



GUIDANCE FOR PREPARING GENERAL INSURANCE INTERMEDIARY ANNUAL REGULATORY RETURN

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General Information

- A. The General Insurance Intermediary annual regulatory return (the “return”) is applicable to all general insurance intermediaries regulated under the Insurance Act 2008, with the exception of those that are *only* registered as partially exempt General Insurance Intermediaries.
- B. This guidance document provides direction on how to complete the return. All firms must complete all relevant sections of the submission template, in accordance with this guidance. Grey areas within the tables in the return are input cells. Blue areas within tables are calculated fields or fields where no entry is required/permitted.
- C. The spreadsheet workbook is “protected” to prevent alterations to the return structure and content in order for the return to be successfully submitted to the Authority’s data warehouse. You must not tamper with the spreadsheet protection and validation or alter the structure or validation by adding or removing spreadsheet tabs or fields.
- D. The default value in all grey data cells for completion must be zero (where no other value is entered) and must not be left blank. Any monetary amounts must be reported in GBP.
- E. Firms should submit the return to Non-life@iomfsa.im. The **reporting date** is the same date as the firm’s financial year-end date. Firms must submit the return annually, within six months of the reporting date. For the purpose of the return, the **reporting period**¹ is firm’s latest 12-month fiscal period for which audited financial information is available.
- F. Send any enquiries regarding the completion of the return, or the interpretation of this guidance, to Non-life@iomfsa.im.
- G. The return contains free text comments boxes that allow firms to provide any commentary that is relevant to the completion of return section.
- H. Under Section 52 of the Insurance Act 2008 a person commits an offence if they knowingly or recklessly give any information to the Authority which is false or misleading.

¹ In some parts of the guidance, this is also referred to as the accounting period.

Cover Sheet and Compliance Declaration

- A. The current return version number is 1.0, as stated in cell E3 of the cover sheet of the return template available on our website. This version must be used otherwise the return will be rejected.
- B. Completion of the cover sheet spreadsheet is mandatory and the form sections should be completed as follows:
- **Firm Information:** Input the full registered name of the firm. For this return type and name the reporting period should be the first date of the firm's financial year (date from) and the last date of the firm's financial year (date to). New firms should input the date of licensing/registration for the "Date Return From" field.
 - **Firm Declaration:** A Notified and Accepted role holder within the firm. The primary Controlled Function(s) held should be input in the "Position" field. [Please note that only one signatory is required for this return].
 - **Comments:** Additional information to explain the data submitted may be input to this non-mandatory free text field. For example, you may explain any material variances or assumptions made.
- C. Note: validation is embedded into the Cover Sheet; if Cell G2 shows an "Incomplete" error message this means either the cover sheet or content of the return is insufficiently completed. You can review column G to help determine the cause of the issue. Cell G2 must show as "complete" or the return will be rejected by the data warehouse.
- D. For the Compliance Declaration select the appropriate response from each of the drop down boxes, and provide any additional comments in the box provided.

1. Staffing

Section 1 - Staffing		
1.1	Total staff working for the firm	Populate the total number, FTE and FTE vacancies fields with the number of persons working for the firm, either through direct employment including contractual work, or via group service agreements as at the reporting date.
1.2	Total staff that are shared services or on contract	Populate the total number, FTE and FTE vacancies fields with the number of persons working for the firm, either through contractual work or via group service agreements as at the reporting date.
1.3	Number of dedicated compliance and / or risk personnel	Populate the total number, FTE and FTE vacancies fields with the number of dedicated compliance and / or risk personnel (including the MLRO) engaged by the firm whether directly or through a contract for service as at the reporting date.

2. Staff Turnover

Section 2 - Staff Turnover		
2.1	Turnover of employed staff as a percentage	<p>This field relates to staff employed by the firm and staff employed through a group service company for the firm. Calculate this percentage using the formula: (total number of leavers in the reporting period / average number of employees in the reporting period) x 100.</p> <p>To calculate the average number of employees, just add the number of employees at the beginning of the time-period (e.g. as at 1 January) to the number of employees at the end of the time-period (e.g. at 31 December), and divide by two.</p> <p>The comments box can be utilised to provide any additional information.</p>

3. Breaches

Section 3 - Breaches / contraventions		
3.1	Total number of breaches/ contraventions identified in the reporting period	The sum of cells D4 and E4 should equal the total number recorded on the firm's breach register during the reporting period. The firm's judgement is required to determine the materiality ² of any breach. The firm may provide supplementary information regarding its materiality threshold in the comments box provided.

4. Complaints

Section 4 - Complaints		
4.1	Total complaints received in the reporting period	Input the total number of complaints received in the reporting period, whether received by telephone, in writing or face to face.
4.2	Category of complaints received	Input the number of complaints received allocated against each category. The total number may add up to more than the total number of complaints reported in Section 4.1 as some complaints might cross multiple categories.
4.3	Financial Services Ombudsman Scheme ("FSOS") referrals	Input the number of complaints referred to the (Isle of Man) FSOS in the reporting period.
4.4	Complaints upheld by the FSOS	Input the number of complaints upheld by the FSOS in the reporting period.

² Materiality of the breach is determined primarily by the nature of the regulatory requirement and size, impact or extent of the breach. The circumstances and causes of the breach may also be relevant to some extent in deciding whether a breach is material. A breach of a requirement to obtain consent from, or give notification to, the Authority is always material.

4.5	Complaints referred to Professional Indemnity ("PI") Insurer(s)	Input the number of complaints referred to the PI Insurer(s) in the reporting period.
4.6	On how many claims has the PI Insurer(s) made payments	Input the number of claims in which the PI Insurer(s) has made a payment within the reporting period.

5. Complaint Remediation

Section 5 - Complaint Remediation in the reporting period

5.1	Complaints not resolved within 8 weeks	Of all complaints received in the reporting period, input the number of complaints that took more than 8 weeks to be resolved (closed), and those which remain unresolved at the reporting date and have been outstanding for more than 8 weeks.
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6. Outsourcing

Section 6 - Outsourcing

6.1	Total number of outsourcing arrangements at the reporting date	Input the total number of outsourcing arrangements at the reporting date in column D, including indicating how many of these are considered material outsourcing, in column E. Columns F to I should also be completed as outlined below.
6.2 (6.2.1 to 6.2.8)	Breakdown of outsourcing arrangements	For each category specified in 6.2.1 to 6.2.8 input the information for columns D to I in accordance with the guidance below.

Column D	Number of outsourcing arrangements	Input the total number of outsourcing arrangements for each relevant category. The sum total of 6.2.1 to 6.2.8 in column D may exceed the number in cell D5.
Column E	Number of material outsourcing arrangements	Input the total number of outsourcing arrangements, for each relevant category, which the firm has assessed as being material outsourcing. The sum total of 6.2.1 to 6.2.8 in column E may exceed the number in cell E5.
Column F/G/H	Jurisdiction of service provider	For each relevant category, with reference to the number of arrangements reported in column D, provide a breakdown of the outsourcing arrangements according to the jurisdiction of the service provider (the jurisdiction should be with reference to the primary service provider, not to any sub-outsourced provider). The sum total of column F, G and H should equal the number reported in column D, for each relevant category of arrangement.
Column I	Number of outsource providers that are part of the firm's own group	Indicate in this column the number of outsource providers that are part of the same corporate group as the firm, broken down by nature of arrangement.

7. PII

Section 7 - Professional Indemnity Insurance ("PII")		
7.1	PII notifications	Input the total number of notifications made to the firm's PII Insurer(s) in the reporting period whether formally classified as a claim or not.
7.2	PII Insurer claims	Input the total number of claims made to the firm's PII Insurer(s) in the reporting period.
7.3	PII Insurer payments	Input the total number of claims where the PII Insurer(s) made a payment in the reporting period whether being an interim payment or in final settlement.

7.4	Claims turned down by PII Insurer(s)	Input the total number of instances where the PII Insurer(s) turned down a claim in the reporting period.
7.5 to 7.12		Data input into these sub-sections should relate to the firm's current PII policy (or policies), and should be completed with reference to the PII cover in place at the date of submitting this return.
7.5	The amount of the firm's current PII cover	Input the annual aggregate limit applying to the firm's current PII cover in relation to the regulated activity covered by this return.
7.6	The amount of the firm's current PII excess	Input the amount of the firm's current PII excess as applicable to the regulated activity covered by this return.
7.7	Cost of PII cover	Input the firm's most recent cost (last annual premium) of PII cover. Where group PII coverage applies and you are unable to extract the cost, you may input a nil entry.
7.8	Is the PII cover part of a group policy?	Use the drop down options to advise whether the current PII policy covers a group of companies or solely the firm. Please use the comments field to provide clarification, if needed.
7.9	Is the PII cover on a claims made basis, with a limit for "any one claim" and in the annual aggregate?	If the firm's current PII policy is "any one claim" and in the annual aggregate, "yes" should be selected. If not, please select "no" and provide further details in the comments box.
7.10	Non-standard exclusions relating to regulated activities, product types or jurisdictions	Use the drop down options to advise of any current non-standard exclusions relating to regulated activities, product types or jurisdictions. Examples of non-standard exclusions may be the exclusion of a particular country or product type that the firm operates in or sells.

7.11	Name of Insurer(s)	This is a free text field; please input the full name of your current PII Insurer(s). If there is more than one insurer, please indicate in the comments box which is the primary PII Insurer.
7.12	Jurisdiction of Insurer(s)	Select the jurisdiction of incorporation of your current PII Insurer(s), using the drop down list provided. Where more than one PII Insurer is used, input the primary PII insurer jurisdiction within this field and the jurisdiction of any other PII Insurer(s) within the comments box.

8. Client Money

Under the Insurance Intermediaries (General Business) Regulations 2020 (“IIGBR20”), client money is defined as:

Money that is or received by a registered insurance intermediary –

- (a) From a client to be transferred to an insurer in relation to the payment of a premium; or
- (b) From an insurer in relation to claims money or refunded premiums for onward payment to a client,

But does not include money held at the risk of an insurer, unless the circumstances at regulation 9(2) apply.

Section 8 – Client Money		
8.1	Does the firm receive or hold money from its customers in the course of its intermediation business?	Select the relevant option from the drop down list. If the firm held clients’ money at any point during the reporting period, “yes” should be selected.
8.2	Does the firm hold the money as client money, under a risk transfer agreement, or both?	Select the relevant option from the drop down list (whether an intermediary accepts money under a risk transfer agreement will be detailed within the agency agreement with each insurer).
8.3	Confirm the average amount held in the bank account(s) during the 12 months up to the firm’s financial year-end.	Input the average client money balance taken from the data that the firm has recorded from monthly internal reconciliations and calculate the average balance.

8.4	Confirm the frequency of the reconciliation between policyholder records and the bank(s) statements.	Select the relevant option from the drop down list.
8.5	Confirm whether the client money has been held in accordance with the requirements of the IIGBR20.	If the firm has held its client money in accordance with the requirements of the IIGBR20, "yes" should be selected.

9. Top 5 credit institutions holding clients' money

Section 9 - Top 5 credit institutions holding clients' money as at the reporting date		
9.1 to 9.5		For each institution specified in 9.1 to 9.5, input the information for columns C to F in accordance with the guidance below.
Column C	Name of institution	This is a free text field; please input the full name of each institution as at the reporting date.
Column D	Percentage of total client money	Calculate this percentage on the basis of the balances used in the final internal reconciliation as at the reporting date.
Column E	Jurisdiction	Select the jurisdiction in which each institution is incorporated (or if held in a branch, the location of that branch), using the drop down list provided.
Column F	Is this institution part of the firm's own group	Indicate in this data field whether each institution is, or is not, in the same corporate group as the firm.

10. Financial Information

Section 10 – Financial Information		
10.1 to 10.6		The figures input into this section must be for the latest accounting period (being the firm's reporting period), and should be rounded to the nearest whole pound sterling.
10.1	Confirm the capital resource requirements	Input the requirement as per regulation 19 of the Insurance Intermediaries (General Business) Regulations 2020.
10.2	Total turnover figure	Input the total turnover figure as shown in the (audited) annual financial statements for the relevant accounting period.
10.3	Profit / (loss) for the financial year.	Input the Profit/(loss) figure as shown in the (audited) annual financial statements for the relevant accounting period. A loss should be entered as a negative number.
10.4	Dividends	Input the value of any dividends as shown in the (audited) annual financial statements for the relevant accounting period.
10.5	Loans to group/related party	<p>Input the name of the group / related party in column C, and the value of the loan to that party in column D. If there are more than 4 different related parties, please use line 10.5.4 to cover "all other loans" not disclosed in lines 10.5.1 to 10.5.3.</p> <p>The figure in line 10.5.5 (cell D16) is calculated automatically as the sum of D12 to D15.</p>
10.6	Shareholder funds	Input the shareholder funds split by called up share capital, profit and loss account/distributable reserves and other.
10.7	Total shareholder funds	This figure is automatically calculated as the sum of D18, D19 and D20.

11. Financial Information – Analysis of Turnover

Section 11 – Analysis of Turnover		
11.1 to 11.3		The figures input into this section must be for the latest accounting period (being the firm's reporting period), and should be rounded to the nearest whole pound sterling.
11.1.1 to 11.1.6	Intermediation of general insurance business split between applicable categories	Input the breakdown of turnover from intermediation of general insurance business in £ per cells D25 through to D27 where applicable (rows 11.1.1 to 11.1.3).
11.2.1 to 11.2.2	Intermediation of other business split between applicable categories	Input the breakdown of turnover from intermediation of other business in £ per cells D29 through to D30 where applicable (rows 11.2.1 to 11.2.2).
11.3	Other turnover	<p>Input the turnover earned from products or activities other than those in 11.1 and 11.2. This may include non-regulated activities such as mortgage broking or items such as interest income earned on own funds.</p> <p>Please provide additional information on the composition of any figures reported as "other" in the comments box.</p>
11.4	Total turnover	This figure is automatically calculated as the sum of the input cells in D25 to D31. It should equal the total turnover in line 10.2 (cell D8).

12. Financial Information – Analysis of Projected Turnover

Section 12 – Analysis of Projected Turnover		
12.1 to 12.3		<p>The figures input into this section must be for the future accounting periods, and should be rounded to the nearest whole pound sterling.</p> <p>The breakdown split of turnover follows the same categories as per section 11, for each future period.</p>
Column D	Projected Turnover Year 1 in £	This field should be used to record the firm’s forecast income for the first financial period following the most recent (audited) annual financial statements.
Column E	Projected Turnover in Year 2 in £	This field should be used to record the firm’s forecast income for the second financial period following the most recent (audited) annual financial statements.
Column F	Projected Turnover in Year 3 in £	This field should be used to record the firm’s forecast income for the third financial period following the most recent (audited) annual financial statements.

13. Policies

Section 13 - Policies		
13.1	Number of General Insurance policies in force	Populate the total number of consumer general insurance policies in force in cell D5, and the total number of non-consumer policies in force in cell E5.
13.2	Number of Pure Protection policies in force	Populate the total number of consumer pure protection policies in force in cell D6, and the total number of non-consumer policies in force in cell E6.
13.3	Number of other non-Investment business	Populate the total number of consumer “other non-investment business” policies in cell D7, and the total number of non-consumer “other non-investment

	policies (if any) in force	business” policies in cell D7. These fields should exclude any pure protection insurance products.
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14. Agency Agreements & Commission – Agreements

Section 14 – Agreements and Top 3 product providers by income		
14.1	Confirm the number of active agency agreements.	Populate the total number of active agency agreements in force at the firm’s reporting date.
14.2 to 14.4		Provide the information specified below for each of the top 3 product providers by income.
Column D	Confirm the names of top three product providers by the amount of income received in the financial year	Input the name of the top three product providers in cells D7, D8 and D9.
Column E	Confirm the jurisdiction where regulated of the top three product providers.	Input the jurisdiction (from the drop down list) where the top three product providers are regulated in cells E7, E8, and E9.
Column F	Confirm the income received in respect of the top three product providers	Input the income received in the reporting period in respect of the top three product providers in cells F7, F8, and F9.
Column G	Confirm the % of total income received in respect of the top three product providers.	Input the % of income received as a proportion of total income in respect of the top three product providers, in cells G7, G8, and G9.

15. Agency Agreements & Commission - Clawed Back Commission

Section 15 – Clawed Back Commission		
15.1	Clawed back Commission / Fees rebated due to surrender in the reporting period.	Input the number of cases and value of the indemnity commission actually clawed back during the reporting period.