate Insurance Broker	Maintain a professional indemnity cover of not less than 10 million Naira (100 million Naira in the case of Oil & Gas Insurance Brokerage) or 50 per centum of its annual brokerage income for the preceding Year , whichever is the greater ;
b) Partnership Insurance Broker	Maintain a professional indemnity cover of not less than 5 million Naira (50 million Naira in the case of Oil & Gas Insurance Brokerage) or 50 per centum of its annual brokerage income for the preceding Year , whichever is the greater ;

4. The insurance policy shall be obtained from any registered insurer in Nigeria who has agreed to:

- a) Provide the insurance broker with a certificate containing the name and address, including the licence number of the insurance broker, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Commission;
 - b) Send a duplicate certificate to the Commission at the time the certificate is issued to the insurance broker; and
 - c) Inform the insurer and the Commission immediately of any case of avoidance, non-renewal or cancellation of cover mid-term.
5. Every insurance broker shall—
- a) inform the Commission immediately should any cover be cancelled or voided or if any policy is not renewed;
 - b) inform the insurer immediately in writing of any claim made by or against it;
 - c) advise the insurer immediately of all circumstances or occurrences that may give rise to a claim under the policy ; and
 - d) advise the Commission as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under the policy.

Schedule 13

Fees

1. Every insurance broker shall, at the time of application for licence, pay a Non-Refundable Application Fees as set out below:

Category of insurance broker	Amount
a) Corporate Insurance Broker	N500,000
b) Partnership Insurance Broker	N300,000

2. Every insurance broker shall, upon successful conclusion of the Registration Process but prior to issuance of a license, pay a License Fee to the Commission as set out below:

Category of insurance broker	Amount
a) Corporate Insurance Broker	N4,500,000
b) Partnership Insurance Broker	N2,700,000

3. Every insurance broker shall pay a Bi-Annual License Renewal Fees as set out below:

Category of insurance broker	Amount
a) Corporate Insurance Broker	N1,000,000
b) Partnership Insurance Broker	N600,000

Schedule 14

Manner of Dealing with Monies Collected By Reinsurance Broker or Composite Broker in Case of Reinsurance Contracts

The money collected by the licensed insurance broker shall be dealt with in the following manner:

- a) The Reinsurance Broker shall act as the trustee of the insurance money that he is required to handle in order to discharge their function as a reinsurance broker and for the purposes of these Guidelines it shall be deemed that a payment made to the reinsurance broker shall be considered as payment made to the reinsurer;
- b) The Reinsurance Broker shall ensure that all 'premium' paid to it is paid into the 'Clients' Account.
- c) The Reinsurance Broker shall give written notice to, and receive written confirmation from, a bank, or other institution that he is not entitled to combine the account with any other account, or to exercise any right of set-off, charge or lien against money in that account;
- d) The Reinsurance Broker shall ensure that all monies received from or on behalf of an insured is paid into the Clients' Account which shall remain in the Account as deposit until it is transferred on to the reinsurer or to the direct insurer in accordance with the provision of the Insurance Act.
- e) The Reinsurance Broker shall ensure that any refund of premium which may become due to a direct insurer on account of the cancellation of a policy or alteration in its terms and conditions or otherwise shall be paid by the reinsurer directly to the direct insurer.
- f) The Reinsurance Broker shall ensure Interest on recovery/payment received shall be for the benefit of the direct insurer or reinsurer;
- g) The Reinsurance Broker shall only remove from the 'Clients' Account' charges, fees or commission earned and may be transferred to any other account;
- h) The Reinsurance Broker shall ensure that no payment whatsoever is made from 'Clients' Account' for any purposes other than those specified in these Guidelines;
- i) The Reinsurance Broker shall ensure that monies held in 'Clients' Account' shall not be held in Fixed Deposits or invested elsewhere by the insurance broker;
- j) The Reinsurance Broker shall take immediate steps to restore the required position if at any time he becomes aware of any deficiency in the required "segregated amount".

Schedule 15A

CODE OF CONDUCT – Insurance Broker

1. Every insurance broker shall follow recognised standards of professional conduct and discharge their functions in the interest of the policyholders.
2. **Conduct in matters relating to clients relationship.**—Every insurance broker shall:
 - a) conduct its dealings with clients with utmost good faith and integrity at all times;
 - b) act with care and diligence;
 - c) ensure that the client understands their relationship with the insurance broker and on whose behalf the insurance broker is acting;
 - d) treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
 - e) take appropriate steps to maintain the security of confidential documents in their possession;
 - f) hold specific instruction of client to develop terms;
 - g) understand the type of client it is dealing with and the extent of the client's awareness of risk and insurance;
 - h) obtain written mandate from client to represent the client to the insurer and communicate the grant of a cover to the client after effecting insurance;
 - i) obtain written mandate from cedant to represent the cedant to the insurer/reinsurer; and confirm cover to the insurer after effecting reinsurance, and submit relevant reinsurance acceptance and placement slips;
 - j) avoid conflict of interest and;
 - k) obtain necessary documents required under KYC norms
3. **Conduct in matters relating to Sales practices.**—Every insurance broker shall:
 - a) confirm that it is a member of the Nigerian Council of Registered Insurance Brokers or such a body of insurance brokers as may be approved by the Commission which has a memorandum of understanding with the Commission;
 - b) confirm that he does not employ agents or canvassers to bring in business;
 - c) identify itself and explain as soon as possible the degree of choice in the products that are on offer;

- d) ensure that the client understands the type of service it can offer;
- e) ensure that the policy proposed is suitable to the needs of the prospective client;
- f) give advice only on those matters in which it is knowledgeable and seek or recommend other specialist for advice when necessary;
- g) not make inaccurate or unfair criticisms of any insurer or any other insurance broker or member of such body of insurance brokers as approved by the Commission;
- h) explain why a policy or policies are proposed and provide comparisons in terms of price, cover or service where there is a choice of products;
- i) state the period of cover for which the quotation remains valid if the proposed cover is not effected immediately;
- j) explain when and how the premium is payable and how such premium is to be collected, where another party is financing all or part of the premium, full details shall be given to the client including any obligations that the client may owe to that party; and
- k) explain the procedures to follow in the event of a loss.
- l) not indulge in any sort of money laundering activities.
- m) ensure that the insurance broker does not indulge in sourcing of business by themselves or through call centres by way of misleading calls or spurious calls.

4. **Conduct in relation to furnishing of information**—Every insurance broker shall:

- a) ensure that the consequences of non-disclosure and inaccuracies are pointed out to the prospective client;
- b) avoid influencing the prospective client and make it clear that all the answers or statements given are the latter's own responsibility. Ask the client to carefully check details of information given in the documents and request the client to make true, fair and complete disclosure where it believes that the client has not done so and in case further disclosure is not forthcoming it should consider declining to act further;
- c) explain to the client the importance of disclosing all subsequent changes that might affect the insurance throughout the duration of the policy; and
- d) disclose on behalf of its client all material facts within its knowledge and give a fair presentation of the risk.

5. **Conduct in relation to explanation of insurance contract**—Every insurance broker shall:

- a) provide the list of insurer(s) participating under the insurance contract and advise any subsequent changes thereafter;
- b) explain all the essential provisions of the cover afforded by the policy recommended by him so that, as far as possible, the prospective client understands what is being purchased;

- c) quote terms exactly as provided by insurer;
- d) draw attention to any warranty imposed under the policy, major or unusual restrictions, exclusions under the policy and explain how the contract may be cancelled;
- e) provide the client with prompt written confirmation that insurance has been effected. If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible;
- f) notify changes to the terms and conditions of any insurance contract and give reasonable notice before any changes take effect;
- g) advise its clients of any insurance proposed on their behalf which will be effected with an insurer outside Nigeria, where permitted, and, if appropriate, of the possible risks involved; and

6. Conduct in relation to renewal of policies — Every insurance broker shall:

- a) ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
- b) ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
- c) ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
- d) ensure that the client receives the insurer's renewal invitation well in time before the expiry date.

7. Conduct in relation to claim by client:—Every insurance broker shall :

- a) explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;
- b) request the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
- c) give prompt advice to the client of any requirements concerning the claim;
- d) forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;
- e) advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.

Provided that the insurance broker shall not take up recovery assignment on a policy contract which has not been serviced through him or should not work as a claims consultant for a policy which has not been serviced through him, except for claims permitted

8. **Conduct in relation to receipt of complaints.**—Every insurance broker shall:—
- a) ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
 - b) accept complaints either by phone or in writing;
 - c) acknowledge a complaint within 2 working days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
 - d) ensure that response letters are sent and the complainant informed about what he may do if he is unhappy with the response;
 - e) ensure that complaints are dealt with at a suitably senior level;
 - f) have in place a system for recording and monitoring complaints.
9. **Conduct in relation to documentation.**—Every insurance broker shall:
- a) ensure that any documents issued comply with all statutory or regulatory requirements from time to time in force;
 - b) send policy documentation without avoidable delay,
 - c) make available, with policy documentation, advice that the documentation shall be read carefully and retained by the client;
 - d) not withhold documentation from its clients without their consent, unless adequate and justifiable reasons are disclosed in writing and without delay to the client. Where documentation is withheld, the client must still receive full details of the insurance contract;
 - e) acknowledge receipt of all monies received in connection with an insurance policy;
 - f) ensure that the reply is sent promptly or use its best endeavours to obtain a prompt reply to all correspondence;
 - g) ensure that all written terms and conditions are fair in substance and set out, clearly and in plain language, client's rights and responsibilities; and
 - h) subject to the payment of any monies owed to it, make available to any new insurance broker instructed by the client all documentation to which the client is entitled and which is necessary for the new insurance broker to act on behalf of the client.
10. **Conduct in matters relating to advertising**—Every insurance broker shall conform to the relevant provisions of the National Insurance Commission(Insurance Advertisements and Disclosure) Guidelines, 2000, and :—
- a) ensure that statements made are not misleading or extravagant;
 - b) where appropriate, distinguish between contractual benefits which the insurance policy is

bound to provide and non-contractual benefits which may be provided;

- c) ensure that advertisements shall not be restricted to the policies of one insurer, except where the reasons for such restriction are fully explained with the prior approval of that insurer;
- d) ensure that advertisements contain nothing which is in breach of the law, Guidelines or guidelines nor omit anything which the law requires;
- e) ensure that advertisement does not encourage or condone defiance or breach of the law;
- f) ensure that advertisements contain nothing which is likely, in the light of generally prevailing standards of decency and propriety, to cause grave or widespread offence or to cause disharmony;
- g) ensure that advertisements are not so framed as to abuse the trust of clients or exploit their lack of experience or knowledge;
- h) ensure that all descriptions, claims and comparisons, which relate to matters of objectively ascertainable fact shall be capable of substantiation.

11. **Conduct in matters relating receipt of remuneration**—Every insurance broker shall:

- a) disclose whether in addition to the remuneration prescribed under these Guidelines, he proposes to charge the client, and if so in what manner;
- b) advise the client in writing of the insurance premium and any fees or charges separately and the purpose of any related services;
- c) if requested by a client, disclose the amount of remuneration or other remuneration it receives as a result of effecting insurance for that client. This will include any payment received as a result of securing on behalf of the client any service additional to the arrangement of the contract of insurance; and
- d) advise its clients, prior to effecting the insurance, of their intention to make any deductions from the amount of claim collected for a client, where this is a recognised practice for the type of insurance concerned.

12. **Conduct in relation to matters relating to training**—Every insurance broker shall:

- a) ensure that its staff are aware of and adhere to the standards expected of them by this code;
- b) ensure that staff are competent, suitable and have been given adequate training;
- c) ensure that there is a system in place to monitor the quality of advice given by its staff;
- d) ensure that members of staff are aware of legal requirements including the law of agency affecting their activities; and only handle classes of business in which they are competent;

- e) draw the attention of the client to Section 41 of the Act, which prohibits rebating and sharing of commission.
13. **Information and Education common to direct & reinsurance brokers:**
- a) The insurance broker will support industry education initiatives aimed at explaining insurance to consumers and the community.
 - b) The insurance broker will make readily available to client:
 - i) Up-to-date information on insurance;
 - ii) Information to assist insured to determine the level of insurance cover they may require; and
 - iii) Information about insurance products and services, and this Code.
14. Every insurance broker shall display in every office where it is carrying on business and to which the public have access, a notice to the effect that a copy of the code of conduct is available upon request and that if a member of the public wishes to make a complaint or requires the assistance of the Commission in resolving a dispute, he may write to the Commission.
15. An insurance broker as defined in these Guidelines shall not act as an insurance agent of any insurer under section 42 of the Act.
16. Every insurance broker shall abide by the provisions of the Insurance Act, 2003, National Insurance Commission Act 1997, rules and Guidelines made there under which may be applicable and relevant to the activities carried on by them as insurance brokers.

Schedule 15B

Additional Code of Conduct for Reinsurance Broker and Composite Broker

1. General (applicable to all contracts of reinsurance):

- a) A composite insurance broker or reinsurance broker shall not enter the reinsurance markets either to develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the insurer insuring the risk
- b) A reinsurance broker or a composite broker shall not block reinsurance capacity in anticipation of securing an order to place reinsurance.
- c) The reinsurance broker shall provide to the insurer/reinsurer, a true and complete copy of the reinsurance placement slip to be used, before entering the market. The insurance broker shall incorporate any modifications or corrections proposed by the insurer/reinsurer in the placement slip.
- d) The reinsurance broker shall put up to the insurer/reinsurer, all the terms (including the reinsurance commission or brokerage allowed) obtained by it from various reinsurers and indicate the share the lead reinsurer is willing to write at those terms and the expectation of the reinsurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.
- e) The reinsurance broker shall furnish to the insurer/reinsurer, a true copy of the placement slip signed by the lead reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.
- f) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably.
- g) Once the insurer/reinsurer has accepted the reinsurance terms quoted, the reinsurance broker shall place the required reinsurance cover and shall keep the insurer/reinsurer informed about the progress of placement from time to time. In selecting the reinsurers to whom the risk is offered, the reinsurance broker shall be mindful of the need to use only such reinsurers who have met the minimum rating of recognized credit rating agency, as required by the Commission. Where the reinsurance is over placed, the signing down shall be done in consultation with the insurer/reinsurer in a manner consistent with good market practice.
- h) Immediately after completion of placement of reinsurance, the reinsurance broker may issue an reinsurance broker's cover note giving the terms of cover and the names of reinsurers and the shares placed with each of them. The cover note may contain a listing of all important Clauses and conditions applicable to the reinsurance and where the wordings of clauses are not market standard, the wordings to be used in the reinsurance contract shall be attached to the reinsurance broker's cover note.

- i) The reinsurance broker shall follow up the cover note by a formal signed reinsurance policy document or other acceptable evidence of the reinsurance contract signed by the reinsurers concerned, within one month of receipt of reinsurance premium.
- j) The insurance broker shall have a security screening procedure in-house or follow credit ratings given by recognized credit rating agencies and answer without any delay, any questions raised by the insurer about the credit rating of one or more reinsurers. Where the insurer/reinsurer declines to accept a particular reinsurer for whatever reason and asks the reinsurance broker to replace the security before commencement of risk, the reinsurance broker shall do so promptly and advise the insurer/reinsurer of the new reinsurer brought on the cover

2. Placement of Proportional Treaty or Non-proportional Treaty:

- a) A Corporate composite insurance broker or reinsurance broker invited to place a proportional treaty shall prepare the treaty offer slip and supporting information with the cooperation of the insurer and secure the insurer's concurrence to the slip and information before entering the market.
- b) Where a reinsurance treaty is placed at different terms with different reinsurers, the fact that such is the practice shall be made known to all the reinsurers suitably.
- c) Where a reinsurer accepts a share in a treaty subject to any condition, the conditions shall be made known to the ceding insurer and its agreement obtained before binding the placement.
- d) The reinsurance broker shall advise the progress of placement of the treaty from time to time. Immediately after completion of placement, the reinsurance broker shall issue a cover note setting out the treaty terms and conditions and list of reinsurers with their shares. Where a treaty is over-placed, the reinsurance broker shall sign down the shares in consultation with the insurer in a manner consistent with good market practice.
- e) The reinsurance broker shall secure signature of formal treaty wordings or other formal reinsurance contract documentation within **three months** of completion of placement.
- f) The reinsurance broker shall have a security screening procedure in-house or follow credit ratings given by recognized credit rating agencies and answer without any delay, any questions raised by the ceding insurer about the credit rating of one or more reinsurers. Where the insurer declines to accept a particular reinsurer for whatever reason and asks the insurance broker to replace the security before commencement of the reinsurance period, the reinsurance broker shall do so promptly and advise the insurer of the new reinsurer brought on the cover.

3. Placement of Foreign Inward Reinsurance:

- a) The Reinsurance broker shall ensure that Nigerian Reinsurer(s) receive the reinsurance premium from the overseas insurer as per the premium payment condition stipulated in the reinsurance contract
- b) The Reinsurance broker shall not enter the Nigerian reinsurance markets either to

develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the foreign insurer insuring the risk or insurer who has been asked to quote terms for the risk.

- c) The Reinsurance broker shall provide to the Reinsurer in Nigeria, a true and complete copy of the placement slip to be used, before committing any terms to the foreign client. The reinsurance broker shall incorporate any modifications or corrections proposed by the Reinsurer in the placement slip.
- d) The reinsurance broker shall put up to the foreign insurer, all the terms (including the reinsurance commission and/or brokerage allowed) obtained by it from various Nigerian reinsurers and indicate the share the reinsurer(s) is willing to write at those terms and the expectation of the reinsurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.
- e) The reinsurance broker shall furnish to the foreign insurer, a true copy of the placement slip signed by the Nigerian reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.
- f) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably
- g) The reinsurance broker shall provide complete information as desired by the Nigerian reinsurer(s) to process the claim arising out of any Inwards business.

4. Reinsurance business placed with overseas reinsurers:

- a) The Reinsurance broker shall ensure that it complies with all extant laws and Guidelines regarding both treaty and foreign facultative reinsurance arrangements such as the requirement for the prior written approval of the Commission before placement, minimum rating requirements, etc;
- b) The Reinsurance broker shall ensure that business is placed with only those foreign Reinsurers which are recognized or allowed by the Commission;
- c) The Reinsurance broker shall ensure compliance with any taxation, foreign exchange, Anti Money laundering or any other applicable statutory laws at the time of placing the reinsurance business.

5. Responding to Catastrophes and Disasters:

- a) The Reinsurance broker shall respond to catastrophes and disasters, such as floods, earthquakes, cyclones, severe storms and hail which result in a large number of claims, in a timely, professional and practical way and in a compassionate manner.

6. Conduct in relation to explanation of Reinsurance contract — Every Reinsurance broker shall:

- a) provide the list of Reinsurer(s) participating under the Reinsurance contract and advise any subsequent changes thereafter;
- b) explain all the essential provisions of the cover afforded by the policy recommended by him so that, as far as possible, the prospective client understands what is being purchased;
- c) quote terms exactly as provided by Reinsurer;
- d) draw attention to any warranty imposed under the policy, major or unusual restrictions, exclusions under the policy and explain how the contract may be cancelled;
- e) provide the insurer/reinsurer with prompt written confirmation that Reinsurance has been effected. If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible;
- f) notify changes to the terms and conditions of any Reinsurance contract and give reasonable notice before any changes take effect;

ZERO DRAFT

Schedule 16

Sale of Insurance Online by Insurance Brokers

An Insurance Broker is allowed to offer ONLINE PRODUCTS of insurers with whom it has entered into an agreement for sale through the web portals of the insurer subject to the following conditions.

1. The website developed by the insurance broker shall carry the name of the Insurance Broker as licensed by the Commission and usage of any other name or linkage to any other website is prohibited.
2. The insurance broker shall prominently display on their website the information relating to their licence number, date of licence and its validity, the category of licence, name of the Principal Officer and its contact details, composition of the board; and other relevant information.
3. The website of the insurance broker shall be used exclusively for web aggregation and comparison and of insurance products and online sale of insurance products of insurers with whom the insurance broker has a valid agreement.
4. The insurance broker shall not publish, advertise, or provide for display or sale, any other products of any nature or type, other than the insurance products by the insurer with whom the insurance broker has entered into agreement for the sale of online products.
5. The website of the Insurance broker shall provide a link to the website of the insurer with whom the insurance broker has entered into an agreement for the ONLINE sale of the product of the Insurer and the online sale by the insurance broker shall be executed only through the website of the Insurer.
6. The insurance broker shall ensure that the customer has the choice of viewing products of at least five insurers who are offering similar products for online sale, and selecting the insurer and products of his choice;
7. The Insurance broker is permitted only to offer the following ranges of products online or any other products range as approved from time to time by the Commission
 - a) Life:
 - i) Whole Life Policies
 - ii) Term Insurance Products
 - iii) Endowment Products
 - iv) Health Insurance products
 - v) Retirement–Immediate annuities
 - vi) Retirement–Deferred annuities
 - vii) Children’s products

- b) Non Life:
- i) Home/Fire Insurance
 - ii) Motor Insurance
 - iii) Health Insurance
 - iv) Travel Insurance
 - v) Personal Accident Insurance
 - vi) Rural Insurance
8. The insurance broker shall display only those features of the products which are approved the Commission. Any information which is detrimental to the interests of the policyholder or is misleading and is not approved by the Commission shall not be displayed on their websites by the insurance brokers.
9. The insurance broker while displaying the product features of various insurers shall not favour any one insurer.
10. The templates which are displayed on the insurance broker's website should be mutually agreed to, between the Insurance Broker and the Insurers whose products are compared.
11. Product comparisons that are displayed shall be up to date and reflect a true picture of the products.
12. The insurance brokers shall display product information purely on the basis of the information obtained from insurers.
13. The insurance brokers shall not
- i) Display any information pertaining to products or services of other financial institutions or any product or service on the website
 - ii) Display advertising of any sort, either pertaining to any product or service including insurance product or service, other financial products or service / or any other product or service on the Website.
 - iii) Operate multiple websites or tie up with other approved/unapproved/ unlicensed entities / websites for lead generation / comparison of product etc. *subject to the following exceptions:*
 - iv) Using multiple Domain names or same domain names with suffixes such as .com or .ng .org or .ng or .co.ng for the primary website of the Insurance Broker used for display of insurance products is allowed provided
 - a) the domain names of primary or secondary or product category specific websites or mobile sites are owned and registered in the name of the Insurance Broker
 - b) The Insurance Broker informs the Commission in writing, within 5 days, about the date of Registration and date of launching of domain names of such websites or mobile sites in the application for grant of licence and thereafter within 5 days from the date of Domain Name Registration and Date of launching respectively in case of

any change in the name(s) of the existing websites or new websites.

14. The insurance broker shall not charge any additional fees from insurers for displaying their products on their websites;
15. The insurance broker may enter into an agreement with the insurer for extending services to the customer/clients of the insurance broker and the agreement shall be available with both the insurer and the insurance broker for inspection by the Commission.
16. The insurance broker who has entered into an agreement with the insurer may be allowed by the insurers to collect renewal premiums online through the websites of the insurers for the policies procured and serviced by the insurance broker only.
17. The manner of payment of premiums for online sale shall be by way of credit card/debit card/online banking or any other mode as permitted by the Central Bank of Nigeria from time to time through a payment gateway normally used by the insurer for online sale of insurance policies. The premium has to be directly credited to the Insurer's premium collection account of a designated bank and should not be routed through the bank account of the Insurance Broker in any manner. The insurance brokers shall not accept any cash payments towards premiums for this purpose.
18. On completion of online transaction, for payment of premium and sale of the policy, the insured should be able to generate and save/print the e-premium receipt and preferably Policy document also immediately. Alternatively, the Policy document may be delivered by email/or in hard copy as opted by the insured.
19. The agreements entered into with the insurers for integrating their web portals for sale of products or receipt of premiums online shall not be in any way detrimental to the interests of the policyholders. The insurance brokers shall not make any promise or commitment to insurers for sale of their products.
20. The insurance broker shall ensure that directions issued by the Commission or any other Commission for compliance with Anti-money laundering matters are adhered to. The insurer shall incorporate the necessary rules and applicable clauses in the agreement to be signed with the insurance broker to this effect.
21. The insurers as well as the insurance broker shall be jointly and severally liable for any breach of provisions of the agreement entered into for this purpose.
22. The insurance broker as well as the insurers shall abide by the provisions of the Act and Guidelines/circulars/directives issued by the Commission while selling the insurance products online

Schedule - 17

APPLICATION FOR GRANT OF LICENCE/RENEWAL OF LICENCE

Name of the Broker:

Licence No:

Category for which Licence is issued:

Date of expiry:

In case of New Application:

CATEGORY APPLIED FOR: (Mention category as applicable) Corporate Insurance Broker, Partnership Insurance Broker)

Instructions for filling up the form:

1. It is important that before this application form is filled in, the Guidelines made by the Commission are studied carefully.
2. The Applicant must submit a duly completed application form together with all appropriate, supporting documents to the Commission.
3. Application for licence will be considered only if it is complete in all respects.
4. Applicant should sign the applications themselves.
5. Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.
6. If the applicant is not a company, the information called for in this Form shall be supplied by adapting the requirements suitably.

1.0 PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant : _____

1.2 (A) Address -Principal Place of business / Registered Office.

TIN code: _____ Telephone No: _____
_____ E-mail: _____ Fax No: -

(B) Address for Correspondence: _____

TIN code: _____ Telephone No: _____
_____ E-mail: _____ Fax No: _____

(C) Addresses of Branch Offices:

(D) Name and Designation of the Principal Officer

2.0 ORGANISATION -STRUCTURE

2.1 Status of the Applicant:

(e.g. limited company-Private/Public, partnership, others. If listed, names of Stock Exchanges and latest share price to be given)

2.2 Date and Place of Incorporation: Day Month Year Place

2.3 Scope of business as described in the Memorandum of Association

(To be given in brief along with copy of Memorandum and Articles of Association or Partnership Deed).

2.4 List of major shareholders (holding 5% and above of applicant directly or along with associates-applicable only to limited companies)

Name of shareholder	No. of Shares held	% age of total paid up capital of the company	Foreign Direct Investment Yes or No

Shareholding as on: _____

2.5 Particulars of all Directors/Partners/Proprietor:

Name	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies

2.6 Name and activities of associate companies/concerns

Whether any one or more persons of the associate companies/concerns are interested in the applicant's business?

2.7 Name and Address of the Principal bankers of the applicant

2.8 Name and address of the statutory auditors:

3.0 BUSINESS INFORMATION

3.1 Five years business plan document with projected volume of activities and income (including anticipated) for which licence sought is to be specifically given.

3.2 Organization Chart separately showing functional responsibilities to be enclosed.

3.3 Particulars of Key Management Personnel

Name of Company/ Firm	Address	Type of activity handled	Nature of Interest of Promoter/ Director	Nature and interest of applicant company

3.4 Details of infrastructure like office space, equipment and manpower available with the applicant

3.5 Details of experience in insurance broking/insurance consulting/risk management and other services: (History, major events and present activities (Experience outside Nigeria may also be indicated):

Name	Qualification	Experience with reference to broking/insurance activities or Insurance consulting	Date of appointment	Functional areas

3.6 Business handled during the last three years and list of reinsurers with whom more than ten percent of the total reinsurance premium handled, was placed.

Sl. No.	Name	Premium handled		Services Rendered
		Amt.	Percentage of total premium handled by broker	

3.7 Any other information considered relevant to the nature of services rendered by the applicant.

Capital Structure	Year prior to the preceding year of current year	Preceding year	Current year
a) Authorized Capital b) issue capital c) Paid-up capital d) Free reserves (excluding re-valuation reserves) e) Total (c) + (d) Note: 1. In case of Partnership, please indicate capital minus drawings and/or loans to partners. 2. In case of Partnerships, please indicate the financial position, means and net worth of the partners.			

4.0 FINANCIAL INFORMATION

3.1 Capital Structure

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)
a) Fixed Assets b) Plant & Machinery c) Office Equipment d) Quoted Investments e) Unquoted Investments f) Details of Liquid Assets f) Others			

3.2 Deployment of Resources

(Details of Investments, Loans & Advances made to Associate Companies/Firms where Promoters/Directors have an interest is to be separately given).

Particulars Income Profit Before Tax	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)

3.3 Major Sources of Income: As remuneration received by the insurance broker may vary from risk to risk, please indicate range within which remuneration has been received.

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Remuneration received as % of premium (mention the relevant FY)
a) Direct Insurance remuneration b) Reinsurance remuneration c) Advisory fees d) Insurance consultancy e) Investment Income f) Others			

3.4 Income and Profit before Tax (PBT)

3.5 Dividend

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)
Amount Percentage			

Note: Please enclose three years audited annual accounts. Where unaudited reports are submitted, give reasons. If minimum capital requirement has been met after last audited annual accounts, audited statement of accounts for the period ending on a later date should

also be submitted.

5.0 OTHER INFORMATION, IF ANY

5.1 Details of all settled and pending disputes:

Nature of dispute	Name of the party	Pending/settled	Date of settlement

5.2 Details, if any of any economic offences by the applicant or any of the Partners/ Directors, or key managerial Personnel in the last three years.

Name of the Persons	Relationship with the Applicant	Training Details

6.0 DOCUMENTS ATTACHED:

7.0 FEE PAYMENT:

Note: A non-refundable fee (depending on the category applied for) as specified by the Commission.

Details of Payment: No: -----Date: -----

Name of the Bank: Other modes of payment:

8.0 UNDERTAKING

8.1 WHETHER ANY PERSON directly or indirectly connected TO APPLICANT HAS BEEN REFUSED FOR THE LICENCE IN THE PAST OR NOT

Name	Address	Qualifications (including insurance broking exam passing)	Prior Experience (including Insurance Industry)	Previous Employment	Employment Details

For the purpose of this sub-Section, the expression “directly or indirectly connected” means a relative in the case of any individual, and in the case of a firm or a Company or a body Corporate-an associate, a subsidiary, an interconnected undertaking or a group Company of the applicant.

8.2 QUALIFICATION & EXPERIENCE DETAILS OF THE PRINCIPAL OFFICER OF THE APPLICANT

Name	Address	Designation	Qualification (including insurance broking exam passed)	Details of the responsibilities

8.3 LIST OF EMPLOYEES WHO WILL BE RESPONSIBLE FOR SOLICITING AND PROCURING INSURANCE BUSINESS

Name	Address	Designation	Qualification (including insurance broking exam passed)	Details of the responsibilities

8.4 DETAILS OF THE FIXED DEPOSIT FOR RENEWAL OF LICENCE

Name of the Bank	Address	Number	Amount held in Deposit	Percentage to initial Capital	Maturity Date

9.0 DECLARATION

THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS, TWO OF THE PARTNERS AS THE CASE MAY BE.

I/We hereby apply for licence. I/We have gone through the extant insurance laws, regulations and guidelines, and am/are satisfied that I/We am/are eligible to apply for the insurance broker's licence.

I/We state that I/We have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my/our licence.

I/We declare that the information supplied in the application form is complete and correct. I/We undertake that I/We shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration earned by

me/us during the licence period.

I/We undertake to service the run-off business on the books at the time of cancellation or non-renewal of licence.

I/We declare that I/we do not possess an insurance agent licence under.

For and on behalf of

(Signature & Name) {Block Letters}

(Signature & Name) {Block Letters}

Name of the Applicant

Name of the Applicant Place:

Date:

ZERO DRAFT