

ADVISORY ON LICENSING FOR DIGITAL PLATFORMS

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IC Legal Opinion No. 2025-01
Query on Applicability Licensing
Requirements for Digital Platform
Providers in the Insurance Sector

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**QUERY ON APPLICABILITY OF LICENSING REQUIREMENTS
FOR DIGITAL PLATFORM PROVIDERS IN THE INSURANCE SECTOR**

Summary

The Insurance Commission ("IC") was requested by an Entity¹ to provide its opinion on whether or not the latter needs to secure a license from the former to act as a platform provider for insurance products through a mobile application.

In response, the IC opined that the Entity does not need a license from the IC considering the following:

- ☑ The Entity provides backend technology services to insurance companies and intermediaries, acting solely as a facilitator.
- ☑ Its role is limited to providing technology services² and does not involve the sale, solicitation, or procurement of insurance products.

The Entity should ensure its activities remain within the coverage of technology services and do not inadvertently cross into restricted activities requiring a license. If the Entity's business model evolves to include direct insurance engagement, the Entity must secure the appropriate IC licenses before proceeding.

Regulatory Position of the IC

- ☑ Only licensed insurance companies or intermediaries can engage in activities involving sale, solicitation, or procurement of insurance products.³
- ☑ An "insurance provider" is defined as a licensed entity engaging in electronic commerce for the issuance of insurance contracts or services.⁴

¹ A corporation with business model similar to an online e-commerce platform allowing different sellers to market their products to the public.

² Including Platform as a Service, Plug and Play Integration, Modular Tech Layer, and Tailored Solutions

³ Sections 193 and 307 of the Insurance Code

⁴ Circular Letter No. 2014-47

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- ☑ While the Entity is not required to secure a license from the IC, the insurance companies and Intermediaries utilizing the Entity's platform must secure IC approval for their e-commerce activities.

Source:

IC Legal Opinion No. 2025-01, 08 January 2025

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