

EA Alert Dated: 30 May 2017

EA Alert: EAs Buying Insurance for FDWs

This message is sent by MOM and the General Insurance Association

This advisory is applicable to employment agencies (EAs) which seek to place foreign domestic workers (FDWs) in employment.

2 We are aware that some EAs, as part of the services you offer to your clients, also act as insurance agents to distribute medical and personal insurance for FDWs. The Insurance Act regulates the distribution of insurance¹. EAs who distribute such products must be registered as general insurance agents with the Agents' Registration Board (ARB) of the General Insurance Association (GIA), through their insurers.

3 As general insurance agents, you must abide by the General Insurance Agents' Registration Regulations and the Code of Practice for Agents as attached. Specifically, Para 17 of the attached Code of Practice states that *"an agent shall, upon the refund of any premium due under a contract of insurance, promptly remit the full refund to the policyholder without any claims, set-off or deduction whatsoever unless a claim, set-off or deduction has been pre-agreed by the policyholder."*

4 It has come to our attention that some EAs are not refunding the unused insurance premiums, where applicable, to your clients. The Ministry considers this practice to be unacceptable and EAs should cease the practice with immediate effect. We will take action against EAs who persist in such undesirable practice. Such EAs will also be referred to either the GIA (if they are registered insurance agents) or the Monetary Authority of Singapore (if they are unregistered insurance agents) for their necessary actions.

5 If you have any queries on your responsibilities as general insurance agents, you may write to the insurers that you are agents for. If you require further clarification, you may write to mom_fmmd@mom.gov.sg.

Yours sincerely

Brian Wong

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For Commissioner for Employment Agencies

¹ This includes —

(i) receiving proposals for, or issuing, policies in Singapore;
(ii) collecting or receiving premiums on policies in Singapore; or
(iii) arranging contracts of insurance in Singapore;
You may refer to the Insurance Act for more details.