



GUIDANCE FOR PREPARING GENERAL INSURANCE INTERMEDIARY - DUAL REGULATED ANNUAL REGULATORY RETURN

Contents

General Information	2
Cover Sheet and Compliance Declaration	3
1. Client Money.....	3
2. Top 5 credit institutions holding clients' money	4
3. Policies	5
4. Agency Agreements & Commission – Agreements	5
5. Agency Agreements & Commission - Clawed Back Commission.....	6

General Information

- A. The General Insurance Intermediary Dual Regulated annual regulatory return (the “return”) is applicable to all **dual regulated**¹ general insurance intermediaries, 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**² 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 the 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 Dual regulated means a firm that holds a “full” general insurance intermediary registration (not partially exempt) and is **also** licenced under section 7 of the Financial Services Act 2008 to carry on regulated activities falling within Class 2(3) and 2(7) of Schedule 1 to the Regulated Activities Order 2011. These firms are also required to submit information to the Authority under the provisions of the Financial Services Rule Book, including an annual statistical return.

² 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. Client Money

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

Money that is held 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 1 – Client Money		
1.1	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.
1.2	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).
1.3	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.
1.4	Confirm the frequency of the reconciliation between policyholder records and the bank(s) statements.	Select the relevant option from the drop down list.
1.5	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.

2. Top 5 credit institutions holding clients' money

Section 2 - Top 5 credit institutions holding clients' money as at the reporting date		
2.1 to 2.5		For each institution specified in 2.1 to 2.5, 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.

3. Policies

Section 3 - Policies		
3.1	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.
3.2	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.
3.3	Number of other non-Investment business policies (if any) in force	Populate the total number of consumer "other non-investment business" policies in cell D7, and the total number of non-consumer "other non-investment business" policies in cell D7. These fields should exclude any pure protection insurance products.

4. Agency Agreements & Commission – Agreements

Section 4 – Agreements and Top 3 product providers by income		
4.1	Confirm the number of active agency agreements.	Populate the total number of active agency agreements (in relation to the insurance intermediation activity) in force at the firm's reporting date.

4.2 to 4.4		Provide the information specified below for each of the top 3 product providers (insurers) 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.

5. Agency Agreements & Commission - Clawed Back Commission

Section 5 – Clawed Back Commission		
5.1	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 (related to insurance intermediation activity).