

APPLICATION PACKAGE

FOR INSURANCE

AGENT, BROKER AND SOLICITOR



**INSURANCE BOARD/COMMISSION
FEDERATED STATES OF MICRONESIA
VB Building No. 1, Suite 2A
P.O. Box K-2980
Kolonia Pohnpei, FM 96941
Phone: (691) 320-3423/5426
Fax: (691) 320-1526
Website: fsinsuranceboard.com**

Instruction Guideline

This application package comprises of :

- **PART A:** Operational Document,
- **PART B:** Biographical Affidavit,
- **PART C:** Representative Resident or Principal Representative for service of process, and
- **PART D:** Checklist.

All Parts (A, B, C, and D) of the application package must be fully and thoroughly completed. The applicant is required to label all supporting documents respective of the Part of the application and question therein for which such supporting documents are intended. Furthermore, all supporting documents should be filed concurrently with the application package.

The applicant is highly encourage to make sure all statutory and regulatory application requirements are fully complied with when applying for a license while the application is pending, and if the application is sanctioned, the ongoing duty to provide or file with the Insurance Board new or amended information relevant to its application and business after the issuance of the license. Prior to applying for license, applicant is highly encouraged to get familiar and take notes on Section 301 and 303 of the Insurance Act, as amended.

Do not leave any question unanswered. If a question does not apply, write "NOT APPLICABLE". If you are not able to submit any of the documents requested, provide a detail explanation as to the reason(s). If a space for answer is insufficient, use additional sheet and label the additional sheet respective of the Part of the application and question for which the additional sheet is intended.

An applicant should read, comprehend and comply fully with the applicable requirements of the Insurance Act of 2006 and, if the applicant is licensed comply fully with all the relevant provisions of the Act thereafter.

Part C is intended to help applicants ensure the application is complete prior to filing. It is strongly suggested applicants also complete Part C and file with the application package.

A copy of the application package is available in Microsoft Word, if needed. Feel free to contact us if you need further assistance or clarifications on the application. Incomplete application will not be accepted.

PART A: OPERATIONAL DOCUMENT

1. Type of license applying for : Broker's License
 Agent's License
 Solicitor's License
- a. *Where the applicant is an insurance broker, a copy of documentations included in the application package as an appendix in respect to arrangement and placement of insurance, i.e. "broker placement slip, broker's cover note, binder, etc".*
 - b. *Where the applicant is an insurance agent, a copy of the agency agreement and appointment or designation by the insurer included in the application package as an appendix.*
 - c. *Where the applicant is an insurance solicitor, a copy of the agreement and/or appointment of the solicitor applicant by the insurer or agent.*

2. Legal status of the applicant: Corporation
 Partnership
 Sole Proprietorship
 Other: _____

Where the applicant is a corporation, provide the following: (a) Corporate charter, (b) Certificate of incorporation, and (c) Bylaws and/or Articles of Incorporation.

Where the applicant is other than a corporation, the support documentations on the applicant's legal nexus, status or establishment in the Federated States of Micronesia, i.e. business license.

3. Full name and address the applicant, and the authorized person to be contact in connection with the application:

a. Full name and address of applicant: _____
_____ Email address: _____

b. Full name and title of the authorized person to be contacted in connection with the application:
_____ Email address: _____

4. Classes and lines of insurance business applying for and to be transacted by the applicant:
5. In the case the applicant is an agent, the full name and address of the insurer to be represented by the agent applicant. In the case of the applicant is a solicitor, the full name an address of the insurer or agent:
6. A written confirmation from the authorized officer of the applicant's principal (confirmation from the insurer in the case the applicant is an agent, or confirmation from the insurer or agent in the case the applicant is a solicitor) that:
- a. the applicant is a person of good character and reputation;
 - b. the applicant possess an educational background and experience appropriate to the responsibilities as an insurance agent or insurance solicitor;
 - c. the applicant be licensed to represent the insurer (in case of agent), and insurer or agent (in case of solicitor);
 - d. the applicant's principal has established and maintained a system to ensure that the applicant complies with all statutory, regulatory and best insurance practices; and
 - e. Classes and lines of insurance policies to be carried out or transacted through the applicant.

7. Is the applicant currently engaging in insurance business or any other business? No ____ Yes _____. If yes, provide brief description of the business, a copy of the current license and past three years audited financial statements or reports, or other documents attesting to financial responsibility and soundness of the applicant.

8. Principal name and address in the FSM where the applicant will transact insurance business and maintain records (if different than #3(a) above):

_____ Email address: _____

9. If the applicant is to depend on a representative resident for service of process, fill in below blanks and complete **Part C** of the application package. Provide documentation on such designation or appointment:

_____ Email address: _____

10. Provide copies of all executed agreements (i.e. agency agreement, etc).

11. If the applicant is an individual, sole proprietorship, partnership, or association, provide full name and address of the owner, partner or all members. If applicant is a corporation, the name and address of all officers, and respective biographical affidavit and detailed Curriculum Vitae. File these documents with the application.

Name:	Title:	Full address:
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Is the applicant a subsidiary? No__ Yes___. If yes, provide the following on the parent company:

- a. Approved constitutional documents.
- b. A Board Resolution of the applicant's parent company in respect to its approval for the establishment of its subsidiary in the FSM to engage in insurance intermediary business, and lines of insurance to be transacted.
- c. Past three years audited financial reports.
- d. Full name, position, address and biographical affidavit on each director and officer appointed by the parent company required:

Name:	Title:	Address:	Email:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. Provide evidence of professional indemnity insurance policy, Errors and Omissions policy, or other indemnity covering fraud, negligence, and other risks.

14. Are any of the parties named in this application currently involved or ever been involved with an insurance entity in any other jurisdiction, or has applied to any authority to transact insurance business in any jurisdiction? No___ Yes _____. If “yes”, provide details:
15. Provide a **Business Plan** detailing all aspects of the business operations and strategies, such as capital structure, the initial amount of capital, source of capital funds, dividend policy, investment policy, loan-back policy, premium and claim handlings, accounting, reporting, etc. The Business Plan must include at least three years balance sheet, income and expense and cash flow projections, with written assumptions used to formulate the projections. (Use a separate sheet of paper, if needed).
16. The name, address and details of external or independent auditor for the proposed business.
17. Management staff, if any is to be employed by the applicant, must also provide their biographical affidavit and curriculum vitae detailing insurance experience. (The applicant is expected to vet the fitness and probity of such person(s)).
18. Enclose in the application package the application and license fees.

CERTIFICATION

I acknowledge that the FSM Insurance Board may disclose information in the performance of its statutory functions or otherwise as may be specifically authorized by law. I hereby verify the foregoing answers and statements and declare that they were made under the penalties of perjury. I warrant that all other information was disclosed which might reasonably be considered relevant for the purpose of the application. At any time, if any of the above information changes, I will notify the FSM Insurance Board during the review of the application and, if the application is accepted, thereafter, within fifteen (15) days from the occurrence of the changes or recollection.

I have read and completely understood the relevant and applicable provisions of the FSM Insurance Act of 2006, as amended, and will comply fully as set forth therein. I will act and hold myself out and carry on the business of insurance intermediary in good faith.

Signed this _____ day of _____, 20_____.

(Authorized Signature of applicant)

(Full name)

(Title)

Declared before me this ___ day of _____, 20_____.

(Seal)

(Notary Public Signature)

(Print or type full name)

Electronic version of the application form is available. Please feel free to contact us at below address or via an email request. This application must be submitted in its original form with all the required and supporting documents and fees to:

Att: FSM Insurance Commissioner
Insurance Board/Commission
P.O. Box K-2980
VB Building No. 1, Suite 2A
Kolonia Pohnpei, F M 96941
Tel: (691) 320-3423/5426
Fax: (691) 320-1523

PART B: BIOGRAPHICAL AFFIDAVIT

Instruction: This Form must be completed by:

- Owner of the applicant in the case of sole proprietorship.
- Partners of the applicant in the case of partnership.
- Members of the applicant in the case of association.
- Directors and officers of applicant in the case of a corporation.
- Management staff, if any, to be employed by the applicant.
- Representative resident or authorized representative of the applicant.
- Insurance Solicitor

(Name of Applicant)

1. Name of person completing this Biographical Affidavit:

(First Name)

(Middle Name)

(Last Name)

Title/Position: _____

Previous name(s) or other names known by: _____

Date of Birth (m/d/yr): _____

Citizenship: _____

Social Security No.: _____

Provide a copy of your passport showing passport number, issuance and expiration dates, etc.

2. Residence for last ten years (include month and year):

a). _____

(From/To)

(Street)

(City)

(State)

(Zip)

b). _____

(From/To)

(Street)

(City)

(State)

(Zip)

c). _____

(From/To)

(Street)

(City)

(State)

(Zip)

d). _____

(From/To)

(Street)

(City)

(State)

(Zip)

e). _____

(From/To)

(Street)

(City)

(State)

(Zip)

3. Employment History:

Provide the following information in reverse chronological order regarding your employment or self-employment during the past ten (10) years. Use additional sheet(s) if necessary.

Employer: _____ From: _____ To: _____

Address: _____ Phone: _____ Fax: _____ Website: _____

Business Description: _____

Job Title and Description: _____

Reason for Leaving: _____

Employer: _____ From: _____ To: _____

Address: _____ Phone: _____ Fax: _____ Website: _____

Business Description: _____

Job Title and Description: _____

Reason for Leaving: _____

4. Educational and Professional Credentials (Use additional sheet if necessary):

(a) Include high school (secondary) and postsecondary or college/university (indicate name of institutions, locations, dates attended, degrees, and major field of study):

Postsecondary (graduate studies):

Postsecondary (undergraduate):

Secondary:

(b) List any professional qualifications or license or similar certificates now held or have ever held, issuer, date issued, time currently being devoted to the profession and whether the license/certificate has been revoked, suspended or cancelled and the reasons, if applicable.

(c) List training courses attended relevant to the position you are holding/will hold in the applicant. (Indicate title of training course, date, approximate period in terms of hours or days, weeks or years, and name and contact address of the institution provided the training.)

5. Provide original police clearance which should be dated within one (1) month prior to the signatory date of the application.

6. Has any insurance commissioner, regulatory authority or department ever suspended, cancelled, or revoked any license issued to you, or ever refused to issue or renew any such license, or have you ever surrendered any such license, or has any company cancelled any contract of employment or any appointment for any reason, or has any other public official or court ever suspended, cancelled or revoked any license or authority of any kind issued to you to pursue any trade, calling, or profession or refused to issue or renew any such license or authority or discharged or removed you from any public office or position? No___ Yes___. If yes, provide details:

7. Have you ever filed a petition or have you been petitioned into bankruptcy or insolvency, or have you ever made any assignment for the benefit of, or any composition with your creditors, or have you ever been under guardianship or other legal disability? No___ Yes___. If yes, provide details:

8. In your capacity as a natural person, sole owner of a business, employee, partner, member of an association, director, or officer, has there ever been a filed claim against you for being indebted to any individual, company, organization or institution (i.e. collected insurance premium, etc). No___ Yes ___. If yes, provide details:

9. Has there ever been a filed claim against you for being default on any repayment of debts (i.e. mortgage loan payments, credit payments, student loan payments, etc)? No___ Yes___. If yes, provide details:

10. Are you a trustee, manager, director, officer or otherwise in charge, in whole or in part, of any property or interests of others who carry insurance? No___ Yes___. If yes, provide details:

11. Have you ever been convicted of, or arrested or prosecuted for, any crime or offense against the laws or plead nolo contendere to any indictment or complaints for such crime or offense, or is there pending against you any indictment, complaint or proceeding for a violation of any laws, regulations, and/or orders? No___ Yes___. If yes, provide details:

12. Listing of institutions in the FSM or outside of FSM you have been a significant shareholder, director or officer. Include percentage of ownership and description or position title.

13. Have you ever changed your name? No___ Yes___. If yes, provide details:

14. Are you currently selling insurance over the Internet? No___ Yes___. If yes, provide the name of your website and the location of server.

15. Have you or any corporation, partnership, or other entity in which, at the time you were an officer, director, trustee, sole owner, employee, partner and/or significant shareholder, been named in any complaint, pleading, judgment, order, or decree filed in any court of law which cited violations or alleged violations of any applicable laws? No___ Yes___. If yes, provide details:

16. Have you ever been an officer, director, trustee, employee, partner, member, or significant shareholder of any financial institutions that became insolvent or were placed under supervision or in receivership, rehabilitation, liquidation or conservatorship while you occupied any such position or within one year thereafter? No___ Yes___. If yes, provide details:

17. Has the certificate of incorporation or authority or license to do business which you were an officer, director, member, partner, member, or management staff ever been suspended, revoked or cancelled while you occupied any such position or within one year thereafter? No___ Yes___. If yes, provide details:

18. Have you ever been requested, advised, ordered or told by any governmental regulatory authority, board, commission or agency to divest any stock ownership or other ownership interest you had in any company or organization? No___ Yes___. If yes, provide details:

19. Have you ever been requested or asked to resign or leave as an officer, director, agent, employee, owner, member, partner, consultant or representative of any organization or institution? No___ Yes___. If yes, provide details:

20. Have you ever been a named party in any legal or administrative hearing, proceeding or investigation in your capacity as a manager, staff, officer, director, trustee, employee, agent, owner, partner, consultant, advisor, authorized representative, or significant shareholder? No___ Yes___. If yes, provide details.

CERTIFICATION

I hereby declare under penalty of perjury that the responses to the above are true and complete to the best of my knowledge and belief and there are no other facts or information relevant to this Biographical Affidavit which the FSM Insurance Board should be aware. I warrant that I will promptly notify the FSM Insurance Board of any changes in the information I have provided and supply any other relevant information, which may come to light in the period during which the application is being considered and, if the application is accepted, thereafter, within fifteen (15) days from the occurrence of the changes or recollection.

I ALSO HEREBY AUTHORIZE the FSM Insurance Board to make such enquiries and seek such further information as appropriate to carry out its duties and responsibilities.

Dated and signed this _____ day of _____, 20__

(Signature)

(Print or type full name)

Declared before me this ____ day of _____, 20_____.

(Seal)

(Notary Public Signature)

(Print or type full name)

Part C

APPOINTMENT OF REPRESENTATIVE RESIDENT FOR SERVICE OF PROCESS (sample)

Ref: Subsection 1(c) of Section 302 of 37 FSMC.

KNOW ALL MEN BY THESE PRESENTS:

That pursuant to Subsection 1(c) of Section 302 of 37 FSMC, the _____ (name and address of applicant in the FSM) _____, and as authorized to carry on the business of insurance in the Federated States of Micronesia and as authorized by law (hereinafter called the "Insurer" or "Agent") does hereby:

- 1). Designate and appoint (Name of Representative Resident) _____ and having (Complete address and contact details) _____, in the Federated States of Micronesia as the said insurer's or agent's Representative Resident (hereinafter called the "Representative");
- 2). Authorize the Representative to accept service of any notice, order or process in any action or proceeding brought or pending in the Federated States of Micronesia upon any cause of action arising in or growing out of insurance business transacted in the Federated States of Micronesia; such authorization to be valid until such time as it shall be revoked by a notice in writing filed with the Insurance Commissioner;
- 3). Stipulate and agree that after being admitted to transact business in the Federated States of Micronesia, it will continue to comply with the requirements as to its business set forth in Title 37 of FSM Code and other laws of the Federated States of Micronesia; and
- 4). Stipulate and agree that before retiring from business in the Federated States of Micronesia, it will reinsure its Federated States of Micronesia business with an insurer under a plan submitted to and approved by the Insurance Commissioner.

This appointment and designation, and the powers delegated hereunder, shall terminate without notice to the appointee upon the filing with the Insurance Commission of a document appointing another person as Representative Resident for the said Insurer or Agent pursuant to Subsection 1(c) of Section 302 of 37 FSMC.

IN WITNESS WHEREOF, The said insurer or agent has to these presents caused its name to be subscribed and attested by its President and Secretary at _____ on the _____ day of _____ A.D. 20 _____.

By _____
(President)

Attest _____
(Secretary)

(Print Name)

(Print Name)

On _____ before me, _____, personally appeared _____ and subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person and/or entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[NOTARIAL SEAL]

Signature _____
(Signature of Notary Public)

I, _____, the appointee named above do hereby certify under penalty that I am the individual named therein, that I maintain an office or residence at the address shown thereon, and that I shall be reasonably available during normal business hours at such place for service on me for the appointing company of papers, notice, proofs of loss, summons, writs or other process. I further agree that in the event the address or location of my said office or residence is changed during the existence of this appointment, I will promptly give notice thereof in writing to the Insurance Commissioner and to the appointing company.

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

(Seal)

(Notary Public Signature)

PART D: CHECKLIST

The Checklist is simply an aid to assist you in compiling a complete application prior to its filing. Depending on the legal status of the applicant, some of the documents may not be applicable. Make sure all the required supporting and relevant documents are filed with your application. It is incumbent upon the applicant to make sure all the supporting and relevant information or documents are provided at once with the application.

In the case of a corporation:

- Corporate Charter
- Certificate of Incorporation
- Bylaws and/or Articles of Incorporation
- Biographical affidavits
- Copy of all agreements, even if they are in draft form
- Audited financial statements
- Business Plan
- Service of Process Agreement
- Etc.

In the case a subsidiary:

- Parent company constitutional documents
- Confirmation (i.e. Board Resolution) signed by the parent company's authorized officer in respect to approval of the parent to establish the subsidiary in the FSM to engage in the business of insurance and lines of insurance to be transacted
- Past three years audited financial statements
- Copy of all agreements, even if they are in draft form
- Audited financial statements
- Business plan
- Service of Process Agreement
- Etc.

In the case of Solicitor:

- Business license
- Agreement between applicant Solicitor and insurer or agent.
- Etc.