



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2017

Guidelines on Completing and Submitting Life Insurance, Non-Life Insurance and Reinsurance Applications



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This document provides guidance in relation to the requirements of the Central Bank of Ireland (the "Central Bank") for obtaining authorisation as an insurance or reinsurance undertaking in Ireland.¹ It does not constitute legal advice nor does it seek to interpret relevant legislation.

1. Introduction

Under the European Union (Insurance and Reinsurance) Regulations 2015 (the "Regulations")² the taking-up of the business of insurance or of reinsurance is subject to prior authorisation from a Member State supervisory authority. Accordingly, any insurance or reinsurance undertaking wishing to establish its head office in Ireland and wishing to carry out the business of insurance or reinsurance must first obtain an authorisation from the Central Bank (Regulation 14 of the Regulations).

The Regulations apply to all life and non-life insurance undertakings and reinsurance undertakings. Part 1 of the Regulations sets out those undertakings that are excluded from the scope of the Regulations. For example, undertakings whose annual gross written premium income does not exceed €5 million and technical provisions do not exceed €25 million.³

To obtain an authorisation, an undertaking must make an application to the Central Bank. Throughout the authorisation

¹ Note that this includes proposals for authorisation of Captive companies and Special Purpose Vehicles ('SPVs').

² <http://www.irishstatutebook.ie/eli/2015/si/485>

³ Please refer to the Non-Solvency II section of the Central Bank's website for further information.

process, the Central Bank ascertains if, in its opinion, the applicant complies with the appropriate provisions of the Regulations.

In addition to the information required in the checklists referred to in this guideline document, the Central Bank may request supplementary information in order to assist in the process of reviewing the application and deciding on authorisation.

The Central Bank aims to make the application process an efficient one, however, it must be stressed that it is not a one-step process; rather, it is an iterative process involving contact and consultation with personnel from the Central Bank prior to and after an application is formally submitted.

In advance of contacting the Central Bank, each potential applicant must assess whether its proposed business model:

- i. requires an insurance or reinsurance authorisation;
- ii. falls within the 'captive'⁴ definition;
- iii. is capable of complying with the Regulations;
- iv. is capable of complying with the Central Bank's requirements for authorisation; and
- v. will comply with the requirements that must be adhered to by insurance or reinsurance undertakings on an on-going basis.

Having satisfactorily completed this assessment, the applicant

⁴ Refer to Regulation 3 of the European Union (Insurance and Reinsurance) Regulations 2015.

should contact the Central Bank (Insurance Authorisation team) in order to arrange a preliminary meeting.

The applicant should be familiar with all statutory provisions applicable to insurance or reinsurance undertakings in Ireland. Applicants should understand the scope and application of consultation papers and all new requirements issued by the Central Bank, details of which are published on www.centralbank.ie.

2. Criteria for Assessing Applications

Regulations 12–26 of the Regulations set out the authorisation provisions. The principal areas considered by the Central Bank in evaluating life, non-life and reinsurance applications include:

- Applicant's legal structure;
- Applicant's ownership structure;
- Overview of the group to which the applicant belongs (if relevant);
- Applicant's scheme of operations;
- Applicant's system of governance including the fitness and probity of key personnel;
- Applicant's risk management system;
- Applicant's Own Risk and Solvency Assessment;
- Applicant's financial information and projections;
- Applicant's capital requirements and solvency projections; and
- Consumer Issues (e.g. Minimum Competency Requirements and Consumer Protection Code).

The Central Bank requirements, in relation to each of these headings are detailed in the relevant checklists. Depending on the nature of the proposal, one of the following checklists will apply:

- ***Checklist for Completing and Submitting Life Insurance Applications;***
- ***Checklist for Completing and Submitting Non- Life Insurance Applications;***
- ***Checklist for Completing and Submitting Reinsurance Applications;***
- ***Checklist for Completing and Submitting Captive Insurance Applications;***
- ***Checklist for Completing and Submitting Captive Reinsurance Applications; and***
- ***Checklist for Completing and Submitting SPV Applications.***

3. Making an Application

Initially, the applicant should contact the Insurance Authorisation team for a preliminary meeting to discuss the application. The Authorisation team will endeavour to provide feedback on any aspect of the application.

Subsequent to a preliminary meeting, the information requirements outlined in the checklist must be provided to the Central Bank in support of an application. All of the listed information must be provided in order to constitute a complete

insurance/reinsurance application. The checklist does not purport to comprehensively refer to all pertinent information regarding an application and the applicant should expand on the required information, where necessary, according to the specific nature of the proposed business.

An authorised individual of the applicant must sign the application and checklist. The checklist should be completed in full and submitted together with all relevant supporting documentation. For ease of reference each section of the application should be numbered and follow the format of the checklist.

The application should include all locations, activities, e.g. branches and products that are expected to feature during the first three years of business.

The Central Bank will not begin its review process until a complete application has been received. All reasonable steps must be taken by the applicant to ensure that the information provided to the Central Bank in support of the authorisation application is accurate and complete.

Two hard copies and one soft copy of the application must be submitted to the Central Bank.

If an applicant makes material changes to its application, it should submit a revised application incorporating all of the changes.

4. Application Processing

The Central Bank will first review the application and accompanying documentation for completeness and will advise the applicant of any information or documentation omitted from the application. Once all information or documentation has been received from the applicant, the Central Bank will be in a position to conclude that the application is complete.

The Central Bank will then review the quality of the application and accompanying documentation. The Central Bank will liaise with divisions internally who may also perform a review of sections of the application as appropriate. Subsequent to this review, the Central Bank will issue comments advising the applicant of any further information or clarification(s) required in relation to any aspect of the application.

Following the receipt of a fully completed application, the expected timeline to authorisation is 3 months but applications can take up to 6 months. This timeline will depend on:

- the quality and complexity of the application;
- the time taken by the applicant to respond to comments issued on each draft of the application;
- the quality of the responses received addressing all issues raised;
- any changes made by the applicant during the authorisation process; and
- the time taken by any relevant third parties to respond to queries in relation to the application.

The Central Bank will, where relevant obtain references from relevant supervisory authorities. Enquiries may also be made to

overseas supervisory authorities in whose jurisdiction the applicant's parent and/or group has a significant presence. It is imperative that a full list of regulated entities within a group is provided to enable the Central Bank to make contact as appropriate.

5. Authorisation

5.1 Authorisation in Principle

Prior to formal authorisation, a successful applicant will be provided with confirmation of "authorisation in principle" when the application has been fully examined, reviewed and approved in principle by the Central Bank.

At this stage of the process the applicant will address matters such as the introduction of capital, appointment of directors, finalisation of the company name and objects and provide confirmation that it will be in a position to comply with its conditions of authorisation within 21 days of the date of authorisation in principle letter.

Please note under no circumstances does "authorisation in principle" entitle an applicant to write any business before receiving a Certificate of Authorisation.

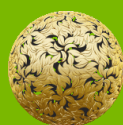
5.2 Authorisation Granted

Formal authorisation is granted (in the form of a physical Certificate of Authorisation) after the applicant's capital has been introduced and when all other pre-authorisation requirements are met.

6. Application Fee

There is no application fee. However, authorised firms are subject to on-going industry funding levies. Please see the Central Bank guide to industry funding regulations, available on www.centralbank.ie

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