



# FINANCIAL SERVICES REGULATORY AUTHORITY

February 20, 2015

To: All Insurance Companies, Insurance Agents, Insurance Brokers

Dear Sir/Madam,

**Re: Requirement for Registration as an Insurance Salesman under the Insurance Act**

We refer to the matter at caption.

In light of recent developments in the industry, it is apparent that there is a need for clarification on which individuals fall within the ambit of the definition of “insurance salesman” under the Insurance Act, Cap 12.08 of the 2008 Revised Laws of Saint Lucia (the Act), and must therefore be registered as an Insurance Salesman. The following two sections of the Act are relevant in that regard:

- S. 2 of the Act:

**2. Interpretation**

*“insurance salesman” means an individual who is contracted by an insurer or an insurance agent to solicit applications for insurance or negotiate insurance on behalf of an insurer, or an insurance agent but shall not include a bona fide salaried employee of an insurer, insurance agent or insurance broker who is employed at its principal office or branch of it.*

- S. 61 (1) of the Act:

**61. Requirement for registration**

*(1) ...a person shall not, in respect of any class of insurance business, carry on business as insurance agent, insurance broker, or as an insurance salesman unless that person is registered under this Part.*

The Financial Services Regulatory Authority advises:

- (1) Any person who, on behalf of an insurer or an insurance agent, solicits applications for insurance or places or negotiates insurance must be registered as an insurance salesman under Part 5 of the Act in order to do so.

- (2) Any person who, on behalf of an insurer or an insurance agent, negotiates the continuance or renewal of insurance must be registered as an insurance salesman under Part 5 of the Act in order to do so.
- (3) Notwithstanding (1) and (2) above, where a person is employed at the principal office or branch of the insurer, insurance agent or insurance broker and whose function as a bona fide salaried employee may require processing an application for insurance or attending to a walk-in customer, such person is not regarded as an insurance salesman under the Act and does not require registration in order to carry on insurance business on behalf of the insurer, insurance agent or insurance broker.
- (4) Where an employee of an insurer or an insurance agent is required under his/her employment contract or under a separate contract to solicit applications for insurance or place or negotiate insurance or the continuance or renewal of it, such person is no longer excluded under the interpretation of insurance salesman under S. 2 of the Act and therefore must be registered as an insurance salesman under Part 5 of the Act in order to do so.
- (5) Any person named on the certificate of registration of an insurance agent or insurance broker does not require registration as an insurance salesman in carrying on insurance business or insurance brokering outside the office or branch of the insurance agent or insurance broker.
- (6) No individual other than the person(s) named on the certificate of registration of an insurance broker may carry on insurance brokering outside the principal office or branch of the insurance broker.

Accordingly, you must regularise the operation of your sales force by requiring any person who requires registration under Part 5 of the Act, to apply for registration in accordance with Sec. 62 (1) of the Act.

Should you require further clarification in respect of the above, do not hesitate to contact our office.

Yours faithfully,

  
**CALIXTE LEON**  
**Executive Director**