

LICENSE APPLICATION FOR INSURANCE COMPANIES

AND INTERMEDIARIES

General Information

- 1. Application must be in writing and in official language of Timor-Leste or in English language.**
- 2. An original application and two copies including a non-refundable application processing fee.**
- 3. For a new insurance company, application must be signed by founders of the Insurance Company.**
- 4. For a branch of foreign insurance company, application must be signed by an authorized officer.**
- 5. Spokesperson**
 - a. Applicant should authorize in writing a spokesperson to act on behalf of the applicant by providing his/her name, address and telephone number. The BPA should be notified in writing on any changes in information provided.**

Content of the Application

A. New insurance company:

- 1. Minutes of meeting of the shareholders authorizing the establishment of insurance company.**
- 2. Minimum Capital Requirement is US\$ 500,000.00**

- 3. Actual or proposed capital for proposed insurance, the amount of subscribed capital and paid in.**
 - 4. Name and type of insurance business either life insurance or general insurance. A company is not allowed to underwrite both businesses simultaneously.**
 - 5. Type and number of shares.**
 - 6. Carter and By-Laws.**
- B. Proposed shareholders holding more than 10% of paid – up shares, directors and senior officers:**
- 1. A list of all persons as referred in item B, with a clear identification, address and nationalities.**
 - 2. Detailed background information/CV, including a certified balance sheet and income statement of financial resources of all persons as referred in item B;**
 - 3. For senior officers, must have recognized business degree, other professional insurance experience and prove original academic and professional qualification;**
 - 5. A declaration of free from criminal proceeding, free from financial or administrative problem, tax avoidance, bankruptcy and other proceeding pending that are not a poor reflection on his/her professional integrity;**
- C. Business plan, projected financial statements for the next 3 years of operations. Plan should contain the following minimum information:**
- 1. Financial Projections;**
 - 2. Format of description of the main assumptions;**
 - 3. Minimum Solvency Margin Calculations;**

- 4. Distribution manners;**
- 5. Reinsurance Program;**
- 6. Marketing plan;**
- 7. Fees/Commissions;**
- 8. Auditing Firm;**
- 9. Actuary/Claims Expertise;**
- 10. Bank Arrangements;**
- 11. Investment policy;**
- 12. Internal Control;**
- 13. Sample policy and claim documents and premium rate;**
- 14. Information technology;**
- 15. Disaster Recovery Plan.**

D. For Branches of Foreign Insurance Companies:

- 1. Written statement from home country insurance supervisory entity confirming:**
 - a. The approval for the parent insurance company to establish a branch in Timor-Leste.**
 - b. The Insurance Company is Solvent and meets all the regulatory requirements in the home jurisdiction.**
- 2. Audited Financial Statement for the past three years.**
- 3. Proposed audit firm.**

E. Insurance intermediaries

- 1. The minimum paid-in capital is US\$5,000.00**
- 2. Proposed agency agreement or brokerage agreements with Timor-Leste Insurance Companies.**

- 3. A lease contract with a landlord evidencing a place of business to which formal legal notice can be served.**
- 4. For brokers, the original copy of their proposed professional indemnity insurance.**
- 5. The Insurance intermediaries shall have Qualification Requirements such as majority age, full time resident, education, professional standard, integrity, reputation and financial resource.**
- 6. Similar information as required to insurance companies is applied.**

Notes:

- Legal time frame for BPA's decision is 90 (ninety) working days.**
- Further information's link to <http://www.bancocentral.tl/regulations/Lei-de-Seguros-No-6-2005-pt.pdf>**
- Other information including application fees and charges is available upon request.**