



Fit and proper certificates

Guidelines

Licensed insurers

Insurance Policy

Prudential Supervision Department

August 2012

Introduction

- 1 This document sets out the Reserve Bank of New Zealand's (the Reserve Bank) guidelines on the fit and proper certificates required under [sections 18 and 37 of Insurance \(Prudential Supervision\) Act 2010](#) (the Act). (All section references in this guideline are to the Act unless otherwise specified).
- 2 The formats outlined in this guideline are intended to provide licensed insurers, and applicants for a licence to carry on insurance business in New Zealand, with a template they may use to meet the requirements of the Act.
- 3 This guideline relates solely to the requirements under the Act, and does not cover requirements of other legislation that may also be of relevance to licensed insurers.
- 4 Nothing in this guideline overrides the provisions of the Act or any regulations, or affects other legislated governance requirements that apply to licensed insurers.

Section 18 certificate

- 5 [Section 18](#) of the Act requires an applicant to provide a certificate with its application that specifies that all of its directors and relevant officers are, in accordance with the fit and proper policy, fit and proper persons to hold their respective positions.

The certificate must:

- (a) state that, in the opinion of all of the directors of the applicant after due inquiry by them, all of the directors and relevant officers of the applicant are, in accordance with the policy, fit and proper persons to hold their respective positions; and

- (b) be signed on behalf of all the directors of the applicant by at least 2 directors of the applicant (or, if the applicant has only 1 director, by that director); and

- (c) contain, or be accompanied by, a certificate from each director or relevant officer that is signed by the director or relevant officer and states that, in his or her opinion, he or she is, in accordance with the policy, a fit and proper person to hold the relevant position.

- 6 The name of each director and relevant officer must be specified on the certificate.

- 7 We request that insurers applying for a licence under the Act also include the residential address, date of birth for each director and relevant officer and the date the certificate is signed.

- 8 The template for this certificate is included in this document as Certificate 1.

Section 37 certificate

- 9 The Act requires a licensed insurer to provide a fit and proper certificate to the Reserve Bank within 20 working days after the appointment of a new director or relevant officer.

- 10 [Section 37\(4\)](#) of the Act sets out the information that is required to be included in the fit and proper certificate and is as follows:

The certificate must—

- (a) specify the director's or relevant officer's full name, previous names (if any), and residential address; and

- (b) in the case of [section 37\(1\)](#), specify the date of the appointment and the director's or relevant officer's date of birth; and
- (c) state that, in the opinion of all directors of the licensed insurer after due inquiry by them, the director or relevant officer is, in accordance with its fit and proper policy, a fit and proper person to hold the relevant position; and
- (d) contain, or be accompanied by, a certificate signed by the director or relevant officer that states that, in his or her opinion, he or she is, in accordance with the licensed insurer's fit and proper policy, a fit and proper person to hold the relevant position; and
- (e) contain, or be accompanied by, a summary of information that is relevant to the consideration of whether the person satisfies the licensed insurer's fit and proper policy; and
- (f) be signed on behalf of all the directors of the licensed insurer by at least 2 directors of the insurer; and
- (g) be in the prescribed form (if any). At June 2011 there is no prescribed form.
- 11 We request that the date the certificate is signed also be included on the certificate.
- 12 The template for this certificate is included in this document as Certificate 2.
- 14 In practice this means that a licensed insurer is to obtain sufficient information to establish that the individual is fit and proper for the designated role and that there are no issues of a sufficiently serious nature to cause the licensed insurer not to appoint the individual. This requires more than merely accepting information received at face value.
- 15 It is the responsibility of the licensed insurer to carry out appropriate checks to verify the accuracy and completeness of information provided by an individual whom the licensed insurer is assessing for fitness and propriety. The level of enquiry (and verification) should be sufficient for the directors to be prepared to give the certification and will be a case of what is reasonable in the circumstances.
- 16 If there is an adverse fit and proper finding the licensed insurer should include the circumstances taken into account when concluding that fitness and propriety is not impaired.

Summary of information

- 13 [Section 37\(4\)\(c\)](#) requires directors to consider the fitness and propriety of a person after due inquiry by them.

Certificate 1

Section 18 – Fit and proper certificate for a licence applicant’s directors or relevant officers

Name of insurer applying for a licence to carry on insurance business in New Zealand

Relevant information

Full name of each director or relevant officer and position held:

Certification from all directors that these persons are in accordance with fit and proper policy

In the opinion of the directors of [applicant’s name] after due inquiry by us, the above named persons are, in accordance with our fit and proper policy, fit and proper persons to hold their respective positions.

Director(s)’s signature(s)

Signed:

Signed:

Date of signature:

Date of signature:

Certification from each director or relevant officer as to accordance with fit and proper policy

I, [name], certify that in my opinion I am, in accordance with [applicant’s name]’s fit and proper policy, a fit and proper person to hold the position of [position name].

Signed: [director or relevant officer]

Date of signature:

Information required for each director and relevant officer:

Full name:

Previous name(s) (if any):

Residential address:

Date of birth:

Certificate 2

Section 37 – Fit and proper certificate for a licensed insurer’s directors or relevant officers

Name of licensed insurer

Relevant information

Full name:

Previous name(s) (if any):

Residential address:

Date of birth:

Date of appointment:

Certification from all directors that this person is fit and proper

In the opinion of the directors of [licensed insurer’s name] after due inquiry by us, the above named person is, in accordance with our fit and proper policy, a fit and proper person to hold the position of [position name].

Certification from director or relevant officer as to accordance with fit and proper policy

I, [name], certify that in my opinion I am, in accordance with [licensed insurer’s name]’s fit and proper policy, a fit and proper person to hold the position of [position name].

Signed: [director or relevant officer]

Date of signature:

Summary of information

Our opinion that the person satisfies the licensed insurer’s fit and proper policy is based upon the following summary of information:

[Information listed].

Director(s)’s signature(s)

Signed:

Signed:

Date of signature:

Date of signature:



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