

Introduction

The National Insurance Commission (NIC) issues these guidelines for Technical Service Providers (TSPs) under the powers granted it by the Insurance Act, 2021 (Act 1061). These guidelines are to provide guidance to applicants seeking to obtain a TSP licence in Ghana, as well as supervisory requirements upon grant of the licence.

1. This documents provides guidelines on what is required of applicants that seek to obtain a Technical Service Providers (TSP) licence in the Insurance sector in Ghana. It also provides guidance on some of the on-going supervision requirements, once the TSP is licenced.

Requirements for Operational Licence for Technical Service Providers (TSPs)

- 1 Applicants can only be a body corporate incorporated in Ghana. The application for a TSP licence shall be accompanied by the following;
 - a. Copy of Certificate of Incorporation
 - b. Copy of Certificate to commence Business
 - c. Copies of documents filed at the Registrar General’s Department showing the details of shareholding structure and the Board of Directors.
 - d. Completed application forms for TSPs.
 - e. The details of each shareholder with at least 5% shares as follows;
 - i. In the case of a natural person;
 - Name
 - Nationality
 - Country of residence
 - Qualification
 - Occupation
 - Comprehensive occupation/ employment history (without any gap)
 - Other businesses/shareholdings held
 - Police clearance certificates from country of residence in the case of foreigners and non-resident Ghanaians
 - Any other relevant information.
 - ii. In the case of a body corporate;
 - Name
 - Nature of Business
 - Detailed group structure
 - Country of residence
 - Details of shareholders
 - Details of Directors

- Details of Principal Officers
 - Financial Statement for the last five years and any other relevant information.
 - In the case of public companies, only significant holders owning 10% or more need to provide their details.
- 2 Evidence of agreement with an Insurer, who will be a risk carrier.
 - 3 Evidence of minimum capital requirement of **GH¢500,000** and its source. At least **60%** of the minimum capital requirements must be in cash or cash equivalent.
 - 4 Professional Indemnity cover with a limit of indemnity of **Gh¢500,000**.
 - 5 A detailed 3-year Business Plan containing relevant projections.
 - 6 **Composition of Board**
 - a) A Technical Service Provider shall be headed by an effective board, which shall lead and control the company. The board shall be composed of persons who collectively have sufficient expertise to understand the important issues relating to the operations of Technical Service Providers and are individually capable of being independent.
 - b) The TSP shall at all times have a minimum of three (3) directors.
 - c) The Board shall include non-executive directors of sufficient caliber and standing to provide a balanced discussion and decision making at board meetings.
 - d) Of the directors
 - i. at least one third in number shall be persons who are citizens of Ghana;
 - ii. at least one third in number shall be persons who are resident in Ghana; and
 - iii. at least one third in number shall be independent non-executive directors.
 - e) A director who is both a citizen of, and resident in, Ghana may be counted for the purposes of subparagraphs (d) (i) and (ii).
 - f) The Chairperson shall be a non-executive director.
 - g) The Chief Executive Officer of the TSP
 - i. shall be a director of the TSP's board, but
 - ii. shall not be appointed, or act, as the Chairman of the board.
 - h) Either the Chief Executive Officer or the Chairman of the board, or both the Chief Executive Officer and the Chairman of the board, shall be a citizen of, and resident in, Ghana.
 - i) The role of the CEO and the Chairperson shall not be combined.

7. Principal Officers

- a) A Technical Service Provider shall have at least two full time Principal Officers one of whom shall be the Chief Executive Officer and shall possess the following minimum qualification and experience:
 - i. Associate of Chartered Insurance Institute (ACII), UK or Associate of Chartered Insurance Institute Ghana (ACIIG) or a professional insurance qualification recognised by the Commission as being equivalent to the ACII /ACIIG; and
 - ii. a minimum of four years' relevant experience in the insurance industry, at least three years of which should have been in a managerial or analogous position.

- b) A Chief Finance Officer who shall possess the following minimum qualification and experience:
 - i. Chartered Accountants (CA), Ghana, Association of Chartered Certified Accountants (ACCA), Association of Cost and Management Accountants (ACMA), Association of Chartered Accountants, England and Wales (ICAEW), Certified Public Accountants (CPA), USA, or such other professional accounting qualification as may be recognised by the Commission; and
 - ii. At least three years' relevant post qualification experience.

- c) A TSP shall establish and maintain the following control functions:
 - i. A compliance function;
 - ii. Any other function appropriate for the nature, scale complexity and diversity of the business of the corporate insurance intermediary;
 - iii. A TSP shall not outsource a control function unless the outsourcing is permitted, in whole or in part.

- 8. Each Shareholder/ Director/ Principal Officer is required to submit the under-listed documents:
 - a) CV;
 - b) Completed Personal Questionnaire from each Shareholder;
 - c) Completed Personality Notes Form (to be completed in duplicate);
 - d) Completed Personal Questionnaire (Form attached to mail);
 - e) Latest Tax Clearance Certificate;
 - f) Police Report (receipt of payment while the report is being processed is acceptable);
 - g) Certified true copies of all educational certificates;
 - h) Letters of consent to all foreign universities attended, stating the student number on the letter (if applicable);

- i) Three (3) passport size pictures;
- j) Personal Identification Number (PIN) of Institute of Internal Auditors / Association of Certified Chartered Accountants (ACCA) or any professional body belonged to;
- k) Student Identification Number for foreign schools attended;
- l) Employee Number for all foreign employments;
- m) Specific addresses and correct telephone numbers for all previous employments.

9. Copies of all contracts regulating the applicant's relationship with other companies transferring the applicant's functions to other companies and any other contracts the contents of which influence the financial situation of the applicant. (i.e Telcos, Banks, etc.)

10. The latest Audited Financial Statement or Audited Statement of Affairs of the applicant, audited accounts of the immediate parent and consolidated group accounts and Management Letter.

11. Particulars of and letter of consent from Auditor, including the digital address of auditors.

12. A description of the location of office accommodation to be approved by the National Insurance Commission.

13. A Corporate body so licensed as a TSP may sell both Life and/or Non-Life micro insurance products.

14. Products which have already been approved by the Commission for underwriters, but amended or repackaged to make it suitable for micro insurance market, must be submitted to the Commission for approval. This must satisfy section 2 of the micro insurance Market Conduct Rules 2013.

15. Where applicable, a copy of the agreement between the TSP, the insurance company and the Telco(mobile insurance) together with the details and the branding arrangements of the products to be sold shall be submitted to the NIC for review and approval.

16. Where a Telco is not involved, an agreement between the TSP and the Insurer shall be submitted to the NIC for approval.

17. The Memorandum of Understanding (MoU) between all parties must include but not limited to the following:

- a) Provision(s) for the appropriate confidentiality of policyholder information.
- b) Provisions governing the handling and transmission of data.
- c) Clear descriptions of roles and responsibilities of parties concerned.
- d) Provisions that enable the insurer to access and receive all information collected or held by the other parties that is relevant to the design, development, pricing and sale of the insurance contract concerned.

- e) Adequate provisions on Dispute Resolution and a Business Contingency Plan in accordance with the Mobile Insurance Market Conduct Rules. This must include a minimum notice period of at least six months before a party can walk out of the contract.
 - f) All parties should agree to a minimum period of commitment of at least one year. That is, no party can exit the contract until after a year of its inception.
18. A Corporate body which applies for a TSP license shall have ‘Designated Persons’ who shall have the qualification and practical training required of an individual agent to be licensed as ‘Sub-Agents’ and who shall be responsible for soliciting and procuring insurance business on behalf of the TSP.
 19. An applicant for a TSP license shall pay to the NIC, an application fee of GH¢10,000 upon submission of the application and a license fee of GH¢5,000 if approval is granted. **Please note that the application file will be closed if you fail to respond to licence application queries after a period of six (6) months and the process will have to be restarted anew.**
 20. Applications for the licensing of Sub-Agents and Trainee Agents (newly recruited agents), to sell insurance products are required to be presented to the NIC by an Insurer. The licensed agent can sell for the insurer that presented him for licensing. Meanwhile, the Agent can sell for one life and one non-life insurance company. But both companies must present him/her for licensing.
 21. The licence fee for a newly recruited Sub-Agent is **Gh¢80.00** and subsequently, annual licence renewal fee is **Gh¢70.00** and converting from trainee to full licence fee is **Gh¢55.00**. Meanwhile, Trainee Agent licence fee remain the same at **Gh¢25.00**.
 22. The licence issued by NIC to all Sub-Agents will be valid from January 1 to December 31 of each year. However, registration of new agents can be initiated any time of the year.

Post Licencing Requirements

23. The TSP shall not induce or compel in any form, a prospect to buy an insurance product of its Principal. All prospects, including staff of the TSP, should be allowed to decide out of their own volition, which insurance product(s) they wish to buy and from which insurance company.
24. A TSP license issued by the NIC is valid for 12 months from 1st July to 30th June and may on application be renewed. A renewal amount of GH¢5,000, (subject to periodic reviews), shall be charged.
25. Application for renewal must be submitted to NIC, three (3) months before the expiry date of a TSP licence in accordance with section 50(2) of Insurance Act 2021 (Act 1061).

26. A Corporate body which is licensed by the NIC as a TSP, shall submit to the NIC on semi-annual basis, and in a format determined by the NIC, a report containing the number of policies sold during the year by product type and the premiums generated. The report shall be submitted within four (4) weeks after the end of June and December.
27. Sections 109-134 and all other provisions of the Insurance Act 2021 (Act 1061) Regulations, Market Conduct Rules, Code of Practice and Guidelines, which apply to insurance intermediaries shall apply to TSPs as well.
28. A Corporate body cannot be the agent for its own insurances.
29. A TSP has the liberty to enter into partnership with unlimited number of Insurance Companies, both life and non-life insurance companies, subject to approval by the NIC.