



## FINANCIAL SERVICES REGULATORY AUTHORITY

January 20, 2015

To: All Insurance Companies, Insurance Agents, Insurance Brokers

Dear Sir/Madam,

### **Re: Charging of Service Fees by Insurance Brokers**

It has been drawn to our attention that policyholders have on occasion been charged a premium by an insurance broker which is greater than the premium quoted by the insurance company; the additional amount representing a broker's fee.

The practice is illegal as the amount of insurance premium payable under an insurance policy is set by the insurer.

We advise that in the circumstance where an additional fee is being charged by an insurance broker, the additional amount (fee) **must not be identified as a premium or form part of a total described as a premium on any document whatsoever**, whether or not it is being issued to the policyholder or retained by the broker.

Any insurance broker who persists in this practice will have his/her certificate of registration cancelled pursuant to Sec. 67 (2) (c) of the Insurance Act, Cap. 12.08.

Please be guided accordingly.

Yours faithfully,



CALIXTE LEON  
Executive Director

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