

Application for Financial Services Permission

Financial Services Regulatory Authority (FSRA) Captive Insurance Business (CIBF) form

Applicants¹ who wish to apply to establish a Captive Insurer in the ADGM will need to submit this form.

We occasionally refer to various Rules, sections, or chapters of the FSRA Rulebooks. These references are provided as a guide and not intended as an exhaustive list of the Rules that may be applicable to your situation. It is your responsibility to research the Rulebooks for any Rules that might be pertinent to your application.

All fields in this form must be completed. If a question does not pertain to your intended Regulated Activities, respond to that effect in the field. If it is more appropriate to answer certain questions in a separate document, indicate as such in the field and upload it to the Supporting Documents section of this form. Avoid the use of acronyms and abbreviations where possible, but if you do need to them they should be defined below.

Name of the Applicant:

Abbreviation or acronym defined:

¹ Terms defined in the FSRA Glossary (GLO) or the glossary sections in other Rulebooks are identified by the capitalisation of the initial letter of a word or of each word in a phrase, unless the context otherwise requires the word to have its natural meaning.

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1

Information about the Owner of the proposed Captive Insurer

Why do we ask the questions in this section?

We need this information in case we need to contact you when assessing this application.

1.1 Full name of the direct owner of the proposed Captive Insurer²:

1.2 Provide the following contact details for this application:³

Name:	
Designation:	
Contact number:	
E-mail address:	

1.3 Provide the name and contact details of any professional adviser(s) that may be assisting you with this application:

Name:	
Designation:	
Current Employer:	
Contact number:	
E-mail address:	

1.4 Would you like us to copy in your adviser identified above on any correspondence?

☐ Yes ☐ No

1.5 What is the registered business address of the owner of the proposed Captive Insurer?

1.6 What is the website address of the owner of the proposed Captive Insurer?

1.7 Is the owner a member of a Group? If 'Yes', provide a Group structure chart that is sufficiently detailed to show all Controllers, whether Natural Persons or not, as well as Close Links and other connections.

☐ Yes ☐ No

² Where the Captive Insurer will have more than one owner or controller, provide information in this section for each such owner or controller.

³ This person named will have responsibility for the application during the authorisation process and for liaising with the FSRA. He or she must be a representative of the owner of the proposed captive insurer.

- 1.8 If the owner of the proposed Captive Insurer, or the Group to which it belongs, is regulated in another jurisdiction, provide contact details of the regulator(s) responsible.⁴

Name of regulatory authority: Jurisdiction or country: Details of the license held: Date of licensing: Name of supervisor: His/her designation: Contact telephone number: E-mail address:
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- 1.9 Provide information on all Controllers⁵ (those who are not Natural Persons) of the owner of the proposed Captive Insurer in the table below:

Applicant's Controllers (Not Natural Persons):		
Name of Body Corporate, Limited Liability Partnership, or Trust:		
Legal status:	<input type="checkbox"/> Body Corporate <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Trust	
Regulatory Status:	<input type="checkbox"/> Regulated <input type="checkbox"/> Unregulated	
Place of incorporation or registration:		
Date of formation/establishment:		
Principal Activity:		
Financial Regulator:		
Domicile:		
Jurisdiction:		
% of direct shareholding in Applicant:		
% of direct shareholding in Applicant:		
Directors/Partners/Trustees of the Controller:		
Full Name	Role	Date of Birth

⁴ If there are other Shareholders (not being Natural Persons) and/or related entities, duplicate this table to accommodate the additional details.

⁵ Controllers are defined in the ADGM FSRA GEN module, Rule 8.8.2.

- 1.10 Use the table below to provide details on all Controllers⁶ of the owner who are Natural Persons. You must complete one of these tables for each such Controller.⁷

Applicant's Controllers (Natural Persons):						
Name of individual:						
Have they ever used any other name(s)? <input type="checkbox"/> Yes <input type="checkbox"/> No						
The name(s) previously used:						
State the reason(s) for the change(s) of name(s):						
Natural Person Controller details: <input type="checkbox"/> Director <input type="checkbox"/> Trustee <input type="checkbox"/> Shareholder ⁸ <input type="checkbox"/> Beneficiary of trust <input type="checkbox"/> Partner <input type="checkbox"/> Other						
Other Role:						
Direct Shareholding in Applicant:						
Indirect Shareholding in Applicant:						
Is the Controller a Politically Exposed Person? <input type="checkbox"/> Yes <input type="checkbox"/> No						
If the Controller is a Politically Exposed Person, please provide an explanation:						
Date of Birth:						
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female						
Current Country of Residence:						
Provide full details of the source of wealth and source of funds of individuals who will contribute capital to the Applicant, with supporting documentary evidence attached						
Citizenship Details:						
Passport Number:	Passport Issue Date:	Passport Expiry Date:	Passport Country of Issue:	Nationality:	National ID:	National ID Type

⁶ Ibid.

⁷ Copy this table for each additional Controller of the owner who is a Natural Person.

⁸ Direct or indirect.

Employment history:						
Do you have Employment History to enter? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Please enter the reason if 'No' is selected:						
Name of employer:	Domicile:	Position held:	Period From:	Period To:		
Directorships or Partnerships held:						
Have you held any past or present roles as a director or partner? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Name of Body Corporate or other partnership:	Domicile:	Nature of business:	Dates of tenure: (MM/YYYY)			
Other Controller Positions:						
Do you hold any other Controller positions? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Name of Body Corporate or other partnership:	Domicile:	Nature of business:	Ownership interest (%):			

- 1.11 Provide a brief history of the owner and, if applicable, its Group, including a description of its business activities, date and place of incorporation, stock exchange listings and numbers of employees:

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- 1.12 In the table below, provide the general financial information as requested. In addition, we require the owner's audited financial statements for the last three years, as well as its Group's audited financial statements for the same periods, where applicable:⁹

Controller's financial statement:				
Name of Entity:	Financial year ended	Revenue	Profits after tax	Shareholders' funds / total equity

⁹ The audited accounts should include balance sheet, profit and loss statement, and cash flow statement. Where audited accounts are unavailable supply interim unaudited accounts or management accounts.

Consolidated Group financial statement:				
Name of Entity:	Financial year ended	Revenue	Profits after tax	Shareholders' funds / total equity

1.13 If applicable, provide credit rating information on the owner and its Group covering the last three years:

1.14 Describe how the insurance requirements of the owner and its Group, if applicable, are currently being addressed, including reinsurance arrangements:

1.15 Provide in the table below information on the insurance cost and loss history of the owner and its Group, if applicable, covering the last five years¹⁰:

Year:	Total Insurance Premium Paid:	Total Sum Assured:	Total Gross Loss Incurred:	Total Claims Recovered from Insurers:

¹⁰ Only in relation to the classes and lines of insurance business which the proposed Captive Insurer would write.

2

Information about the proposed Captive Insurer

Why do we ask the questions in this section?

We need to know about the proposed Captive Insurer and its activities so we can process this application as efficiently as possible.

2.1 Full name of the proposed captive insurer, ICC, PCC or cell:

2.2 Trading name of the Applicant (if different than above):

2.3 What is the proposed date for business to commence?

2.4 What is to be the registered or proposed business address of the Captive Insurer?¹¹

2.5 Indicate in the tables below the corporate structure of the captive entity and the Class of Captive Insurance Business the proposed Captive Insurer will be carrying on. Classes of Captive Insurance Business are set out in ADGM FSRA CIB, Section 1 – *General Provisions* and defined in the ADGM FSRA GLO module:

Regulated Activity	Carrying Out Contracts of Insurance as Principal
Sub Category	<input type="checkbox"/> Captive <input type="checkbox"/> Captive – Cell Company
Corporate Structure	

Regulated Activity	Effecting Contracts of Insurance
Sub Category	<input type="checkbox"/> Captive <input type="checkbox"/> Captive – Cell Company
Corporate Structure	

Regulated Activity	Shari'a-compliant Regulated Activities
Sub Category	Other than Managing a PSIA
Corporate Structure	

Class of Captive Insurance Business:

¹¹ If this application is not in respect of a cell.

Class of Captive Insurance Business	Number of Cells for each Class
Class 1	
Class 2	
Class 3	
Class 4	
Total number of cells selected	

- 2.6 Is this application for the registration of a new cell under an existing ADGM ICC or PCC? Provide the name and ADGM number of the ICC or PCC of which the cell would form a part and indicate whether the proposed cell would have recourse to the ICC or PCC's non-cellular assets for the purposes of solvency or liquidity – if so, provide a copy of the agreement:

☐ Yes ☐ No

- 2.7 Do you intend to re-domicile an existing non-ADGM Captive Insurer? If you select "No", please enter the reason. If "Yes", provide details of its existing lines of business and confirm whether there will be any changes to its current coverage:

☐ Yes ☐ No

- 2.8 If this application is for the re-domicile of an existing, non-ADGM Captive Insurer, provide contact details of its current regulator:

Name of regulatory authority:	
Jurisdiction or country:	
Details of the license held:	
Date of licensing:	
Name of on-going supervisor:	
His/her designation:	
His/her contact number:	
His/her e-mail address:	

- 2.9 Have you notified the above-named supervisor of the proposed re-domicile of the captive insurer to the ADGM?

☐ Yes ☐ No ☐ Not Applicable

3

Proposed Insurance Business

Why do we ask the questions in this section?

If we grant authorisation to the Captive Insurer, we will give it a scope of Financial Services Permissions. This sets out the Regulated Activities the Applicant is to carry on, and the permitted class of insurance. It is the Applicant's responsibility to ensure that it applies for a scope of Financial Services Permissions that will cover all the Regulated Activities it intends to carry on.

- 3.1 Indicate in the table below the Classes of Insurance Business you will be Effecting and Carrying Out. Classes of Business are set out in Schedule 1, Part 4 – Contracts of Insurance, of the ADGM Financial Services and Markets Regulations 2015:

Classes of Non-Life Insurance	%	Classes of Life Insurance	%
Accident		Life and Annuity	
Sickness		Marriage and Birth	
Land Vehicles		Linked Long Term	
Marine, Aviation and Transport		Permanent Health	
Fire and other Property Damage		Tontines	
Liability		Capital Redemption	
Credit		Pension Fund Management	
Suretyship			
Other (specify below)			

- 3.2 Indicate what systems and controls will be put in place to ensure compliance with Article 4, paragraph 4 of Federal Law No. 8 of 2004:

- 3.3 Indicate the location(s) of risks the proposed Captive Insurer will cover:

Other:

- 3.4 Where the proposed Captive Insurer will underwrite cross-border risks, describe the regulatory environments of the relevant jurisdictions and how the proposed Captive Insurer will comply with the requirements:

- 3.5 Explain the reasons for locating, or relocating, the proposed Captive Insurer in the ADGM and describe the connection, if any, between the owner and/or the risks the proposed Captive Insurer will cover and Abu Dhabi, the United Arab Emirates or the GCC region:

- 3.6 If this application is in respect of a new ICC or PCC (core only), describe the insurance business most likely to be conducted in future by its individual cells, including scope, rationale and volume. Also, confirm whether individual cells will have recourse to the core:

4

Management of the proposed Captive Insurer

Why do we ask the questions in this section?

The Applicant firm must demonstrate it has fit and proper staffs with adequate knowledge, skills and experience, along with satisfactory management oversight of systems and controls¹².

- 4.1 Confirm whether the proposed Captive Insurer will be managed (or in the case of an ICC or PCC, established) by a Captive Insurance Manager licensed in the ADGM. If so, confirm the Captive Insurance Manager's name:

☐ Self Managed ☐ Managed by ADGM Captive Insurance Manager

- 4.2 Explain why you are satisfied that your choice of Captive Insurance Manager fulfils the requirements of GEN 3.3.31(3):

- 4.3 Will you, as owner, self-manage the proposed Captive Insurer. If so, describe the experience you have in Insurance Business, including insurance underwriting, loss prevention and risk management:

- 4.4 Provide details on the appointment of the proposed individuals who will be performing the following Controlled Functions¹³ on behalf of the proposed Captive Insurer in the table below:¹⁴

	Name of Individual				
Controlled Functions					
Licensed Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Licensed Partner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MLRO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finance Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsible Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resident of UAE upon licensing ¹⁵ – If No, please state the current residency	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

- 4.5 Where an employee of the Captive Insurance Manager (if applicable) will be a board member of the proposed Captive Insurer, identify any potential conflicts of interest and indicate how they will be managed or mitigated¹⁶:

- 4.6 Indicate whether the Captive Insurance Manager will be responsible for the following operational functions of the proposed Captive Insurer. Where any functions are not provided by the Captive Insurance Manager, please explain the alternative arrangements that will be put in place:

- 4.7 Provide a copy of the management agreement with the Captive Insurance Manager, if one is to be used, and confirm that it addresses all of the functions listed in question 4.8 and meets the requirements of CIB 5 and GEN 3.

- 4.8 Provide the name(s), position(s) and responsibilities of the executives within the owner or its Group to whom the board and management of the proposed Captive Insurer will report:

- 4.9 Where the proposed Captive Insurer is to be managed by a Captive Insurance Manager, confirm whether reliance will be placed on internal controls systems, policies and procedures of that Captive Insurance Manager, and whether copies of these have been provided previously to the ADGM FSRA. If so, confirm the date of submission:

- 4.10 If the proposed Captive Insurer will be underwriting long-term risk, describe the actuarial arrangements that will be in place and confirm the name and contact details of the person or firm who will act as actuary. Where available, provide a copy of the letter of engagement, or indicate when this will be submitted:

¹² Under CIB Rule 5.1, the provisions relating to the management systems and controls with which a Captive Insurer must comply are set out in GEN Rule 3.

¹³ As described in ADGM FSRA GEN Rulebook section 5.3 – Controlled Functions and Approved Persons.

¹⁴ You are required to submit an ADGM FSRA – Controlled Function status-1 form for each proposed individual who will perform a Controlled Function.

¹⁵ This relates to the UAE residency status of the candidate, as outlined in GEN 5.5.2, on an ongoing basis and, in the case of an Applicant, from the anticipated time of authorisation.

¹⁶ Refer to GEN 3.3.21.

5 Financial information and tax reporting

Why do we ask the questions in this section?

This section helps us understand the proposed Captive Insurer's financial position and arrangements.

- 5.1 Indicate the proposed Captive Insurer's financial year end:
- 5.2 Confirm the accounting standards to be applied to the proposed Captive Insurer's records and accounts:
- 5.3 Confirm the make-up of the proposed Captive Insurer's eligible capital under CIB Chapter 3. Include qualifying letters of credit, if applicable, and any financial arrangements to be entered into with the owner, including loan backs or sweeping arrangements¹⁷:
- 5.4 Confirm the owner's commitment to provide additional funding to support the proposed Captive Insurer, if necessary, and how such funding would be provided:
- 5.5 Confirm the name and address of the proposed Captive Insurer's auditor and the name and contact details, including telephone and email, of the partner responsible for the audit relationship:
- 5.6 Confirm the date of appointment of the auditor and provide a letter of engagement, if available. If it is unavailable, indicate when it will be provided:
- 5.7 FATCA and CRS present significant structural changes in governments' efforts to improve global tax compliance. In 2015 the UAE Ministry of Finance signed a FATCA Model 1 – Intergovernmental agreement with the United States of America undertaking to provide the required information to the US Treasury Department.
- | | |
|--|---|
| Advise if the Applicant will be FATCA compliant at the point of authorisation: | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Not Applicable |
| Advise if the Applicant will be CRS compliant at the point of authorisation: | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Not Applicable |

¹⁷ The Regulatory Business Plan (see CIBF Appendix 3) requests full, three-year financial projections for the proposed Captive Insurer.

If one or both responses in the above text-cells was “No”, provide a detailed explanation of how the Applicant intends to remediate this issue in order to meet requirements:

If one or both responses in the above text-cells was “Not Applicable”, provide a detailed explanation of why these obligations do not apply to the Applicant:

6

The regulatory business plan (RBP)

Why we ask the questions in this section?

We need to know about the business that the Applicant firm intends to carry on so we can assess (i) the scope of the financial services permissions it will need, and (ii) the adequacy of its resources and its suitability to carry on that business.

The RBP is a fundamental part of the application process seeking Financial Services Permissions. You must cover each point which is referenced. The RBP is not equivalent to a “commercial” business plan. As examples, the ADGM FSRA is not expecting to see sections that outline your business “philosophy” or your firm’s “core values” or the “region’s market potential”. It is not a document that you might otherwise present to Shareholders or your Board in seeking approval to expand or set up new operations. Your RBP is a document that will be used by the ADGM FSRA to help make our decisions about the fitness and probity of your firm in seeking approval to conduct Regulated Activities in or from the ADGM. The RBP should set out your strategy for establishing in the ADGM and demonstrate how the business will be managed and controlled.

1. Introduction and background

Provide a brief introduction to and history of the owner(s), including what experience has been gained, if any, in insurance activities in Abu Dhabi or the region:¹⁸

2. Strategy and rationale for establishing in the ADGM

2.1 Purpose

Describe the reasons behind the decision to establish a Captive Insurer, together with a rationale for choosing the ADGM, including current and emerging market situations in relation to the business the Captive Insurer will insure and any research or SWOT analysis undertaken. Explain how transferring the risk to the Captive Insurer will address these issues:

2.2 Operations

Explain what business the Captive Insurer will insure and what loss exposures it will underwrite:

¹⁸ Describe the core business activities, expertise, scale of business, and country of operations of the owner and/or its Group. The description should also include any major developments in the history of the owner / Group (e.g. attaining listing /regulated status, strategic acquisitions, change in shareholders, or change in name.)

2.3 Objectives and strategy

Describe the overall long-term risk transfer benefits and/or profitability goals of the Captive Insurer. Explain how the Captive Insurer will develop and maintain its insurance programmes:

2.4 Programme management

Explain the policies and procedures that will underpin provision of programme capabilities to clients or participants, including the issuing of policies:

2.5 Market analysis

Explain the main risk transfer needs of participants in the market segment(s) that will generate business for the Captive Insurer and describe how they will benefit from its coverage:

2.6 Other options

Describe other sources that could provide the risk assumption or transfer benefits to be offered by the Captive Insurer. Consider economic conditions or legal / regulatory changes that might affect the Captive Insurer's business:

3. Shareholding structure**3.1 Relationship with Group**

Provide the shareholding chart (as a separate attachment) that shows how the proposed Captive Insurer is related to each of its shareholder(s) (including natural persons), and to any related entities, subsidiaries and head office/branch(s) (where applicable). The chart should indicate the percentage of shareholdings or controlling interests held by each person, the date and place of incorporation of each entity, and the place of residency of each natural person. Any regulated entities should be identified, along with their Regulator. Information on other forms of controlling interests should also be included in the chart (e.g. where shares are held by a trust, provide details of all trustees, settlors and beneficiaries):

3.2 Intra-Group dependencies

Describe any intra-Group transactions and business relationships (e.g. guarantees, loans, cash flows, services, etc.) and their rationale:

3.3 Consolidated supervision of the Group by other regulators

Describe the extent to which other regulators, whether domestic or international, supervise the Group on a consolidated Group basis:

4. Organisation structure and corporate governance**4.1 Board, Senior Management and management committees**

Provide a full organisation chart (as a separate attachment) depicting the key appointments (including senior management and heads of function) and reporting lines within the firm, and where applicable, the reporting lines to the Group / head office. Confirm which functions, if any, will be provided by a Captive Insurance Manager and identify the name:

Describe the composition, scope, responsibilities, and reporting lines of any board or management committees and attach copies of any committee terms of reference. Describe how business decisions are made and how the Board and management committees will exercise their supervision over the business activities. Identify the individual(s) within the owner(s) who will assume responsibility for the Captive Insurer and how the Captive Insurer's Board and/or senior management will report to them:

Specify how Board and Senior Management will effectively promote and implement a culture of sound risk governance, ethical conduct and compliance within the Captive Insurer (e.g. through an appropriate remuneration policy, policies on fair dealing, stringent fit and proper checks for staff recruitment, etc.) Describe the systems and controls that will be put in place to deliver the outcomes:

4.2 Segregation and independence of functions

The firm should demonstrate that there is adequate segregation and independence of the control functions from the business functions, and that the control functions have access to escalate any risks or regulatory issues to the Governing Body. Identify any potential or actual conflicts of interests and explain how the corporate governance structure and controls of the firm will mitigate or address these:

4.3 Key personnel conducting Regulated Activities

Provide the CVs and basis on which the Applicant has assessed the ability and qualifications of the key appointees (e.g. head of function) to supervise and carry on the Regulated Activities of the firm. Where functions are to be performed by staffs of an authorised Captive Insurance Manager in the ADGM, identify these individuals:

5. Resource planning

5.1 Human resources: staffing and recruitment

Describe the Captive Insurer's proposed staffing and overall headcount and confirm where these individuals will be located. Outline how the Captive Insurer will supervise, train, and monitor the employees to ensure they remain fit, proper, competent, and capable of performing the functions to which they are assigned. Provide details of the input the compliance function will have to the selection, assessment, and training of staff. Include a description of the Captive Insurer's remuneration policy:

5.2 Outsourcing arrangements

Provide details (if applicable) relating to any arrangements made with Captive Insurance Manager(s) in connection with the Captive Insurer's Regulated Activities, including:

- The functions or activities that will be outsourced or delegated;
- The rationale for the outsourcing arrangement(s);
- The basis/rationale for choosing this Service Provider;
- How management, oversight and control will be maintained over the outsourced function(s), the key terms of the service level agreement, the contingency plans, and how the Captive Insurer or its owner will review the Captive Insurance Manager's performance (including access rights to inspect its systems):

5.3 Other service providers

Provide details of any business relationships with other market counterparties in relation to the Regulated Activities (e.g. custody arrangements, research, advisory services, and trade-execution services), and the associated business contingency plans:

5.4 IT systems

Describe the IT systems to be used by the Captive Insurer to support its business activities, including whether the systems are proprietary or off-the-shelf, in relation to:

- Record keeping of information and transactions;

- Transmission/clearing/payment arrangements;
- Underwriting;
- Reinsurance;
- Fronting arrangements;
- Financial accounting;
- Compliance monitoring;
- Risk management;
- Suspicious transactions surveillance and reporting; and
- Management reporting;

Record keeping of information and transactions:**Transmission/clearing/payment arrangements:****Underwriting:****Reinsurance:****Fronting arrangements:****Financial accounting:****Compliance monitoring:****Risk management:****Suspicious transactions surveillance and reporting:****Management reporting:****6. Risk assumption and transfer****6.1 Coverage and reinsurance**

Outline the classes of risk and limits that will be covered by the Captive Insurer, the risk transfer mechanism or transaction that will be used, and reinsurance arrangements, if applicable. Explain the transaction flows (including diagrams) and how outcomes will be monitored.

6.2 Risk management

Describe the risk management programme to be employed and how it will contribute to mitigate loss exposures. How will the risk management programme contribute to underwriting analysis and consideration of loss exposures:

Identify the main external and internal risks for the firm's business arising from the Regulated Activities. Describe the systems, policies and procedures in place to identify, assess, mitigate and monitor the risks. The firm should document the (i) composition and terms of reference of any risk committees; (ii) scope and reporting structure of the risk management function; and (iii) scope and frequency of risk reporting to Governing Body and the Group:

7. Control systems and procedures

7.1 Compliance and anti-money laundering / countering the financing of terrorism (AML/CFT) procedures and arrangements

Describe the compliance procedures and programme of the proposed Captive Insurer, including:

- the scope and frequency of the compliance reviews or audits;
- whether there is any review or audit by its Group compliance function / internal audit, or an external organisation;
- any review in respect of the firm's AML/CFT procedures and its compliance/money laundering reporting functions; and
- training programme and procedures to ensure employees are made aware of their regulatory obligations:

7.2 Internal audit

Provide details of the scope, organisational structure, reporting lines, and staffing of the internal audit function. Provide details of the relationship between the proposed Captive Insurer's internal audit function and the internal audit function of the owner(s) and/or Group:

7.3 Actuarial Reporting

Provide details of the arrangements proposed to satisfy the periodic Actuarial Reporting requirements¹⁹ in respect of the Captive Insurer, including the name and contact details of the Captive Insurer's proposed Actuary to be appointed, together with the letter of engagement if one has been provided, and confirming how qualification and notification requirements will be met:

¹⁹ Chapter 7 of CIB sets out the frequency requirements for actuarial reporting, determined by the class of business conducted.

8. Financial projections**8.1 Three-year assumptions and projections demonstrating adequate financial resources**

The financial resources of the Applicant are an important component of our assessment of its fitness and propriety, and its ability to maintain Capital Resources in excess of its Capital Requirement at all times. We look critically at the initial capital injection and the estimated annual expenses. In particular, we want to know how long a newly-authorised firm can continue its operations in the absence of revenue without breaching its Capital Requirement.

We also want to understand the assumptions underpinning the financial projections, which should be consistent with information contained elsewhere in the RBP. We encourage a conservative approach to the estimation of revenues and expenses.

The Applicant is required to provide financial projections for a 3-year period and observe the following when compiling these:

- The opening statement of financial position as at day 1 of operations;
- Monthly statement of cash-flows for year 1, and quarterly or annually for years 2 and 3;
- Monthly income statement split into revenue streams for year 1, and quarterly or annually for years 2 and 3;
- Monthly forecast of Capital Resources versus Capital Requirement for year 1, and quarterly or annually for years 2 and 3;
- Monthly statement of financial position for year 1, and quarterly or annually for years 2 and 3;
- Figures must be in USD only;
- Explain or justify the assumptions made concerning the financial projections;
- Use numeric months and quarters (e.g. Month-1, Month-2, or Quarter-1, Quarter-2); and
- Submit the financial projections in Microsoft Excel format.

-

8.2 Feasibility study

Provide a feasibility analysis and opinion to support the risk assumptions and financial projections, using the format set out below. Alternatively, provide a copy of a Feasibility Report under the "Supporting Documentation" section, which covers the sections set out below.

8.2.1 Details of the proposed Captive Insurer

Provide details of the proposed Captive Insurer, including:

- Its name;
- The names and contact details of the individuals who prepared the feasibility study; and
- The date of the report:

8.2.2 Background and scope

Provide the following information:

- Identify the owner or members of the proposed Captive Insurer;
- Explain the purpose and scope of the feasibility study;
- Provide a summary of the coverage, policy forms, lines of business, limits, deductibles and retentions; and
- Confirm the source of funds:

8.2.3 Recommendations

Provide a summary of the findings and conclusions, along with the underpinning assumptions. The following information should be included:

- Rates, rate structure and premium levels in relation to each line of insurance;
- Capitalisation and aggregate funding, including premiums and investment revenue;
- For association Captive Insurers, explain the minimum number or participants required to make the business viable; and
- A summary of stress testing carried out in relation to financial projections, including at a minimum a worse than expected scenario that demonstrates the impact of significant financial loss or impairment:

8.2.4 Analysis**(a) Data**

Describe studies covering estimates of expected frequency and severity of loss, using available data. These may be sourced from historical loss information, in-house expertise or judgemental estimates (provided they are disclosed as such):

(b) Risk margins and loss projections

Provide analysis of expected and greater than expected losses; these should be actuarially calculated and confirmed as such, or based on a documented methodology, with each provision clearly explained:

(c) Expenses

Describe the expenses that the proposed Captive Insurer will incur, including the impact of any tax considerations:

(d) Premiums and funding

Building on risk margins, loss projections and expenses outlined above, describe the total recommended level of premium(s):

(e) Capitalisation

Provide a clear and comprehensive analysis of capital requirements, including minimum participation levels and sources and methods of additional funding:

(f) Other information

Provide any additional information necessary, including but not limited to:

- Fronting arrangements;
- Proposed dividend payments or profit allocation;
- Capital allocation;
- Sweeping arrangements, loan backs or letters of credit:

7 Other supporting documentation

Why do we ask the questions in this section?

The following documents are required in order to assess your fitness and probity when applying for Financial Services Permissions.

- 7.1 The following documents are required in order to assess your fitness and probity when applying for Financial Services Permissions. You must attach them to this application.

Supporting documents:	Uploaded:	Comments:
Last Three Years' Audited Financial Statements – Applicant: ²⁰	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Last Three Years' Audited Financial Statements – Group or Controller: ²¹	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Incorporation Certificate of Owner	<input type="checkbox"/> Yes <input type="checkbox"/> No	
A Letter of Good Standing from your Home Regulator	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Ownership Chart - Direct and Indirect Controllers	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Evidence of sources of funds, sources of wealth, and a bank reference	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Board Minutes approving establishment of the Captive Insurer	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Organisation Chart depicting Key Appointments and Reporting Lines	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Résumés/CVs for the individual Controllers:	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Résumés/CVs for the members of the Board of Directors (both executive and non-executive) and for the Captive Insurer and its Controllers ²² as applicable:	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Terms of Reference for any Board and Management Committees	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Anti-Money Laundering Procedures	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Compliance Manual	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Compliance Monitoring Programme	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Risk Management Policies	<input type="checkbox"/> Yes <input type="checkbox"/> No	

²⁰ We require your most recent audited accounts. This should include balance sheet, profit and loss statement, and cash flow statement. Where audited accounts are unavailable, supply interim unaudited accounts or management accounts.

²¹ We require your Group's most recent audited accounts, if applicable, including the balance sheet, profit and loss statement, and cash flow statement. Where audited accounts are unavailable, supply interim unaudited accounts or management accounts.

²² See the ADGM FSRA GEN module, Rule 8.8.2 for definition of Controllers.

Three-year Financial Projections (Microsoft Excel Spreadsheet) ²³	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Letter of Engagement – External Auditor	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Management Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Feasibility Study	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Additional Documents:

Document Name	Uploaded	Comments
	<input type="checkbox"/> Yes <input type="checkbox"/> No	

²³ Document your approach to the assumptions made, capitalization, liquidity, earnings, and any associated risks. Describe what stress testing has been carried out in relation to expected revenues and costs. The financial projections must be on a monthly basis for year-one and on a quarterly basis for years two and three - so, 21 periods in all. Refer to Appendix 3, section 7.1 of this document for greater detail of what we require.

8

Fit and proper questionnaire

If you answer “Yes” to any of the questions, provide a detailed explanation. If necessary, attach separate documentation.

It will not necessarily impair our assessment of the Applicant’s fitness and propriety if there is a positive response in any of the disclosures. However, deliberately withholding information or providing false or mis-leading information is an offence may, among other things, prevent the success of the application.

- 8.1 Have you or any member of your Group been made aware, whether formally or informally, that you are the subject of a current or pending investigation, review or disciplinary procedure by any regulatory authority, professional body, Financial Services Regulator, self-regulatory organisation, regulated exchange, clearing house, government body, agency, or any other officially appointed inquiry?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If “Yes”, provide full details:</i>

- 8.2 Have you or any member of your Group in the last 10 years been convicted or found guilty by any court of a competent jurisdiction of any criminal offence?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If “Yes”, provide full details:</i>

- 8.3 Have you or any member of your Group in the last 10 years been the subject of disciplinary procedures by a government body or agency or any Financial Services Regulator, self-regulatory organisation, or other professional body?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If “Yes”, provide full details:</i>

- 8.4 Have you or any member of your Group in the last 10 years contravened any provision of financial services legislation or of rules, regulations, statements of principle, or codes of practice made under it or made by a self-regulatory organisation, Financial Services Regulator, regulated exchange, or clearing house?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If “Yes”, provide full details:</i>

- 8.5 Have you or any member of your Group in the last 10 years been refused or had a restriction placed on the right to carry on a trade, business, or profession requiring a licence, registration, or other permission?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If "Yes", provide full details:</i>

8.6 Have you or any member of your Group in the last 10 years received an adverse finding or an agreed settlement in a civil action by any court or tribunal of competent jurisdiction?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If "Yes", provide full details:</i>

8.7 Have you or any member of your Group in the last 10 years been censured, disciplined, publicly criticised, or the subject of any investigation or enquiry by any regulatory authority, Financial Services Regulator, or officially appointed inquiry?

<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If "Yes", provide full details:</i>

9 Declaration by the Owner of the Applicant

- 9.1 I declare that, to the best of my knowledge and belief, having made due enquiry, the information given in this form, the supplements and documents attached, as well as any applicable supporting documents, is complete and correct. I understand that it is an offence under the ADGM Financial Services and Markets Regulations (FSMR), Article 221 – *Misleading the Regulator* to knowingly or recklessly provide to the FSRA any information which is false, misleading or deceptive, or to conceal information where the concealment of such information is likely to mislead or deceive the FSRA.
- 9.2 I declare my understanding that the FSRA may request more detailed information (including but not limited to, personal, educational, employment, and financial information) should it be deemed necessary to adequately assess the fitness and probity of the firm or any person connected to the firm. I consent to the FSRA contacting any previous employers, educational institutions, professional organisations, or any other organisation, to verify any information contained in this form.
- 9.3 I confirm that I have the authority to make this application, to declare as specified above and sign this form for, or on behalf of, the Applicant. I also confirm that I have the authority to give the consent specified above.
- 9.4 I understand that any personal data provided to the FSRA will be used to discharge its regulatory functions and powers under Abu Dhabi Law No. 4 of 2013, FSMR, the ADGM Data Protection Regulations 2021, and other relevant rules or regulations, and may be disclosed to third parties for those purposes.
- 9.5 I confirm that all documents submitted as part of this application, whether physical or electronic, become property of the FSRA.

Authorised signatory of the Applicant²⁴:

Date:

Enter the name and title of the above authorised signatory of the Applicant:

²⁴ The individual signing this declaration can be an existing or proposed Board member, Senior Executive Officer or Partner.