

Statutory Document No. XX/20XX

*Insurance Act 2008*

## INSURANCE (FEES) REGULATIONS 2018

~~Laid before Tynwald: Approved by Tynwald:~~

Coming into Operation:

1 April 2018

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 2018.

### 2 Commencement

~~If approved by Tynwald, these~~ These Regulations come into operation on 1 April 2018.

### 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 ~~£2,260~~£2,335 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 ~~£30,360~~£31,362.
- (4) Paragraphs (1) and (2) are subject to regulation 8.

- (5) Where a fee in ~~table Table 1~~ or ~~table 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) —

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

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 2017<sup>1</sup> are revoked.

MADE

**K. BADGEROW**

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

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<sup>1</sup> SD 2017/0036

**G.F. KARRAN**

*Member of the Isle of Man Financial Services Authority*

FINAL DRAFT



## 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>£4,230</del> <u>£4,865</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>£2,410</del> <u>£2,490</u>
Authorisation under section 8	In respect of a core or ICC	All cases	<del>£2,410</del> <u>£2,490</u>
Authorisation under section 8	In respect of each cell or IC	All cases	<del>£1,210</del> <u>£1,250</u>
A permit under section 22	Where Regulation 1(2) of the Insurance Regulations has effect. (Non-EU insurer)	All cases	<del>£2,410</del> <u>£2,490</u>
A permit under section 22	Where Regulation 1(2) of the Insurance Regulations does not have effect. (EU insurer)	All cases	<del>£1,210</del> <u>£1,250</u>
Registration under section 25	All cases	The carrying on of business as an insurance manager	<del>£2,410</del> <u>£2,490</u>

## SCHEDULE 2

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>£610</del> <u>£631</u> and a maximum of <del>£5,170</del> <u>£5,341</u> 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>£130</del> <u>£135</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.	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>£5,170</del> <u>£5,341</u>	6 April
Section 25	Where the insurance manager acts for zero or one insurer	The carrying on of business as an insurance manager	<del>£2,260</del> <u>£2,335</u>	1 July
Section 25	Where the insurance manager acts for 2 to 4 insurers	The carrying on of business as an insurance manager	<del>£2,830</del> <u>£2,924</u>	1 July
Section 25	Where the insurance manager acts for 5 or more insurers	The carrying on of business as an insurance manager	<del>£4,810</del> <u>£4,969</u>	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>£130</del> £135
In all circumstances	Where condition 2 is not satisfied. See note 3 (EU insurer)	<del>£1,850</del> £1,912
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>£5,170</del> £5,341
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>£610</del> £631 and a maximum of <del>£5,170</del> £5,341 per cell per year.
In all other circumstances	In all other circumstances	<del>£5,170</del> £5,341

**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 ~~£54,390~~£62,549. In all other cases the annual fee is ~~£27,200~~£31,280.

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

Condition 1 is that the insurer has satisfied the ~~Supervisor~~ 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 2018 in respect of of authorisations, permits and registrations under the Insurance Act 2008.

~~These Regulations revoke and replace the Insurance (Fees) Regulations 2017 and make changes to the fees charged under section 47 of the Insurance Act 2008. Specifically, the Regulations make increases to the application and annual fees charged to certain entities regulated by the Isle of Man Financial Services Authority 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 2017 and make a 15% increase to fees for authorised life insurers, in respect of implementation of the new supervisory framework from the Insurance Core Principles project, and inflationary-based increases for all other fees, based on CPI of 3.3% for the year to October 2017, with amounts being rounded up to the nearest £1.