

Using a UK Broker in 2020

Forthcoming compliance requirements may mean your broker will no longer offer intermediary services in the Isle of Man

The current exemption for UK insurance intermediaries that are registered with the UK Financial Conduct Authority is changing in 2020. They will no longer be able to provide insurance intermediary services to Manx companies using the current exemption.

- UK Brokers will have to Register with the Isle of Man Financial Services Authority in 2020
- They will have to provide an annual declaration of all business to the FSA
- UK compliance teams may not want the additional regulatory exposure
- Requirements are in addition to the criminal offence for breach of 10-day Work permit requirements

Check your broker is intending to register

Having to change broker at short notice may not be convenient for you. To avoid an unplanned workload, we recommend you seek confirmation that your current broker is aware of the changes proposed following last year's consultation and that they are planning to register with the Isle of Man Financial Services Authority.

Compliance teams for UK Insurance Brokers who service just one or two cases on the island, may decide not to seek registration. UK brokers with greater volumes of business may also reconsider their position particularly given increased awareness of the criminal offence for breach of work permit regulations.

Work Permits – 10 day limit summary

- Employees of UK brokers cannot work on the island for more than 10 days a year (including arrival, departure days and weekends) without a work permit.

This is already a concern for some Manx firms worried about the on-island servicing of any significant claim they may have. More so if the UK broker has other clients they service here eroding their 10-day annual limit.

Consider your options

We would welcome the opportunity for an introductory discussion so that you can consider whether to include Aon in any future broker service review, whether optional or imposed.

Plan ahead and talk to Aon

Aon recommend you build a relationship with an alternative on island broker in preparation for next year's proposed changes.

For a direct discussion on these implications, please contact any of our team below on 692400 or email

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