



# **RESERVE BANK OF MALAWI**

## **APPLICATION FOR A LICENCE TO CONDUCT BUSINESS AS AN INSURANCE BROKER**

### **GENERAL INSTRUCTIONS**

1. This form is for use by all applicants seeking registration as an insurance broker. The applicant may be a sole proprietorship, partnership or corporation.
2. Each broker business must have a designated individual who must be appointed as a principal officer. The principal officer of an insurance broker must be a chartered insurer or an equivalent professional insurance qualification recognized by the Insurance Institute of Malawi and acceptable to the Registrar of Financial Institutions or must have at least 10 years satisfactory experience as head of either: claims administration, underwriting, or reinsurance function of an insurance company.
3. Each broker business must have a Board with the full range of necessary skills, knowledge and experience needed for the effective and prudent operation of the institution as stipulated in the Registrar's fit and proper requirements directive.
4. The applicant must provide evidence of having injected equity in the business of at least K10,000,000.00.
5. The applicant must provide evidence of having in place an errors and omissions insurance professional indemnity policy of a minimum of K3.5 million and fidelity insurance of a minimum of K750,000.00 to the Registrar.
6. The applicant must provide evidence of acceptability to registered principal insurers by way of tentative agency agreements or appointment letters.
7. All applicable questions must be answered fully and additional pages may be attached where response space is found to be inadequate to accommodate all details.
8. Licence Assessment Fee: A non-refundable licence assessment fee of K100,000.00 for local applicants or its foreign equivalent for foreign applicants must be included with the application.
9. Registration Fee: If the application is successful, the applicant will be required to pay annual registration fee of K50,000.00.
10. All inquiries concerning the preparation, filing, and status of this application should be made to:

**The Director, Pension and Insurance Supervision, Reserve Bank of Malawi. P.O Box 565, Blantyre, MALAWI.**

11. Upon completion, one original and a duplicate copy of the application and all other attachments must be submitted to: **The Registrar of Financial Institutions, Reserve Bank of Malawi, P O Box 30063, Lilongwe 3, MALAWI.**

**APPLICATION FORM**

1. Name of applicant:

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2. Mailing address:

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3. Telephone No:

Fax No:

E - Mail:

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4. Location of offices:

i. Head Office (give physical address)

ii. Other offices (branches, agencies, etc)

5. Principal Officer:

i. Name of individual designated as principal officer.

ii. Provide details regarding his/her professional and educational qualification.

iii. Provide details regarding his/her employment history, including positions held and level of managerial experience.

5. Other Responsible Officers (technical and accounting)

i. Names of individuals designated to manage the technical and accounting functions.

ii. Provide details regarding their professional and educational qualifications.

iii. Provide details regarding their employment history, including positions held and levels of managerial experience.

6. Proposed Board

i. Names of designated Board Directors.

ii. Provide details regarding their professional and educational qualifications.

iii. Provide details of other directorships held by the proposed directors.

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7. Indicate legal form of the applicant (sole proprietorship, partnership, corporation, etc)

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8. If applicant is a partnership provide:

i. Details of the partnership including certified true copies of the certificate of registration and partnership agreement.

ii. A list of all the partners, their addresses, nationality, and their capital account contributions.

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9. If applicant is a corporation provide:
- i. Certified true copies of the certificate of incorporation, memorandum and articles of association including the bye-laws and other relevant documents.
  - ii. Details of the share structure of the corporation in terms of authorised share capital by each class of shares, number of shares issued, and outstanding, voting rights associated.
  - iii. List of all shareholders who own 10% or more of the shares of the corporation.
  - iv. An organizational chart showing inter-corporate share holdings and linkages where the corporation is a member of a group of companies. If any member of the group is a registered broker, give its Registration Number.
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10. Provide name, address and account number of the bank where trust funds or securities are deposited.
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11. Provide names of individuals, together with details of their qualification and work experience, who will be in charge of the branches of the broking firm. Indicate how the branch operations will be supervised and monitored.
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12. Does the applicant or any of the promoters of the applicant carry on any business or have an interest in any business other than the insurance brokers business? If yes, give full details, including the name of the business, its address, and the nature of its business?
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13. Other Information:

- i. Has the applicant, any affiliate or any promoter of the applicant ever been refused registration as a broker under the Insurance Act 2009 or under the laws of any other jurisdiction which required such registration, or has any such registration been

suspended or cancelled?

- ii. Provide details if any of the promoter(s) has ever been:
    - a. Charged or convicted under the laws of Malawi or any other country.
    - b. A defendant in any proceedings in any civil court or tribunal in any country where fraud, theft, misrepresentation, negligence or other similar conduct was alleged.
    - c. Declared bankrupt or made a voluntary assignment in bankruptcy, or been subject of proceedings relating to insolvency, dissolution or winding up of business.
    - d. Recipient of a judgement or garnishment in any civil court in any country.
    - e. Refused errors and omissions insurance or a fidelity bond or ever had any of such insurance cancelled.
  - iii. Is there any person or entity, whose name is not disclosed in this application who has any direct or indirect beneficial interest in the applicant?
  - iv. List insurance brokers through whom you will place business as sub-broker.
  - v. Give the name of the Auditor engaged to audit the account of the applicant.
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14. Insurance Markets:

- i. List all insurance markets to be served by product line (covering both life and general insurance) and geographical area. List names of principal insurance companies whose products will be brokered and the nature of arrangements with such companies. Provide copies of any agreements with insurers (at least 3). Note that the Registrar is at liberty to request for additional copies of agreements with other insurers.
  - ii. Provide a business/strategic plan for a minimum of three years, including sources and scale of business envisaged, balance sheet and profit and loss projections for each year and details of staffing and management. Assumptions used in preparing the plan and the financial projections should be realistic and based on actual comparative data for the markets to be served and the current economic environment.
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**DECLARATION**

With regard to

**APPLICATION FOR LICENCE TO CONDUCT BUSINESS AS AN INSURANCE BROKER**

We, the undersigned, do hereby certify that:

- i) All the information given in response to and in support of the questions in this application is true and correct to the best of our knowledge and belief; and
- ii) This application is made in good faith with the purpose and intent that affairs and business of the proposed insurance brokerage firm will at all times be honestly conducted in accordance with good and sound business principles and in full compliance with all applicable laws and regulations.

We further certify that to the best of our knowledge and belief there are no other facts or information relevant to this application of which the Registrar of Financial Institutions should be aware, and we pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered.

<u><b>Name</b></u>	<u><b>Signature</b></u>	<u><b>Title/Position</b></u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Date:

Note: One of the above signatories must be designated individual/principal officer.