

LICENSING CRITERIA – CAPTIVE INSURANCE BUSINESS LICENCE

Notes to the applicant:

1. The objective of the Licensing Criteria is to ensure the continuous and efficient collaboration between the Commission and the applicant for a licence in order to ease the licensing process.
2. It should be noted that the Licensing Criteria neither derogate nor restrict the powers vested in the Commission by statute, and should be read together with the relevant Acts, regulations, rules, guidelines, circulars and codes issued thereunder.
3. The Licensing Criteria aim to provide guidance to applicants of captive insurance business, and are not exhaustive. The Commission will assess the information/documents provided on their own merits and may require additional information/documents to determine the application.
4. An applicant should be conversant with the relevant provisions of laws, guidelines and circulars which the Commission has issued or may issue from time to time.
5. The Commission will require that all applications be accompanied by a cover letter and by the information and/or documentation prescribed in the Licensing Criteria.
- 6. Incomplete applications received by the Commission may be returned to the applicant.**
7. The Commission, upon inadequate or no response within two (2) months from the date of its last query, shall not proceed further with the application. After these two months, the applicant will have to submit a fresh application.

Information/Documents to be submitted with respect to an application for a Captive Insurance Business Licence	
A. Relevant Forms	
1.	Formal application under Section 7 of the Captive Insurance Act (the 'Act') for a Captive Insurance Business Licence and duly filled in, dated and signed Application Form <i>(If applying for a GBL 1, refer to Code FS-4.1 for other documents to be submitted)</i>
2.	Processing Fees as prescribed in the Financial Services (Consolidated Licensing and Fees) Rules 2008 <i>(Please note that application will not be processed unless processing fees have been received)</i>
3.	Duly filled in authority form and written and signed consent of each promoter, controller and officer
B. Shareholding Structure	
4.	Structure chart showing details of the group structure of the parent and of the ultimate beneficial owner(s) of the applicant, with details of percentage shareholding of the parent in the applicant and in any affiliated corporations <i>(as per the proposed category of captive insurance business)</i>
5.	Particulars of the parent and ultimate beneficial owners of the applicant <i>(refer to section E)</i>
6.	In case the applicant is applying for the category 'multi-owner pure captive insurance business', demonstration of how the owners are entities of a common industry
C. Business Activity	
7.	Description of the proposed business activity in terms of the following but not limited to: (i) permissible class of captive insurance business as per section 8 of the Act; (ii) category of captive insurance business as prescribed in the Schedule of the Act <i>(please demonstrate how the proposed business is in line with the selected category)</i> ; and (iii) class(es) of insurance business as per Parts I and/or II of the First Schedule of the Insurance Act.
8.	Business Plan in accordance with section 7(1) of the Act, together with a feasibility study conducted certified by an actuary
8.1.	Business Plan including but not limited to the following: (i) General information and organisation <ul style="list-style-type: none"> • Introduction and Background • Business objective, strategy and proposed activity • Target market and clients • Registered office address • Organisation structure detailing reporting lines and including board and committee structures, roles and members • Management, controls and business risk acceptance • Information on the adequacy of the expertise, experience and character of the persons who will manage the captive insurance business • Any other relevant information (ii) Reinsurance arrangements <ul style="list-style-type: none"> • Details of proposed reinsurance/retrocession arrangement(s)

	<ul style="list-style-type: none"> • Draft reinsurance agreement(s) • Details of proposed reinsurer(s) and their financial strength ratings <p>(iii) Investment policy</p> <ul style="list-style-type: none"> • Draft investment policy (<i>including the amount and liquidity of assets relative to the risks to be assumed</i>) • Dividend strategies <p>(iv) Underwriting <u>and</u> Claims</p> <ul style="list-style-type: none"> • Details of the applicant's processes and procedures in relation to underwriting and claims • Draft insurance policy showing terms, conditions and benefits • Information on the adequacy of the loss prevention programmes of the policyholders of the applicant <ul style="list-style-type: none"> ○ State how the insurance needs of the Group/Insured are presently being met (e.g. insurance with conventional insurers, self-insurance) ○ Provide information on the insurance cost and loss experience of the Group/Insured for each of the last five years, only with respect to the classes of insurance business that the proposed captive insurer will be writing. • Provide details on the expertise that the applicant or the Group has (or has access to) in the following areas: <ul style="list-style-type: none"> i) insurance underwriting; and ii) loss prevention and risk management. • Any other relevant information <p>(v) Financials</p> <ul style="list-style-type: none"> • Three-year financial forecasts (<i>balance sheet, profit and loss account, and cash flow statement; solvency calculations; assumptions used</i>) • Confirmation from the parent/owners of the applicant of the overall soundness of the plan of operations of the applicant • Any other relevant information
8.2.	Feasibility study conducted and certified by an actuary in relation to the business plan, financial projections and overall soundness of the business
8.3.	Actuarial certification that: <ul style="list-style-type: none"> (i) the proposed business activity is in line with the proposed category as per the Schedule of the Act; (ii) the proposed business, plan of operations and financial forecasts are feasible and sound; (iii) the assumptions underlying the business plan are appropriate and realistic; (iv) capital is adequate relative to the volume of business projected; (v) solvency levels meet the requirements of the Act and the Captive Insurance (Captive Insurance Business) Rules 2024; (vi) reinsurance arrangements (if any) are adequate; (vii) the proposed premium is adequate; and (viii) the pricing of the insurance policies is prudentially sound.

D. Capital	
9.	<p>Capital structure – details of stated capital:</p> <ul style="list-style-type: none"> • Amount to be invested by the parent • Mode(s) of financing (<i>specify whether through capital/loan</i>) • Source of funds of the parent (<i>accompanied by documentary evidence showing the activities or transactions which generated the funds, and confirmation from the MC (where applicable) that appropriate measures have been taken to establish the source of funds</i>)
10.	<p>In case the applicant is applying for the category ‘Multi-owner pure captive insurance business’, details of stated capital as hereunder:</p> <ul style="list-style-type: none"> • Amount to be invested per owner • Mode(s) of financing of each owner (<i>specify whether through capital/loan</i>) • Source of funds of each owner (<i>accompanied by documentary evidence showing the activities or transactions which generated the funds of each owner, and confirmation from the MC (where applicable) that appropriate measures have been taken to establish the source of funds</i>)
E. Fitness and Propriety of Parent (or Owners) / Affiliated Corporations / Ultimate Beneficial Owners	
11.	<p>Certified true copies of the documentation listed below should be submitted on the:</p> <ol style="list-style-type: none"> Parent of the applicant (<i>or in case the applicant is applying for the category ‘Multi-owner pure captive insurance business’, every owner of the applicant</i>) Any intermediate shareholder of the applicant Ultimate beneficial owner(s) of the applicant Any affiliated corporation whose risks will be insured by the applicant¹ <p>I. In the case of an individual:</p> <ul style="list-style-type: none"> • CV • PQ Form • Proof of identity • Proof of address <p>II. In the case of a corporate body:</p> <ul style="list-style-type: none"> • Certificate of incorporation • Certificate of current standing (where applicable) • Certified true copy of any licence/registration/authorisation held • List of members • List of directors • Latest audited financial statements • Corporate profile (<i>in case latest audited accounts are not available</i>) <p>III. In the case of a trust:</p> <ul style="list-style-type: none"> • Name of the trust, and its date and place of registration • A copy of the trust deed • An indication of the value of assets held by the trust • CDD documents on the:

¹ Please note that this is not applicable in case the applicant is applying for the category ‘Multi-owner pure captive insurance business’, as a multi-owner pure captive insurer can only undertake liability in respect of the risks of its owners and not affiliated corporations.

	<ul style="list-style-type: none"> a) settlor/contributor b) trustee c) Beneficiaries (<i>or confirmation from the Management Company/Trustee(s) that it holds on records comfort on the beneficiaries, that has been obtained from a recognised source</i>) <ul style="list-style-type: none"> • For a discretionary trust, a written confirmation from the applicant to the effect that it has adequate arrangements in place with the trustee of the trust to make available the CDD documents on the beneficiaries at the time of distributions to beneficiaries of the trust. <p>IV. Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Registration/Establishment/Good Standing of the Limited Partnership and its General Partner • Latest audited financial statements of the Limited Partnership and its General Partner • Corporate profile (<i>in case latest audited accounts are not available</i>) • Confirmation from the applicant to the effect that it holds on record CDD documents on the significant Limited Partners of the Limited Partnership and that these will be made available to the Commission upon request <p>V. Société:</p> <ul style="list-style-type: none"> • Profile of the société (<i>including a copy of the acte de société</i>) • CDD on the principals, administrators or gérants of the société (<i>as per I. above</i>)
F. Functionaries of the applicant	
12.	<p>Directors (<i>Designation (whether executive, non-executive or independent), PQ Form, CV, proof of identity, proof of address</i>)</p> <p><i>As per Section 10(1)(d) of the Act, the applicant is required to have a board of directors composed of not less than 3 directors, at least one of whom shall be resident in Mauritius.</i></p>
13.	<p><u>Key Functions</u></p> <ul style="list-style-type: none"> (i) Managing Director / CEO (<i>PQ Form, CV, proof of identity, proof of address</i>) (ii) Key officers (<i>E.g. underwriting, claims administration, investment, finance, risk management, complaints handling</i>) (<i>PQ Form, CV, proof of identity, proof of address</i>)
14.	Compliance Officer (<i>Status in company, base of operations, PQ Form, CV, proof of identity, proof of address, Statement of Declaration as per the Competency Standards; demonstration of compliance with the Competency Standards</i>)
15.	MLRO (<i>Status in company, base of operations, PQ Form, CV, proof of identity, proof of address, Statement of Declaration as per the Competency Standards; demonstration of compliance with the Competency Standards</i>)
16.	DMLRO (<i>Status in company, base of operations, PQ Form, CV, proof of identity, proof of address, Statement of Declaration as per the Competency Standards; demonstration of compliance with the Competency Standards</i>)
17.	<p>Captive insurance agent</p> <ul style="list-style-type: none"> • Details of the captive insurance agent

	<ul style="list-style-type: none"> • Draft agreement between the applicant and the captive insurance agent • Confirmation from the applicant substantiating that its captive insurance agent is of appropriate integrity and has adequate knowledge, experience, skill and competence to carry out its functions
18.	<p>Auditor & Actuary</p> <ul style="list-style-type: none"> • Application for appointment of auditor and actuary under Rule 15 of the Captive Insurance (Captive Insurance Business) Rules 2024 • Board resolution under Rule 15 of the Captive Insurance (Captive Insurance Business) Rules 2024 • Name of signing partner or signing actuary (as applicable), accompanied by PQ Form and CV • MIPA and FRC certificates for both firm and signing partner (where applicable)
19.	<p>Risk Officer (<i>in case the applicant is applying for any of the following categories: 'Class 2 third party captive insurance business', 'Class 3 third party captive insurance business', 'Multi-owner pure captive insurance business'</i>)</p> <ul style="list-style-type: none"> • PQ Form • CV • Proof of identity • Proof of address • Indication of any other function that the risk officer will carry out • Confirmation that: <ul style="list-style-type: none"> (i) the risk officer will have a direct reporting line to the Board; and (ii) the risk officer will be independent from business lines, other revenue-generating responsibilities and the finance function
G. Organisation and governance	
20.	Details of board sub-committees
21.	Details of the risk management function
22.	Details of the arrangements to be put in place with respect to the day-to-day administration and management
23.	Details of internal control and compliance procedures
24.	Detailed description of measures to be put in place with regard to infrastructure, security and safety of assets of the applicant
25.	Details of IT infrastructure to support the day-to-day operations of the applicant along with draft copy of agreement entered into between the applicant and the IT service provider
26.	Details of arrangements to ensure confidentiality, security and reliability of clients' information
27.	Draft procedures for complying with Anti-Money Laundering / Countering the Financing of Terrorism (<i>including but not limited to (i) details of systems and procedures to prevent money laundering & financing of terrorism; (ii) indication of who will be responsible to conduct due diligence checks on clients of the applicant; and (iii) details of where same will be kept</i>)
28.	Procedures for complaints handling and indication of who will be responsible to handle complaints and the timeframe within which complaints will be handled
29.	Details of conflict of interest management policy
30.	Details of the disaster recovery / business continuity plan of the applicant (<i>location of the alternative disaster recovery site ('DR site'), details of infrastructure available at the DR site for smooth running of operations, frequency of backups</i>)

31.	Copy of material contract(s)/agreement(s) to be entered into between the applicant and other party/functionary
H. Outsourcing	
32.	Details of all outsourcing arrangements (<i>activities/functions to be outsourced, to whom being outsourced and relationship of the applicant therewith</i>)
33.	Controls over outsourced activities/functions
34.	Draft service level agreements
I. Statutory documents	
35.	Certified true copy of the Certificate of Registration/Incorporation of the applicant (where applicable)
36.	Constitution of the applicant (<i>if any</i>)
J. Others	
37.	An indication of the balance sheet date of the applicant
K. Any other relevant information and documents	