

Statutory Document No. 20XX/XXXX

*Insurance Act 2008*

## INSURANCE (FEES) REGULATIONS 2021

*Laid before Tynwald:**Coming into Operation:**1 April 2021*

The Isle of Man Financial Services Authority makes the following Regulations under sections [47 and 50](#) of the Insurance Act 2008.

### 1 Title

These Regulations are the Insurance (Fees) Regulations 2021.

### 2 Commencement

These Regulations come into operation on 1 April 2021.

### 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;

“**insurance activity**” means activity for which a person is authorised, permitted or registered by the Authority under the Insurance Act 2008;

“**the Insurance Regulations**” means the Insurance Regulations 2018;

“**net premiums written**” ~~has the same meaning as in Part I of Schedule 11 to the Insurance Regulations, in relation to an insurer, means the premium income receivable in the insurer’s last preceding financial year net of reinsurance and reduced by any rebates or refunds, but where the insurer has not completed its first financial year, the net premiums written shall be taken to be the amount stated in its application for authorisation as the maximum aggregate net premiums which will be written in the first year;~~ 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-; ~~and~~
- (h) annually by each insurance intermediary registered under section 25.

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

A fee specified in column 4 or 5 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 insurance~~ activity of a description specified in column 3 of that table.

#### 6 Annual fees

- (1) The annual fee specified in column 4 or 5 of Table 1 in Schedule 2 is payable each year on the date shown in column ~~5-6~~ 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 insurance~~ 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 columns 3 or 4 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 —

(a) ~~from 1 April 2021 to 31 March 2022, £32,753~~£39,304; and

(b) from 1 April 2022, £47,165.

~~(3)~~(4) Paragraphs (1) and (2) are subject to regulation ~~87~~.

~~(4)~~(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.

## 7 **Annual fee payable on initial registration**Pro rata annual fees

(1) Where an authorisation is granted, a permit is issued or the insurance manager or insurance intermediary is ~~registration is issued~~registered 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) –

$$\frac{F \times N}{12}$$

Here ~~Where~~ –

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

“N” is ~~is~~ the number of complete months between the date on which the authorisation was granted, the permit was issued or the insurance manager or insurance intermediary was ~~registration is issued~~registered 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; ~~and~~

(c) registration of an insurance intermediary under section 25 is 31 May.

## 8 **Exemption from insurance intermediary application and annual fees**

Where an insurance intermediary meets the exemption criteria under regulation 6(2) of the Insurance Intermediaries (General Business) Regulations 2020, no application fee or annual fee is payable.

**89** Revocation

The Insurance (Fees) Regulations 2020<sup>1</sup> are revoked.

**MADE**

**K. BADGEROW**

*Chief Executive of the Isle of Man Financial Services Authority*

**L. BOYLE**

*Member of the Isle of Man Financial Services Authority*

---

<sup>1</sup> 2020/0052

## SCHEDULE 1

## APPLICATION FEES PAYABLE

| Column 1<br>Application for:  | Column 2<br>Conditions or<br>classification   | Column 3<br><b>Regulated<br/>Insurance<br/>activity</b>   | Column 4<br>Application fee<br>from 1 April<br>2021 to 31<br>March 2022 | Column 5<br>Application fee<br>from 1 April<br>2022 |
|-------------------------------|---|---|---|---|
| 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>£5,082</del> £6,099  | <u>£7,319</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>£2,602</del> £3,123  | <u>£3,748</u>                                       |
| Authorisation under section 8 | In respect of a core or ICC   | All cases   | <del>£2,602</del> £3,123  | <u>£3,748</u>                                       |
| Authorisation under section 8 | In respect of each cell or IC   | All cases   | <del>£1,306</del> £1,568  | <u>£1,882</u>                                       |
| A permit under section 22     | Where Regulation 13(1) or 14(1) of the Insurance Regulations has effect. (Non-UK or non-EU insurer) | All cases   | <del>£2,602</del> £3,123  | <u>£3,748</u>                                       |
| A permit under section 22     | Where Regulation 13(1) or 14(1) of the Insurance Regulations does not have                          | All cases   | <del>£1,306</del> £1,568  | <u>£1,882</u>                                       |

| Column 1<br>Application for:                   | Column 2<br>Conditions or<br>classification | Column 3<br><u>Regulated</u><br><u>Insurance</u><br>activity                                  | Column 4<br>Application fee<br>from 1 April<br>2021 to 31<br>March 2022 | Column 5<br><u>Application fee</u><br>from 1 April<br>2022 |
|--|---|---|---|--|
|  | effect. (UK or<br>EU insurer)               |   |   |  |
| Registration<br>under section 25               | All cases                                   | The carrying on<br>of business as an<br>insurance<br>manager                                  | <del>£2,602</del> £3,123  | £3,748   |
| <u>Registration</u><br><u>under section 25</u> | <u>All cases</u>                            | <u>The carrying on</u><br><u>of business as an</u><br><u>insurance</u><br><u>intermediary</u> | <u>£2,927</u>   | <u>£3,513</u>  |

## SCHEDULE 2

TABLE 1: ANNUAL FEES IN RESPECT ~~TOOF~~ AUTHORISATION OR REGISTRATION

| Column 1<br>Authorisation<br>or registration<br>under: | Column 2<br>Conditions or<br>classification   | Column 3<br><del>Regulated</del><br><del>Insurance</del><br>activity  | Column 4<br>Annual fee<br>from 1 April<br>2021 to 31<br>March 2022  | Column 5<br>Annual fee<br>from 1 April<br>2022   | Column<br>56<br>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 <del>premiums</del> written <del>premium</del> of that cell, subject to a minimum of <del>£660</del> <del>£792</del> and a maximum of <del>£5,578</del> <del>£6,694</del> per cell per year | <u>0.2% of the net premiums written of that cell, subject to a minimum of £951 and a maximum of £8,033 per cell per year</u> | 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>£142</del> <del>£171</del>   | <u>£206</u>  | 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.   | <u>The sum calculated in accordance with note 1.</u>   | 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>£5,578</del> <del>£6,694</del>   | <u>£8,033</u>  | 6 April              |
| Section 25   | Where the insurance   | The carrying on of business   | <del>£2,439</del> <del>£2,927</del>   | <u>£3,513</u>  | 1 July               |

| Column 1<br>Authorisation<br>or registration<br>under: | Column 2<br>Conditions or<br>classification                         | Column 3<br><u>Regulated<br/>Insurance</u><br>activity                      | Column 4<br>Annual fee<br><u>from 1 April<br/>2021 to 31<br/>March 2022</u> | Column 5<br><u>Annual fee<br/>from 1 April<br/>2022</u> | Column<br>56<br>Date |
|--|---|---|---|---|----------------------|
|  | manager acts<br>for zero or one<br>insurer                          | as an insurance<br>manager  |   |   |                      |
| Section 25   | Where the<br>insurance<br>manager acts<br>for 2 to 4<br>insurers    | The carrying<br>on of business<br>as an insurance<br>manager                | <del>£3,055</del> <u>£3,666</u>   | <u>£4,400</u>   | 1 July               |
| Section 25   | Where the<br>insurance<br>manager acts<br>for 5 or more<br>insurers | The carrying<br>on of business<br>as an insurance<br>manager                | <del>£5,190</del> <u>£6,228</u>   | <u>£7,474</u>   | 1 July               |
| <u>Section 25</u>                                      | <u>All cases</u>  | <u>The carrying<br/>on of business<br/>as an insurance<br/>intermediary</u> | <u>£2,927</u>   | <u>£3,513</u>   | <u>31 May</u>        |



TABLE 2: ANNUAL FEES IN RESPECT ~~TOOF~~ PERMIT HOLDERS

| Column 1<br>Category of person<br>or cell | Column 2<br>Circumstances   | Column 3<br>Annual fee <del>from 1</del><br><u>April 2021 to 31</u><br><u>March 2022</u>   | Column 4<br><u>Annual fee from 1</u><br><u>April 2022</u>   |
|---|---|--|---|
| In respect of a cell                      | Where condition 1 is satisfied. See note 2 (dormant cell)   | <del>£142</del> <u>£171</u>  | <u>£206</u>   |
| In all circumstances                      | Where condition 2 is not satisfied. See note 3 (UK or EU insurer)   | <del>£1,997</del> <u>£2,397</u>  | <u>£2,877</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>£5,578</del> <u>£6,694</u>  | <u>£8,033</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 <del>premium</del> <u>premiums</u> written of that cell, subject to a minimum of <del>£660</del> <u>£792</u> and a maximum of <del>£5,578</del> <u>£6,694</u> per cell per year. | <u>0.2% of the net premiums written of that cell, subject to a minimum of £951 and a maximum of £8,033 per cell per year.</u> |
| In all other circumstances                | In all other circumstances  | <del>£5,578</del> <u>£6,694</u>  | <u>£8,033</u>   |

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

Where the “Accounting basis” value of “Total liabilities” as reported in the regulatory balance sheet prepared in accordance with Regulation 17(1)(a)(ii) of the Insurance Regulations in respect of the position as at 31 December immediately preceding the annual payment date exceeds £1,000,000,000, or currency equivalent, the annual fee is —

- (a) ~~from 1 April 2021 to 31 March 2022, £65,322~~from 1 April 2021 to 31 March 2022, £78,387; or  
 (b) from 1 April 2022, £94,065.

-In all other cases the annual fee is —

- (a) ~~from 1 April 2021 to 31 March 2022, £32,667~~from 1 April 2021 to 31 March 2022, £39,201  
 (b) from 1 April 2022, £47,042.

**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-UK or non-EU insurer)**

Condition 2 is that Regulation 13(1) or 14(1) of the Insurance Regulations has effect, as applicable.

DRAFT

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

These Regulations specify the application fees and annual fees payable in respect of authorisations, permits and registrations under the Insurance Act 2008 from 1 April 2021 to 31 March 2022 and from 1 April 2022.

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 2020 and increase all fees by 20% from 1 April 2021 and by a further 20% from 1 April 2022, with amounts being rounded up to the nearest £1.