

Statutory Document No. 20XX/XXXX

*Insurance Act 2008*

## INSURANCE (FEES) REGULATIONS 2019

*Laid before Tynwald:**Coming into Operation:**1 April 2019*

The Isle of Man Financial Services Authority makes the following Regulations under section 50 of the Insurance Act 2008 after carrying out the consultations required by that section.

### 1 Title

These Regulations are the Insurance (Fees) Regulations 2019.

### 2 Commencement

These Regulations come into operation on 1 April 2019.

### 3 Interpretation

In these Regulations —

“**the Act**” means the Insurance Act 2008 and a reference to section (without more) is a reference to a section of the Act;

“**core**” has the same meaning as in the Insurance (Protected Cell Companies) Regulations 2004;

“**ICC**” and “**IC**” have the same meaning as in the Incorporated Cell Companies Act 2010;

“**the Insurance Regulations**” means the Insurance Regulations 1986;

“**net premiums written**” has the same meaning as in Part I of Schedule 7 to the Insurance Regulations; and

“**PCC**” and “**cell**” have the same meaning as in the Protected Cell Companies Act 2004.

### 4 Application

For the purposes of section 47, these Regulations prescribe the fees payable —

- (a) in respect of any application for authorisation under section 8;

- (b) in respect of any application for a permit under section 22;
- (c) annually by each insurer authorised under section 8;
- (d) annually by each holder of a permit issued under section 22;
- (e) in respect of any application for registration as an insurance manager registered under section 25;
- (f) annually by each insurance manager registered under section 25;  
and
- (g) in respect of every application for registration as an insurance intermediary under section 25.

## 5 Application fees for entities other than an insurance intermediary

A fee specified in column 4 of the table in Schedule 1 must accompany an application specified in column 1, subject to the conditions or classification specified in column 2, in respect of the regulated activity of a description specified in column 3 of that table.

## 6 Application fees for registration as an insurance intermediary

A fee of ~~£2,335~~£2,417 must accompany an application for registration as an insurance intermediary under section 25.

## 7 Annual fees

- (1) The annual fee specified in column 4 of Table 1 in Schedule 2 is payable each year on the date shown in column 5 in respect of a person authorised or registered under the Act as specified in column 1, subject to the conditions or classification specified in column 2, in respect of the regulated activity of a description specified in column 3 of that table.
- (2) The annual fee payable on 6 April each year in respect of a person that holds a permit under section 22 of the Act is the first fee set out in column 3 of Table 2 in Schedule 2 when reading from top to bottom in which the category of person is the type specified in column 1 and the circumstances specified in column 2 apply.
- (3) The annual fees as calculated under paragraph (1) or (2) as applicable in respect of each cell of an insurer that does not carry on insurance business within class 1 or 2 within the meaning of the Insurance Regulations are subject to a maximum aggregate of ~~£31,362~~£32,460.
- (4) Paragraphs (1) and (2) are subject to regulation 8.
- (5) Where a fee in Table 1 or Table 2 in Schedule 2 refers to a note or condition, the corresponding note must be referred to when calculating the appropriate fee payable.

## 8 Annual fee payable on initial registration

- (1) Where an authorisation, permit or registration is issued on a date other than the annual payment date, the annual fee must be calculated in accordance with the following formula (rounded up to the nearest pound) –

$$\frac{FxN}{12}$$

Here –

“F” is the annual fee which would be payable apart from this regulation; and

“N” is the number of complete months between the date on which the authorisation, permit or registration is issued and the next annual payment date, counting a part of a month as a complete month.

- (2) For the purposes of paragraph (1) the annual payment date in respect of –
- (a) authorisation under section 8 and the issue of a permit under section 22 is 6 April; and
  - (b) registration as an insurance manager under section 25 is 1 July.

## 9 Revocation

The Insurance (Fees) Regulations 2018<sup>1</sup> are revoked.

**MADE**

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*Member of the Isle of Man Financial Services Authority*

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<sup>1</sup> SD 2018/0061



## SCHEDULE 1

## APPLICATION FEES PAYABLE

Column 1 Application for:	Column 2 Conditions or classification	Column 3 Regulated activity	Column 4 Application fee
Authorisation under section 8	In respect of a person that is not a PCC, cell, ICC or IC.	The carrying on of insurance business within class 1 or 2 within the meaning of the Insurance Regulations.	<del>£4,865</del> <u>£5,036</u>
Authorisation under section 8	In respect of a person that is not a PCC, cell, ICC or IC.	The carrying on of insurance business other than within class 1 or 2 within the meaning of the Insurance Regulations.	<del>£2,490</del> <u>£2,578</u>
Authorisation under section 8	In respect of a core or ICC	All cases	<del>£2,490</del> <u>£2,578</u>
Authorisation under section 8	In respect of each cell or IC	All cases	<del>£1,250</del> <u>£1,294</u>
A permit under section 22	Where Regulation 1(2) of the Insurance Regulations has effect. (Non-EU insurer)	All cases	<del>£2,490</del> <u>£2,578</u>
A permit under section 22	Where Regulation 1(2) of the Insurance Regulations does not have effect. (EU insurer)	All cases	<del>£1,250</del> <u>£1,294</u>
Registration under section 25	All cases	The carrying on of business as an insurance manager	<del>£2,490</del> <u>£2,578</u>



## SCHEDULE 2

## SCHEDULE SUBHEADING

TABLE 1: ANNUAL FEES IN RESPECT TO AUTHORISATION OR REGISTRATION

Column 1 Authorisation or registration under:	Column 2 Conditions or classification	Column 3 Regulated activity	Column 4 Annual fee	Column 5 Date
Section 8	In respect of each cell or IC where condition 1 is not satisfied. See note 2 (non dormant cell or IC)	The carrying on of insurance business other than within class 1 or 2 within the meaning of the Insurance Regulations.	0.2% of the net written premium of that cell, subject to a minimum of <del>£631</del> <del>£654</del> and a maximum of <del>£5,341</del> <del>£5,528</del> per cell per year	6 April
Section 8	In respect of each cell or IC where condition 1 is satisfied. See note 2 (dormant cell or IC)	All cases	<del>£135</del> <del>£140</del>	6 April
Section 8	In all other cases	The carrying on of insurance business within class 1 or 2 within the meaning of the Insurance Regulations.	The sum calculated in accordance with note 1.	6 April
Section 8	In all other cases	The carrying on of insurance business other than within class 1 or 2 within the meaning of the Insurance Regulations.	<del>£5,341</del> <del>£5,528</del>	6 April
Section 25	Where the insurance manager acts for zero or one insurer	The carrying on of business as an insurance manager	<del>£2,335</del> <del>£2,417</del>	1 July
Section 25	Where the insurance manager acts for 2 to 4 insurers	The carrying on of business as an insurance manager	<del>£2,924</del> <del>£3,027</del>	1 July
Section 25	Where the insurance manager acts for 5 or more insurers	The carrying on of business as an insurance manager	<del>£4,969</del> <del>£5,143</del>	1 July

TABLE 2: ANNUAL FEES IN RESPECT TO PERMIT HOLDERS

Column 1 Category of person or cell	Column 2 Circumstances	Column 3 Annual fee
In respect of a cell	Where condition 1 is satisfied. See note 2 (dormant cell)	<del>£135</del> <u>£140</u>
In all circumstances	Where condition 2 is not satisfied. See note 3 (EU insurer)	<del>£1,912</del> <u>£1,979</u>
In respect of a core or cell	The carrying on of insurance business within class 1 or 2 within the meaning of the Insurance Regulations.	<del>£5,344</del> <u>£5,528</u>
In respect of a cell	The carrying on of insurance business other than within class 1 or 2 within the meaning of the Insurance Regulations.	0.2% of the net written premium of that cell, subject to a minimum of <del>£631</del> <u>£654</u> and a maximum of <del>£5,344</del> <u>£5,528</u> per cell per year.
In all other circumstances	In all other circumstances	<del>£5,344</del> <u>£5,528</u>

**Note 1: Annual fee in respect of Class 1 or 2 insurers**

Where the aggregate value of the net assets as shown in the balance sheet(s) prepared in accordance with Part III of Schedule 5 to the Insurance Regulations 1986 in respect of the position as at 31 December immediately preceding the annual payment date exceeds £1,000,000,000, or sterling equivalent, the annual fee is ~~£62,549~~£64,739. In all other cases the annual fee is ~~£31,280~~£32,375.

**Note 2: (Dormant cell or IC)**

Condition 1 is that the insurer has satisfied the Authority that a cell or IC of that insurer is dormant.

**Note 3: (Non-EU insurer)**

Condition 2 is that Regulation 1(2) of the Insurance Regulations has effect, as applicable.



*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations specify the application fees and annual fees payable from 1 April 2019 in respect of authorisations, permits and registrations under the Insurance Act 2008.

These Regulations provide for fees to be pro-rated, where applicable, if an authorisation, permit or registration is granted during a period.

These Regulations revoke and replace the Insurance (Fees) Regulations 2018 and make inflationary increases to all fees, based on the Consumer Price Index (CPI) inflation rate of 3.5% for the year to October 2018, with amounts being rounded up to the nearest £1.