

FINANCIAL SUPERVISORY COMMISSION



Cook Islands

APPLICATION FOR A LICENCE TO CONDUCT BUSINESS UNDER THE INSURANCE ACT 2008

[FSCForm INL-1]

(As required under Sections 9(2) and 43(2) of the Insurance Act 2008)

SUBMITTED FOR:

(Name of Applicant):

CONTACT PERSON:

(Name, position title & company, address, telephone and fax nos. and email address of person (s) to be contacted regarding this application):

GENERAL INSTRUCTIONS

Insurance Licensing Forms - FSC Forms INL-1, 2, 3 and 4

1. This Application, including related forms, annexes, attachments and other supporting documents, must be completed by any person proposing to conduct insurance business in or from the Cook Islands.
2. Applicant shall refer to the name of the proposed insurer in connection with which the Application and other information or documents are being completed.
3. Terms used will have the same interpretation as in the Act. As needed the Form provides interpretation for other terms not included in the Act.
4. Payment of prescribed fee must accompany the application.
5. All information included in the form, including documents and annexes thereto, must be complete and correct. Any information or document that is false or misleading in any material particularly in connection with an application shall be considered as an offence as provided under Section 99 of the Act.
6. Submission of incomplete Forms and/or failure to pay the prescribed fee will result in the rejection of the application.
7. Do not leave any item blank or unanswered. Indicate if Not Applicable (NA), No/None as may be appropriate. Print legibly in ink or type responses to the items listed in the forms, including all information included in documents and annexes.
8. Should the allotted response space be insufficient for the information needed to complete or answer a particular item in any of the required licensing forms, additional sheets may be added. The additional sheet (blank form attached as INL-AS) must be keyed by number and letter to the appropriate form and item number indicating specific column titles, if any, for the response to be provided.
9. Other Documentation required under Part II of INL-4 (Confirmation Inquiry Form) must be submitted and these form part of the Application.
10. Specific instructions on details of information and documents required are incorporated in each of the required Form.
11. For inquiries, you may contact the Financial Supervisory Commission on telephone no. (682) 20798. However, it should be emphasized that the completeness and correctness contained in the Form is the responsibility of the Applicant.
12. Completed application, together with supporting materials, should be sent to:

The Commissioner
Financial Supervisory Commission
PO Box 594 or Bermuda House
Rarotonga, Cook Islands.

APPLICATION FOR A LICENCE

Name of Applicant: _____

Category of Licence: _____

Classes of business: _____

1. Principal office address, telephone and fax nos., and email address in the Cook Islands:

2. Name of Trustee Company *(if applicable)*:

3. Name of Incorporators /Organizers *(For new applicants only)*:

4. Details of incorporation *(For domestic or international companies registered in Cook Islands)*:

a. Date of incorporation: _____

b. Country of incorporation: _____

c. Company registration no.: _____

5. Auditor:

Name and address of appointed/proposed auditor:

6. Details of Capital

a. Type and number of authorized shares: _____

b. Type and number of paid in capital: _____

c. Paid in premium if any: _____

d. Par value per type of share: _____

7. Paid-Up Capital Profile: *(As at date of application)* _____

a. SHAREHOLDING SUMMARY

Shareholders	Number of Shareholders	Percentage of Shares to Total
Private Companies		
Private Individuals		
Subtotal: Private sector shareholders		
Public sector and government companies/agencies		
Total ¹	#	100.0 %

b. SIGNIFICANT SHAREHOLDERS ²

Name of Shareholders who own more than ten percent (10%) of the insurer's shares	Number of Shares	Percentage of Shares to Total
List of other Shareholders and companies that effectively or indirectly own more than ten percent (10%) of the insurer's shares, based on their control over insurer shareholders		
Number of shares held by other shareholders owning ten percent (10%) or less of total paid-in		
Total	#	100.00%

¹ Refers to number of shares constituting paid-in capital. Total for 7 a. and b. must be the same and used as basis for computing the percentage of shares to total.

² Refers to persons with significant interests as defined under Section 2(2) of the Act.

Name and position title of proposed or existing directors and managers³ (Personal Affidavit i.e. Form INL-2, must be submitted by each director or manager),

8. Submit as Annex A, a certified copy of the First/Renewal Certificate of Incorporation.
9. Submit as Annex B, a copy of the proposed or latest articles of incorporation.
10. Submit as Annex C, a copy of the proposed or latest bylaws.
11. Submit as Annex D, the proposed or present organizational and functional chart of insurer showing each major operating unit. Include Board and managers' responsibilities as a footnote or in a separate sheet as well as the number of permanent or part-time staff assigned for each operating unit. For external insurer, this will refer only to the local branch operating in the Cook Islands.
12. Submit as Annex E, as may be applicable, a group structure chart showing beneficial ownership of the group constituents and where the Applicant appears or will appear in the group. This chart must therefore show links with associates and significant corporate shareholders, among others. For existing foreign licensees, this will not be required.
13. Submit as Annex F (with sub-annexes as may be necessary) manuals or if not available, full details of the risk management, accounting and internal control systems, including operating policies⁴.
14. Submit as Annex G (with sub-annexes as may be necessary) a business plan that should be in accordance with the formats prescribed in Appendix A and B. Existing foreign licensees need to submit only financial statements and three (3) years projections following sample format.
15. Submit as Annex H (with sub-annexes as may be necessary), documents to satisfy the provisions of Section 11 of the Act if applicant is an external insurer.

³ Existing foreign licensees should only list local branch manager and senior officers under his/her immediate authority.

⁴ For all applicants and pertains only to whatever is applicable to the local branch of an external insurer.

DECLARATION

We the undersigned/organizers and/or members of the Board of Directors of the applicant, declare under penalty of perjury under the laws of the Cook Islands and any other sanction available under the Insurance Act 2008 and any amendments thereof, that the preceding application and the attached supporting documentation are true and correct to the best of our knowledge.

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

Signed this _____ day of _____, 20 ____

(Type Full Name and Title)

(Signature)

(Type Full Name and Title)

(Signature)

(Type Full Name and Title)

(Signature)

(Type Full Name and Title)

(Signature)

(Type Full Name and Title)

(Signature)

Subscribed and sworn to before me this _____ day of _____, 20 ____

(Seal)

(Signature over printed name of notary public)

[Form INL-AS]

ADDITIONAL SHEET NO. _____⁵

Reference Form and Item No. _____⁶

(Name of Applicant)

⁵ This Additional Sheet form may be used if response space for a specific item in any Form to be completed is inadequate. For **each** Form, Additional Sheets used must be numbered chronologically. The Additional Sheet number must be cross- referenced in the response space of the Form and item number to which the Additional Sheet refers.

⁶ The Form and Item numbers to which an Additional Sheet refers must be specified eg INL-1, Item xxxxx. **(COMPLETE THIS)** The format, if any, of the specific item to which an Additional Sheet is used should be followed for information/data to be provided.

APPENDIX A

SAMPLE BUSINESS PLAN FORMAT, INFORMATION REQUIREMENTS AND PRO FORMA STATEMENTS AND PROJECTIONS

I. Market Analysis

- A. **Market.** Identify the markets currently served and/or those proposed to be served by the insurer, including any new or proposed branch or other office facilities and arrangements.
- B. **Characteristics.** Describe the target market demographics and economic characteristics. Include any anticipated changes in the market, factors influencing such changes, and possible effects on the insurer.
- C. **Competition.** Identify and describe the competition located within the target markets of the applicant including any branches or other office facilities contemplated. Indicate arrangements and contracts in place for the market targets.

II. Business Strategy and Objectives

- A. **Market Area.** Identify the market areas from which the insurer generates or expects to generate approximately fifty percent (50%) of its business.
- B. **Services.** List and briefly describe the product lines to be offered. Specify any proposed new services to the insurer's existing business.
- C. **Assumptions.** Describe the objectives and strategies for serving the identified target markets. List assumptions, including at a minimum: market growth rates, anticipated competition, overhead, asset mix, return on assets, dividends, and solvency margins.
- D. **Annual Audit.** Explain what provisions have been made for independent, annual, external audit services.
- E. **Actuarial Services.** Describe the arrangements for actuarial services, if appropriate.

III. Pro Forma Statements and Projections

- A. Detailed pro forma balance sheet and income and expense statements must be submitted showing assets, liabilities, capital, income, and expense projections for a minimum of three (3) years. The “current” column in the pro forma financial statements shall be applicable only to licensees already carrying on business, whether licensed or not, and shall reflect balances as at closing date of the latest accounting year.
- B. At a minimum, the information shown in the following pro forma financial statements must be provided. Indicate when information required is not applicable, and explain why this is so or why there is no need for the information to be provided.

APPENDIX B

BUSINESS PLAN AND INFORMATION REQUIREMENTS CHECK LIST

(Name of Applicant)

I. Market Analysis:

- _____ A. Definition of target market areas.
- _____ B. 1. Supporting market research, such as area demographics and economics.
- _____ 2. Identification of major factors affecting the selected market areas.
- _____ 3. Analysis of selected market areas' needs.
- _____ C. Identification and analysis of competition within selected market areas.

II. Business Strategy and Objectives:

- _____ A. Targeted market areas can reasonably produce fifty percent (50%) of the business in light of the insurer's resources and targeted customer base.
- _____ B. Services to be provided are listed and adequately described.
- _____ C. 1. Strategies are consistent with stated objectives.
- _____ 2. Profitability expectations and assumptions are reasonable.
- _____ 3. Pro forma statements are accurately prepared with major assumptions adequately disclosed, and are consistent with strategies to capture and support market share.
- _____ 4. Strategic objectives, pro forma statements, and market plans are consistent.
- _____ 5. Estimates of operating results are reasonable and supported.
- _____ D. The asset/liability mix is adequately discussed. The insurer has procedures to address funding and interest rate risks.
- _____ E. External independent audit program will be provided for the first three (3) years of operations.

III. Pro Forma Statements:

- _____ A. Detailed pro forma balance sheet and income and expense statement show projections for a minimum of three (3) years.
- _____ B. For existing insurers, current financial condition and results of operations for the previous accounting year. Any adverse conditions fully explained.
- _____ C. 1. The information shown in the pro forma financial statement and projections must accompany a business plan.
- _____ 2. Assumptions used, and basis for these, as well as the manner by which projections were estimated have to be described in full.