

## Article

### Review & Reset: Topical Items for Consideration by Insurers

Author: Sarah Farquhar, Associate

It's necessary from time to time to take a step back to review an insurer's broader legal, regulatory and compliance landscape and reset and restructure its compliance procedures where required. We briefly set out below a few topical items that may be worth some consideration and even remediation.

- **Corporate Governance:**

- Now that travel restrictions have largely disappeared, are on-island meetings being discussed/proposed by the licensee, particularly having regard to economic substance obligations (if applicable)?
- Is the Board of the licensee currently completing an annual Board self-assessment and tabling these for consideration at the annual Board meeting? Board self-assessments can be a useful tool to identify any possible issues, for example, where a director has not attended an in person board meeting for an extended period of time, or where the composition of the Board should be revisited. Lack of self-assessments is also an item identified by CIMA as part of on-site inspections that requires remediation.
- Is the Board meeting frequently enough having regard to the nature, scale and complexity of the licensee's operations?
- Has the corporate governance framework of the licensee been reviewed and updated where necessary?

- **New Incorporations & Beneficial Ownership Registers (BOR):**

- Where a company has been incorporated prior to licensing which is standard procedure, and licensing has been delayed, have the necessary updates to the BOR been filed? Note that if a company remains in 'enquiries pending' for an uninterrupted period of not less than three months, that is treated as prima facie evidence that a breach has occurred and a fine may be issued.

- **Capital Contributions:**

- Are capital contributions being considered and documented by the licensee in an appropriate manner?
- Where shares are being issued, have the M&A and any shareholders agreements been reviewed to ensure all requirements are being complied with?
- Has the issue of new shares been appropriately recorded in the minutes / resolutions and has the Register of Members been updated accordingly?
- If not issuing shares in return for the contribution has a capital contribution letter/agreement being entered into characterising the contribution as a gratuitous payment, as opposed to a loan for example, that is not subject to claw back?

- **Sanctions Screening:**

- Do the licensee's AML policies detail the sanctions screening procedures in place? Are these appropriate, or are any updates needed? Are the procedures functioning well in practice?
- Do any of the licensee's existing business relationships need to have their risk-ratings reassessed? For example where there is no specific sanctions issue, but the relevant country risk has increased?

---

**Author:**

**Sarah Farquhar**

**Associate**

sarah.farquhar@conyers.com

+1 345 814 7780

This article is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to merely provide a brief overview and give general information.

**For further information please contact: [media@conyers.com](mailto:media@conyers.com)**