

BERMUDA

INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

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INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

PREFACE

As a service to our clients, Conyers Dill & Pearman has prepared this Insurance Act 1978 and Regulations Compendium for Captive Insurers. This Compendium contains consolidated versions of the Insurance Act 1978, the Insurance Accounts Regulations 1980, the Insurance Returns and Solvency Regulations 1980, the fee schedule applicable to insurance entities as set out in the Bermuda Monetary Authority Act 1969, Fourth Schedule, and the Insurance (Prudential Standards) (Insurance Managers Annual Return) Rules 2017, and each incorporates all amendments in force to the date of the publication of this compendium.

The most recent legislative updates include the Insurance Amendment (No. 3) Act 2018, which also makes amendments to the Insurance Returns and Solvency Regulations 1980, operative 31 December 2018, the addition of the Insurance (Prudential Standards) (Insurance Brokers and Agents Annual Return) Rules 2018, operative 1 January 2019, and amendments to the Fourth Schedule BMA fees made by the Bermuda Monetary Authority Amendment (No. 3) Act 2018, operative 1 January 2019. Other recent amendments include a consequential amendment to section 19(1) of the Insurance Act 1978, made by section 6 of the Proceeds of Crime (Miscellaneous) (No. 2) Act 2018, operative 1 January 2019, the Insurance Amendment (No. 2) Act 2018, operative 30 July 2018 with respect to insurers carrying on long-term business, on 1 January 2019, with respect to insurers carrying on general business and composites.

While every effort has been made to ensure its accuracy, and it is believed that the only errors in the legislation are those contained in the statutes themselves (which errors have been faithfully reproduced), no responsibility is assumed for the content, and reference is made to the originals for an authoritative statement of the Insurance Act 1978 and related Rules, Regulations, and Orders.

Conyers Dill & Pearman

Hamilton, Bermuda

January 2019

TABLE OF STATUTES AND STATUTORY INSTRUMENTS

Insurance Act 1978

Insurance Amendment Act 1981
Insurance Amendment Act 1983
Insurance Amendment Act 1985
Insurance Amendment Act 1995
Insurance Amendment Act 1998
Insurance Amendment Act 2001
Insurance Amendment (No. 2) Act 2001
Insurance Amendment Act 2002
Insurance Amendment Act 2004
Insurance Amendment Act 2006
Insurance Amendment Act 2008
Health Insurance Amendment Act (No. 2) Act 2009
Insurance Amendment Act 2010
Insurance Amendment (No. 2) Act 2010
Insurance Amendment (No. 3) Act 2010 (transitional provisions only)
Ministers (Change of Responsibilities and Style) Order 2011
Insurance Amendment Act 2011
Insurance Amendment Act 2012
Insurance Amendment (No. 2) Act 2012
Insurance Amendment Act 2013
Insurance Amendment (No. 2) Act 2013
Insurance Amendment Act 2015
Insurance Amendment (No. 2) Act 2015
Insurance Amendment (No. 3) Act 2015
Bermuda Monetary Authority Amendment Act 2002
Bermuda Monetary Authority Amendment (No. 4) Act 2004
Bermuda Monetary Authority Amendment (No. 2) Act 2006
Bermuda Monetary Authority Amendment Act 2008
Bermuda Monetary Authority Amendment (No. 2) Act 2008
Bermuda Monetary Authority Amendment Act 2009
Bermuda Monetary Authority Amendment Act 2010
Bermuda Monetary Authority Amendment Act 2012
Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
Bermuda Monetary Authority Amendment Act 2014
Bermuda Monetary Authority Amendment Act 2015
Insurance Companies (Special Fees) Act 2010
Insurance Amendment Act 2016
Bermuda Monetary Authority (Determination of Appeals) Act 2016
Appeal Tribunals (Miscellaneous) Act 2017
Insurance Amendment Act 2018
Insurance Amendment (No. 2) Act 2018
Proceeds of Crime (Miscellaneous) (No. 2) Act 2018
Insurance Amendment (No. 3) Act 2018

Insurance Accounts Regulations 1980

Insurance Accounts Amendment Regulations 1981
Insurance Accounts Amendment Regulations 1985
Insurance Accounts Amendment Regulations 1989
Insurance Amendment Act 1995

INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

Insurance Amendment Act 2001
Insurance Accounts Amendment Regulations 2005
Insurance Accounts Amendment Regulations 2008
Insurance Accounts Amendment Regulations 2010
Insurance Accounts Amendment (No. 2) Regulations 2010
Insurance Amendment Act 2011
Insurance Amendment Act (No. 2) 2012
Insurance Amendment Act (No. 2) 2013
Insurance Amendment (No. 3) Act 2015
Insurance Amendment Act 2016
Insurance Accounts Amendment Regulations 2017
Insurance Amendment Act 2018

Insurance Returns and Solvency Regulations 1980

Insurance Returns and Solvency Amendment Regulations 1981
Insurance Returns and Solvency Amendment Regulations 1985
Insurance Returns and Solvency Amendment Regulations 1989
Insurance Amendment Act 1995
Insurance Amendment Act 2001
Insurance Returns and Solvency Amendment Regulations 2005
Insurance Returns and Solvency Amendment Regulations 2008
Insurance Amendment (No. 3) Act 2010
Insurance Amendment (No. 2) Act 2012
Insurance Amendment (No. 2) Act 2013
Insurance Amendment Act 2015
Insurance Amendment (No. 2) Act 2015
Insurance Amendment (No. 3) Act 2015
Insurance Amendment Act 2016
Insurance Amendment Act 2018
Insurance Amendment (No. 3) Act 2018

Bermuda Monetary Authority 1969 (Select provisions – Fees)

Bermuda Monetary Authority Amendment Act 2015
Bermuda Monetary Authority Amendment (No. 2) Act 2008
Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
Bermuda Monetary Authority Amendment Act 2012
Bermuda Monetary Authority Amendment Act 2014
Bermuda Monetary Authority Amendment Act 2015
Insurance Amendment Act 2018
Bermuda Monetary Authority Amendment (No. 3) Act 2018

Insurance (Prudential Standards) (Insurance Brokers and Agents Annual Return) Rules 2018

Insurance (Prudential Standards) (Insurance Managers Annual Return) Rules 2017

TABLE OF CONTENTS

INSURANCE ACT 197815
INSURANCE ACCOUNTS REGULATIONS 198089
INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980 135
BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions - Fees)..... 168
INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE BROKERS AND AGENTS ANNUAL RETURN) RULES 2018.....180
INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE MANAGERS ANNUAL RETURN) RULES 2017.....182

Table of Contents - Detailed

PREFACE	1
TABLE OF STATUTES AND STATUTORY INSTRUMENTS	3
TABLE OF CONTENTS	5
Table of Contents - Detailed	7
INSURANCE ACT 1978	15
PART I - PRELIMINARY	15
1. Interpretation	15
1A. Meaning of “director”, “controller”, “chief executive”, “officer”, “senior executive”, “associate”	21
1B. Meaning of parent and subsidiary company.....	22
PART IA - THE AUTHORITY	23
Functions and Duties of the Authority	23
2. Functions of the Authority.....	23
2A. Authority’s statement of principles	23
2B. Guidance	24
2BA. Codes of conduct.....	24
2C. Insurance Advisory Committee	24
PART II - REGISTRATION	24
Insurers	24
3. Insurers to be registered.....	24
4. Registration as insurer.....	24
4A. Determination of class of registration for general business.....	25
4B. Class 1 insurer.....	26
4C. Class 2 insurer.....	26
4D. Class 3 insurer.....	26
4DA. Class 3A insurer	26
4DB. Class 3B insurer	26
4E. Class 4 insurer.....	26
4EA. Determination of class of registration for long-term business	27
4EB. Class A insurer	27
4EC. Class B insurer	27
4ED. Class C insurer	27
4EE. Class D insurer	28
4EF. Class E insurer	28
4EG. Class IGB	28
4EH. Class ILT	28
4F. Classes of insurer: interpretation	28
5. Factors to be considered by Authority under section 4.....	29
6. Further registration requirements.....	29
6A. Prudential standards.....	30
6B. Consultation.....	31
6C. Authority may exempt insurers from or modify prudential standards	31
6D. Authority may make adjustment to enhanced capital requirement, available statutory capital and surplus, and available statutory economic capital and surplus	31
7. Paid up share capital.....	32
8. Principal office and principal representative.....	33
8A. Principal representative to report certain events	34
8B. Appointment of approved loss reserve specialist	34
8C. Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurer to maintain head office in Bermuda ..	35



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

Insurance Managers and Intermediaries.....	35
9. Insurance managers and intermediaries to be registered.....	35
10. Authority may register insurance managers and intermediaries.....	36
11. Factors to be considered by Authority under section 10.....	36
General	36
12. Power of Authority in relation to registration.....	36
13. Registration.....	36
14. Fees.....	37
PART III - REGULATION OF INSURERS GENERALLY	38
15. Statutory financial statements	39
15A. Declaration of compliance.....	39
16. Appointment and approval of auditors	40
16A. Auditor to communicate certain matters to Authority	40
17. Keeping and filing of statutory financial statements.....	41
17A. Additional financial statements prepared in accordance with GAAP and declaration of compliance ...	41
17B. Insurance manager, broker and agent to file statutory financial returns.....	42
18. Insurer to make financial returns.....	42
18A. Failure to file statutory statements or returns	42
18B. Opinion of loss reserve specialist.....	43
18C. Requirement to keep records in Bermuda	43
19. Prohibition of non-insurance business to be carried on by insurers	43
20. Minister may require Bermuda investment.....	44
21. Maintenance of assets in Bermuda.....	44
22. Custody of assets.....	45
PART IV - INSURERS CARRYING ON LONG-TERM AND GENERAL BUSINESS	45
23. Insurers to which this Part applies.....	45
24. Insurer carrying on long-term and general business to maintain separate accounts	45
24A. Certification of dividends	46
25. Transfer of long-term business	46
26. Appointment of approved actuary	46
27. Actuarial certificates of long-term business liabilities.....	47
PART IVA - GROUP SUPERVISION	47
27A. Interpretation	47
27B. Group Supervisor.....	47
27C. Authority may exclude specified entities from group supervision.....	48
27CA. Authority may include specified entities within group supervision	49
27D. Authority may withdraw as group supervisor	49
27E. Functions of Authority as group supervisor	49
27F. Authority to make Rules	50
27G. Appointment of an approved group actuary	50
PART V - SPECIAL PROVISIONS RELATING TO INSURANCE MANAGERS, BROKERS, AGENTS AND SALESMEN	51
28. Insurance managers and agents to maintain lists of insurers for which they act.....	51
29. Insurance broker, agent or salesman deemed agent of insurer in certain cases	51
PART VI - POWERS.....	51
29A. Power to obtain information and reports.....	51
29B. Power to require production of documents.....	51
29C. Communication with Authority	52
29D. [Repealed]	53
29E. [Repealed]	53



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

29F.	[Repealed]	53
30.	Investigations on behalf of the Authority	53
30AA.	Power to require production of documents	54
30A.	Investigations of suspected contraventions	55
30B.	Powers of entry.....	55
30C.	Obstruction of investigations.....	56
30CA.	Notification of change of shareholder controller or officer of insurance manager, broker or agent	56
30D.	Notification by shareholder controllers of new or increased control – private companies	56
30E.	Notification by shareholder controllers of new or increased control - public companies.....	57
30EA	Notification by shareholder controllers of disposal of shares in public and private companies.....	57
30F.	Objection to new or increased control	57
30G.	Contraventions by controller	58
30H.	Objection to existing controller	59
30I.	Restriction on and sale of shares	59
30J.	Notification by registered persons and designated insurers of change of controller and officer.....	60
30JA.	Material change	61
30JB.	Notification of material change.....	61
30JC.	Objection to material change	62
30JD.	[Repealed]	62
31.	[Repealed]	62
31A.	Failure to meet solvency requirements	62
31AA.	Failure to comply with enhanced capital requirement	63
31AB.	Class 3A: exceeding net premiums written limitation	63
31AC.	Class C: exceeding total assets limitation.....	63
31AD.	Class D: exceeding total assets limitation	64
31B.	Restrictions as to payment of dividends	64
31C.	Restrictions as to reduction of capital.....	64
32.	Powers of intervention	65
32A.	Contraventions by designated insurer	66
32B.	Procedure for giving directions.....	66
32C.	Directions in cases of urgency	66
PART VIA - DISCIPLINARY MEASURES.....		67
32D.	Power to impose civil penalties for breach of requirements	67
32E.	Civil penalties procedure	67
32F.	Public censure.....	67
32G.	Public censure procedure.....	67
Prohibition Orders		67
32H.	Prohibition orders	67
32I.	Prohibition orders: procedures.....	68
32J.	Applications relating to prohibition orders: procedures	68
32K.	Determination of applications for variation etc.	68
Injunctions.....		68
32L.	Injunctions.....	68
PART VII - INSOLVENCY AND WINDING UP.....		69
33.	Margin of solvency for general business.....	69
34.	Winding up of insurers under Companies Act 1981	70
35.	Winding up on petition of Authority	70
35A.	Insurers carrying on long-term business.....	70
36.	Winding up of insurers carrying on long-term and general business	70
36A.	Winding up of insurers	73
37.	Continuation of long-term business of insurer in liquidation.....	73
38.	Subsidiary insurers	73



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

39.	Reduction of contracts as alternative to winding up	74
40.	Winding up rules	74
PART VIII - CANCELLATION OF REGISTRATION		74
41.	Cancellation of registration of insurers	74
42.	Cancellation of registration of insurance managers, etc	75
43.	[Repealed]	76
44.	Cancellation of registration to be gazetted	76
PART VIII A - APPEAL TRIBUNALS		76
44A.	Rights of appeal	76
44B.	Constitution of tribunal	77
44C.	Determination of appeals	77
44D.	Costs, procedure and evidence	77
44E.	Further appeals on a point of law	78
PART VIII B - NOTICES		78
44F.	Warning notices	78
44G.	Decision notices	78
Conclusion of actions		79
44H.	Notices of discontinuance	79
Publication		79
44I.	Publication	79
PART IX - SUPPLEMENTARY		79
45.	Prohibition of loans to directors, etc.	79
46.	Effect on business transactions of infringement of Act	80
47.	Acting on behalf of unregistered insurer	80
48.	Personal liability of intermediaries in certain cases	80
49.	Control of advertisements	80
50.	Issue of false documents etc	80
PART X - MISCELLANEOUS		80
51.	Notices	80
51AA.	Service of notice on Authority	81
Powers Exercisable to Assist Foreign Regulatory Authorities		81
51A.	Request for assistance by foreign regulatory authorities	81
51B.	Power to require information	81
51C.	Exercise of powers by officer	81
51D.	Penalty for failure to comply with requirement	81
Restriction on disclosure of information		81
52.	Restricted information	81
52A.	Disclosure for facilitating the discharge of functions of the Authority	81
52B.	Disclosure for facilitating the discharge of functions by other authorities	82
52C.	Information supplied to the Authority by relevant overseas authority	82
53.	Regulations	82
54.	Specific offences	83
55.	General provisions relating to offences	83
55A.	Civil debt and civil penalties	84
56.	The Authority may modify certain provisions	84
57.	Application	84
57A.	Designated Investment Contracts	85
58.	Transitional	86



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

59.	Amendment of Act No. 43 of 1971.....	86
60.	Commencement.....	86
SCHEDULE.....		87
MINIMUM CRITERIA FOR REGISTRATION [Sections 5, 11]		87
INSURANCE ACCOUNTS REGULATIONS 1980		89
1.	Citation	90
2.	Interpretation.....	90
3.	Statutory financial statements	91
4.	Balance sheet and statement of income for general business	92
5.	Balance sheet and statement of income for long-term business.....	92
6.	Balance sheet and statement of income for composites	92
6A.	Balance sheet and statement of income for Special Purpose Insurers.....	92
7.	Statement of capital and surplus for all insurers	92
8.	Notes to statutory financial statements.....	93
9.	Instructions relating to statutory financial statements.....	93
10.	Requirements relating to preparation of accounts generally	94
11.	Offences	94
12.	Commencement.....	94
SCHEDULE I.....		95
Form 1 - [Revoked]		95
FORM 1A - STATUTORY BALANCE SHEET (General Business – Class 1, Class 2, Class 3 insurer or IGB insurer).....		96
FORM 2 - [Revoked].....		100
FORM 2A - STATUTORY STATEMENT OF INCOME - (General Business – Class 1, Class 2, Class 3 insurer or IGB insurer)		101
FORM 3 - STATUTORY OPEN YEAR BUSINESS REVENUE STATEMENT (General Business) - [Revoked]		103
FORM 4 - STATUTORY BALANCE SHEET (Long-term Business).....		104
FORM 5 - STATUTORY STATEMENT OF INCOME (Long-term Business).....		108
FORM 6 - STATUTORY BALANCE SHEET (Section 24(6) Composite and Special Purpose Insurer) - [Revoked]		110
FORM 7 - STATUTORY STATEMENT OF INCOME - (Section 24(6) Composite and Special Purpose Insurer) - [Revoked].....		110
FORM 8 - STATUTORY STATEMENT OF CAPITAL AND SURPLUS.....		111
SCHEDULE II.....		112
NOTES TO STATUTORY FINANCIAL STATEMENTS		112
PART I - Matters to be set forth in a General Note to the Statutory Financial Statements		112
PART II - Matters to be set forth in Notes to the Statutory Balance Sheet Class 1, Class 2 and Class 3 Insurers - [Revoked]		113
PART III - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2 and Class 3 Insurers - [Revoked].....		113
PART IV - Matters to be set forth in Notes to the Statutory Statement of Capital and Surplus		113
PART V - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer.....		115
PART VI - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer		120
SCHEDULE III.....		121
INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET.....		121
PART I - Class 1, Class 2 and Class 3 Insurer - [Revoked]		121
PART II - Additional instructions for Class 1, Class 2, and Class 3 Insurer - [Revoked]		121



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

PART III - Additional instructions for insurers carrying on long-term business only	121
PART IV - INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer	123
SCHEDULE IV	128
INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF INCOME	128
PART I - [Revoked]	128
PART II - [Revoked]	128
PART III - Additional instructions for Insurers carrying on long-term business only	129
PART IV - INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer	131
SCHEDULE V	133
Instructions affecting the statutory statement of capital and surplus	133
INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980	135
1. Citation	136
2. Interpretation	136
3. Insurers to make statutory financial return in accordance with these Regulations	136
4. Return to relate to relevant year	136
5. Content of statutory financial return	136
6. Cover Sheet	137
7. Auditor's report	138
8. General business solvency certificate	139
8A. Loss reserve opinion	140
9. Long-term business solvency certificate	140
9A. Special purpose business solvency certificate	141
10. Minimum margin of solvency for general business	142
11. Minimum liquidity ratio for general business	142
12. Minimum margin of solvency for long-term business	142
12A. Minimum margin of solvency for special purpose business	143
13. Declaration of statutory ratios [Revoked]	143
14. Actuary's certificate	143
14A. Schedule of ceded reinsurance [Revoked]	143
14B. Annual statutory declaration	143
14C. Statement of changes of control	143
14D. Own risk assessment	144
14E. Underwriting analysis	145
14F. Schedule of segregated accounts	148
14G. Anti-Money Laundering and Anti-Terrorist Financing	149
15. Duty to supply additional audit report in certain circumstances	149
15A. Schedule of Cyber Risk Management	149
15B. Schedule of Compliance with Sanctions	150
16. Requirements relating to preparation of returns generally	151
17. Offences	151
18. Commencement	151
SCHEDULE I	152
GENERAL BUSINESS SOLVENCY MARGIN	152
SCHEDULE II	153
MINIMUM MARGIN OF SOLVENCY FOR LONG-TERM BUSINESS	153
SCHEDULE III	153
MINIMUM MARGIN OF SOLVENCY FOR LONG-TERM BUSINESS	153



INSURANCE ACT 1978 AND REGULATIONS FOR CAPTIVE INSURERS

SCHEDULE IV 155

AMENDMENTS TO THE INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980..... 155

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions - Fees)..... 168

FOURTH SCHEDULE - INSURANCE ACT 1978 168

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE BROKERS AND AGENTS ANNUAL RETURN) RULES 2018..... 180

 1. Citation 180

 2. Interpretation 180

 3. Requirement to file annual returns 180

 4. Information in annual returns 181

 5. Declaration 181

 6. Commencement..... 181

SCHEDULE - MATTERS TO BE INCLUDED IN AN ANNUAL RETURN 181

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE MANAGERS ANNUAL RETURN) RULES 2017..... 182

 1. Citation 182

 2. Interpretation 182

 3. Annual return 182

 4. Declaration 182

SCHEDULE..... 182

MATTERS TO BE INCLUDED IN ANNUAL RETURN 182

ENDNOTES 184



INSURANCE ACT 1978

[7 July 1978]

WHEREAS it is expedient to regulate the carrying on of insurance business in or from Bermuda; to provide for the registration of insurers and other persons engaged in that business; and to provide for matters connected with, or incidental to, the matters aforesaid:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the House of Assembly of Bermuda, and by the authority of the same, as follows:

PART I - PRELIMINARY

1. Interpretation^{1 2}

(1) In this Act, unless the context otherwise requires -

“actuary” means a member in good standing of the Canadian Institute of Actuaries, the Casualty Actuarial Society (in the U.S), the Institute of Actuaries of Australia, the Institute and Faculty of Actuaries (for the UK), the Society of Actuaries (in the U.S); the American Academy of Actuaries; or a member in good standing of an actuarial body recognized by the Authority;³

“approved actuary” means an individual approved by the Authority under section 26(3);⁴

“approved auditor” means an auditor approved by the Authority under section 16(3)⁵;

“association of underwriters” means an association of individual underwriters, organised according to the system known as Lloyd's whereby each underwriting member of the association becomes liable for a separate and proportionate part of the sum secured by each policy subscribed to by that association; and, in relation to such an association as aforesaid, “recognised” means recognised by the Authority;

“auditor” means either -

- (a) a person entitled to practise as a public accountant in Bermuda; or
- (b) a person who has qualified as an accountant by examination of one of the Institutes of Chartered Accountants of England and Wales, Ireland and Scotland or the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants; or
- (c) a person recognised by the Authority as an auditor;

“Authority” means the Bermuda Monetary Authority established by the Bermuda Monetary Authority Act 1969⁶;

“available statutory capital and surplus” means an amount equal to the total statutory capital and surplus including any adjustments thereto made under section 6D or by or under Rules made under section 6A;^{7 8}

“available statutory economic capital and surplus” means an amount equal to the total statutory economic capital and surplus including any adjustments thereto made under section 6D or by or under Rules made under section 6A of this Act;⁹

“bank” means an institution licensed as a bank under the Banks and Deposit Companies Act 1999;

“capital redemption contract” means a contract (which by its terms is expressed to be a capital redemption contract or a funding agreement) under which an insurer may—¹⁰

- (a) receive and accumulate sums of money; and
- (b) pay a sum or sums of money or render money's worth,

on dates and in amounts that are not based on life contingencies of any person;

“capital and solvency return” means such return relating to the insurer's or insurance group's risk management practices and to the information used by the insurer or insurance group to calculate its

INSURANCE ACT 1978

enhanced capital requirement as may be prescribed by or under Rules¹¹ made under section 6A;^{12 13}

“Class 1”, “Class 2”, “Class 3”, “Class 3A”, “Class 3B”, “Class 4” and “Special Purpose Insurer”¹⁴ in relation to an insurer carrying on general business mean the class of the insurer’s registration under section 4¹⁵;

“Class A”, “Class B”, “Class C”, “Class D” and “Class E” in relation to an insurer carrying on long-term business, mean the class of the insurer’s registration under section 4;¹⁶

“Class IGB” means an insurer carrying on general business in an innovative or experimental manner;¹⁷

“Class ILT” means an insurer carrying on long-term business in an innovative or experimental manner;¹⁸

“code of conduct” means a code of conduct issued by the Authority pursuant to section 2BA;¹⁹

“the Court” means the Supreme Court;

“decision notice” means a notice prepared in accordance with section 44G;²⁰

“designated insurer” means an insurer designated by the Authority under section 27B(5) in respect of an insurance group;²¹

“domestic business” means insurance business where, whether the contract of insurance is made in Bermuda or elsewhere, the subject-matter of the contract is either -

- (a) property that at the time of the making of the contract is in, or in transit to or from Bermuda; or
- (b) the life, safety, fidelity or insurable interest of an individual who at the time of the making of the contract is ordinarily resident in Bermuda; or
- (c) a risk of a company formed in Bermuda that is not an exempted company within the definition of that expression in section 127 of the Companies Act 1981;

“eligible capital” means the available statutory capital and surplus of an insurer or an insurance group that qualifies for inclusion in any assessment of the insurer’s or insurance group’s minimum margin of solvency or enhanced capital requirement;²²

“enhanced capital requirement” means additional capital and surplus requirement imposed by or under Rules²³ made under section 6A;²⁴

²⁵“excepted long-term business” means either -

- (a) credit life business, that is to say, the business of effecting and carrying out contracts of insurance against risks of loss to persons arising from the nonpayment of debts due to such persons by reason of the death of debtors of theirs, being contracts that are -
 - (i) not contracts of domestic business; and
 - (ii) expressed to be in effect for a period of five years or less; and
 - (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period; and
 - (iv) of a kind which the Authority, upon application made to it by the insurer for the purpose, has given its prior approval in writing for the insurer to effect and carry out; or
- (b) employee group business, that is to say, the business of effecting and carrying out contracts of insurance on the lives of employees of the insurer or of an affiliate (within the definition of “affiliate” in regulation 2 of the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules²⁶) of the insurer, being contracts that are-
 - (i) not contracts of domestic business; and
 - (ii) expressed to be in effect for a period of five years or less; and

INSURANCE ACT 1978

- (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period; and
- (iv) made on a group insurance basis; and
- (v) of a kind which the Authority, upon application made to it by the insurer for the purpose, has given its prior approval in writing for the insurer to effect and carry out;

“financial year”, in relation to an insurer or insurance group, means the period not exceeding fifty-three weeks at the end of which the balance of the insurer’s or insurance group’s accounts is struck or, if no such balance is struck or if a period in excess of fifty-three weeks is employed, then calendar year;²⁷

“functions” includes powers and duties;

“general business” means, subject to subsection (4), insurance business that is not special purpose business or long term business but includes the business of effecting and carrying out contracts of insurance against risks of the persons insured—

- (a) sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class, or
- (b) becoming incapacitated or dying in consequence of disease or disease of a specified class, being contracts that are expressed to be in effect for a period of less than five years;^{28,29,30}

“group” means a group of companies—

- (a) that consist of a participating company, its subsidiaries and any entities in which the participating company or its subsidiaries hold a participation; or
- (b) that is based on the establishment, contractually or otherwise, of strong and sustainable financial relationships among those companies;³¹

“group actuary” means an individual approved by the Authority under section 27G(3);³²

“IA” means an insurance agent carrying on the business of an insurance agent in an innovative or experimental manner;³³

“IB” means an insurance broker carrying on the business of an insurance broker in an innovative or experimental manner;³⁴

“IM” means an insurance manager carrying on the business of an insurance manager in an innovative or experimental manner;³⁵

“innovative insurance business” means insurance business approved by the Authority to be carried on by a registered innovative insurer in an innovative or experimental manner;³⁶

“innovative insurer” means a Class IGB or Class ILT insurer;³⁷

“innovative intermediaries” means a reference to IAs, IBs and IMs.³⁸

“insolvent” means, in relation to an insurer at any relevant date, that if proceedings had been taken for the winding up of the insurer the Court could, in accordance with the provisions of sections 161 and 162 of the Companies Act 1981, hold or have held that the insurer was at that date unable to pay its debts;

“inspector” means a person appointed as an inspector under section 30;

“insurance accounts rules” means prudential standard rules made by the Authority in accordance with section 6A(1)(f) of the Act;³⁹

“Insurance Advisory Committee” means the Insurance Advisory Committee mentioned in section 2C⁴⁰;

“insurance agent” means a person who with the authority of an insurer acts on its behalf in relation to any or all of the following matters, that is to say, the initiation and receipt of proposals, the issue of policies and the collection of premiums, being proposals, policies and premiums relating to insurance business;

INSURANCE ACT 1978

“insurance broker” means a person who arranges or places insurance business with insurers on behalf of prospective or existing policy-holders;

“insurance business” means the business of effecting and carrying out contracts -

- (a) protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed; or
 - (b) to pay a sum of money or ⁴¹render money’s worth upon the happening of an event,
- and includes re-insurance business;

“insurance group” means a group that conducts ⁴²insurance business;⁴³

“insurance manager” means a person who, not being an employee of any insurer, holds himself out as a manager in relation to one or more insurers, whether or not the functions performed by him as such go beyond the keeping of insurance business accounts and records;

“insurance salesman” means a person who otherwise than as an employee solicits applications for, or negotiates, insurance business on behalf of an insurer or an insurance broker or agent;

“insurer” means a person carrying on insurance business;

“long-term business” means, ⁴⁴subject to subsection (4), insurance business of any of the following kinds, namely, -

- (a) effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life;
- (b) effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated or dying⁴⁵ in consequence of disease or disease of a specified class, ⁴⁶but does not include excepted long-term business;
- (c) effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the persons insured in the future, not being contracts such as fall within either paragraph (a) or (b),

⁴⁷ ⁴⁸but does not include excepted long-term business⁴⁹ or special purpose business⁵⁰;

“long-term insurer”^{51,52} [Repealed]

“loss reserve specialist” means a person approved by the Authority under section 8B(3) as an insurer’s loss reserve specialist⁵³;

“minimum criteria” means the minimum criteria for registration set out in the Schedule⁵⁴;

“minimum liquidity ratio” means the ratio prescribed by regulation 11 of the Insurance Returns and Solvency Regulations 1980 and in accordance with the requirements of any insurance accounts rules ^{55,56};

“minimum margin of solvency” in relation to a particular class of business means the prescribed minimum amount by which the value of the assets of the insurer must exceed the value of its liabilities;⁵⁷

“Minister” means the Minister of Finance or such other Minister as may be appointed to administer this Act⁵⁸;

“non-insurance business” means any business other than insurance business conducted by an insurer and includes⁵⁹—

- (a) carrying on investment business as defined under the Investment Business Act 2003, managing an investment fund as an operator as defined under the Investment Funds Act 2006, carrying on business as a fund administrator as defined under the Investment Funds

INSURANCE ACT 1978

Act 2006, carrying on banking business as defined under the Banks and Deposit Companies Act 1999;

- (b) underwriting debt or securities or otherwise engaging in investment banking;
- (c) engaging in commercial or industrial activities;
- (d) carrying on the business of management, sales or leasing of real property;⁶⁰

“non-resident insurance undertaking” means an insurer carrying on domestic business under a permit granted under section 3 of the Non-Resident Insurance Undertakings Act 1967;

“parent company” has the meaning given in section 1B⁶¹;

“participating company” means a company that is a parent company, or a company that holds a participation in another company, or a company that is linked to a related company in such a manner as may be prescribed in rules made by the Authority under section 6A^{62,63};

“participation” means the holding, directly or indirectly, of 20% or more of the voting rights or capital of a company;⁶⁴

“prescribed” means prescribed by regulations or rules made by the Authority in accordance with section 6A and section 27F of the Act⁶⁵;

“prudential standards” means such standards of prudence as would, in the opinion of the Authority, ensure that the obligations of the insurer or insurance group in relation to the security of its policyholders are established at an appropriate level;^{66 67}

“to register” means to register under this Act;

“Register” means the Register for which provision is made in section 13(1);

“registered person” means a person registered under either section 4 or section 10⁶⁸;

“regulations” means regulations made under section 53;

“related company”, in relation to another company, means a subsidiary company of that other company, or a company in which the other company holds a participation, or a company that is linked to the other company in such a manner as may be prescribed in regulations;⁶⁹

“restricted special purpose business” means special purpose business conducted between a Special Purpose Insurer and specific insureds approved by the Authority;⁷⁰

“solvency margin” means—^{71,72}

- (a) in relation to an insurer carrying on general business, the margin prescribed by regulation 11 of the Insurance Returns and Solvency Regulations 1980 and the requirements under any insurance accounts rules;
- (b) in relation to an insurer carrying on long-term business, the margin prescribed by regulation 13 of the Insurance Returns and Solvency Regulations 1980 and the requirements under any insurance accounts rules;

“special purpose business”⁷³ means insurance business under which an insurer fully funds its liabilities to the persons insured through —

- (a) the proceeds of any one or more of the following—
 - (i) a debt issuance where the repayment rights of the providers of such debt are subordinated to the rights of the person insured; or
 - (ii) some other financing mechanism approved by the Authority;
- (b) cash; and
- (c) time deposits;

INSURANCE ACT 1978

“Special Purpose Insurer” means an insurer that carries on special purpose business;⁷⁴

“statutory economic balance sheet” means the balance sheet required to be produced in accordance with the prudential standards made under section 6A of this Act; that are applicable to any Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer or insurance group;⁷⁵

“statutory financial return” means the return provided for in section 18;

“statutory financial statements” means the accounts provided for in section 15;

“subsidiary company” has the meaning given in section 1B, and “subsidiary” has a corresponding meaning⁷⁶;

“total statutory capital” in relation to an insurer or insurance group, means the total statutory capital of the insurer or insurance group as calculated in accordance with the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules;^{77 78 79}

“total statutory capital and surplus” in relation to an insurer or insurance group, means the total statutory capital and surplus of the insurer or insurance group as calculated in accordance with the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules^{80 81; 82}

“total statutory economic capital and surplus” means the total statutory economic capital and surplus of a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer or insurance group; calculated in accordance with prudential standards made under section 6A of this Act;⁸³

“unrestricted special purpose business” means special purpose business conducted by a Special Purpose Insurer with any insured.⁸⁴

“warning notice” means a notice prepared in accordance with section 44F.⁸⁵

(2) ⁸⁶[Repealed]

(3) ⁸⁷In this Act -

- (a) any reference to carrying on business from within Bermuda includes reference to carrying on business outside Bermuda from a principal place of business within Bermuda;
- (b) unless the context otherwise requires, any reference to carrying on the business of effecting and carrying out contracts of any kind includes reference to carrying on one aspect, or some aspects, only of that business;
- (c)⁸⁸ every company or body, being a company or body formed in Bermuda with power to carry on insurance business, shall, if carrying on insurance business anywhere, be deemed to be carrying on insurance business in or from within Bermuda for the purposes of section 3(1).

(4) ⁸⁹The limitations upon the meaning of “general business” and “long-term business” as defined in subsection (1) of this section shall, in relation to any insurer, not operate to disentitle that insurer -

- (a) if authorized to carry on general business, from carrying on long-term business; or
- (b) if authorized to carry on long-term business, from carrying on general business,

being -

- (aa) in the case set forth in paragraph (a), long-term business as to which the Authority has given a direction under section 56 on the ground that it is satisfied that that long-term business either is or will be only incidental to the insurer’s general business, or is or will be of such a limited extent that the insurer ought not to be treated in all respects as a composite within the definition of “composite” in regulation 2 of the Insurance Accounts Regulations 1980; or
- (bb) in the case set forth in paragraph (b), general business as to which the Authority has given a corresponding direction mutatis mutandis.

(5) In this Act, any reference to a “designated insurer” shall be construed as a reference to the designated insurer in relation to group supervision under this Act and in respect of the insurance group of which it is a

member.⁹⁰

(6) For the purposes of this Act, a capital redemption contract or a funding agreement shall be deemed to be long-term business.⁹¹

1A. Meaning of “director”, “controller”, “chief executive”, “officer”, “senior executive”, “associate”⁹²

(1) In this Act, “director”, “controller”, “chief executive”, “officer”, “senior executive”, and “associate” shall be construed in accordance with the provisions of this section.

(2) “Director”, in relation to a registered person, includes any person who occupies the position of director, by whatever name called.

(3) “Controller”, in relation to a registered person, means –

- (a) a managing director of the registered person or of another company of which it is a subsidiary company;
- (b) a chief executive of the registered person or of another company of which it is a subsidiary;
- (c) a person who satisfies the requirements of this paragraph; or
- (d) a person in accordance with whose directions or instructions the directors of the registered person or of another company of which it is a subsidiary or persons who are controllers of the registered person by virtue of paragraph (c) (or any of them) are accustomed to act.

(4) A person satisfies the requirements of subsection (3)(c) in relation to a registered person if, either alone or with any associate or associates –

- (a) he holds 10 per cent or more of the shares carrying rights to vote at any general meeting of the registered person or another company of which it is a subsidiary company;
- (b) he is entitled to exercise, or control the exercise of 10 per cent or more of the voting power at any general meeting of the registered person or another company of which it is such a subsidiary; or
- (c) he is able to exercise a significant influence over the management of the registered person or another company of which it is such a subsidiary by virtue of –
 - (i) a holding of shares in; or
 - (ii) an entitlement to exercise, or control the exercise of, the voting power at any general meeting of,

the registered person or, as the case may be, the other company concerned.

(5) A person who is a controller of a registered person by virtue of subsection (3)(c) is in this Act referred to as a “shareholder controller” of the registered person; and in this Act –

- (a) a “10 per cent shareholder controller” means a shareholder controller in whose case the percentage referred to in the relevant paragraph is 10 or more but less than 20;
- (b) a “20 per cent shareholder controller” means a shareholder controller in whose case that percentage is 20 or more but less than 33;
- (c) a “33 per cent shareholder controller” means a shareholder controller in whose case that percentage is 33 or more but less than 50;
- (d) a “50 per cent shareholder controller” means a shareholder controller in whose case that percentage is 50 or more;

(6) In subsection (5), “the relevant paragraph” in relation to a shareholder controller means whichever of paragraphs (a) and (b) of subsection (4) gives the greater percentage in his case.

(7) “Chief executive”, in relation to a registered person, means a person who, either alone or jointly with one or more persons, is responsible under the immediate authority of the directors for the conduct of the business of the registered person.

INSURANCE ACT 1978

- (8) “Officer”, in relation to a registered person, includes a director, secretary, chief executive or senior executive of the registered person by whatever name called.
- (9) “Senior executive”, in relation to a registered person, means a person (other than a chief executive) who, under the immediate authority of a director or chief executive of the registered person –
- (a) exercises managerial functions; or
 - (b) is responsible for maintaining accounts or other records of the registered person.
- (10) “Associate” in relation to a person entitled to exercise or control the exercise of voting power in relation to, or holding shares in, a company, means –
- (a) if that person is an individual –
 - (i) the spouse, child, step-child or parent of that person;
 - (ii) the trustees of any settlement under which that person has a life interest in possession;
 - (iii) any company of which that person is a director;
 - (iv) any person who is an employee or partner of that person;
 - (b) if that person is a company –
 - (i) any director of that company;
 - (ii) any subsidiary of that company;
 - (iii) any director or employee of any such subsidiary company;
 - (c) if that person has with any other person an agreement or arrangement with respect to the acquisition, holding or disposal of shares or other interests in that company or under which they undertake to act together in exercising their voting power at any general meeting in relation to it, that other person.
- (11) For the purposes of subsection (10), “settlement” includes any disposition or arrangement under which property is held in trust.

1B. Meaning of parent and subsidiary company⁹³

- (1) The expressions “parent company” and “subsidiary company” in this Act shall be construed as follows.
- (2)⁹⁴ A company is a parent company in relation to another company (a subsidiary company) if—
- (a) it has a majority of the shareholders’ or members’ voting rights in the other company;
 - (b) it has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of the other company and is at the same time a shareholder or member of that company;
 - (c) it has the right to exercise a dominant influence over the other company of which it is a shareholder or member, pursuant to a contract entered into with that company or to a provision in that company’s memorandum or articles of association, where the law governing that company permits it to be party to such contracts or provisions; or
 - (d) it is a shareholder or member of the other company, and—
 - (i) a majority of the members of the administrative, management or supervisory bodies of the other company have been appointed solely as a result of the exercise by it of its voting right as a shareholder or member of the other company, or
 - (ii) it controls alone, pursuant to an agreement with other shareholders or members of the other company, a majority of shareholders’ or members’ voting rights in that company.
- (2A) A subsidiary company of a parent company includes any company that is a subsidiary of that subsidiary company and any company over which, in the opinion of the Authority, the parent company exercises a dominant

influence.⁹⁵

- (3) For the purposes of subsection (2) a company shall be treated as a member of another company –
- (a) if any of its subsidiary companies is a member of that company; or
 - (b) if any shares in that other company are held by a person acting on behalf of the company or any of its subsidiary companies.
- (4) In subsections (2)(a) and (c) the references to the voting rights in a company are to the rights conferred on shareholders in respect of their shares, to vote at general meetings of the company on all, or substantially all, matters.
- (5) In subsection (2)(b) the reference to the right to appoint or remove a majority of the board of directors is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all, or substantially all, matters.
- (6) A company shall be treated as having the right to appoint to a directorship if –
- (a) a person's appointment to it follows necessarily from his appointment as director of the company; or
 - (b) the directorship is held by the company itself.

PART IA - THE AUTHORITY⁹⁶

Functions and Duties of the Authority

2. Functions of the Authority

- (1) The Authority shall have the functions and powers conferred on it by this Act and the duty generally to supervise persons carrying on insurance business and persons carrying on business as insurance managers, brokers, agents or salesmen, for the purpose of protecting the interests of clients and potential clients of such persons.
- (2) It shall also be the duty of the Authority to keep under review the operation of this Act and developments in the field of insurance which appear to it to be relevant to the performance of its functions, the exercise of its powers and the discharge of its duties.
- (3) The Authority shall as soon as practicable after the end of each of its financial years, make to the Minister and publish in such manner as it thinks appropriate a report on its activities under this Act in that year.

2A. Authority's statement of principles

- (1) The Authority shall as soon as practicable after the coming into force of this Act, publish in such manner as it thinks fit a statement of principles in accordance with which it is acting or proposing to act –
- (a) in interpreting the minimum criteria⁹⁷;
 - (b) in exercising its powers to register or cancel the registration of a registered person;
 - (c) in exercising its power to grant or impose conditions on a registered person;⁹⁸
 - (d) in exercising its power to obtain information, reports and to require production of documents;
 - (e) in exercising its powers to make adjustments to an insurer's enhanced capital requirement and available statutory capital and surplus under section 6D;⁹⁹
 - (f) in exercising its powers under section 32 or 32A¹⁰⁰ to issue directions to a registered person;^{101 102}
 - (g) in exercising its discretion under section 27B to determine whether to be a group supervisor; and^{103 104}
 - (h) in exercising its powers –
 - (i) under section 32D to impose a civil penalty;
 - (ii) under section 32F to censure publicly;
 - (iii) under section 32H to make a prohibition order; and

INSURANCE ACT 1978

(iv) under section 44I to publish information about any matter to which a decision notice relates.¹⁰⁵

(2) If the Authority makes a material change to the principles it shall publish a statement of the change or the revised statement of principles in the same manner as it published the statement under subsection (1).

2B. Guidance

(1) The Authority may from time to time give guidance on the application of this Act and regulations made under it.¹⁰⁶

(2) The Authority may publish such guidance (which may be in the form of information and advice) in such manner as it thinks fit.

2BA. Codes of conduct¹⁰⁷

(1) The Authority may issue codes of conduct on the duties, requirements and standards to be complied with by registered persons, and designated insurers,¹⁰⁸ and the procedures (whether on client identification, record-keeping, internal reporting and training or otherwise) and sound principles to be observed by such persons and designated insurers.¹⁰⁹

(2) Before issuing a code of conduct, the Authority shall publish a draft of that code in such manner as it thinks fit and shall consider any representations made to it about the draft.

(3) Every registered person and designated insurer¹¹⁰ shall in the conduct of its business comply with the provisions of any code of conduct applicable to it¹¹¹ issued by the Authority.

(4) A failure on the part of a registered person or designated insurer¹¹² to comply with the provisions of such a code shall be taken into account by the Authority in determining whether the business is being conducted in a prudent manner as required by paragraph 4 of the minimum criteria.

2C. Insurance Advisory Committee

(1) There shall continue to be a committee to be known as the Insurance Advisory Committee whose function shall be to advise the Authority on any matter relating to the development of the insurance industry in Bermuda which the Authority may refer to it.

(2) The Insurance Advisory Committee shall consist of such persons (not fewer than five in number) to be appointed by the Minister, as the Minister may think fit, but so that not fewer than three members of the Committee shall be persons appearing to the Minister to be knowledgeable about insurance business in Bermuda.

(3) The Minister shall appoint a person to be chairman of the Insurance Advisory Committee.

(4) The Insurance Advisory Committee may advise the Minister on any matter relating to the development and promotion of the insurance industry in Bermuda.

PART II - REGISTRATION

Insurers

3. Insurers to be registered

(1) Subject to the provisions of this Act, and notwithstanding anything in any other Act, no person shall carry on insurance business in or from within Bermuda unless he is registered by the Authority as an insurer under section 4.

(2) Any person who contravenes subsection (1) commits an offence.

4. Registration as insurer¹¹³

(1) Subject to sections 4A to 7 and 12, on an application made to the Authority by a body corporate and on payment of the relevant fee provided for by section 14, the Authority may register that body -

(a) as a Class 1, Class 2, Class 3, Class 3A, Class 3B,¹¹⁴ or Class 4 insurer where it proposes to carry on general business;

(b) as a Class A, Class B, Class C, Class D or Class E insurer where it proposes to carry on long-term



business;¹¹⁵

- (c) as a Class 1, Class 2, Class 3, Class 3A, Class 3B¹¹⁶, or Class 4 insurer and as a Class A, Class B, Class C, Class D or Class E insurer¹¹⁷ where it proposes to carry on both general business and long-term business;¹¹⁸
- (d) as a Special Purpose Insurer to carry on restricted special purpose business or unrestricted special purpose business¹¹⁹; or^{120 121}
- (e) as an innovative insurer.¹²²

(2) Registration of a body corporate as an insurer shall be subject to its complying with the terms of its registration and with such other conditions as the Authority may impose; and different conditions may be imposed in respect of different insurers or categories of insurer.

(3) The Authority may at any time, whether or not on an application made by an insurer, add to, vary or delete any conditions imposed under subsection (2).

(4) Before the Authority exercises its power under subsection (3) in relation to an insurer¹²³, who has not made an application under that subsection, the Authority shall give notice to the insurer and shall take into account any written representations made by the insurer within such period as may be specified in the notice.

(5) [Repealed]¹²⁴

(6) On application made to the Authority for that purpose by an insurer, the Authority may -

- (a) register a Class 1, Class 2, Class 3, Class 3A, Class 3B,¹²⁵ or Class 4 insurer as a different class of insurer carrying on general business;
- (b) register an insurer carrying on long-term business as a Class 1, Class 2, Class 3, Class 3A, Class 3B,¹²⁶ or Class 4 insurer where it proposes to carry on general business (either instead of, or in addition to, its registration as a Class A, Class B, Class C, Class D or Class E insurer); or
- (c) register an insurer carrying on general business as a Class A, Class B, Class C, Class D or Class E insurer where it proposes to carry on long-term business (either instead of, or in addition to, its registration as a Class 1, Class 2, Class 3, Class 3A, Class 3B,¹²⁷ or Class 4 insurer).

(7) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

4A. Determination of class of registration for general business¹²⁸

(1) Subject to subsection (2), the Authority shall determine whether a body corporate proposing to carry on general business shall be registered as a Class 1, Class 2, Class 3, Class 3A, Class 3B,¹²⁹ or Class 4 insurer in relation to its general business in accordance with sections 4B to 4E.

(2) But a body corporate may be registered as a particular class of insurer where it would not be so registrable under sections 4B to 4E if, after taking into account -

- (a) the nature of the intended relationship between the body corporate and its intended policy-holders, the interests of those policy-holders and of the public generally, and
- (b) the level of regulation which is applicable to the different classes of insurer,

the Authority considers it appropriate, whether or not on an application made to it for that purpose by the body corporate.

(3) The Authority shall not under any circumstances determine under subsection (2) that a body corporate shall be registered as a Class 4 insurer if it does not satisfy the requirement of section 4E(1)(a).

(4) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

(5) Subject to subsection (1), the Authority may also determine that an insurer may be registered to carry on run off insurance business.¹³⁰

INSURANCE ACT 1978

(6) For the purposes of this section, an insurer carries on run off insurance business where it has been registered by the Authority to carry on general business, which involves acquiring portfolios of policyholder obligations or acquiring insurers that will not undertake new business.¹³¹

4B. Class 1 insurer¹³²

A body corporate is registrable as a Class 1 insurer where that body corporate -

- (a) is wholly owned by one person and intends to carry on insurance business consisting only of insuring the risks of that person; or
- (b) is an affiliate of a group and intends to carry on insurance business consisting only of insuring the risks of any other affiliates of that group or of its own shareholders.

4C. Class 2 insurer¹³³

(1) A body corporate is registrable as a Class 2 insurer where that body corporate is wholly owned by two or more unrelated persons and intends to carry on insurance business not less than 80% of the net premiums written in respect of which will be written for the purpose of -

- (a) insuring the risks of any of those persons or of any affiliates of any of those persons; or
- (b) insuring risks which, in the opinion of the Authority, arise out of the business or operations of those persons or any affiliates of any of those persons.

(2) A body corporate is registrable as a Class 2 insurer where that body corporate would be registrable as a Class 1 insurer but for the fact that -

- (a) not all of the business which it intends to carry on, but at least 80% of the net premiums written, will consist of the business described in paragraph (a) or (b) of section 4B; or
- (b) it intends to carry on insurance business not less than 80% of the net premiums written in respect of which will, in the opinion of the Authority, arise out of the business or operations of the person by whom it is owned or any of the affiliates of that person.

4D. Class 3 insurer¹³⁴

A body corporate is registrable as a Class 3 insurer where that body corporate is not registrable as a Class 1, Class 2, Class 3A, Class 3B, Class 4 insurer or Special Purpose Insurer.

4DA. Class 3A insurer¹³⁵

(1) This section applies to a body corporate that intends to carry on insurance business in circumstances where -

- (a) 50% or more of the net premiums written; or
- (b) 50% or more of the loss and loss expense provisions;

represent unrelated business.

(2) A body corporate to which this section applies is registrable as a Class 3A insurer if its total net premiums written from unrelated business are less than \$50,000,000.

4DB. Class 3B insurer¹³⁶

(1) This section applies to a body corporate that intends to carry on insurance business in circumstances where -

- (a) 50% or more of the net premiums written; or
- (b) 50% or more of the loss and loss expense provisions;

represent unrelated business.

(2) A body corporate to which this section applies is registrable as a Class 3B insurer if its total net premiums written from unrelated business are \$50,000,000 or more.

4E. Class 4 insurer¹³⁷

(1) A body corporate is registrable as a Class 4 insurer where -

- (a) it has at the time of its application for registration, or will have before it carries on insurance



INSURANCE ACT 1978

business, a total statutory capital and surplus of not less than \$100,000,000; and

- (b) it intends to carry on insurance business including excess liability business or property catastrophe reinsurance business.

(2) Where a body corporate is registrable as a Class 4 insurer it shall not be so registered if it is also registrable as a Class 1 or Class 2 insurer.

4EA. Determination of class of registration for long-term business¹³⁸

(1) Subject to subsection (2), the Authority shall determine whether a body corporate proposing to carry on long-term business shall be registered as a Class A, Class B, Class C, Class D or Class E insurer in relation to its long-term business in accordance with sections 4EB to 4EF.

(2) But a body corporate may be registered as a particular class of insurer where it would not be so registrable under sections 4EB to 4EF if, after taking into account—

- (a) the nature of the intended relationship between the body corporate and its intended policyholders, the interests of those policyholders and of the public generally; and
- (b) the level of regulation which is applicable to the different classes of insurers carrying on long-term business,

the Authority considers it appropriate, whether or not an application has been made to it for that purpose by the body corporate.

(3) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

4EB. Class A insurer¹³⁹

A body corporate is registrable as a Class A insurer where that body corporate—

- (a) is wholly owned by one person and intends to carry on long-term business consisting only of insuring the risks of that person; or
- (b) is an affiliate of a group and intends to carry on long-term business consisting only of insuring the risks of any other affiliates of that group or of its own shareholders.

4EC. Class B insurer¹⁴⁰

(1) A body corporate is registrable as a Class B insurer where that body corporate is wholly owned by two or more unrelated persons and intends to carry on long-term business not less than 80% of the premiums and other considerations written in respect of which will be written for the purpose of—

- (a) insuring the risks of any of those persons or of any affiliates of any of those persons; or
- (b) insuring risks which, in the opinion of the Authority, arise out of the business or operations of those persons or any affiliates of any of those persons.

(2) A body corporate is registrable as a Class B insurer where that body corporate would be registrable as a Class A insurer but for the fact that—

- (a) not all of the business which it intends to carry on, but at least 80% of the premiums and other considerations written, will consist of the long-term business described in paragraph (a) or (b) of section 4EB; or
- (b) it intends to carry on long-term business not less than 80% of the premiums and other considerations written in respect of which will, in the opinion of the Authority, arise out of the business or operations of the person by whom it is owned or any of the affiliates of that person.

(3) In this section, “premiums and other considerations” shall be interpreted in accordance with the provisions of paragraph 19 of Part III of Schedule IV to the Insurance Accounts Regulations 1980.

4ED. Class C insurer¹⁴¹

A body corporate is registrable as a Class C insurer where that body corporate has total assets of less than \$250 million and is not registrable as a Class A or Class B insurer.



4EE. Class D insurer¹⁴²

A body corporate is registrable as a Class D insurer where that body corporate has total assets of \$250 million or more, but less than \$500 million and is not registrable as a Class A, Class B or Class C¹⁴³ insurer.

4EF. Class E insurer¹⁴⁴

A body corporate is registrable as a Class C, Class D or¹⁴⁵ Class E insurer where that body corporate has total assets of more than \$500 million and is not registrable as a Class A or Class B insurer.

4EG. Class IGB¹⁴⁶

A body corporate is registrable as a Class IGB insurer where that body corporate intends at the time of its application for registration, to carry on general business in an innovative or experimental manner.

4EH. Class ILT¹⁴⁷

A body corporate is registrable as a Class ILT insurer where that body corporate intends at the time of its application for registration, to carry on long- term business in an innovative or experimental manner.

4F. Classes of insurer: interpretation¹⁴⁸

(1) In sections 4B to 4EH^{149 150} and this section –

“affiliate” means a body forming part of a group;

“excess liability business” means the business of effecting and carrying out contracts of insurance insuring the risk of the persons insured in the event that any such person incurs liabilities to third parties in excess of a stated sum;

“group” [Repealed]¹⁵¹

“insure” includes reinsure;

“loss and loss expense provisions” means amounts calculated in relation to a body corporate by the application of the principles set out in –¹⁵²¹⁵³

- (a) the Insurance Accounts Regulations 1980 in relation to Class 1, Class 2, Class 3, Class A, Class B insurers and Special Purpose Insurers for the calculation of those amounts in relation to the insurer; and
- (b) any insurance accounts rules in relation to Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers for the calculation of those amounts in relation to the insurer;

“net premiums written” means amounts calculated in relation to a body corporate by the application of the principles set out in –¹⁵⁴

- (a) the Insurance Accounts Regulations 1980 in relation to Class 1, Class 2, Class 3, Class A, Class B insurers and Special Purpose Insurers for the calculation of those amounts in relation to the insurer;
- (b) any insurance accounts rules in relation to Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers for the calculation of those amounts in relation to the insurer;

“property catastrophe reinsurance business” means the business of effecting and carrying out contracts of reinsurance indemnifying (whether or not to a specified limit) an insurer as a result of an accumulation of losses arising from a single catastrophic event or series of events;

“segregated account” has the meaning given in section 2(1) of the Segregated Accounts Companies Act 2000;¹⁵⁵

“shareholder” includes a partner of a partnership and a member of any other body or association;

“total assets” in relation to Class C, Class D and Class E insurers means the total assets reported on an insurer’s balance sheet in the relevant year less the amount held in any segregated account of such insurer in respect of long term business;¹⁵⁶

“unrelated” means not forming part of the same group;

“unrelated business” means insurance business consisting of insuring risks of persons who are not shareholders in, or affiliates of, the insurer;¹⁵⁷

(2) In determining for the purposes of sections 4B and 4C whether a body corporate is wholly owned by a person, the Authority may have regard to the beneficial as well as the legal ownership of the body corporate.

5. Factors to be considered by Authority under section 4¹⁵⁸

(1) In considering whether to register a body as an insurer under section 4, the Authority, without prejudice to its power under section 12 to refuse registration, must be satisfied that -

- (a) the minimum criteria are fulfilled with respect to the body corporate;
- (b) the body has, or has available, adequate knowledge and expertise; and
- (c) the premises intended to be used in the business are adequate for the conduct of the business.

(2)¹⁵⁹ In considering whether to register a body as a Special Purpose Insurer, the Authority shall, in addition to the matters set out in subsection (1), have regard to the following matters –

- (a) whether the insurer is solely insuring or reinsuring one or more risks or group of risks with one or more policyholders; and
- (b) the sophistication of the policyholders or the sophistication of the parties to a debt issuance or other funding mechanism.

(3)¹⁶⁰ In considering whether to register a body as an innovative insurer, the Authority shall, in addition to the matters set out in subsection (1), have regard to the following matters—

- (a) whether the innovative insurer has satisfactorily demonstrated to the Authority that it is able to use new or different technological or innovative measures—
 - (i) to carry on the proposed innovative insurance business; or
 - (ii) to provide products or services; and
- (b) the sophistication of the policyholders, proposed policyholders and service providers of the innovative insurer.

6. Further registration requirements

(1) The Authority shall not register a body corporate as a Class 1, Class 2, Class 3 or Class 3A insurer, Special Purpose Insurer, innovative insurer¹⁶¹ or Class A, Class B, Class C or Class D insurer under section 4 unless the Authority is satisfied that the body corporate meets the minimum margin of solvency.¹⁶²

(1A) Notwithstanding subsection (1), the Authority may register a body corporate as a Class A, or Class B¹⁶³ or Class ILT¹⁶⁴ insurer if it is satisfied that the body corporate will meet its minimum margin of solvency on the date when the body corporate commences business as a Class A, or Class B¹⁶⁵ or Class ILT¹⁶⁶ insurer.¹⁶⁷

(2) Repealed¹⁶⁸

(3) The amount of the liabilities of the long-term business of a body at any time shall, for the purposes of this section, be taken to be -

- (a) an amount equal to the total amount at that time standing to the credit of the fund or funds maintained by the body in respect of its long-term business; or
- (b) the amount of those liabilities at that time as determined in accordance with any applicable regulations,

whichever is the greater.

(4)¹⁶⁹ The Authority shall not register a body corporate as a Class 3A¹⁷⁰, Class 3B, Class 4, Class C, Class D or Class E¹⁷¹ insurer under section 4 unless it is satisfied that the amount of the available statutory capital and surplus of the body corporate on the date of registration meets—

- (a) its minimum margin of solvency; and



INSURANCE ACT 1978

(b) its enhanced capital requirement.

(5) Notwithstanding subsection (4), the Authority may register a body corporate as a Class 3A¹⁷², Class 3B, Class 4, Class C, Class D or Class E¹⁷³ insurer if it is satisfied that the amount of the available statutory capital and surplus of the body corporate will meet the requirements of subsection (4)(a) and (b) on the date when the body corporate commences business as a Class 3A¹⁷⁴, Class 3B, Class 4, Class C, Class D¹⁷⁵ or, as the case may be, a Class E insurer.¹⁷⁶

6A. Prudential standards¹⁷⁷¹⁷⁸¹⁷⁹¹⁸⁰

(1) The Authority may make Rules prescribing¹⁸¹ prudential standards in relation to —

- (a) enhanced capital requirement;
- (b) capital and solvency returns;
- (c) insurance technical provisions¹⁸²; and
- (d) eligible capital;¹⁸³¹⁸⁴¹⁸⁵
- (e) public disclosures,¹⁸⁶
- (f) statutory financial returns;^{187 188}
- (g) insurance manager, broker or agent¹⁸⁹ reporting requirements; and¹⁹⁰
- (h) innovative insurer and innovative intermediaries reporting requirements.^{191 192193194}

(1A) Rules made by the Authority under subsection (1) must be complied with by¹⁹⁵

- (a) insurance managers, broker or agent¹⁹⁶;
- (b) registered insurers;
- (c) designated insurers;
- (d) innovative insurers; and
- (e) innovative intermediaries.

(2) The Authority may in such Rules prescribe standards that impose different requirements to be complied with —

- (a) by different classes of registered insurers or designated insurers;¹⁹⁷
- (aa) by different classes of innovative insurers;¹⁹⁸
- (b) in different situations; or
- (c) in respect of different activities.

(3) Rules¹⁹⁹ may provide for the Authority to exercise powers and discretion in relation to prudential standards, including power to approve, impose, modify²⁰⁰ or exclude specific prudential standards in relation to the following—

- (a) a particular insurance managers,²⁰¹ broker or agent²⁰² registered insurer, designated insurer, innovative insurer or innovative intermediaries²⁰³; and
- (b) a specified class of registered insurers, designated insurer, innovative insurer or innovative intermediaries.^{204 205}

(3A) Prudential standards applying to registered insurers may contain requirements which take into account, in the case of a registered insurer that is a member of an insurance group, any activity of another member of the insurance group.²⁰⁶

(4) [Repealed]²⁰⁷²⁰⁸

(5) Subject to subsection (6) a Rule made under this section shall not come into operation until a period of not less than 180 days has elapsed from the date of publication of draft Rules pursuant to section 6B.²⁰⁹

(6) Notwithstanding subsection (5), Rules made under this section may come into operation on such earlier date



after it is made, as the Authority may determine, if the Authority considers that it is in the interests of policyholders for the Rules to come into operation at such time.

(7) Sections 6, 7 and 8 of the Statutory Instruments Act 1977 shall not apply to Rules made under this section.

(8) The Schedules to the Rules made by the Authority under this section shall be published separately in the website of the Authority: www.bma.bm, and shall be available for inspection at the offices of the Authority.²¹⁰

6B. Consultation²¹¹

(1) If the Authority proposes to make Rules²¹² under section 6A, it must publish a draft of the Rules in the way appearing to it to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by –

- (a) an explanation of the purpose of the proposed Rules; and
- (b) a notice that representation about the proposals may be made to the Authority within a specified time being not less than 28 days from the date of publication.

(3) Before making the proposed Rules the Authority must have regard to any representations made to it in accordance with subsection (2).

6C. Authority may exempt insurers from or modify prudential standards²¹³²¹⁴²¹⁵

(1) The Authority may where it has made a determination or on the application of an insurer, insurance manager, broker or agent²¹⁶, designated insurer or innovative insurer^{217 218}, exempt the insurer, insurance manager, broker or agent²¹⁹, or designated insurer²²⁰ from the requirement to comply with any prudential standard applicable to it by or under the Rules made under section 6A or modify any such prudential standard applicable to it by or under the Rules made under section 6A.^{221 222223}

(2) In granting an exemption or modification under this section the Authority may impose such conditions on the exemption or modification as it considers appropriate.²²⁴

(3) The Authority shall not grant an exemption or modification unless it is satisfied that it is appropriate to do so having regard to the obligations of the insurer towards its policyholders or the obligations of the designated insurer or insurance group of which the designated insurer is a member towards their policyholders²²⁵²²⁶²²⁷.

(3A) The Authority shall not grant an exemption or modification unless it is satisfied that it is appropriate to do so having regard to the nature, scale, and complexity of the business to be conducted by the insurance manager, broker or agent.^{228 229}

(4) The Authority may revoke an exemption or vary any modification granted under this section and shall serve notice on the insurer, insurance manager, broker or agent²³⁰ or designated insurer²³¹ of its proposal to revoke its approval and the reason for its proposal²³².

(5) An insurer, insurance manager, broker or agent²³³, designated insurer or innovative insurer^{234 235} served with a notice under subsection (4) may within a period of 28 days from the date of the notice make written representations to the Authority and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval²³⁶.

6D. Authority may make adjustment to enhanced capital requirement, available statutory capital and surplus, and available statutory economic capital and surplus²³⁷²³⁸

(1) Without prejudice to its powers under this Act²³⁹ to give directions, the Authority may in the circumstances mentioned in subsection (6) make such adjustments to an insurer's or insurance group's enhanced capital requirement, available statutory capital and surplus, and available statutory economic capital and surplus²⁴⁰ as it considers appropriate, and such adjustments may require an increase in the amount of insurance reserves to the level of prudential standards prescribed under section 6A(1).²⁴¹

(2) Before making any adjustments, the Authority shall serve notice on the insurer or designated insurer²⁴² of its intention to make adjustments giving its reasons therefor.

(3) An insurer or designated insurer²⁴³ served with a notice under subsection (2) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations are

INSURANCE ACT 1978

made, the Authority shall take them into account in deciding whether to make the proposed adjustments.

- (4) The Authority shall notify an insurer or designated insurer²⁴⁴ of any adjustments that it has made.
- (5) An adjustment made by the Authority under subsection (1) shall not have effect until a period of not less than 90 days (or such longer period as the Authority may determine) has elapsed from the date of its notification to the insurer or designated insurer²⁴⁵.
- (6)²⁴⁶ The circumstances referred to in subsection (1) are such circumstances as would cause the Authority to—
 - (a) conclude that the risk profile of the insurer or insurance group deviates significantly from—
 - (i) the assumptions underlying the enhanced capital requirement applicable to it; or
 - (ii) the insurer's or the insurance group's assessment of its risk management policies and practices in calculating the enhanced capital requirement applicable to it; or
 - (b) conclude that the system of governance of the insurer or insurance group deviates significantly from the standards applicable to it, that those deviations prevent it from being able to properly identify, measure, monitor, manage and report the risks that it is or could be exposed to, and that the application of other measures is in itself unlikely to improve the deficiencies sufficiently within an appropriate time-frame.
- (7) The Authority may on the application of an insurer or designated insurer make adjustments to the insurer's or insurance group's enhanced capital requirement or available statutory capital and surplus, and any adjustment so made shall take effect on such date as the Authority may determine.

6E. Authority may adjust registration requirements of innovative insurers²⁴⁷

- (1) Without prejudice to its powers under this Act to give directions, the Authority may in the circumstances mentioned in subsection (5) make such adjustments to an innovative insurer's registration requirements as it considers appropriate.
- (2) Before making any adjustments, the Authority shall serve notice on the innovative insurer of its intention to make adjustments giving its reasons therefor.
- (3) An innovative insurer served with a notice under subsection (2) may, within a period of 14 days from the date of the notice, make written representations to the Authority; and where such representations are made, the Authority shall take them into account in deciding whether to make the proposed adjustments.
- (4) The Authority shall notify the innovative insurer of the adjustments it has made.
- (5) The circumstances referred to in subsection (1) are such circumstances as would cause the Authority to conclude that the requirements applicable to the innovative insurer, including but not limited to corporate governance, capital and risk management requirements, are inappropriate given the innovative insurer's risk profile.

6F. Protection of public interest, policyholders of innovative insurers and clients of innovative intermediaries²⁴⁸

- (1) Without prejudice to its powers under this Act to give directions, the Authority may, where it has made a determination in that respect, take any action necessary or desirable to protect the public, policyholders or proposed potential policyholders of innovative insurers or the clients or potential clients of innovative intermediaries.
- (2) Before taking any such action under subsection (1), the Authority shall serve notice in writing on the innovative insurer or innovative intermediary, as the case may be, giving its reasons therefor.
- (3) An innovative insurer or innovative intermediary served with a notice under subsection (2) may, within a period of 14 days from the date of the notice, make written representations to the Authority; and where such representations are made, the Authority shall take them into account in deciding whether to take the proposed action.

7. Paid up share capital²⁴⁹

- (1) In relation to an insurer which has a share capital, the minimum amount paid up on the share capital where the insurer is registered -

INSURANCE ACT 1978

- (a) as a Class 1, Class 2, Class 3, Class 3A or Class 3B²⁵⁰ insurer is \$120,000;
- (b) Deleted²⁵¹
- (c) Deleted²⁵²
- (d) as a Class 4 insurer is \$1,000,000;
- (e) Deleted²⁵³
- (f) as a Special Purpose Insurer is \$1;²⁵⁴
- (g) as a Class A insurer is \$120,000;²⁵⁵
- (h) as a Class B insurer is \$250,000;
- (i) as a class C, D and E insurer is \$250,000²⁵⁶;
- (j) in two classes, is the aggregate amount of paid up share capital required for each class for which it is registered;
- (k) as an innovative insurer is \$120,000.²⁵⁷

(2) Subject to subsection (3), the Authority shall not register under section 4 a body corporate which has a share capital unless it satisfies the requirements of subsection (1).

(3) The Authority may register a body corporate as a Class 4 insurer where it does not satisfy the requirement of subsection (1)(d) if it has at least \$120,000 paid up share capital, but such body corporate shall not carry on insurance business until it satisfies the requirement of subsection (1)(d)²⁵⁸.

8. Principal office and principal representative²⁵⁹

(1) Every insurer, insurance manager, broker and agent shall—²⁶⁰

- (a) maintain a principal office in Bermuda; and
- (b) at the time of registration, give notice in writing to the Authority of the location of its principal office.

(1A) Every insurer shall appoint and maintain a principal representative in Bermuda who satisfies the requirements of subsection (1B).

(1B)²⁶¹ The principal representative of an insurer shall be a person approved by the Authority as that insurer's principal representative.

(2) An insurer at the time of registration shall give notice in writing to the Authority -

- (a) [Repealed]²⁶²
- (b) of the prescribed particulars of its principal representative, its insurance manager (if it has one), its approved auditor and any other prescribed person to be engaged or employed in, or in connection with, its business.

(3) If any information required by subsection (1) or²⁶³ subsection (2) to be notified to the Authority is altered, the insurer shall give in writing to the Authority particulars of the alteration within fourteen²⁶⁴ days after the alteration is made.

(3A) Without a reason acceptable to the Authority -

- (a) an insurer shall not terminate the appointment of its principal representative; and
- (b) a principal representative shall not cease to act as such,

unless it or he gives thirty days notice in writing to the Authority of the intention to do so.

(4) An insurer shall maintain in its principal office an accurate list of all its insurance agents in Bermuda and, if required in writing at any time by the Authority so to do, shall provide it with a copy of that list.

(5) [Repealed]²⁶⁵



(6) If a principal representative wilfully fails to give to the Authority notice which he is required by subsection (3A) to give, he commits an offence.

8A. Principal representative to report certain events²⁶⁶

(1) A principal representative shall forthwith notify the Authority, in such manner as it may direct,-

- (a) on his reaching a view that there is a likelihood of the insurer for which he acts becoming insolvent; or
- (b) on its coming to his knowledge, or his having reason to believe, that an event to which this section applies has occurred.²⁶⁷

(1A) Within fourteen days of such notification, the principal representative shall furnish the Authority with a report in writing setting out all the particulars of the case that are available to him.²⁶⁸

(2) As respects any principal representative, this section applies to the following events, being events in which the insurer for which he acts as principal representative is involved, that is to say -

- (a) failure by the insurer -
 - (i) to comply substantially with a condition imposed upon the insurer by the Authority relating to a solvency margin or a liquidity or other ratio;
 - (ii) to comply in any respect with any other such condition not so relating;
- (b) an offence by the insurer against section 20(8) or section 21(5) or section 22(5);
- (c) failure by the insurer to comply with a modified provision, or with a condition, being a provision or condition specified in a direction given to the insurer by the Authority in the exercise of its powers under section 56 or section 57A;
- (d) involvement of the insurer in any criminal proceedings whether in Bermuda or abroad;
- (e) the insurer's ceasing to carry on insurance business in or from within Bermuda;
- (f) a significant loss that is reasonably likely to cause the insurer to be unable to comply with the enhanced capital requirement applicable to it;²⁶⁹
- (g) in relation to an insurer, a material change within the meaning of section 30JA(1) and (2);^{270 271}
- (h) in relation to a Class 3A insurer, where the limit on unrelated business imposed by section 4DA (2) is exceeded;²⁷²
- (i) in relation to a Class C insurer, where the limit on total assets of less than \$250 million imposed by section 4ED is exceeded²⁷³;
- (j) in relation to a Class D insurer, where the limit on total assets of less than \$500 million imposed by section 4EE is exceeded²⁷⁴.

(2a) Within 45 days of notifying the Authority of an event referred to in subsection (2)(f), the principal representative shall furnish the Authority with a capital and solvency return reflecting an enhanced capital requirement prepared using post-loss data.²⁷⁵

(2b) Within 30 days of notifying the Authority of an event referred to in subsection (2)(g), the principal representative shall furnish the Authority with unaudited interim statutory financial statements in relation to such period as the Authority may require, together with a general business solvency certificate in respect of those statements.²⁷⁶

(3) [Repealed]²⁷⁷

8B. Appointment of approved loss reserve specialist^{278 279 280 281}

(1) Every Class 2 and Class 3 insurer, and when directed by the Authority, a Class 1 and Class IGB insurer, shall appoint an individual as that insurer's loss reserve specialist approved by the Authority under subsection (3), who shall be a person qualified to assess the adequacy of insurance loss reserves in order to provide an opinion in accordance with the requirements of the Insurance Returns and Solvency Regulations 1980.^{282 283 284 285 286 287}

INSURANCE ACT 1978

(1A) Every Class 3A insurer shall appoint an individual approved by the Authority under subsection (3) who is qualified as a loss reserve specialist, to provide an opinion in accordance with the requirements of Schedule XIV “Statutory Economic Balance Sheet” of the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011.²⁸⁸

(1B) Every Class 3B and Class 4 insurer shall appoint an individual approved by the Authority under subsection (3) who is qualified as a loss reserve specialist, to provide an opinion in accordance with the requirements of Schedule XIV “Statutory Economic Balance Sheet” of the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008.²⁸⁹

(2) Before making any such appointment, an insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment, shall approve his appointment as that insurer’s loss reserve specialist.

(4) Subject to subsection (5), the Authority may revoke an approval of a loss reserve specialist in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the loss reserve specialist and the insurer of its intention to do so.

(6) [Repealed]^{290/291}

8C. Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurer to maintain head office in Bermuda²⁹²

(1) Every Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurer that satisfies the requirements of subsection (2) shall maintain its head office in Bermuda.

(2) The insurance business of the insurer must be directed and managed from Bermuda and, in determining whether the insurer complies with this requirement, the Authority shall consider, inter alia, the factors set out in subsection (3).

(3) The factors referred to in subsection (2) are—

- (a) where the underwriting, risk management and operational decision making of the insurer occurs;
- (b) whether the presence of senior executives who are responsible for, and involved in, the decision making related to the insurance business of the insurer are located in Bermuda;
- (c) where meetings of the board of directors of the insurer occur.

(4) Notwithstanding the considerations set out in subsection (3), the Authority may also have regard to the following matters—

- (a) the location where management of the insurer meets to effect policy decisions of the insurer;
- (b) the residence of the officers, insurance managers or employees of the insurer; and
- (c) the residence of one or more directors of the insurer in Bermuda.

(5) Subsection (1) shall not apply to a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer which has a permit under section 3 of the Non-Resident Insurance Undertakings Act 1967 or a permit under section 134 of the Companies Act 1981.

Insurance Managers and Intermediaries

9. Insurance managers and intermediaries to be registered

(1) Subject to the provisions of this Act, and notwithstanding anything in any other Act, no person shall in or from within Bermuda carry on business²⁹³ as an insurance manager, broker, agent or salesman unless he is registered for the purpose by the Authority under section 10.

(2) Any person who contravenes subsection (1) commits an offence.



10. Authority may register insurance managers and intermediaries

(1) Subject to sections 11 and 12, the Authority may, on application being made to it for that purpose by any person, and on payment of the relevant fee provided for by section 14, register that person as an insurance manager, broker, agent or salesman, as the case may be, subject to that person complying with such conditions as the Authority may see fit to impose.

(2) Every application under subsection (1) for registration shall be made to the Authority and shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require²⁹⁴.

11. Factors to be considered by Authority under section 10²⁹⁵

In considering whether to register a person as an insurance manager, broker, agent or salesman, as the case may be, under section 10, the Authority, without prejudice to its power under section 12 to refuse registration, must be satisfied that –

- (a) the minimum criteria are fulfilled with respect to the applicant; and
- (b) the person has knowledge of the insurance business adequate to enable him to act in the capacity in which he has applied for registration.

General

12. Power of Authority in relation to registration

In deciding whether to register a person under section 4 or 10 the Authority shall act as it thinks fit in the public interest, and, if of opinion that it is not in the public interest that registration should be granted, it shall refuse to grant it.

13. Registration

(1) Where the Authority determines to register any person under section 4 or 10, it shall cause the prescribed particulars relating to that person to be entered in a register to be maintained by it for the purpose (in this Act referred to as “the Register”).²⁹⁶

(2) Subject to subsection (2A), a²⁹⁷ person’s registration shall remain in force until it is cancelled.

(2A) Registration of an innovative insurer or innovative intermediary –²⁹⁸

- (a) shall be for such period as may be determined by the Authority; and
- (b) may be extended by the Authority for such additional period as the Authority deems appropriate –
 - (i) where the Authority so determines; or
 - (ii) on the application of the innovative insurer or innovative intermediary.

(2B) An application under subsection (2A)(b)(ii) –²⁹⁹

- (a) shall be in such form as the Authority may determine; and
- (b) shall be accompanied by such information as the Authority may require.

(3) Where a person is registered as aforesaid, the Authority shall issue to him a certificate of registration, in which shall be specified –

- (a) the name and business address of the person registered;
- (b) the date of registration; and
- (c) any conditions imposed under section 4 or 10.

(4) A certificate issued under this section shall be accepted in all courts as *prima facie* evidence of the fact that the person named therein is registered, and of the particulars set forth in the certificate.

(5) A copy of every certificate of registration shall be kept by the Authority in its office and shall be open to inspection by the public.

INSURANCE ACT 1978

14. Fees^{300 301 302}

- (1) Fees shall be prescribed under the Bermuda Monetary Authority Act 1969 in respect of -
- (a)³⁰³ the making of any application for registration under section 4(1) or 10;
 - (ab) the making of any application under any of the following provisions -
 - (i) sections 4(3) and (6), 4A(2), 10(1), 13(2A)(b)(ii)³⁰⁴, 17(4), 17A(5)³⁰⁵, 18C(2), 31B(3), 31C and 56 of this Act;
 - (ii) regulation 11(4) of the Insurance Returns and Solvency Regulations 1980 for Class 1, Class 2, Class 3, Class A and Class B insurers and Special Purpose Insurers, and the requirements applicable under any insurance accounts rules for Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers³⁰⁶;
 - (iii) the instructions for line 14 in Part I of Schedule III to the Insurance Accounts Regulations 1980 for Class 1, Class 2, Class 3, Class A and Class B insurers and Special Purpose Insurers, and the requirements applicable under any insurance accounts rules for Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers³⁰⁷;
 - (iv) notification of new or increased shareholder control under s. 30D; and
 - (v) application for cancellation of registration under s. 41(1)(a),³⁰⁸
 - (b) the registration of any person;
 - (c) the issue of any certificate;
 - (d) the inspection of the Register;
 - (e) the furnishing by the Authority of any document or copy,³⁰⁹
 - (f) application for approval of internal model made under the provisions of Rules³¹⁰ made under section 6A^{311 312};
 - (g) application for approval to exempt or modify prudential standard requirements applicable to an insurer insurance manager, broker or agent^{313 314} in accordance with the provisions of section 6C(1);^{315 316}
 - (h) application under section 6D (7) for an adjustment to an insurer's or insurance group's enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus, as the case may be;^{317 318}
 - (i) application under section 1(1) in paragraph (a)(iv) of the definition of "excepted long-term business; and³¹⁹
 - (j) an application to modify an opinion of a loss reserve specialist approved by the Authority under section 8B(1).³²⁰
- (2) In addition to the fees for which subsection (1) provides, there shall, subject to subsection (3), be payable by a registered insurer or insurance manager, broker, agent or salesman before the ³²¹31st day of March in every year following the year in which it or he was registered an annual fee³²² of such amount as shall be prescribed under the Bermuda Monetary Authority Act 1969:

³²³Provided that -

- (a) an annual fee shall not be payable by a registered insurer or insurance manager, broker or agent³²⁴ whose winding up is in progress in winding up proceedings in Bermuda, except where -
 - (i) the fee, being due for payment, was not paid; and
 - (ii) the time allowed by this subsection for its payment had expired, before those proceedings were commenced; and
- (b) if an annual fee that a registered insurer or insurance manager, broker or agent³²⁵ is excused by



INSURANCE ACT 1978

paragraph (a) of this proviso from paying has in fact been paid the liquidator may recover it from the Authority.

- (2A) Annual fees payable by all registered persons in accordance with this section shall apply to the twelve-month period ending on 31 December of that year.³²⁶
- (3)³²⁷ Where a registered person fails to pay a prescribed fee, as provided in subsection (1) or (2), it shall pay in addition to such fee a late penalty fee of an amount equal to ten per cent of the fee due for every month or part thereof during which the fee remains unpaid.
- (3A) [Repealed]^{328 329}
- (4) The registration fee payable by an insurer shall be remitted—³³⁰
- (a) by 25% where an insurer is registered after 31 March and before 30 June in any year;
 - (b) by 50% where an insurer is registered after 30 June and before 30 September in any year;
 - (c) by 75% where an insurer is registered after 30 September in any year.^{331 332}
- (5) The Authority, if satisfied that payment of the annual fee in whole or in part is inappropriate after taking into account the diminution in the level of insurance business, may—³³³
- (a) defer payment of all or part of the annual fee otherwise due, to such date in the future as it considers appropriate; or
 - (b) remit all part or part of the annual fee otherwise due,
- on such terms and conditions as it considers appropriate.³³⁴
- (6) The Authority, having regard to the nature and scale of operations of an insurer and the complexity of its business may direct that the annual fee that is otherwise due and payable by or under subsection (2) be reduced by such amount as the Authority considers appropriate in relation to that insurer.³³⁵
- (7) The Authority shall serve notice in writing on the insurer directing that the fee otherwise payable by or under subsection (2) be payable at the reduced rate specified in the direction and the year when it is to take effect.³³⁶
- (8) The Authority may at any time revoke a direction given under subsection (6), where it is satisfied that there has been a material change in the nature and scale of operations of an insurer or in the complexity of its business.³³⁷
- (9) The Authority shall serve notice in writing on the insurer concerned notifying it of its decision to revoke the direction given under subsection (6) and the year from which the full fee becomes payable.³³⁸
- (10) Subject to subsection (12) and in the case where subsections (5) and (6) do not apply, the Authority may, where it has made a determination—³³⁹
- (a) exempt a registered person from the requirement to pay any fee under this section, as may be prescribed under the Bermuda Monetary Authority Act 1969; or
 - (b) reduce any fee required to be paid by a registered person under this section by such amount as it considers appropriate, as may be prescribed under the Bermuda Monetary Authority Act 1969.
- (11) In granting an exemption from, or reduction of, any fee payment under subsection (10), the Authority may impose any condition on such exemption or reduction, as it may determine appropriate.³⁴⁰
- (12) The Authority shall not grant an exemption from, or reduction of, any fee payment under subsection (10) unless it is satisfied that it is appropriate to do so having regard to the nature, scale and complexity of the business carried on by the registered person.³⁴¹
- (13) Where the Authority determines not to grant an exemption or reduction of any fee under subsection (12), it shall serve the registered person with a notice of its determination and the registered person may within a period of twenty-eight days from the date of the notice make written representations to the Authority, and where such representations have been made the Authority shall take them into account in making its final determination.³⁴²

PART III - REGULATION OF INSURERS GENERALLY

15. Statutory financial statements³⁴³

- (1) An insurer shall prepare accounts (in this Act referred to as “statutory financial statements”) in respect of its insurance business for each financial year.
- (2) Statutory financial statements shall be in such form³⁴⁴ being a form calculated to enable comparison to be made between the insurer’s business for the financial year in respect of which the statements are prepared and the insurer’s business for the financial year immediately preceding that year as prescribed for specific classes of insurer³⁴⁵, and shall contain such information, as may be prescribed.
- (3) The information required to be included in statutory financial statements pursuant to subsection (2) shall be information calculated to fulfil (in addition to any other purposes for which regulations may be made) the following purposes -
 - (a) to give as early warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the insurer of any margin of solvency, or in any other way) of any financial or operational difficulties into which the insurer’s business has fallen or might appear likely to fall;
 - (b) to provide the basis on which the Authority or any other authority may in good time take action under this Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurer’s business.
- (4) The statutory financial statements of an insurer shall be audited annually by the insurer’s approved auditor³⁴⁶.

15A. Declaration of compliance^{347,348}

- (1) Every insurer shall at the time of filing its statutory financial statements under section 17, also deliver to the Authority a declaration in such form and with such content as the Authority may require³⁴⁹, declaring whether or not the insurer has, with respect to the preceding financial year—
 - (a) complied with all requirements of the minimum criteria applicable to it;
 - (b) complied with the minimum margin of solvency as at its financial year end;
 - (c) complied with applicable enhanced capital requirements as at its financial year end;³⁵⁰
 - (d) complied with applicable conditions, directions and restrictions imposed on, or approvals granted to, the insurer; and³⁵¹
 - (e) complied with the minimum liquidity ratio for general business as at its financial year end.³⁵²
- (2) All declarations to be delivered under this section shall be signed by two directors of the insurer.
- (3) Where an insurer delivers to the Authority a declaration under subsection (1), it shall at the time of such delivery, where it has failed to comply with requirements, give the Authority particulars of such failure in writing.
- (4) The information required to be included in the declaration of compliance pursuant to subsection (1) shall provide for—
 - (a) as early a warning as possible to be given to any person examining the declaration of compliance, relating to financial or operational difficulties into which an insurer’s business has fallen or might appear to fall;
 - (b) the basis on which the Authority or any other authority may in good time take action under this Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of public interest involved in or affected by an insurer’s business.
- (5) Where an insurer fails to comply with a duty imposed on it under subsection (1), it shall be liable to a civil penalty calculated in accordance with subsection (6).
- (6) For each week or part of a week that an insurer fails to comply with a requirement imposed on it under subsection (1), it shall be liable to a civil penalty not exceeding—

INSURANCE ACT 1978

- (a) \$500, in the case of a breach by a Class 1, Class 2, Class 3, Class A or Class B insurer;
- (b) \$1,000, in the case of a breach by a Class 3A, Special Purpose Insurer, Class C or Class D insurer; or
- (c) \$5,000 in the case of a breach by a Class 3B, Class 4 or Class E insurer.

16. Appointment and approval of auditors³⁵³

(1) Every insurer shall appoint an auditor approved by the Authority under subsection (3), to audit its statutory financial statements.

(1A) A designated insurer shall ensure that the group of which it is a member appoints an auditor approved by the Authority under this section to audit the financial statements of the group.³⁵⁴

(1B) Subsections (2) to (6) and (8) apply to a designated insurer and the auditor of the insurance group as they apply to an insurer and its auditor.³⁵⁵

(2) Before making any such appointment, an insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment, shall approve his appointment as that insurer's auditor.

(4) Subject to subsection (5), the Authority may revoke an approval of an auditor in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the auditor and the insurer of its intention to do so.

(6) No person having an interest in any insurer otherwise than as an insured, and no officer, servant or agent of any insurer, shall be eligible for appointment as an approved auditor for that insurer; and any person appointed as an approved auditor to any insurer who subsequently acquires such interest or becomes an officer, servant or agent of that insurer shall cease to be an approved auditor.

(7) If an insurer fails to appoint an approved auditor as required by subsection (1), or at any time fails to fill a vacancy for such auditor, the Authority may appoint an approved auditor for the insurer and shall fix the remuneration to be paid by that insurer, if not sooner agreed by the insurer and the auditor, within fourteen days.

(8) An insurer shall forthwith give written notice to the Authority if it –

- (a) proposes to remove an approved auditor before the expiration of his term of office; or
- (b) proposes to replace an approved auditor at the expiration of the term of his office with a different auditor.

16A. Auditor to communicate certain matters to Authority^{356,357,358}

(1) An approved auditor of an insurer shall forthwith give written notice to the Authority if –

- (a) he resigns before the expiration of his term of office;
- (b) he becomes aware that he will be replaced as the approved auditor of the insurer;
- (c) he intends not to seek to be re-appointed;
- (d) he decides to include a material modification of his report on the insurer's statutory financial statements^{359, 360} and in particular, a material qualification or a denial of his opinion, or the statement of an adverse opinion or
- (e) he becomes aware of any fact or matter which is likely to be of material significance for the discharge, in relation to the insurer, of the Authority's functions under this Act.³⁶¹

(1A) For the purposes of subsection (1)(e), material significance for the discharge of the Authority's functions shall include, but is not limited to, the following—³⁶²

- (a) identification of a material misstatement in the insurer's statutory financial statements³⁶³ resulting from fraud, error or illegal acts or the consequences of them;

INSURANCE ACT 1978

- (b) conclusion that there is substantial doubt as to the ability of the insurer to continue as a going concern for a period of one year from the balance sheet date;
 - (c) [Repealed]³⁶⁴
 - (d) identification of adjustments to the insurer's statutory financial statements³⁶⁵ which individually or in aggregate, indicates to him that the previous year's audited annual financial statements, were materially misstated;
 - (e) identification of a material weakness in internal control or material conflicts of interest during the conduct of normal audit procedures; or
 - (f) unresolved disagreements with management pertaining to the application of GAAP or statutory reporting.
- (2) Where a notice has been given pursuant to subsection (1)(d), the auditor shall as soon as practicable thereafter furnish the Authority with a copy of his report.
- (3) No duty to which an auditor of an insurer may be subject shall be regarded as contravened by reason of his communicating in good faith to the Authority, whether or not in response to a request made by the Authority, any information or opinion on a matter to which this section applies and which is relevant to any function of the Authority under this Act.
- (4) Subsection (3) applies to any matter of which an approved auditor of an insurer becomes aware in his capacity as auditor and which relates to the business or affairs of the insurer or any affiliate of that insurer.
- (5) In this section "affiliate" has the meaning given in section 4F(1).
- (6) This section applies to an approved auditor of an insurance group as it applies to an approved auditor of an insurer.³⁶⁶

17. Keeping and filing of statutory financial statements

- (1) Every insurer shall have a copy of its statutory financial statements (together with the notes to those statements and the auditor's report thereon) available at its principal office on or before its filing date, and shall produce them to the Authority if so directed by it on or before a date specified in the direction.
- (2) Every insurer shall keep the statutory financial statements, notes and auditor's report at its principal office for the period of five years beginning with its filing date.
- (3) Every insurer³⁶⁷ shall file a copy of its statutory financial statements (together with the notes to those statements and the auditor's report thereon)³⁶⁸ with the Authority on or before its filing date.
- (4) In this section and sections 18 and 18A, "filing date" in relation to an insurer means -
- (a) in the case of a Class 1, Class 2 or Class 3 insurer³⁶⁹ (which is not also a Class C, Class D or Class E insurer), or a Class A or Class B insurer³⁷⁰, six months after the end of the financial year to which the statements relate (or such longer period, not exceeding nine months, as the Authority may allow in the case of that insurer on an application made to it for that purpose); and
 - (b) in the case of a ³⁷¹Class 3A, Class 3B, Special Purpose Insurer³⁷², innovative insurer,³⁷³ or Class 4 insurer or a Class C, Class D or Class E insurer³⁷⁴, four months after the end of the financial year to which the statements relate (or such longer period, not exceeding seven months, as the Authority may allow in the case of that insurer on an application made to it for that purpose).

17A. Additional financial statements prepared in accordance with GAAP and declaration of compliance ³⁷⁵376³⁷⁷378³⁷⁹380³⁸¹382

- (1) Every Class 3A, Class 3B, Class 4, Class C, Class D or Class E ³⁸³384³⁸⁵386 insurer shall, in addition to preparing statutory financial statements under section 15, prepare financial statements as required by this section ("additional GAAP financial statements") in respect of its insurance business for each financial year.
- (2) Such financial statements shall be prepared in accordance with any one of the following standards or principles—



INSURANCE ACT 1978

- (a) International Financial Reporting Standards ('IFRS');
- (b) generally accepted accounting principles ('GAAP') that apply in Bermuda, Canada, the United Kingdom or the United States of America; or
- (c) such other GAAP as the Authority may recognise.

(2A) Notwithstanding subsection (1), a Class 3A, Class C or Class D insurer may, where appropriate, submit condensed general purpose financial statements prepared in accordance with any insurance accounts rules instead of additional GAAP financial statements.³⁸⁷

(2B) Subsections (3)³⁸⁸ and (5) (as respects the appointment and approval of auditors and the filing of audited financial statements) shall apply mutatis mutandis in relation to condensed general purpose financial statements submitted by a Class 3A, Class C or Class D insurer in accordance with subsection (2A).³⁸⁹

(3) Section 16 applies to the appointment and approval of an auditor of additional GAAP financial statements as it applies to an approved auditor.

(4) [Repealed]³⁹⁰

(5) Every Class 3A, Class 3B, Class 4, Class C, Class D or Class E³⁹¹³⁹²³⁹³³⁹⁴ insurer shall file with the Authority a copy of the audited financial statements prepared under this section (together with the notes to those statements and the auditor's report thereon) within a period of four months from the end of the financial year to which the financial statements relate or such longer period not exceeding seven months as the Authority may determine on the application of the insurer.

(6) The Authority shall cause to be published in such manner as it considers appropriate a copy of the declaration of compliance to be filed pursuant to section 15A and³⁹⁵ every audited financial statement filed with it under subsection (5) together with the notes to those statements and the auditor's report.

(7) Except at the instance of –

- (a) the Class 3A, Class 3B, Class 4 or Class E³⁹⁶³⁹⁷ insurer who engaged the auditor to perform the audit of the financial statements; or
- (b) any other person expressly authorised by the auditor to rely on their work;

no action shall lie against an auditor in respect of any financial statements filed with the Authority and made available for inspection or otherwise published pursuant to this section.

17B. Insurance manager, broker and agent to file statutory financial returns³⁹⁸

Every insurance manager, broker and agent shall file a statutory financial return in the prescribed form, and different forms of return may be prescribed in the rules for insurance managers, brokers and agents.

18. Insurer to make financial returns³⁹⁹

(1) Every insurer shall at the time of filing its statutory financial statements under section 17, also file with the Authority a statutory financial return.⁴⁰⁰

(2) A statutory financial return shall be in the prescribed form, and different forms of return may be prescribed for different categories of insurer.

18A. Failure to file statutory statements or returns⁴⁰¹⁴⁰²

(1) Where an insurer insurance manager, broker or agent⁴⁰³⁴⁰⁴ fails to comply –

- (a) with a duty imposed on it under section 17(1), 17(3), 17A(5) (, 17B or 18(1))⁴⁰⁵; or
- (b) with a requirement to file a capital and solvency return imposed by or under Rules⁴⁰⁶ made under section 6A;

it shall be liable to a civil penalty calculated in accordance with subsection (2).⁴⁰⁷⁴⁰⁸

(2) For each week or part of a week that an insurer, insurance manager, agent or broker⁴⁰⁹ fails to comply with a requirement imposed on it by subsection (1), it shall be liable to a civil penalty not exceeding –

- (a) \$500, in the case of a breach by a Class 1, Class 2, Class 3,⁴¹⁰ Class A⁴¹¹, Class B insurer, insurance



INSURANCE ACT 1978

manager, broker or agent⁴¹²;

- (b) \$1,000, in the case of a breach by a ⁴¹³Class 3A, Special Purpose Insurer, innovative insurer⁴¹⁴, Class C, or Class D insurer; or
- (c) \$5,000, in the case of a breach by a Class 3B, Class 4 or Class E insurer,

and the civil penalty applicable to an insurer falling within more than one paragraph shall be the higher penalty.^{415 416 417 418}

(3) [Repealed]⁴¹⁹

(4) [Repealed]⁴²⁰

(5) The Authority may⁴²¹ appoint an inspector to investigate the affairs of an insurer, insurance manager, broker or agent^{422 423 424 425} under section 30, if the insurer, insurance manager, broker or agent^{426 427} where applicable⁴²⁸ fails within three months of its filing date to file –

- (a) statutory financial statements required by section 17(3);
- (b) additional GAAP financial statements required by section 17A(5);
- (c) statutory financial returns required by section 18; or
- (d) capital and solvency returns required by or under Rules⁴²⁹ made under section 6A.⁴³⁰

18B. Opinion of loss reserve specialist^{431 432}

(1) This section applies in relation to a Class 2 or Class 3 insurer^{433 434}.

(2) The statutory financial return required by section 18 shall include the opinion of a loss reserve specialist in respect of the insurer's loss and loss expense provisions -

- (a) annually, in the case of a Class 3⁴³⁵ insurer; or⁴³⁶
- (b) every third year, in the case of a Class 2 insurer, beginning with the return relating to the financial year following the insurer's registration as a Class 2 insurer.

(3) The requirements of paragraph (f) of the instructions in Part II of Schedule III to the Insurance Accounts Regulations 1980 relating to line 17 of the statutory balance sheet shall not apply in relation to any financial year for which an insurer is required by this section to include the opinion of a loss reserve specialist in the statutory financial return.

18C. Requirement to keep records in Bermuda⁴³⁷

(1) The Authority may direct insurers to keep in Bermuda proper records of account with respect to -

- (a) all sums of money received and expended by the insurer and the matters in respect of which the receipt and expenditure takes place;
- (b) all premiums and claims relating to the insurer; and
- (c) the assets, liabilities and equity of the insurer;

and any such directions may make different provision in relation to Class 1, Class 2, Class 3, Class 3A, Class 3B, Class 4, Special Purpose Insurers, innovative insurers⁴³⁸, Class A, Class B, Class C, Class D and Class E insurers.⁴³⁹

(2) Without prejudice to section 83 of the Companies Act 1981 (keeping of books of account), on an application made to it for that purpose, the Authority may direct that an insurer be exempt from such of the requirements of subsection (1) as may be specified in the direction.

19. Prohibition of non-insurance business to be carried on by insurers⁴⁴⁰

(1) Subject to subsection (2), no insurer⁴⁴¹ shall engage in non-insurance business.

(2) An insurer may engage in non-insurance business only where such business is ancillary to the insurance business carried on by the insurer.⁴⁴²



20. Minister may require Bermuda investment

(1) The Minister acting on the advice of the Authority⁴⁴³ may by order made under this section require that every insurer, or every insurer of a class specified in the order, being a non-resident insurance undertaking, must maintain invested in Bermuda during the currency of the order approved assets of a value fixed in the order (in this section referred to as “investment asset value”).

(2) An order under this section may fix -

- (a) an investment asset value of not more than ⁴⁴⁴60% of the value of the domestic liabilities of insurers, being liabilities outstanding on account of long-term business;
- (b) an investment asset value of not more than 40% of the premium income of insurers, being premium income arising on account of general business that is domestic business,

and such an order may either fix an investment asset value under paragraph (a) alone or paragraph (b) alone, or may fix investment asset values so as to be in force concurrently under both those paragraphs.

(3) Such an order as aforesaid may contain such transitional provision (including provision reducing temporarily a percentage otherwise fixed by the order) as the Minister may deem necessary to enable insurers affected by the order, or any class of such insurers, to re-organize investments held by them immediately before the coming into force of the order with a view to meeting the requirements of the order.

(4) Where an approved asset is a security on which a value was placed by the approved auditor in the course of the latest audit of the statutory financial statements of the insurer, that value shall, in any dispute as to the value of the security, be deemed conclusively to be the true value of the security.

(5) The Minister may include provision in such an order as aforesaid that for the purposes of the order domestic liabilities shall not include any part of such liabilities which is re-insured.

(6) For the purposes of this section -

- (a) (i) an “approved asset” is an asset approved by the Minister;
- (ii) “premium income”, in relation to an insurer, means the net amount, after deduction of any premiums paid by the insurer for re-insurance, of the premiums received by the insurer;
- (iii) a “domestic liability” is a liability arising in respect of domestic business; and
- (b) references to “premium income” and “domestic liabilities”, in relation to an insurer affected by an order, are respectively references to premium income and domestic liabilities as shown in the statutory financial statements of the insurer in respect of the financial year next preceding the date of the making of the order;
- (c) subject to any applicable regulations, in computing the amount of any liabilities all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

(7) Any order made under this section shall be subject to the affirmative resolution procedure.

(8) An insurer which at any time fails to comply with the provisions of an order that is in force under this section and applies to it commits an offence.

21. Maintenance of assets in Bermuda

(1) The Minister may by order made under this section require that every insurer, or every insurer of a class specified in the order, being a non-resident insurance undertaking, must maintain in Bermuda approved assets of the insurer of a value which at any time is equal to the whole or a specified proportion of the amount of its domestic liabilities.

(2) Such an order as aforesaid may contain provision that assets of a specified class or description shall or shall not be treated as assets maintained in Bermuda.

(3) Section 20(4), (5) and (as respects the interpretation or treatment of approved assets, liabilities and domestic liabilities) (6) shall apply *mutatis mutandis* in relation to an order made under this section as those subsections apply

in relation to an order made under section 20.

- (4) Any order made under this section shall be subject to the affirmative resolution procedure.
- (5) An insurer which fails at any time to comply with the provisions of an order that is in force under this section and applies to the insurer commits an offence.

22. Custody of assets

- (1) The Authority may impose a requirement on any insurer affected by an order under section 21 that the whole or a specified proportion of the insurer's assets affected by such an order shall be held by a person approved by the Authority for the purposes of the requirement as trustee of the insurer.
- (2) Assets of an insurer held by a person as trustee for an insurer shall be taken to be held by him in compliance with a requirement imposed under this section if, and only if, they are assets in whose case the insurer has given him written notice that they are to be held by him in compliance with such a requirement, or they are assets into which assets in whose case the insurer has given him a written notice as aforesaid have, by any transaction or series of transactions, been transposed by him on the instructions of the insurer.
- (3) No asset held by a person as trustee of an insurer in compliance with a requirement imposed under this section shall, so long as the requirement is in force, be released except with the consent of the Authority.
- (4) If a mortgage or charge is created by an insurer at a time when there is in force a requirement imposed on the insurer by virtue of this section, being a mortgage or charge conferring a security on any assets which are held by a person as trustee of the insurer in compliance with the requirement, the mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the insurer.
- (5) [Repealed]⁴⁴⁵

PART IV - INSURERS CARRYING ON LONG-TERM AND GENERAL⁴⁴⁶ BUSINESS

23. Insurers to which this Part applies

This Part shall apply to insurers carrying on long-term and general⁴⁴⁷ business.

24. Insurer carrying on long-term and general business to maintain separate accounts^{448 449}

- (1) An insurer carrying on both long-term business and general business shall keep its accounts in respect of its long-term business separate from any accounts kept in respect of any other business.
- (2) The assets comprising line 15 of column A on Form 1SFS of Schedule 1 to the Insurance Accounts Rules 2016 or line 15 of Form 1A of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable, shall be carried to, and form part of, a special fund with an appropriate name, in this Act referred to as a "general business fund".
- (3) The assets comprising line 15 of column C on Form 1SFS of Schedule 1 to the Insurance Accounts Rules 2016 or line 15 of Form 4 of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable, shall be carried to, and form part of, a special fund with an appropriate name, in this Act referred to as a "long-term business fund".
- (4) No payment from the insurer's long-term business fund shall be made directly or indirectly for any purpose other than a purpose of the insurer's long-term business, notwithstanding any arrangement for its subsequent repayment out of receipts of business other than the long-term business, except in so far as such payment can be made out of any surplus certified by the insurer's approved actuary to be available for distribution otherwise than to policy-holders.
- (5) No payment from the insurer's general business fund shall be made directly or indirectly for any purpose other than a purpose of the insurer's general business, notwithstanding any arrangement for its subsequent repayment out of receipts of business other than the general business, except in so far as such payment can be made out of any surplus available for distribution otherwise than to policy-holders.
- (5A) No insurer to which this section applies shall declare or pay a dividend to any person other than a policy-holder unless the value of the assets of its long-term business fund, as certified by the insurer's approved actuary, exceeds the extent (as so certified) of the liabilities of the insurer's long-term business; and the amount of any such dividend shall not exceed the aggregate of—
 - (a) that excess; and



INSURANCE ACT 1978

- (b) any other funds properly available for the payment of dividend, being funds arising out of business of the insurer other than long-term business.
- (5B) No insurer to which this section applies shall transfer assets from the long-term business fund to the general business fund unless immediately following such transfer the insurer shall continue to meet its enhanced capital requirements and minimum margin of solvency requirements with respect to its long-term business.
- (5C) No insurer to which this section applies shall transfer assets from the general business fund to the long-term business fund unless immediately following such transfer the insurer shall continue to meet its enhanced capital requirements, minimum margin of solvency requirements and liquidity ratios with respect to its general business.
- (6) This section shall not apply in relation to an insurer which, immediately before 1 January 1980 -
- (a) either -
 - (i) was an exempted company within the definition of that expression in section 1 of the Exempted Companies Act 1950; or
 - (ii) had a permit under section 69 of the Bermuda Immigration and Protection Act 1956 or under section 3 of the Non-Resident Insurance Undertakings Act 1967; and
 - (b) was carrying on both long-term and general business in or from within Bermuda.

24A. Certification of dividends⁴⁵⁰

No insurer carrying on long-term business shall declare or pay a dividend to any person other than a policyholder unless the value of the assets of such insurer, as certified by its approved actuary, exceeds its liabilities (as so certified) by the greater of its margin of solvency or, if applicable, its enhanced capital requirement and the amount of any such dividend shall not exceed that excess.

25. Transfer of long-term business

- (1) Any scheme under which the whole or any part of the long-term business of any insurer to which this Part applies (in this section referred to as the “transferor”) is to be transferred to another insurer (in this section referred to as the “transferee”) shall be void unless it is made in accordance with the provisions of this section and the Court has sanctioned the scheme thereunder.
- (2) Either the transferor or the transferee may apply to the Court, by petition, for an order sanctioning the scheme, and the Court shall have power to make such an order subject to the provisions of this section.
- (3) The Court shall not entertain such a petition unless the petition is accompanied by a report on the scheme prepared by an approved actuary and the Court is satisfied that sufficient notice of the scheme has been served on each policy-holder affected and been published in the Gazette, and also that copies of the petition and the report have been served on the Authority.
- (4) On any petition under this section -
- (a) any person who alleges that he would be adversely affected by the carrying out of the scheme; and
 - (b) the Authority,

shall be entitled to be heard.

(5) ⁴⁵¹[Repealed]

(6) ⁴⁵²[Repealed]

(7) ⁴⁵³ Subsections (1) to (4) shall not have effect in relation to the transfer of long-term business that is re-insurance business.

26. Appointment of approved actuary⁴⁵⁴⁴⁵⁵

(1) Every Class A, Class B and Class ILT^{456, 457} insurer shall appoint an individual approved by the Authority under subsection (3) as a person qualified to assess the adequacy of total long-term insurance reserves or long-term insurance technical provisions⁴⁵⁸, as that insurer’s approved actuary.

(1A) Every Class C, Class D and Class E insurer shall appoint an individual approved by the Authority under



INSURANCE ACT 1978

subsection (3) who is qualified as an approved actuary to provide an opinion in accordance with the requirements of Schedule XIV “Statutory Economic Balance Sheet” of the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011.⁴⁵⁹

- (2) Before making any such appointment an insurer shall submit particulars of such person to the Authority for approval.
- (3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment shall approve the appointment as that insurer’s approved actuary.
- (4) Subject to subsection (5), the Authority may revoke an approval of an approved actuary in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.
- (5) The Authority shall not revoke its approval unless it has first notified the approved actuary and the insurer of its intention to do so.

27. Actuarial certificates of long-term business liabilities^{460,461}

- (1) Every Class A, Class B and Class ILT⁴⁶², insurer⁴⁶³ shall include in the insurer’s statutory financial return called for by section 18 a certificate prepared by the insurer’s approved actuary in the prescribed form as to the amount of the insurer’s liabilities outstanding on account of its long-term business.
 - (1A) Every Class C, Class D and Class E insurer shall include in its statutory financial return a certificate prepared by an actuary approved by the Authority under section 26(1A), in the form prescribed under any insurance accounts rules made by the Authority as to the amount of such insurer’s liabilities outstanding on account of its long-term business.⁴⁶⁴
 - (2) Notwithstanding subsection (1) the Authority may in writing at any time direct an insurer to which this Part applies to cause to be produced to the Authority a valuation of the insurer’s liabilities outstanding at the date specified in the direction on account of its long-term business, together with a certificate prepared by the insurer’s approved actuary in the prescribed form relating thereto; and the insurer shall comply with any such direction.

PART IVA ⁴⁶⁵ - GROUP SUPERVISION

27A. Interpretation

In this Part, unless the context otherwise requires—

“college of supervisors” means a structure for cooperation and coordination among supervisors of competent authorities;

“competent authority” means a regulatory⁴⁶⁶ authority that is empowered by law to supervise insurers;

“equivalent jurisdiction” means a jurisdiction that has supervisory standards that the Authority determines to be equivalent to those established by or under this Act;

“group supervisor” in relation to an insurance group, means the Authority or, as the case may be, another competent authority that is the group supervisor for the insurance group.

27B. Group Supervisor^{467,468}

- (1) The Authority may, in respect of an insurance group, determine whether it is appropriate for it to be the group supervisor of that group.
- (2) Before making such a determination the Authority shall take into account the matters set out in subsection (3).
- (3) Those matters are—
 - (a) whether the insurance group is headed by a specified insurer;
 - (b) where the insurance group is not headed by a specified insurer, whether the insurance group is headed by a parent company which is incorporated in Bermuda; and
 - (c) where the insurance group is headed by a parent company which is not incorporated in Bermuda, whether the Authority is satisfied that—



INSURANCE ACT 1978

- (i) the insurance group is directed and managed from Bermuda; or
 - (ii) the insurer in the insurance group with the largest balance sheet total is a specified insurer.
- (4) The Authority shall give notice in writing to the relevant designated insurer of its intention to make such a determination and shall take into account any written representation made by the designated insurer within such period as it may specify in the notice.
- (5) If the Authority makes a determination under subsection (1) in respect of an insurance group, it shall designate a specified insurer that is a member of the insurance group to be the designated insurer in respect of that insurance group for the purposes of this Act.
- (6) The Authority shall notify the designated insurer for an insurance group and other competent authorities in writing that it is the group supervisor for that insurance group.
- (7) The Authority shall establish and maintain a register containing the following particulars in respect of every insurance group of which it is the group supervisor—
- (a) the name and address of the designated insurer for the insurance group;
 - (b) the name and address of every entity⁴⁶⁹ that is a member of the insurance group falling within the scope of group supervision;
 - (c) the name and address of the principal representative of the insurance group in Bermuda;
 - (d) the name and address of other competent authorities supervising other entities⁴⁷⁰ that are members of the insurance group; and
 - (e) the name and address of the insurance group auditors.
- (8) The designated insurer for an insurance group shall immediately notify the Authority of any change of the particulars entered in the register in respect of that insurance group.
- (9) For the purposes of this section, “specified insurer” means—
- (a) a Class 3A, Class 3B, Class 4, Class C, Class D or Class E⁴⁷¹ insurer⁴⁷²; or
 - (b) an insurer of another class of insurers designated by order of the Authority.
- (10) Sections 6, 7 and 8 of the Statutory Instruments Act 1977 shall not apply to orders made under subsection (9)(b).
- (11) There shall be payable by a designated insurer such annual fee, as may be prescribed under the Bermuda Monetary Authority Act 1969, in respect of every insurance group registered under this section.⁴⁷³
- (11A) Sections 14(5), (6), (7), (8) and (9) shall apply mutatis mutandis in relation to the payment of an annual fee by a designated insurer under subsection (11) in respect of an insurance group.⁴⁷⁴
- (12) The first annual fee shall be payable within 30 days of the registration of the insurance group.⁴⁷⁵
- (13) The annual fee for the subsequent years shall be payable on or before 31 March in every year following the year in which the insurance group was registered.⁴⁷⁶
- (14) Where a designated insurer fails to pay a prescribed fee as provided under this section on behalf of an insurance group, it shall pay in addition to such fee a late penalty fee of an amount equal to ten percent of the fee due for every month or part thereof during which the fee remains unpaid.⁴⁷⁷
- (15) Annual fees payable by a designated insurer in accordance with this section shall apply for the period of the financial year.⁴⁷⁸
- (16) For the purposes of this section, “financial year” means the twelve months ending on 31 December of that year.⁴⁷⁹

27C. Authority may exclude specified entities from group supervision

- (1) The Authority may, on its own initiative or on the application of the relevant designated insurer, exclude

from group supervision any company that is a member of an insurance group if it is satisfied that—

- (a) the company is situated in a country or territory where there are legal impediments to cooperation and exchange of information;
- (b) the financial operations of the company have a negligible impact on insurance group operations; or
- (c) the inclusion of the company would be inappropriate with respect to the objectives of group supervision.

(2) The Authority shall notify the relevant designated insurer and competent authority in writing of any decision to exclude a company from the scope of group supervision.

27CA. Authority may include specified entities within group supervision⁴⁸⁰

(1) The Authority may, on its own initiative or on the application of the relevant designated insurer, include within group supervision any company that is a member of the group but is not on the register maintained under section 27B(7) if it is satisfied that—

- (a) the financial operations of the company may have a material impact on the insurance group's operations; and
- (b) the inclusion of the company would be appropriate having regard to the objectives of group supervision.

(2) The Authority shall notify the relevant designated insurer and competent authority in writing of any decision to include a company within the scope of group supervision.

27D. Authority may withdraw as group supervisor

(1) The Authority may withdraw as group supervisor—

- (a) on its own initiative;
- (b) at the request of a competent authority from an equivalent jurisdiction; or
- (c) on the application of a designated insurer in respect of the insurance group of which it is a member.

(2) The Authority shall notify the relevant insurance group in writing of its intention to withdraw as group supervisor and shall take into account any written representation made by the insurance group within such period as it may specify in the notice.

(3) The Authority may withdraw as group supervisor if—

- (a) it considers that it would be appropriate to do so having regard to the structure of the insurance group and the relative importance of the insurance group's insurance business in different countries or territories;
- (b) it determines that there has been a material change in the structure or operations of the insurance group or an absence of cooperation by other competent authorities; or
- (c) for any other reason that prevents the Authority from effectively discharging its function as group supervisor for that insurance group.

(4) The Authority shall notify the designated insurer and the competent authority in writing of any decision made by it under this section.

27E. Functions of Authority as group supervisor

The Authority as group supervisor shall have the following functions with regard to group supervision—

- (a) coordination of the gathering and dissemination of relevant or essential information for going concerns and emergency situations, including the dissemination of information which is of importance for the supervisory task of other competent authorities;
- (b) supervisory review and assessment of the financial situation of insurance groups;
- (c) assessment of compliance of insurance groups with the rules on solvency and of risk concentration

INSURANCE ACT 1978

and intra-group transactions as may be prescribed by or under this Act;

- (d) assessment of the system of governance of insurance groups, as may be prescribed by or under this Act, and whether the members of the administrative or management body of participating companies meet the requirements set out therein;
- (e) planning and coordination, through regular meetings held at least annually or by other appropriate means, of supervisory activities in going concerns as well as in emergency situations, in cooperation with the competent authorities concerned and taking into account the nature, scale and complexity of the risks inherent in the business of all companies that are part of insurance groups;
- (f) coordination of any enforcement action that may be taken against insurance groups or any of their members; and
- (g) planning and coordinating, as required, meetings of colleges of supervisors, to be chaired by the Authority where it acts as the group supervisor, to facilitate the exercise of the functions set out in paragraphs (a) to (f) of this section.

27F. Authority to make Rules

- (1) The Authority may for the purposes of group supervision make rules applying to designated insurers which take into account, in their case, any activity of the insurance group of which they are members or of other members of the insurance group.
- (2) Without prejudice to the generality of subsection (1), such rules may make provision for—
 - (a) the assessment of the financial situation of the insurance group;
 - (b) the solvency position of the insurance group;
 - (c) intra-group transactions and risk concentration;
 - (d) the system of governance and risk management of the insurance group; and
 - (e) supervisory reporting and disclosures in respect of the insurance group.
- (3) The Authority in such rules may in relation to group financial statements require that they be prepared in the English language and that the currency of any amount shown therein be converted to a currency specified by the Authority as at a specified date.⁴⁸¹
- (4) Sections 6A (4), (5), (6) and (7) shall apply to rules made under this section as they apply to rules⁴⁸² made under that section.
- (5) Section 6B applies to proposals to make rules under this section as it applies to proposals to make rules under section 6A.
- (6) Section 6C shall apply to provisions of any rules made under this section as it applies to prudential standards prescribed by rules made under section 6A.⁴⁸³

27G Appointment of an approved group actuary⁴⁸⁴⁴⁸⁵⁴⁸⁶

- (1) A designated insurer shall ensure that the insurance group of which it is a member appoints an individual approved by the Authority under subsection (3) who is qualified as a group actuary to provide an opinion on the⁴⁸⁷ insurance group's insurance technical provisions in accordance with the requirements of Schedule XIV "Group Statutory Economic Balance Sheet" of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011⁴⁸⁸.
- (2) Before making such appointment a designated insurer shall submit particulars of such person to the Authority for approval.
- (3) The Authority being satisfied that the person is a fit and proper to hold such appointment shall approve the appointment as that insurer's approved group actuary.
- (4) Subject to subsection (5), the Authority may revoke the approval of an approved group actuary in respect of any insurance group if it is satisfied that he is no longer a fit and proper person to hold the appointment.



INSURANCE ACT 1978

- (5) The Authority shall not revoke its approval unless it has first notified the approved group actuary.

PART V - SPECIAL PROVISIONS RELATING TO INSURANCE MANAGERS, BROKERS, AGENTS AND SALESMEN

28. Insurance managers and agents to maintain lists of insurers for which they act⁴⁸⁹

An insurance manager or agent⁴⁹⁰ shall maintain an accurate list of all insurers for which he acts as insurance manager or agent⁴⁹¹, and shall, if required in writing at any time by the Authority so to do, provide the Authority with a copy of that list.

29. Insurance broker, agent or salesman deemed agent of insurer in certain cases

In relation to any contract of insurance to which an insurer is a party and in respect of which an insurance broker, agent or salesman having apparent authority to act for the insurer in that respect in fact receives a premium under the contract -

- (a) the broker, agent or salesman shall be deemed to be the agent of the insurer; and
- (b) the insurer shall be deemed to have received the premium,

notwithstanding anything to the contrary in the contract.

PART VI - POWERS

29A. Power to obtain information and reports^{492,493,494}

- (1) The Authority may by notice in writing served on a registered person or designated insurer—
- (a) require the registered person or designated insurer to provide the Authority (or such person acting on behalf of the Authority as may be specified in the notice), at such time or times or at such intervals or in respect of such period or periods as may be so specified, with such information as the Authority may reasonably require with respect to matters that are likely to be material to the performance, in relation to the registered person or, as the case may be, the relevant insurance group, of its functions under this Act;
 - (b) require the registered person or designated insurer to provide the Authority with a report, in such form as may be specified in the notice, by the registered person's or designated insurer's auditor or underwriter or by an accountant or other person with relevant professional skill in, or on any aspect of, any matter about which the Authority has required or could require the registered person or designated insurer as the case may be, to provide information under paragraph (a).⁴⁹⁵
- (2) [Repealed]⁴⁹⁶
- (3) [Repealed]⁴⁹⁷
- (4) The person appointed by the registered person or the designated insurer, as the case may be, to make the report required under subsection (1)(b)⁴⁹⁸ shall immediately give written notice to the Authority of any fact or matter of which he becomes aware which indicates to him—
- (a) that any term or condition of registration of the registered person is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the registered person; and
 - (b) that the matters are likely to be material to the performance, in relation to the registered person or, as the case may be, the designated insurer or the relevant insurance group, of the Authority's functions under this Act.
- (5) In this section and in sections 29B and 29C, "relevant insurance group" means the insurance group of which the designated insurer referred to in those sections is a member.⁴⁹⁹

29B. Power to require production of documents

- (1) The Authority may –
- (a) by notice in writing served on a registered person or designated insurer⁵⁰⁰ require such person to produce, within such time and at such place as may be specified in the notice, such document or



INSURANCE ACT 1978

documents of such description as may be so specified;

- (b) authorise an officer, servant or agent of the Authority, on producing evidence of his authority, to require any such registered person or designated insurer⁵⁰¹ to provide him forthwith with such information, or to produce to him forthwith such documents, as he may specify;

being such information or documents as the Authority may reasonably require for the performance of its functions under this Act.

(2) Where, by virtue of subsection (1), the Authority or any officer, servant or agent of the Authority has power to require the production of any documents from a registered person or designated insurer⁵⁰², the Authority or that officer, servant or agent shall have the like power to require the production of those documents from any person who appears to be in possession of them; but where any person from whom such production is required claims a lien on documents produced by him, the production shall be without prejudice to the lien.

(3) The power under this section to require a registered person or designated insurer⁵⁰³ or other person to produce any documents includes power –

- (a) if the documents are produced, to take copies of them or extracts from them and to require that registered person or designated insurer⁵⁰⁴ or other person, or any other person who is a present or past director, other officer or principal representative of, the registered person or designated insurer⁵⁰⁵ in question, to provide an explanation of any of them; and
- (b) if the documents are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.

(4) If it appears to the Authority to be desirable in the interests of the clients of a registered person or relevant insurance group⁵⁰⁶ to do so, it may also exercise the powers conferred by section 29A and this section in relation to any company which is or has at any relevant time been –

- (a) a parent company, subsidiary company or related company of that registered person or designated insurer⁵⁰⁷;
- (b) a subsidiary company of a parent company of that registered person or designated insurer⁵⁰⁸;
- (c) a parent company of a subsidiary company of that registered person or designated insurer⁵⁰⁹; or
- (d) a company in the case of which a shareholder controller of that registered person or designated insurer⁵¹⁰, either alone or with any associate or associates, holds 50 per cent or more of the shares or is entitled to exercise, or control the exercise of more than 50 per cent of the voting power at a general meeting.

(5) Any person who without reasonable excuse fails to comply with a requirement imposed on him under this section shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for a term of six months or to both.

(6) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege.

(7) Repealed.^{511 512}

29C. Communication with Authority

(1) No duty to which a person appointed to make a report under section 29A (1)(b)⁵¹³ may be subject shall be regarded as contravened by reason of his communicating in good faith to the Authority, whether or not in response to a request made by the Authority, any information on a matter to which this section applies and which is relevant to any function of the Authority under this Act.

(2) In relation to a person appointed to make a report under section 29A (1)(b)⁵¹⁴ this section applies to any matter of which he becomes aware in his capacity as the person making the report and which –

- (a) relates to the business or affairs of the registered person or relevant insurance group in relation to which his report is made or any associated company of that registered person or insurance group;



INSURANCE ACT 1978

(b) if by virtue of section 29B(4) the report relates to an associated company of a registered person or designated insurer, to the business or affairs of that company.

(3) In this section “associated company”, in relation to a registered person, means any such company as is mentioned in section 29B(4).

29D. [Repealed]⁵¹⁵

29E. [Repealed]⁵¹⁶

29F. [Repealed]⁵¹⁷

30. Investigations on behalf of the Authority^{518,519}

(1) If it appears to the Authority desirable to do so in the interests of policyholders or potential policyholders of an insurer or an insurance group, or in the interests of the clients of an insurance manager, broker or agent^{520, 521} the Authority may appoint one or more competent persons to investigate and report to the Authority on—

- (a) the nature, conduct or state of the insurer’s or insurance group’s business or of the business of an insurance manager, broker or agent⁵²² or any particular aspect of such businesses;⁵²³
- (b) the ownership or control of the insurer, insurance group or insurance manager, broker or agent^{524 525}

and the Authority shall give written notice of any such appointment to the person concerned.

(2) If a person appointed under subsection (1) thinks it necessary for the purposes of the investigation he is appointed to carry out, he may also investigate the business of a person who is or has at any relevant time been—

- (a) a member of the group of which the person under investigation is part; or
- (b) a partnership of which the person under investigation is a member.

(3) Where a person appointed under subsection (1) decides to investigate the business of any person referred to in subsection (2) he shall give that person written notice to that effect.

(4) It shall be the duty of every person who is or was a controller, officer, employee, agent, banker, auditor, accountant, barrister and attorney or insurance manager, broker or agent⁵²⁶, as applicable, of an insurer or insurance group which is under investigation by virtue of subsection (1) or a person who is under investigation under subsection (2) or any person appointed to make a report in respect of a registered person or designated insurer under section 29A (1) (b)—

- (a) to produce to the persons appointed under subsection (1), within such time and at such place as they may require, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation, which are in his custody or power;
- (b) to attend before the persons so appointed at such time and place as they may require and answer questions relevant to the investigation as the persons appointed under subsection (1) may require; and
- (c) otherwise to give those persons all assistance in connection with the investigation which he is reasonably able to give, and those persons may take copies of or extracts from any documents produced to them under paragraph (a).

(5) For the purpose of exercising his powers under this section, a person appointed under subsection (1) may enter any premises occupied by an insurer which is being investigated by him under this section; but he shall not do so without prior notice in writing.

(6) A person exercising powers by virtue of an appointment under this section shall, if so required, produce evidence of his authority.

(7) Unless the Authority otherwise directs, the insurer, insurance group or insurance manager, broker or agent^{527 528} under investigation shall pay to the Authority all expenses of, and incidental to, the investigation.

(8) Any person who—



INSURANCE ACT 1978

- (a) without reasonable excuse fails to produce any documents which it is his duty to produce under subsection (4);
- (b) without reasonable excuse fails to attend before the persons appointed under subsection (1) when required to do so;
- (c) without reasonable excuse fails to answer any question which is put to him by persons so appointed with respect to an insurer, insurance group or insurance manager, broker or agent^{529 530} which is under investigation or a person who is being investigated by virtue of subsection (2); or
- (d) intentionally obstructs a person in the exercise of the rights conferred by subsection (5),

shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for six months or to both.

(9) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

(10) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege in proceedings in Bermuda.^{531 532 533 534}

30AA. Power to require production of documents^{535536 537}

(1) The Authority may by notice in writing require the person who is the subject of an investigation under section 30A (“the person under investigation”) or any person connected with the person under investigation⁵³⁸

- (a) to provide, at such place as may be specified in the notice and either forthwith or at such time as may be so specified, such information as the Authority may reasonably require for the purpose of the investigation⁵³⁹;
- (b) to produce, at such place as may be specified in the notice and either forthwith or at such time as may be so specified, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation⁵⁴⁰;
- (c) to attend at such place and time as may be specified in the notice and answer questions relevant to the enquiry as the Authority may require⁵⁴¹.

(1A) The Authority may by notice in writing require every person who is or was a controller, officer, employee, agent, banker, auditor, accountant, barrister and attorney or insurance manager, broker or agent⁵⁴² as applicable, of an insurer or insurance group which is under investigation by virtue of subsection (1) or any person appointed to make a report in respect of a registered person or designated insurer under section 29A (1) (b) –

- (a) to produce to the Authority, within such time and at such place as the Authority may require, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation, which are in his custody or power;
- (b) to attend before the Authority at such time and place as the Authority may require and answer questions relevant to the investigation as the Authority may require; and
- (c) to take such actions as the Authority may direct in connection with the investigation,

and the Authority may take copies of or extracts from any documents produced to it under paragraph (a).⁵⁴³

(2) The Authority or a duly authorised officer, servant or agent of the Authority may take copies of or extracts from any documents produced under this section.

(3) Any officer, servant or agent of the Authority may, on producing, if required, evidence of his authority, enter any premises occupied by a person on whom a notice has been served under subsection (1) for the purpose of obtaining there the information or documents required by the notice, putting the questions referred to in paragraph (c) of that subsection or exercising the powers conferred by subsection (2).

(4) Any person who without reasonable excuse fails to comply with a requirement imposed on him under this

section or intentionally obstructs a person in the exercise of the rights conferred by subsection (3) shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for 6 months or to both.

(5) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

(6) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege in proceedings in Bermuda.

(7) For the purposes of this section, a person is connected with the person under investigation if such person is or has at any relevant time been—

- (a) a member of the group of the person under investigation;
- (b) a controller of the person under investigation;
- (c) a partner of a partnership of which the person under investigation is a member.⁵⁴⁴

30A. Investigations of suspected contraventions

(1) The Authority may conduct an investigation if it appears to the Authority that—

- (a) a person may have contravened section 3 or 9;
- (b) a registered person or a designated insurer may have contravened a requirement imposed by or under this Act, regulations, rules or orders made thereunder;
- (c) an individual may not be a fit and proper person to perform functions in relation to a regulated activity within the meaning of section 32H (8).

(2) The power conferred by subsection (1)(b) may be exercised in relation to a former registered person but only in relation to—

- (a) business carried on at any time when the person was a registered person; or
- (b) the ownership or control of a former registered person at any time when such person was a registered person.⁵⁴⁵

30B. Powers of entry⁵⁴⁶

(1) A magistrate may issue a warrant under this section if satisfied on information on oath that the Authority is conducting an investigation under section 30A⁵⁴⁷ and –

- (a) a person⁵⁴⁸ has failed to comply with a notice served on him under that section;
- (b) that there are reasonable grounds for suspecting the completeness of any information provided or documents produced by him in response to such a notice; or
- (c) that there are reasonable grounds for suspecting that if a notice were served on him under that section it would not be complied with or that any documents to which it would relate would be removed, tampered with or destroyed.

(2) A warrant under this section shall authorise any police officer not below the rank of inspector, together with any other person named in the warrant and any other police officers –

- (a) to enter any premises occupied by the person referred to in subsection (1)(a)⁵⁴⁹ which are specified in the warrant, using such force as is reasonably necessary for the purpose;
- (b) to search the premises and take possession of any documents appearing to be such documents as are mentioned in subsection (1)(c) or to take, in relation to any such documents, any other steps which may appear to be necessary for preserving them or preventing interference with them;
- (c) to take copies of or extracts from any such documents; and
- (d) to require any person named in the warrant to answer questions relevant for determining whether that person is guilty of any such contravention as is mentioned in section 30A.



- (3) A warrant under this section shall continue in force until the end of the period of one month beginning with the day on which it is issued.
- (4) Any documents of which possession is taken under this section may be retained —
- (a) for a period of three months; or
 - (b) if within that period proceedings to which the documents are relevant are commenced against any person for any such contravention as is mentioned in section 30A, until the conclusion of those proceedings.
- (5) Any person who intentionally obstructs the exercise of any right conferred by a warrant issued under this section or fails without reasonable excuse to comply with any requirement imposed in accordance with subsection (2)(d) shall be guilty of an offence and liable—
- (a) on summary conviction, to a fine of \$25,000 or to imprisonment for six months or to both;
 - (b) on conviction on indictment, to a fine of \$100,000 or to imprisonment for two years or to both.

30C. Obstruction of investigations⁵⁵⁰

- (1) A person who knows or suspects that an investigation is being or is likely to be carried out —
- (a) into a suspected contravention of section 3 or section 9; or
 - (b) under sections 30 and 30A⁵⁵¹.

shall be guilty of an offence if he falsifies, conceals, destroys or otherwise disposes of, or causes or permits the falsification, concealment, destruction or disposal of, documents which he knows or suspects are or would be relevant to such an investigation unless he proves that he had no intention of concealing facts disclosed by the documents from persons carrying out such an investigation.

- (2) A person guilty of an offence under this section shall be liable —
- (a) on summary conviction, to a fine of \$50,000 or to imprisonment for two years or to both;
 - (b) on conviction on indictment, to a fine of \$200,000 or to imprisonment for five years or to both.

30CA. Notification of change of shareholder controller or officer of insurance manager, broker or agent^{552 553}

- (1) An insurance manager, broker or agent⁵⁵⁴ shall give written notice to the Authority of the fact of any person having become or ceased to be a shareholder controller or officer of the insurance manager, broker or agent⁵⁵⁵.
- (2) A notice required to be given under subsection (1) shall be given before the end of the period of fourteen days beginning with the day on which the insurance manager, broker or agent⁵⁵⁶ becomes aware of the relevant facts.
- (3) An insurance manager, broker or agent⁵⁵⁷ who fails to give notice required by this section shall be liable to a civil penalty calculated in accordance with subsection (4).
- (4) For each week or part of a week that an insurance manager, broker or agent⁵⁵⁸ fails to comply with a requirement imposed under subsection (1), he shall be liable to a civil penalty not exceeding \$5,000.

30D. Notification by shareholder controllers of new or increased control – private companies⁵⁵⁹

- (1) This section applies to a shareholder or a prospective shareholder of an insurer whose shares or the shares of its parent company, if any, are not traded on any stock exchange.
- (2) No person to whom this section applies shall become a 10 per cent, 20 per cent, 33 per cent, or 50 per cent shareholder controller of the insurer unless—
- (a) he has served on the Authority a notice in writing stating that he intends to become such a controller of the insurer; and
 - (b) either the Authority has, before the end of the period of forty-five days beginning with the date of service of that notice, notified him in writing that there is no objection to his becoming such a controller of the insurer, or that period has elapsed without the Authority having served him under section 30F with a written notice of objection to his becoming such a controller of the insurer.

(3) A notice under subsection (2)(a) shall contain such information as the Authority may direct and the Authority may after receiving such a notice from any person, by notice in writing require him to provide such additional information or documents as the Authority may reasonably require for deciding whether to serve notice of objection.

(4) Where additional information or documents are required from any person by a notice under subsection (3) the time between the giving of the notice and the receipt of the information or documents shall be added to the period mentioned in subsection (2)(b).

30E. Notification by shareholder controllers of new or increased control - public companies

(1) This section applies to a shareholder of an insurer whose shares or the shares of its parent company, if any, are traded on any stock exchange recognized by the Authority for this purpose.

(2) Not later than forty-five days after a person to whom this section applies becomes a 10 per cent, 20 per cent, 33 per cent, or 50 per cent shareholder controller of the insurer, that person shall serve on the Authority a notice in writing stating that he has become such a controller.

30EA Notification by shareholder controllers of disposal of shares in public and private companies⁵⁶⁰

(1) No person who is a shareholder controller in accordance with section 30D, shall reduce or dispose of his holding in a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer, where the proportion of the voting rights held by the shareholder controller in the insurer will reach or fall below 10 per cent, 20 per cent, 33 per cent or 50 per cent, as the case may be; unless that shareholder controller has served on the Authority a notice in writing stating that he intends to reduce or dispose of such holding.

(2) A person who is a shareholder controller in accordance with section 30E, shall serve on the Authority a notice in writing that he has reduced or disposed of his holding in a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer, where the proportion of the voting rights in the insurer held by him will have reached or has fallen below 10 per cent, 20 per cent, 33 per cent or 50 per cent as the case may be, not later than 45 days after such disposal.

30F. Objection to new or increased control⁵⁶¹

(1) The Authority may serve a notice of objection under this section on a person who has given notice under section 30D unless it is satisfied -

- (a) that the person concerned is a fit and proper person to become a controller of the description in question of the insurer;
- (b) that the interests of clients or potential clients of the insurer would not be threatened by that person becoming a controller of that description of the insurer; and
- (c) without prejudice to paragraphs (a) and (b), that, having regard to that person's likely influence on the insurer as a controller of the description in question the minimum criteria would continue to be fulfilled in the case of the insurer or, if any of those criteria is not fulfilled, that that person is likely to undertake adequate remedial action.

(2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice -

- (a) shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and
- (b) shall give particulars of the rights conferred by subsection (3).

(3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall -

- (a) specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and



(b) give particulars of the rights conferred by section 44A.

(5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information the disclosure of which would be prejudicial to a third party.

(6) Where a person required to give a notice under section 30D in relation to becoming a controller of any description becomes a controller of that description without having given the notice, the Authority may serve him with notice of objection under this section at any time within three months after becoming aware of his having done so and may, for the purpose of deciding whether to serve him with such a notice, require him by notice in writing to provide such information or documents as the Authority may reasonably require.

(7) The period mentioned in section 30D(2)(b) (with any extension under subsection (4) of that section) and the period mentioned in subsection (6) shall not expire, if it would otherwise do so, until twenty-eight days after the end of the period within which representations can be made under subsection (3).

30G. Contraventions by controller ⁵⁶²⁵⁶³

(1) Subject to subsection (2), any person who contravenes section 30D by -

- (a) failing to give the notice required by subsection (2)(a) of that section; or
- (b) knowingly becoming a controller of any description to which that section applies before the end of the period mentioned in subsection (2)(b) of that section in a case where the Authority has not served him with a preliminary notice under section 30F(2);

shall be guilty of an offence.

(2) For the purposes of subsection 1(b), a person knowingly becomes a controller of any description if he knows of the acts or circumstances by virtue of which he became a controller of the relevant description.

(3) [Repealed]⁵⁶⁴

(4) A person who becomes a controller without knowing of the acts or circumstances by virtue of which he became a controller of the relevant description shall not be guilty of an offence unless he subsequently becomes aware of the fact that he has become such a controller and he fails to give the Authority written notice of the fact that he has become such a controller within thirty days of becoming aware of the fact.

(5) Any person who -

- (a) before the end of the period mentioned in section 30D (2)(b), becomes a controller of any description to which that subsection applies after being served with a preliminary notice under section 30F(2);
- (b) contravenes section 30D by becoming a controller of any description after being served with a notice of objection to his becoming a controller of that description; or
- (c) having become a controller of any description in contravention of that section (whether before or after being served with such notice of objection) continues to be such a controller after such a notice has been served on him;

shall be guilty of an offence.

(5A) Any person who contravenes section 30E by failing to give the notice required by subsection (2) of that section shall be guilty of an offence.

(5B) Any person who contravenes section 30EA by failing to give the notice required by subsections (1) and (2) of that section shall be guilty of an offence.⁵⁶⁵

(6) A person guilty of an offence under subsection (1), (5A) or (5B)⁵⁶⁶ shall be liable on summary conviction to a fine of \$25,000.

(7) A person guilty of an offence under subsection (5) shall be liable —

- (a) on summary conviction to a fine of \$25,000 and in respect of an offence under paragraph (c) of that subsection, to an additional fine of \$500 for each day on which the offence has continued;

- (b) on conviction on indictment to a fine of \$100,000 or imprisonment for 2 years or to both.

30H. Objection to existing controller ⁵⁶⁷

- (1) Where it appears to the Authority that a person who is a controller of any description of a registered person is not or is no longer a fit and proper person to be such a controller of the registered person it may serve him with a written notice of objection to his being such a controller of the registered person.
- (2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice shall -
 - (a) subject to subsection (5), specify the reasons for which it appears to the Authority that the person in question is not or is no longer a fit and proper person as mentioned in subsection (1); and
 - (b) give particulars of the rights conferred by subsection (3).
- (3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.
- (4) A notice of objection under this section shall -
 - (a) subject to subsection (5), specify the reasons for which it appears to the Authority that the person in question is not or is no longer a fit and proper person as mentioned in subsection (1); and
 - (b) give particulars of the rights conferred by section 44A.
- (5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information the disclosure of which would be prejudicial to a third party.
- (6) Any person who continues to be a controller of any description after being served under this section with a notice of objection to his being a controller of that description shall be guilty of an offence.
- (7) A person guilty of an offence under subsection (6) shall be liable —
 - (a) on summary conviction to a fine of \$25,000, and to an additional fine of \$500 for each day on which the offence has continued;
 - (b) on conviction on indictment to a fine of \$100,000 or imprisonment for 2 years or to both.

30I. Restriction on and sale of shares ⁵⁶⁸

- (1) The powers conferred by this section shall be exercisable where a person - ⁵⁶⁹
 - (a) has contravened section 30F by becoming a shareholder controller after being served with a notice of objection to his becoming a shareholder controller;
 - (b) having become a shareholder controller in contravention of that section continues to be one after such a notice has been served on him; or
 - (c) continues to be a shareholder controller after being served under section 30H with notice of objection to his being a shareholder controller.
- (2) The Authority may by notice in writing served on the person concerned direct that any specified shares to which this section applies shall, until further notice, be subject to one or more of the following restrictions —
 - (a) any transfer of, or agreement to transfer, those shares or, in the case of unissued shares, any transfer of or an agreement to transfer the right to be issued with them, shall be void;
 - (b) no voting rights shall be exercisable in respect of the shares;
 - (c) no further shares shall be issued in right of them or in pursuance of any offer made to their holder; or
 - (d) except in liquidation, no payment shall be made of any sums due from the registered person on the



shares, whether in respect of capital or otherwise.

(3) The Court may, on the application of the Authority, order the sale of any specified shares to which this section applies and, if they are for the time being subject to any restrictions under subsection (2), that they shall cease to be subject to those restrictions.

(4) No order shall be made under subsection (3) in a case where the notice of objection was served under section 30F or 30H –

- (a) until the end of the period within which an appeal can be brought against the notice of objection;
- (b) if such an appeal is brought, until it has been determined or withdrawn.

(5) Where an order has been made under subsection (3) the Court may, on the application of the Authority, make such further order relating to the sale or transfer of the shares as it thinks fit.

(6) Where shares are sold in pursuance of an order under this section the proceeds of sale, less the costs of the sale, shall be paid into Court for the benefit of the persons beneficially interested in them; and any such person may apply to the Court for the whole or part of the proceeds to be paid to him.

(7) This section applies –

- (a) to all the shares in the registered person of which the person in question is a shareholder controller⁵⁷⁰ which are held by him or any associate of his and were not so held immediately before he became such a controller of the registered person; and
- (b) where the person in question became a shareholder controller⁵⁷¹ as a result of the acquisition by him or any associate of his of shares in another company, to all the shares in that company which are held by him or any associate of his and were not so held before he became such a controller of that registered person.

(8) A copy of the notice served on the person concerned under subsection (2) shall be served on the registered person or company to whose shares it relates and, if it relates to shares held by an associate of that person, on that associate.

30J. Notification by registered persons and designated insurers of change of controller and officer^{572 573}

(1) Subject to subsection (4), an insurer shall serve on the Authority a notice in writing of the fact that any person has become or ceased to be a controller of that insurer.

(2) Subject to subsection (4), an insurer and a designated insurer in respect of the parent company of the insurance group, shall serve on the Authority a notice in writing of the fact that any person has become or ceased to be an officer of that insurer or of the parent company of the group as the case may be.

(3) A notice under subsection (1) or (2) shall be served before the end of a period of forty-five days beginning with the day on which the insurer or designated insurer as the case may be, becomes aware of the relevant facts.

(4) A Class 1, Class 2 and Class 3 insurer⁵⁷⁴ Special Purpose Insurer, Class A and Class B insurer shall, at the time of filing the annual financial statements under section 17, file with the Authority the following—

- (a) a list of every person who has become or has ceased to be a shareholder controller or director of the insurer; and
- (b) where no registered insurance manager has been appointed to manage the affairs of the insurer, a list of every person who has become or has ceased to be an officer of that insurer,

during the financial year to which the financial statements relate, specifying the dates when such person has become a shareholder controller, director or other officer and the dates when they have ceased to be such shareholder controller, director or other officer.

(5) Registered⁵⁷⁵, brokers and agents shall, on or before 31 March in each year, file with the Authority a list of every person who has become or has ceased to be an officer or shareholder controller of that person during the previous calendar year, specifying the dates when such person has become a shareholder controller or officer and the dates when such person has ceased to be such controller or officer.

INSURANCE ACT 1978

(6) [Repealed]⁵⁷⁶

(7) For the purposes of this section “officer” in relation to an insurer or the parent company of the insurance group means a director, chief executive or senior executive performing duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters; and in relation to insurance managers, brokers and agents, means a director or chief executive.

(8) [Repealed]⁵⁷⁷

30JA. Material change⁵⁷⁸⁵⁷⁹⁵⁸⁰

(1) For the purposes of section 30JB the following changes are material—

- (a) acquisition or transfer of insurance business being part of a scheme falling within, or any transaction relating to a scheme of arrangement under,⁵⁸¹ section 25 of this Act or section 99 of the Companies Act 1981;
- (b) amalgamation with or acquisition of another firm;
- (c) [Repealed]⁵⁸²
- (d) engaging in unrelated business that is retail business.
- (e) acquisition of controlling interest in an undertaking that is engaged in non-insurance business which offers services and products to persons who are not affiliates of the insurer,⁵⁸³
- (f) outsourcing all or substantially all of the functions of actuarial, risk management, compliance or⁵⁸⁴ internal audit,⁵⁸⁵
- (g) outsourcing of all or a material part of an insurer’s underwriting activity,⁵⁸⁶
- (h) transfer other than by way of reinsurance of all or substantially all of a line of business;⁵⁸⁷⁵⁸⁸
- (i) expansion into a material new line of business; and⁵⁸⁹⁵⁹⁰
- (j) the sale of an insurer;⁵⁹¹⁵⁹²
- (k) outsourcing of an officer role.⁵⁹³

(2) In subsection (1) (d)—

“unrelated business” has the meaning given in section 4F

“retail business” means the business of selling insurance products that are designed for and bought by an individual.

(3) in subsection (1)(e)—⁵⁹⁴

“controlling interest” means holding 50% or more of the voting shares in an undertaking.

“officer” means in relation to an insurer, a chief executive or senior executive performing the duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters.⁵⁹⁵

30JB. Notification of material change⁵⁹⁶⁵⁹⁷

(1) No insurer shall effect a material change within the meaning of section 30JA(1) unless the requirements of subsection (4) have been satisfied.

(2) A designated insurer shall notify the Authority of any material change within the meaning of section 30JA (1)(b), (c), (d), (e), (f), (g), (h) and (i), which is given effect by a member of the group, within 30 days of such material change taking effect.⁵⁹⁸⁵⁹⁹

(3) [Repealed]⁶⁰⁰

(4) The requirements referred to in subsection (1) are that—⁶⁰¹

- (a) the insurer has served on the Authority a notice in writing stating that the insurer intends to effect such a material change; and
- (b) either the Authority has, before the end of the period of thirty⁶⁰² days beginning with the date of



INSURANCE ACT 1978

service of that notice, notified the insurer in writing that there is no objection to the insurer effecting the material change, or that period has elapsed without the Authority having served the insurer with a written notice of objection to the material change.

(5) A notice under subsection (4)(a) shall contain such information as the Authority may direct and the Authority may after receiving such a notice from any person, by notice in writing require it to provide such additional information or documents as the Authority may reasonably require for deciding whether to serve notice of objection.

(6) Where additional information or documents are required from any person by a notice under subsection (5), the time between the giving of the notice and the receipt of the information or documents shall be added to the period mentioned in subsection (4)(b).

30JC. Objection to material change⁶⁰³

(1) The Authority shall serve a notice of objection under this section on a person who has given notice under section 30JB unless it is satisfied—

- (a) that the interests of policyholders and potential policyholders of the insurer⁶⁰⁴ would not in any manner be threatened by the material change; and
- (b) without prejudice to paragraph (a) that, having regard to the material change the requirements of this Act would continue to be complied with or, if any of those requirements are not complied with, that the insurer⁶⁰⁵ concerned is likely to undertake adequate remedial action.

(2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice—

- (a) shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and subject to subsection (5), the reasons for which it is not satisfied; and
- (b) shall give particulars of the rights conferred by subsection (3).

(3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall—

- (a) specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and
- (b) give particulars of the rights conferred by section 44A.

(5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information, which would be prejudicial to a third party.

30JD. [Repealed]^{606 607}

31. [Repealed]⁶⁰⁸

31A. Failure to meet solvency requirements⁶⁰⁹

(1) An insurer^{610 611} which at any time fails to meet its minimum margin of solvency⁶¹² shall after becoming aware of that failure or having reason to believe that such a failure has occurred immediately notify the Authority of such occurrence, and within 14 days of such notification furnish the Authority with⁶¹³ a written report containing particulars—

- (a) of the circumstances leading to the failure, and
- (b) of a plan detailing the manner, specific actions to be taken and time frame in which the insurer intends to rectify the failure⁶¹⁴

and, notwithstanding anything to the contrary in any other enactment, shall not declare or pay any dividends until the failure is rectified.



(2) The Authority may require an insurer to modify the plan filed in accordance with subsection (1)(b) if it is satisfied that it is appropriate to do so in order for an insurer to satisfy its policyholder obligations.^{615 616}

31AA. Failure to comply with enhanced capital requirement^{617 618}

- (1) An insurer that fails to comply with the enhanced capital requirement applicable to it shall –
- (a) upon⁶¹⁹ becoming aware of that failure, or of having reason to believe that such a failure has occurred, immediately notify the Authority in writing and within 14 days of such notification file with the Authority⁶²⁰ a written report containing particulars –
 - (i) of the circumstances leading to the failure; and
 - (ii) a plan detailing the manner, specific actions to be taken and time within which the insurer intends to rectify the failure; and⁶²¹
 - (b) within 45 days of becoming aware of that failure, or of having reason to believe that such a failure has occurred, furnish the Authority with –
 - (i) unaudited statutory economic balance sheets and unaudited interim financial statements prepared in accordance with GAAP⁶²² covering such period as the Authority may require;
 - (ii) the opinion of a loss reserve specialist in relation to line 19 of the statutory economic balance sheet^{623 624} where applicable⁶²⁵;
 - (iii) a general business solvency certificate in respect of those statements where applicable^{626 627};
 - (iv) a capital and solvency return reflecting an enhanced capital requirement prepared using post failure data where applicable;⁶²⁸
 - (v) a long-term business solvency certificate in respect of those statements where applicable; and⁶²⁹
 - (vi) the opinion of an approved actuary in relation to line 27C of the statutory economic balance sheet⁶³⁰ where applicable.⁶³¹

(2) Notwithstanding anything to the contrary in any other enactment, an insurer to whom subsection (1) applies shall not declare or pay any dividends until the failure is rectified.

(3) The Authority may require an insurer to modify the plan file in accordance with subsection (1)(a)(ii) if it is satisfied that it is appropriate to do so in order for an insurer to satisfy its policyholder obligations.⁶³²

31AB. Class 3A: exceeding net premiums written limitation⁶³³

Where a Class 3A insurer exceeds the net premiums written limitation imposed on that class by section 4DA(2), the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if –

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(h); and
- (b) the insurer makes application under section 56 for a direction that section 4DA(2) would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class 3B insurer.

31AC. Class C: exceeding total assets limitation

Where a Class C insurer exceeds its limit on total assets of less than \$250 million as imposed on that class by section 4ED, the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if –

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(i); and
- (b) the insurer makes application under section 56 for a direction that section 4ED would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class D insurer⁶³⁴.



31AD. Class D: exceeding total assets limitation

Where a Class D insurer exceeds its limit on total assets of less than \$500 million as imposed on that class by section 4EE, the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if—

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(j); and
- (b) the insurer makes application under section 56 for a direction that section 4EE would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class E insurer⁶³⁵.

31B. Restrictions as to payment of dividends⁶³⁶⁶³⁷

(1) No Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer shall⁶³⁸⁶³⁹ in any financial year pay dividends which would exceed 25% of its total statutory capital and surplus, as shown on its statutory balance sheet in relation to the previous financial year, unless at least 7 days before payment of those dividends it files with the Authority an affidavit signed -

- (a) by at least two directors of the insurer (one of whom must be a director resident in Bermuda if the insurer has a director so resident), and
- (b) by the insurer's principal representative in Bermuda,

which states that in the opinion of those signing, declaration of those dividends has not caused the insurer to fail to meet its relevant margins.

(2) A copy of every affidavit filed under subsection (1) shall be kept by the Authority in its office and shall be open to inspection by the public.

(3) An insurer shall not declare or pay any dividends during any financial year if it would cause the insurer to fail to meet its relevant margins.

(4) An insurer which fails to meet its relevant margins on the last day of any financial year shall not, without the approval of the Authority, declare or pay any dividends during the next financial year.

(5) In this section and section 31C, "the relevant margins" means -

- (a) in relation to an insurer, its solvency margin, and
- (b) in relation to an insurer carrying on general business, its minimum liquidity ratio.

31C. Restrictions as to reduction of capital⁶⁴⁰

(1) A Class 3A, Class 3B, Class C, Class D⁶⁴¹, Class E, Class 4 or innovative insurer⁶⁴², ⁶⁴³ insurer, before reducing by 15% or more its total statutory capital, as set out in its previous year's financial statements, shall apply to the Authority for its approval.

(2) An application by an insurer under subsection (1) shall consist of -

- (a) an affidavit signed -
 - (i) by at least two directors of the insurer (one of whom must be a director resident in Bermuda if the insurer has a director so resident), and
 - (ii) by the insurer's principal representative in Bermuda,

which states that in the opinion of those signing, the proposed reduction of capital will not cause the insurer to fail to meet its relevant margins; and

- (b) such other information as the Authority may require.

(3) A copy of every affidavit filed under subsection (1) relating to an application which the Authority has approved shall be kept by the Authority in its office and shall be open to inspection by the public.

(4) A Class 1, Class 2, Class 3, Class A or Class B⁶⁴⁴ insurer⁶⁴⁵ before reducing by 15% or more its total statutory capital, as set out in its previous year's financial statements, shall apply to the Authority for its approval and shall provide such information as it may require.

32. Powers of intervention⁶⁴⁶⁶⁴⁷⁶⁴⁸⁶⁴⁹

- (1) If it appears to the Authority that -
- (a) the business of a registered person which is an insurer⁶⁵⁰ is being so conducted that there is a significant risk of the registered person⁶⁵¹ becoming insolvent;
 - (aa) the business of a registered person which is an insurer is being so conducted that there is a significant risk that the insurer will be unable to meet its obligations to policyholders;⁶⁵²
 - (b) a registered person⁶⁵³ is in breach of a provision of this Act or of regulations or rules,⁶⁵⁴ or with a condition imposed on its registration;
 - (c) the minimum criteria is not or has not been fulfilled, or may not be or⁶⁵⁵ may not have been fulfilled, in respect of a registered person;
 - (d) a person has become a controller of any description of a registered person which is an insurer in contravention of section 30D or has become or remains such a controller after being served with notice of objection pursuant to section 30F or 30H; or
 - (e) a registered insurer is in breach of the enhanced capital requirement applicable to it;⁶⁵⁶

the Authority may give the registered person such directions as appear to it to be desirable for safeguarding the interests of clients and potential clients of the registered person, and, without prejudice to the generality of the foregoing, may in particular give any of the directions mentioned in subsection (2)⁶⁵⁷.

- (2) Those directions⁶⁵⁸ are -
- (a) not to effect further contracts of insurance, or any contract of insurance of a specified description;
 - (b) to limit the aggregate of the premiums to be written by it during a specified period beginning not earlier than 28 days after the direction is given;
 - (c) not to vary any contract of insurance in force when the direction is given, if the effect of the variation would be to increase the liabilities of the insurer;
 - (d) not to make any investment of a specified class;
 - (e) before the expiration of a specified period (or such longer period as the Authority may allow) to realise any existing investment of a specified class;
 - (f) not to declare or pay any dividends or any other distributions, or to restrict the making of such payments to such extent as the Authority thinks fit;
 - (g) not to enter into any specified transaction with any specified person or persons of a specified class;
 - (h) to provide such written particulars relating to the financial circumstances of the insurer as the Authority thinks fit;
 - (i) to obtain the opinion of a loss reserve specialist with respect to general business, or an actuarial opinion with respect to long-term business, and to submit it to the Authority within a specified time; and
 - (j) to remove a controller or officer;⁶⁵⁹

and in this subsection "specified" means specified in the direction.

(3) In addition, if it appears to the Authority that the business of an insurer is being so conducted that there is a significant risk of the insurer becoming insolvent it may, if it considers it appropriate, direct the insurer to maintain in, or transfer to and keep in the custody of, a specified bank, assets of the insurer of such value and description as are specified in the direction.

(4) Without restricting the generality of subsections (1) and (3), the Authority may in particular proceed under those subsections where -

- (a) an insurer has failed to meet a solvency margin or a minimum liquidity ratio which it is required

by this Act or regulations to meet;

- (b) an event specified in regulation 7(3) of the Insurance Returns and Solvency Regulations 1980 occurs in relation to the audit of a Class 1, Class 2, Class 3, Class A, Class B insurer or Special Purpose Insurer⁶⁶⁰ and the approved auditor qualifies his report accordingly, expresses an adverse opinion or denies an opinion under regulation 7(2) of those Regulations;
 - (ba) an event specified under any insurance accounts rules occurs in relation to the audit of a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer and the approved auditor qualifies his report accordingly, expresses an adverse opinion or denies an opinion in accordance with such rules;⁶⁶¹
 - (c) the auditor's report submitted as part of an insurer's statutory financial return indicates that there is a significant doubt as to the insurer's ability to continue as a going concern;
 - (d) an insurer fails to retain an auditor or principal representative, or fails to retain a loss reserve specialist or actuary where required to retain one under this Act, regulations or any insurance accounts rules;⁶⁶²
 - (e) the insurer's total statutory capital and surplus has diminished to an extent which the Authority considers unacceptable having regard to the particular circumstances of the insurer.
- (5) The Authority shall not give a direction by virtue of subsection (1)(b) if the breach in question -
- (a) is being investigated by an inspector by virtue of section 18A(5), or
 - (b) requires a report to be filed under section 31A,

until the Authority has considered a preliminary report of the inspector or (as the case may be) the report filed under section 31A.

- (6) No assets kept in the custody of a bank pursuant to a direction under subsection (3) shall, so long as the direction is in force, be removed from the bank except with the prior consent of the Authority in writing.
- (7) [Repealed]⁶⁶³⁶⁶⁴⁶⁶⁵
- (8) The powers which the Authority may exercise under this section in certain circumstances in relation to a registered person⁶⁶⁶ do not restrict the exercise of any other powers in relation to the same registered person⁶⁶⁷ on the basis of the same circumstances, nor do they restrict any other consequences provided for under any enactment in respect of that registered person⁶⁶⁸ on the basis of those circumstances.
- (9) [Repealed]⁶⁶⁹⁶⁷⁰

32A. Contraventions by designated insurer⁶⁷¹⁶⁷²

- (1) If it appears to the Authority that a designated insurer is in breach of any provision of this Act or regulations or rules applicable to it, the Authority may give the designated insurer such directions as appear to the Authority to be desirable to remedy the breach or⁶⁷³ for safeguarding the interests of policyholders and potential policyholders of the insurance group.
- (2) Without prejudice to the generality of subsection (1) the Authority may, in particular, give any of the directions specified in paragraphs (a) to (h) and (j) of section 32(2).

32B. Procedure for giving directions

- (1) If the Authority proposes to issue directions under section 32 or 32A, it must give a warning notice to the registered person or, as the case may be, the designated insurer.
- (2) If the Authority decides to give directions, it must give a decision notice to the registered person, or as the case may be, the designated insurer.⁶⁷⁴

32C. Directions in cases of urgency

- (1) No warning notice need be given under section 32B in respect of the giving of a direction to a registered person, or as the case may be, a designated insurer in any case in which the Authority considers that the direction should be given as a matter of urgency.
- (2) In any such case the Authority may by notice in writing to the person concerned give a direction.

INSURANCE ACT 1978

- (3) Any such notice shall state the reason for which the Authority has acted and particulars of the rights conferred by subsection (4) and section 44A.
- (4) Any person to whom a notice is given under this section of the giving of a direction may within the period of 14 days beginning with the day on which the notice was given make representations to the Authority.
- (5) After giving a notice of direction under subsection (2) and taking into account any representations made in accordance with subsection (4) the Authority shall decide whether—
- (a) to confirm or rescind its original decision; or
 - (b) to impose a different direction or to vary the direction in a different manner.
- (6) The Authority must within the period of 28 days beginning with the day on which the notice was given under subsection (2) or, where representations have been made under subsection (4), 28 days beginning with the day on which the representations have been received, give the person concerned a decision notice.⁶⁷⁵

PART VIA - DISCIPLINARY MEASURES⁶⁷⁶

32D. Power to impose civil penalties for breach of requirements

- (1) Except as provided in sections 14(3) and 18A, every person who fails to comply with any requirement or contravenes any prohibition imposed by or under this Act shall be liable to a penalty not exceeding \$500,000, as the Authority considers appropriate, for each such failure or contravention.
- (2) For the purposes of subsection (1), “appropriate” means effective, proportionate and dissuasive.
- (3) The Authority shall not impose a penalty under subsection (1) where it is satisfied that the person concerned took all reasonable steps and exercised all due diligence to ensure that the requirement would be complied with.
- (4) The power to impose a penalty under this section shall not apply to designated insurers, except where the power is exercised in relation to non-compliance with a direction given under section 30JB or 32A.⁶⁷⁷

32E. Civil penalties procedure

- (1) If the Authority proposes to impose a civil penalty, it must give the person a warning notice.
- (2) If the Authority decides to impose a civil penalty, it must give the person a decision notice.⁶⁷⁸

32F. Public censure

- (1) If the Authority considers that a registered person has contravened a requirement imposed on it by or under this Act, the Authority may publish a statement to that effect.
- (2) After a statement under this section is published, the Authority shall send a copy of it to the registered person.
- (3) The power to publicly censure shall not apply to registered persons that are acting in the capacity as designated insurers.⁶⁷⁹

32G. Public censure procedure

- (1) If the Authority proposes to publish a statement in respect of a registered person under section 32F, it shall give the registered person a warning notice.
- (2) If the Authority decides to publish a statement under section 32F (whether or not in the terms proposed), it shall give the registered person a decision notice.⁶⁸⁰

Prohibition Orders⁶⁸¹

32H. Prohibition orders

- (1) Subsection (2) applies if it appears to the Authority that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by a person who is registered by the Authority under this Act (“a regulated person”).
- (2) The Authority may make a prohibition order prohibiting the individual from performing a specified function, any function falling within a specified description, or any function.

INSURANCE ACT 1978

- (3) A prohibition order may relate to—
- (a) a specified regulated activity, any regulated activity falling within a specified description, or all regulated activities;
 - (b) regulated persons generally, or any person within a specified class of regulated persons.
- (4) In exercising its discretion to make a prohibition order under subsection (2), the Authority must have regard (among other things) to such factors, including assessment criteria as the Authority may establish in a statement of principles.
- (5) A registered person must ensure that no function performed in relation to the carrying on of a regulated activity, is performed by an individual who is prohibited from performing that function by a prohibition order.
- (6) The Authority may, on the application of the individual named in a prohibition order, vary or revoke the order.
- (7) The Authority must publish a prohibition order that is in effect, and every variation of such order, in such manner as it considers appropriate to bring the order to the attention of the public.
- (8) In this section—
- “regulated person” has the meaning given in subsection (1);
 - “regulated activity” means any activity that is carried on by way of business requiring registration or other authority by the Authority under any provision of this Act;
 - “specified” means specified in the prohibition order.
- (9) Any person who fails to comply with the terms of a prohibition order commits an offence and is liable—
- (a) on summary conviction to a fine of \$50,000 or to imprisonment for two years or to both;
 - (b) on conviction on indictment to a fine of \$200,000 or to imprisonment for four years or to both.⁶⁸²

32I. Prohibition orders: procedures

- (1) If the Authority proposes to make a prohibition order it must give the individual concerned a warning notice.
- (2) If the Authority decides to make a prohibition order it must give the individual concerned a decision notice.⁶⁸³

32J. Applications relating to prohibition orders: procedures

- (1) This section applies to an application for the variation or revocation of a prohibition order.
- (2) If the Authority decides to grant the application, it must give the applicant written notice of its decision.
- (3) If the Authority decides to refuse the application, it must give the applicant a decision notice.⁶⁸⁴

32K. Determination of applications for variation etc.

- (1) The Authority may grant an application made under section 32J if it is satisfied that the applicant is a fit and proper person to perform the function to which the application relates.
- (2) In deciding that question, the Authority may have regard (among other things) to whether the applicant—
- (a) has obtained a qualification;
 - (b) has undergone, or is undergoing, training; or
 - (c) possesses a level of competence,

required in relation to persons performing functions of the kind to which the application relates.⁶⁸⁵

Injunctions⁶⁸⁶

32L. Injunctions

- (1) If, on the application of the Authority, the Court is satisfied—



INSURANCE ACT 1978

- (a) that there is a reasonable likelihood that any person will contravene a relevant requirement; or
- (b) that any person has contravened a relevant requirement and that there is a reasonable likelihood that the contravention will continue or be repeated,

the Court may make an order restraining the contravention.

- (2) If, on the application of the Authority, the Court is satisfied—
 - (a) that any person has contravened a relevant requirement; and
 - (b) that there are steps which could be taken for remedying the contravention,

the Court may make an order requiring that person, and any other person who appears to have been knowingly concerned in the contravention, to take such steps as the Court may direct to remedy it.

- (3) If, on the application of the Authority, the Court is satisfied that any person may have—
 - (a) contravened a relevant requirement; or
 - (b) been knowingly concerned in the contravention of such a requirement,

the Court may make an order restraining such person from disposing of, or otherwise dealing with, any of his assets which it is satisfied the person is reasonably likely to dispose of or otherwise deal with.

- (4) In subsection (2), references to remedying a contravention include references to mitigating its effect.
- (5) “Relevant requirement” in relation to an application by the Authority, means a requirement which is imposed by or under this Act.⁶⁸⁷

PART VII - INSOLVENCY AND WINDING UP

33. Margin of solvency for general business

(1) An insurer, being a company that may be wound up under the Companies Act 1981, carrying on general business shall be deemed for the purposes of section 161 of the Companies Act 1981 (winding up of company by the court) to be unable to pay its debts if at any time the value of its assets does not exceed the amount of its liabilities and the provisions of this Act⁶⁸⁸ as to winding up shall have effect accordingly.

(2) For the purposes of this section in computing the amount of liabilities of an insurer, all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

(3) For the purposes of this section the value of any assets and the amount of any liabilities shall, subject to subsections (4) and (5), be determined in accordance with any applicable regulations making provision as to the taking into, or leaving out of, account of assets or liabilities for any purpose.

(4) In the case of an insurer which carries on long-term business as well as general business, the amount of the liabilities of its long-term business at any time shall, for the purposes of this section, be taken to be -

- (a) an amount equal to the total amount at that time standing to the credit of the insurer’s long-term business fund; or
- (b) the amount of those liabilities at any time as determined in accordance with any applicable regulations,

whichever is the greater.

(5) Regulations may require that, in every statutory financial return prepared by an insurer carrying on general business, there shall be included a certificate as to solvency (to be called a “solvency certificate”) -

- (a) in such form and signed by such persons as may be prescribed by the regulations; and
- (b) containing such a statement with respect to the assets and liabilities of the insurer as may be so prescribed,

and if any such insurer fails to comply with the regulations so made the value of its assets shall, in any proceedings under this section for the winding up of the insurer, be deemed, until the contrary is proved, not to exceed the

amount of its liabilities by the amount required by subsection (1).

(6) Nothing in this section shall be taken as affecting the manner in which, on a winding up, any assets or liabilities are required to be dealt with whether by virtue of section 36 or otherwise.

34. Winding up of insurers under Companies Act 1981

The Court may order the winding up, in accordance with the Companies Act 1981, of an insurer, being a company which may be wound up under that Act, and the provisions of that Act shall apply accordingly subject to the modification that the insurer may be ordered to be wound up on the petition of ten or more policyholders owning policies of an aggregate value of not less than \$50,000:

Provided that such a petition shall not be presented except by leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court and until security for costs for such amount as the Court may think reasonable has been given.

35. Winding up on petition of Authority

(1) The Authority may present a petition for the winding up, in accordance with the Companies Act 1981, of an insurer, being a company which may be wound up under that Act, on the ground -

- (a) that the insurer is unable to pay its debts within the meaning of sections 161 and 162 of the Companies Act 1981; or
- (b) that the insurer has failed to satisfy an obligation to which it is or was subject by virtue of this Act; or
- (c) that the insurer has failed to satisfy the obligation imposed upon it by section 15 as to the preparation of accounts or ⁶⁸⁹to produce or file statutory financial statements in accordance with section 17, and that the Authority is unable to ascertain its financial position.

(2) In any proceedings on a petition to wind up an insurer presented by the Authority under subsection (1), evidence that the insurer was insolvent -

- (a) at the close of the period to which the statutory financial statements last prepared under section 15 relate; or
- (b) at any date specified in a direction under section 27(2),

shall be evidence that the insurer continues to be unable to pay its debts, unless the contrary is proved.

(3) If, in the case of an insurer, being a company which may be wound up under the Companies Act 1981, it appears to the Authority that it is expedient in the public interest that the insurer should be wound up, it may, unless the insurer is already being wound up by the Court,⁶⁹⁰ present a petition for it to be so wound up if the Court thinks it just and equitable for it to be so wound up.

(4) Where a petition for the winding up of an insurer is presented by a person other than the Authority, a copy of the petition shall be served on the Authority, and it shall be entitled to be heard on the petition.

35A. Insurers carrying on long-term business⁶⁹¹

An insurer which carries on long-term business shall not be wound up voluntarily.

36. Winding up of insurers carrying on long-term and general business⁶⁹²

(1) In a winding up of an insurer to which this section applies, the provisions of section 33 of the Employment Act 2000 and section 236 of the Companies Act 1981 shall not apply except as provided for in this section.

(2) Subject to rules made by virtue of section 40, subsections (4) to (8) shall apply in a winding up of composite insurers entitled to carry on long-term business and general business, other than those composite insurers under subsection (3).

(3) Subsections (4) to (8) shall not apply to a composite insurer—

- (a) that meets the requirements of section 24(6); or
- (b) where the long-term business of the composite insurer has been or is to be transferred as a going concern to another insurer in accordance with section 37.

INSURANCE ACT 1978

- (4) Where a winding up of a composite insurer under subsection (2) applies—
- (a) the assets of the long-term business fund must be applied in discharge of the following debts and in the following order of priority—
 - (i) Employment Act preferential debts attributable to its long-term business, to which the provisions of section 33 of the Employment Act 2000 shall apply mutatis mutandis so that references therein to—
 - (A) assets of a company are deemed to be references to such assets as are attributable to the long-term business of the insurer; and
 - (B) costs, charges and expenses of the winding up of a company are deemed to be references to such costs, charges and expenses as are attributable to the winding up of the long-term business of the insurer;
 - (ii) Companies Act preferential debts attributable to its long-term business, to which the provisions of section 236 of the Companies Act 1981 shall apply mutatis mutandis so that references therein to—
 - (A) assets, property, goods or effects of a company are deemed to be references to such assets, property, goods and effects as are attributable to the long-term business of the insurer; and
 - (B) costs and expenses of the winding up of a company are deemed to be references to such costs and expenses as are attributable to the winding up of the long-term business of the insurer;
 - (iii) insurance debts attributable to its long-term business which shall rank equally among themselves and be paid in full, unless the assets of the long-term business fund of the insurer remaining after payment of the preferential debts attributable to its long-term business are insufficient to meet them, in which case they abate in equal proportions;
 - (b) the assets of the general business fund must be applied in discharge of the following debts and in the following order of priority—
 - (i) Employment Act preferential debts attributable to its general business, to which the provisions of section 33 of the Employment Act 2000 shall apply mutatis mutandis so that references therein to—
 - (A) assets of a company are deemed to be references to such assets as are attributable to the general business of the insurer; and
 - (B) costs, charges and expenses of the winding up of a company are deemed to be references to such costs, charges and expenses as are attributable to the winding up of the general business of the insurer;
 - (ii) Companies Act preferential debts attributable to its general business to which the provisions of section 236 of the Companies Act 1981 shall apply mutatis mutandis so that references therein to—
 - (A) assets, property, goods or effects of a company are deemed to be references to such assets, property, goods and effects as are attributable to the general business of the insurer; and
 - (B) costs and expenses of the winding up of a company are deemed to be references to such costs and expenses as are attributable to the winding up of the general business of the insurer;
 - (iii) insurance debts attributable to its general business which shall rank equally among themselves and be paid in full, unless the assets of the general business fund of the insurer remaining after payment of the preferential debts attributable to its general business are

INSURANCE ACT 1978

insufficient to meet them, in which case they abate in equal proportions.

(5) Section 194 of the Companies Act 1981 and rule 140 of the Companies (Winding-Up) Rules 1982 shall apply separately to the long-term business assets and to the general business assets of a composite insurer.

(6) Where, under subsection (5), any fee, cost, charge or remuneration do not apply expressly to the long-term business assets or to the general business assets of a composite insurer, the liquidator may apportion any such fee, cost, charge or remuneration amongst those assets in such manner as he may determine.

(7) Where the value of the assets mentioned in paragraph (a) or paragraph (b) of subsection (4) exceeds the amount of the liabilities mentioned in that paragraph, so much of those assets as represents the excess must be applied in discharge of the following debts and in the following order of priority—

- (a) any preferential debts mentioned in subsection (4) the assets of which were deemed insufficient to meet liabilities shall rank equally among themselves and be paid in full, unless the excess of such assets is insufficient to meet liabilities, in which case they abate in equal proportions;
- (b) any insurance debts mentioned in subsection (4) the assets of which were deemed insufficient to meet liabilities shall rank equally among themselves and be paid in full, unless the excess of such assets remaining after payment of such debts is insufficient to meet liabilities in which case they abate in equal proportions;
- (c) all other debts of the insurer, which shall rank equally among themselves and be paid in full, unless the excess of assets remaining after payment of the debts referred to in subsection (4) are insufficient to meet liabilities, in which case they abate in equal proportions.

(8) In relation to the assets falling within either paragraph (a) or (b) of subsection (4), the creditors mentioned in section 176(1) and (2) of the Companies Act 1981 shall be only those who are creditors in respect of liabilities falling within that paragraph; and any general meetings of creditors summoned for the purposes of that section shall accordingly be separate general meetings of the creditors in respect of the liabilities falling within each paragraph.

(9) Where under section 247(1) of the Companies Act 1981 (power of court to assess damages against delinquent officers) the Court orders any money or property to be repaid or restored to an insurer or any sum to be contributed to its assets, then, if and so far as the wrongful act which is the reason for the making of the order relates to assets belonging to an insurer's long-term business fund or general business fund (as the case may be), the Court shall include in the order a direction that the money, property or contribution shall be treated for the purposes of this Act as assets of that fund, and this Act shall have effect accordingly.

(10) For the purposes of this section—

- (a) a liability shall be attributable to the long-term business if it is, or would be, recorded in column C on Form 1SFS of Schedule 1 to the Insurance Account Rules 2016 or Form 4 of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable; and
- (b) a liability shall be attributable to general business if it is, or would be, recorded on column A of Form 1SFS of Schedule 1 to the Insurance Account Rules 2016 or Form 1A of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable.

(11) For the purposes of this Part—

“Companies Act preferential debts” means the debts mentioned in section 236(1)(a), (b), (c), (d) and (e) of the Companies Act 1981;

“composite” has the meaning given in regulation 2 of the Insurance Accounts Regulations 1980;

“Employment Act preferential debts” means the debts mentioned in section 33(3)(a), (b) and (c) of the Employment Act 2000;

“insurance contract” means any contract of insurance, capital redemption contract or a contract that has been recorded as insurance business in the financial statements of the insurer pursuant to the Insurance Accounts 1980 or the Insurance Account Rules 2016, as applicable;

“insurance debt” means a debt to which an insurer is or may become liable pursuant to an insurance

contract, excluding debts owed to an insurer under an insurance contract where the insurer is the person insured;

“preferential debts” means Companies Act preferential debts and Employment Act preferential debts.”;

“section 24(6) composite” has the meaning given in regulation 2 of the Insurance Accounts Regulations 1980.

36A. Winding up of insurers⁶⁹³

- (1) This section applies in the case of a winding up under the Companies Act 1981 of —
 - (a) an insurer which was carrying on or entitled to carry on only long-term business;
 - (b) an insurer which was carrying on or was entitled to carry on only general business;
 - (c) a section 24(6) composite insurer; or
 - (d) a composite insurer, where the long-term business of the composite insurer has been or is to be transferred as a going concern to another long-term insurer in accordance with section 37.
- (2) Subject to subsection (3) and to rules made by virtue of section 40, and subject to the prior payment of Employment Act preferential debts and Companies Act preferential debts, the insurance debts of the insurer must be paid in priority to all other debts of the insurer.
- (3) The insurance debts of an insurer shall rank equally among themselves and be paid in full unless the assets of the insurer are insufficient to meet them, in which case they abate in equal proportions.

37. Continuation of long-term business of insurer in liquidation

- (1) This section shall have effect in relation to the winding up of an insurer, being an insurer carrying on long-term business.
- (2) The liquidator shall, unless the Court otherwise orders, carry on the long-term business of the insurer with a view to its being transferred as a going concern to another insurer, whether an existing insurer or an insurer formed for that purpose; and, in carrying on that business as aforesaid, the liquidator may agree to the variation of any contracts of insurance in existence when the winding up order is made, but shall not effect any new contracts of insurance.
- (3) If the liquidator is satisfied that the interests of the creditors in respect of liabilities of the insurer attributable to its long-term business require the appointment of a special manager of the insurer’s long-term business, he may apply to the Court, and the Court may on such application appoint a special manager of that business to act during such time as the Court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the Court.
- (4) Section 190(2) and (3) of the Companies Act 1981 (special manager to give security and receive remuneration) shall apply to a special manager appointed under subsection (3) of this section as they apply to a special manager appointed under that section.
- (5) The Court may, if it thinks fit and subject to such provisions (if any) as it may determine, reduce the amounts of the contracts made by the insurer in the course of carrying on its long-term business.
- (6) The Court may, on the application of a liquidator, a special manager appointed under subsection (3) or the Authority, appoint an independent actuary to investigate the long-term business of the insurer and to report to the liquidator, the special manager or the Authority, as the case may be, on the desirability or otherwise of that business being conducted and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.
- (7) Notwithstanding section 175(1) of the Companies Act 1981 (which requires the liquidator to obtain the sanction of the Court or committee of inspection for the bringing of legal proceedings in the name of and on behalf of the company) the liquidator may without any such sanction make an application in the name of and on behalf of the insurer under section 25.

38. Subsidiary insurers

- (1) Where the insurance business or any part of the insurance business of an insurer has been transferred to an

insurer under an arrangement in pursuance of which the first mentioned insurer (in this section called the subsidiary insurer) or the creditors thereof has or have claims against the insurer to which the transfer was made (in this section called the principal insurer), then, if the principal insurer is being wound up by or under the supervision of the Court, the Court shall, subject to the provisions of this section, order the subsidiary insurer to be wound up in conjunction with the principal insurer, and may by the same or any subsequent order appoint the same person to be liquidator for the two insurers, and make provision for such other matters as may seem to the Court necessary, with a view to the insurers being wound up as if they were one insurer.

(2) The commencement of the winding up of the principal insurer shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary insurer.

(3) In adjusting the rights and liabilities of the members of the several insurers between themselves, the Court shall have regard to the constitution of the insurers, and to the arrangements entered into between the insurers, in the same manner as the Court would have regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single insurer, or as near thereto as circumstances admit.

(4) Where any insurer alleged to be subsidiary is not in process of being wound up at the same time as the principal insurer to which it is subsidiary, the Court shall not direct the subsidiary insurer to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the insurer against it being wound up, the Court is of the opinion that the insurer is subsidiary to the principal insurer, and that the winding up of the insurer in conjunction with the principal insurer is just and equitable.

(5) An application may be made in relation to the winding up of any subsidiary insurer in conjunction with a principal insurer by any creditor of, or person interested in, the principal insurer or the subsidiary insurer.

(6) Where an insurer stands in the relation of a principal insurer to one insurer, and the relation of a subsidiary insurer to some other insurer, or where there are several insurers standing in the relation of subsidiary insurers to one principal insurer, the Court may deal with any number of such insurers together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

39. Reduction of contracts as alternative to winding up

⁶⁹⁴In the case of an insurer which has been proved to be unable to pay its debts, the Court may, if it thinks fit, reduce the amount of the contracts of the insurer on such terms and subject to such conditions as the Court thinks just instead of making a winding up order.

40. Winding up rules

(1) The Minister acting on the advice of the Authority⁶⁹⁵ may make rules under this section for determining the amount of the liabilities of an insurer to policyholders of any class or description for the purpose of proof in a winding up and generally for carrying into effect the provisions of this Act in respect to the winding up of insurers.

(2) Without prejudice to the generality of subsection (1), rules made under this section may make provision for all or any of the following matters -

- (a) the identification of the assets and liabilities falling within either paragraph of section 36(2);
- (b) [Repealed]⁶⁹⁶
- (c) the determination of the amount of liabilities of any description falling within either paragraph of section 36(2) for the purpose of establishing whether or not there is any such excess in respect of that paragraph as is mentioned in section 36(3);
- (d) the application of assets within subsection (2)(a) for meeting the liabilities within that paragraph;
- (e) the application of assets representing any such excess as is mentioned in section 36(3).

(3) Rules made under this section shall be subject to the negative resolution procedure.

PART VIII - CANCELLATION OF REGISTRATION

41. Cancellation of registration of insurers^{697/698}

(1) The Authority may, subject to the provisions of this Part, by order cancel the registration of an insurer -



INSURANCE ACT 1978

- (a) at the request of the insurer; or
- (b) upon any one or more of the following grounds -
 - (i) that false, misleading or inaccurate information has been supplied by the insurer or on its behalf for the purpose of any provision of this Act or the regulations;
 - (ii) that two years have elapsed since the registration of the insurer, and the insurer has not commenced to carry on business;
 - (iii) that the insurer has ceased to carry on business;
 - (iv) that the insurer has persistently failed to pay fees due under section 14;
 - (v) that the insurer has not complied with a condition attached to its registration or with a requirement made of it under this Act, the regulations or any insurance accounts rules;⁶⁹⁹
 - (vi) that the insurer has been convicted of an offence against a provision of this Act or the regulations;
 - (vii) that, in the opinion of the Authority⁷⁰⁰, the insurer has not been carrying on business in accordance with sound insurance principles;
 - (viii) that any of the minimum criteria is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the insurer.⁷⁰¹

(2) If the Authority proposes to cancel the registration of an insurer under subsection (1)(b) it must give the insurer a warning notice.⁷⁰²⁷⁰³

(3) If the Authority decides to cancel the registration of an insurer under subsection (1)(b) it must give the insurer a decision notice.⁷⁰⁴⁷⁰⁵

(4) In this section “to carry on business” means to carry on insurance business in or from within Bermuda.

42. Cancellation of registration of insurance managers, etc⁷⁰⁶

(1) The Authority may, subject to the provisions of this Part, by order cancel the registration of an insurance manager, broker, agent or salesman -

- (a) at the request of the manager, broker, agent or salesman in question; or
- (b) upon any one or more of the following grounds -
 - (i) that false, misleading or inaccurate information has been supplied by him on his behalf for the purposes of any provision of this Act or the regulations;
 - (ii) that two years have elapsed since his registration, and he has not commenced to carry on business;
 - (iii) that he has ceased to carry on business;
 - (iv) that he has persistently failed to pay fees due under section 14;
 - (v) that he has not complied with a condition attached to his registration or with a requirement made of him under this Act or the regulations;
 - (vi) that he has been convicted of an offence against a provision of this Act or the regulations;
 - (vii) that he has been convicted by a court (whether in Bermuda or elsewhere) of an offence involving fraud or dishonesty;
 - (viii) that, in the opinion of the Authority⁷⁰⁷, he has not been carrying on business in accordance with sound insurance principles;
 - (ix) that any of the minimum criteria is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of any such persons.⁷⁰⁸

(2) The provisions of subsections (2) and (3) of section 41 shall apply in relation to the cancellation under this



section of a registration as those provisions apply in relation to a cancellation under that section.

(3) In this section “to carry on business” means to carry on business in or from within Bermuda as an insurance manager, broker, agent or salesman, as the case may be⁷⁰⁹.

43. [Repealed]⁷¹⁰

44. Cancellation of registration to be gazetted

The Authority shall publish in the Gazette notice of any cancellation of a registration under this Act.

PART VIII A - APPEAL TRIBUNALS⁷¹¹

44A. Rights of appeal

(1) Subject to subsection (1A) and where⁷¹² applicable⁷¹³ a registered person which is aggrieved by a decision of the Authority –

- (a) cancelling its registration under section 41 or 42;
- (b) giving a direction under sections 32, 32A or 32C;
- (ba) imposing a civil penalty under section 32D;
- (bb) publishing a statement in respect of it pursuant to section 32F (public censure); or⁷¹⁴
- (c) making an adjustment to an insurer’s enhanced capital requirement and available statutory capital and surplus made under section 6D;⁷¹⁵

may appeal against the decision to a tribunal constituted in accordance with section 44B.

(1A) This Part does not apply to –⁷¹⁶

- (a) an innovative insurer registered under section 4(1)(e); or
- (b) an innovative intermediary.

(2) Where -

- (a) the ground or a ground for a decision within subsection (1)(a) or (b)⁷¹⁷ is that it appears to the Authority that the criterion in paragraph 1 of the minimum criteria is not or has not been fulfilled in the case of any person; or
- (b) the Authority directs the removal of a person as a controller or officer of a registered person under section 32 (2)(j);

the controller or officer to whom the ground relates or in respect of whom the direction is made may appeal to a tribunal constituted as aforesaid against the finding that there is such a ground for the decision or, as the case may be, against the direction for his removal.

(3) Any person on whom notice of objection is served under section 30F or 30H or 30JC⁷¹⁸ may appeal to a tribunal constituted as aforesaid against the decision of the Authority to serve the notice; but this subsection does not apply to a person in any case in which he has failed to give a notice or become or continued to be a controller in circumstances in which his doing so constitutes an offence under section 30G(1), (4) or (5)⁷¹⁹.

(3A) Any person in respect of whom a prohibition order has been made under section 32H may appeal to the tribunal.⁷²⁰

(3B) Any person in respect of whom a decision notice has been issued refusing a revocation or variation of a prohibition order may appeal to the tribunal.⁷²¹

(4) The tribunal may suspend the operation of the decision appealed against pending the determination of an appeal in respect of the decision.

(5) The cancellation of a registered person’s registration pursuant to a decision against which there is a right of appeal under this section shall not have effect -

- (a) until the end of the period within which the appeal can be brought; or



- (b) if such an appeal is brought, until it is determined or withdrawn.

44B. Constitution of tribunal

- (1) A tribunal shall consist of a chairman, or, in his absence, a deputy chairman, and two other members.
- (2) The chairman and the deputy chairman shall be appointed by the Minister for a term not exceeding three years, and shall be barristers and attorneys of at least seven years' standing.
- (3) During any period of time when the chairman or deputy chairman is absent from Bermuda or is for any other reason unable to act, the Minister may appoint another person to act in his place for the period of his absence or inability to act.
- (4) The Minister shall appoint a panel of not less than nine persons with experience of insurance business to serve as members of appeal tribunals.
- (5) There shall be paid to the members of the tribunal such remuneration and such allowances as the Minister may determine, after consultation with the Minister of Finance when another Minister has been appointed to administer this Act.⁷²²

44C. Determination of appeals

- (1) Where an appeal is brought under the provisions of this Act the chairman or as the case may be the deputy chairman shall nominate two other members from the panel of members, who together with him shall constitute the tribunal which shall determine the appeal.
- (2) On an appeal under section 44A⁷²³ the question for the determination of the tribunal shall be whether, for the reasons adduced by the appellant, the decision was unlawful or not justified by the evidence on which it was based.
- (3) On any such appeal the tribunal may confirm or reverse the decision which is the subject of the appeal but shall not have power to vary it except that where the decision was to cancel a registration the tribunal may direct the Authority to impose conditions or issue directions instead.
- (4) Notice of a tribunal's determination, together with a statement of its reasons, shall be given to the appellant and to the Authority; and, unless the tribunal otherwise directs, the determination shall come into operation when the notice is given to the appellant and to the Authority.

44D. Costs, procedure and evidence

- (1) A tribunal may give such directions as it thinks fit for the payment of costs or expenses by any party to the appeal.
- (2) The Minister may make regulations with respect to appeals and those regulations may in particular make provision -
- (a) as to the period within which and the manner in which such appeals are to be brought;
 - (b) as to the manner in which such appeals are to be conducted, including provision for any hearing to be held in private and as to the persons entitled to appear on behalf of the parties;
 - (c) as to the procedure to be adopted where appeals are brought both by a registered person and by a person who is to be a controller or officer of a registered person, including provision for the hearing of the appeals together and for the mutual disclosure of information;
 - (d) for requiring an appellant or the Authority to disclose or allow the inspection of documents in his or its custody or under his or its control;
 - (e) for requiring any person, on tender of the necessary expenses of his attendance, to attend and give evidence or produce documents in his custody or under his control and for authorising the administration of oaths to witnesses;
 - (f) for enabling an appellant to withdraw an appeal or the Authority to withdraw its opposition to an appeal and for the consequences of any such withdrawal;
 - (g) for taxing or otherwise settling any costs or expenses which the tribunal directs to be paid and for

INSURANCE ACT 1978

the enforcement of any such direction;

- (h) for enabling any preliminary or incidental functions in relation to an appeal to be discharged by the chairman or, as the case may be, the deputy chairman of the tribunal; and
 - (i) as to any other matter connected with such appeals.
- (3) Regulations made under subsection (2) shall be subject to negative resolution procedure.
- (4) A person who, having been required in accordance with regulations made under this section to attend and give evidence, fails without reasonable excuse to attend or give evidence, shall be guilty of an offence and liable on summary conviction to a fine of \$10,000.
- (5) A person who without reasonable excuse alters, suppresses, conceals, destroys or refuses to produce any document which he has been required to produce in accordance with regulations under this section, or which he is liable to be so required to produce, shall be guilty of an offence and liable -
- (a) on summary conviction to a fine of \$25,000 or to imprisonment for six months or to both;
 - (b) on conviction on indictment to a fine of \$50,000 or to imprisonment for two years or to both.

44E. Further appeals on a point of law

- (1) A registered person or other person who has appealed to a tribunal may appeal to the Court on any question of law arising from the decision of the appeal by the tribunal and an appeal on any such question shall also lie at the instance of the Authority; and if the Court is of the opinion that the decision was erroneous in point of law it shall remit the matter to the tribunal for re-hearing and determination by it.
- (2) No appeal to the Court of Appeal shall be brought from a decision under subsection (1) except with leave of the Court of Appeal.

PART VIII B - NOTICES⁷²⁴

44F. Warning notices

- (1) A warning notice must –
- (a) state the action which the Authority proposes to take;
 - (b) be in writing; and
 - (c) give reasons for the proposed action.
- (2) The warning notice must specify a reasonable period (which may not be less than 14 days) within which the person to whom it is given may make representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to give a decision notice.
- (3) The Authority may extend the period specified in the notice.
- (4) A warning notice given under section 32B must specify the proposed terms of the direction.
- (5) A warning notice about a proposal to publish a statement under section 32F must set out the terms of the statement.
- (6) A warning notice given under section 32I must set out the terms of the prohibition.⁷²⁵

44G. Decision notices⁷²⁶

- (1) A decision notice must –
- (a) be in writing;
 - (b) give reasons for the Authority's decision to take the action to which the notice relates;
 - (c) give its decision; and
 - (d) give an indication of the right to appeal the decision to the appeal tribunal under section 44A.
- (2) A decision notice shall be given within 90 days beginning with the day on which a warning notice under



INSURANCE ACT 1978

section 44F was given; and if no decision notice under subsection (1) is given within that period, the Authority shall be treated as having at the end of that period given a notice of discontinuance under section 44H.

- (3) A decision notice about the giving of a direction under sections 32, 32A, or 32C must set out the terms of the direction;
- (4) A decision notice about the imposition of a civil penalty under section 32D must state the date or dates of payment.
- (5) A decision notice about public censure under section 32F must—
 - (a) set out the terms of the statement;
 - (b) give details of the manner in which, and the date on which, the statement will be published.
- (6) A decision notice about a prohibition order made under section 32H (2) must—
 - (a) name the individual to whom the prohibition order applies;
 - (b) set out the terms of the order; and
 - (c) be given to the individual named in the order.
- (7) A decision notice shall state the day on which it is to take effect.
- (8) The Authority may, before it takes the action to which a decision notice (“the original notice”) relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.
- (9) The Authority may give a further decision notice as a result of subsection (8) only if the person to whom the original notice was given consents.
- (10) If the person to whom a decision notice is given under subsection (1) had the right to refer the matter to which the original decision notice related to the tribunal, he has that right as respects the decision notice under subsection (8).

Conclusion of actions⁷²⁷

44H Notices of discontinuance

- (1) Subject to section 44G(2), if the Authority decides not to take the action proposed in a warning notice it must give a notice of discontinuance to the person to whom the warning notice was given.
- (2) A notice of discontinuance must identify the action which is being discontinued.⁷²⁸

Publication⁷²⁹

44I Publication

- (1) Subject to sections 32F, 32H, and 44, the Authority may publish such information about a matter to which a decision notice relates as it considers appropriate.
- (2) The Authority must not publish a decision notice under subsection (1)—
 - (a) before notifying the person concerned; and
 - (b) pending an appeal under section 44A.⁷³⁰

PART IX - SUPPLEMENTARY

45. Prohibition of loans to directors, etc.

- (1) Subject to subsection (2), an insurer which carries on domestic business shall not, directly or indirectly, without the previous consent of the Authority in writing -
 - (a) make any loan to any director or officer of the insurer, or to the spouse⁷³¹ or child of any such director or officer; or



INSURANCE ACT 1978

- (b) guarantee, or provide any security in connection with, a loan by any other person to a person referred to in paragraph (a).
- (2) Nothing in subsection (1) shall operate to prohibit the making of a loan -
 - (a) to a person referred to in subsection (1)(a), where the amount of the loan is within the surrender value of a life policy issued to him by the insurer; or
 - (b) secured by a first mortgage, where the amount of the loan does not exceed three quarters of the market value of the property mortgaged.
- (3) An insurer which contravenes this section commits an offence.

46. Effect on business transactions of infringement of Act

No business transaction shall be void or voidable by reason only that at the relevant time any party to the transaction is in breach of any provision of this Act.

47. Acting on behalf of unregistered insurer

- (1) Subject to subsection (2), any person who solicits another person, or causes him to enter into, or make application to enter into, a contract of domestic business with a person who is not a registered insurer commits an offence.
- (2) Subsection (1) shall not apply in relation to -
 - (a) any contract arranged by any person authorized in that behalf by the Authority in accordance with any conditions imposed by the Authority; or
 - (b) any contract of re-insurance.

48. Personal liability of intermediaries in certain cases

- (1) Any insurance broker or agent who arranges a policy of domestic business with a person who is not a registered insurer shall be personally liable on the policy as if he were the insurer.
- (2) For the purposes of subsection (1) a member of a recognised association of underwriters shall be deemed to be a registered insurer.

49. Control of advertisements

An insurer or an insurance broker or agent shall not publish any advertisement which misleads, or directly or by implication is likely to mislead or deceive, any prospective policy-holder with respect to an insurer's assets or financial standing, or in any other material respect.

50. Issue of false documents etc

- (1) Any person who, for any purposes of this Act, issues any document which is false or misleading in a material respect, and any person who takes part in the preparation or issue of such a document, or who signs such a document, commits an offence unless he proves -
 - (a) if an individual, that he had no knowledge of the falsity or misleading character of the document and took every reasonable precaution to ensure its accuracy; and
 - (b) in any other case, that every person acting on his behalf had no such knowledge, and took every such reasonable precaution, as aforesaid.

PART X - MISCELLANEOUS

51 Notices⁷³²

- (1) This section has effect in relation to any notice, direction or other document required or authorised by or under this Act to be given to or served on any person other than the Authority.
- (2) Any such document may be given to or served on the person in question—
 - (a) by delivering it to him;
 - (b) by leaving it at his principal place of business; or

INSURANCE ACT 1978

- (c) by sending it to him at that address by facsimile or other similar means which produces a document containing the text of the communication.
- (3) Any such document may in the case of a company be given to or served—
 - (a) by delivering it to the company's principal place of business or registered office in Bermuda; or
 - (b) by sending it by registered post addressed to the company's principal place of business.⁷³³

51AA Service of notice on Authority⁷³⁴

- (1) No notice required by this Act to be given or served on the Authority shall be regarded as given or served until it is received.
- (2) Subject to subsection (1), such notice may be given by facsimile or other similar means which produces a document containing the text of the communication.⁷³⁵

Powers Exercisable to Assist Foreign Regulatory Authorities⁷³⁶

51A. Request for assistance by foreign regulatory authorities

[Repealed]

51B. Power to require information

[Repealed]

51C. Exercise of powers by officer

[Repealed]

51D. Penalty for failure to comply with requirement

[Repealed]

Restriction on disclosure of information⁷³⁷

52. Restricted information

- (1) Except as provided by sections 52A, 52B and 52C -
 - (a) no person who under or for the purposes of this Act receives information relating to the business or other affairs of any person; and
 - (b) no person who obtains such information directly or indirectly from a person who has received it as aforesaid,

shall disclose the information without the consent of the person to whom it relates and (if different) the person from whom it was received as aforesaid.

- (2) This section does not apply to information which at the time of the disclosure is or has already been made available to the public from other sources or to information in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it.
- (3) Any person who discloses information in contravention of this section commits an offence and is liable –
 - (a) on summary conviction to a fine of \$50,000 or to imprisonment for two years or to both;
 - (b) on conviction on indictment to a fine of \$100,000 or to imprisonment for five years or to both.

52A. Disclosure for facilitating the discharge of functions of the Authority

- (1) Section 52 does not preclude the disclosure of information in any case in which disclosure is for the purpose of enabling or assisting the Authority to discharge its functions under this Act.
- (2) Without prejudice to the generality of subsection (1), section 52 does not preclude the disclosure of information by the Authority to the auditor of the registered person if it appears to the Authority that disclosing the information would enable or assist the Authority to discharge its functions or would otherwise be in the interests of the policy-holders.



52B. Disclosure for facilitating the discharge of functions by other authorities

- (1) Section 52 does not preclude the disclosure of information to the Minister or other authority in Bermuda in any case in which the disclosure is for the purpose of enabling or assisting the Minister or other authority to discharge his regulatory functions.
- (2) Section 52 does not preclude the disclosure of information for the purpose of enabling or assisting an authority in a country or territory outside Bermuda to exercise functions corresponding to the functions of the Authority under this Act.
- (3) Subsection (2) does not apply in relation to disclosure to an authority other than the foreign regulatory authority which has requested the information pursuant to section 30A of the Bermuda Monetary Authority Act 1969 (“the 1969 Act”), of information obtained pursuant to the exercise of powers under section 30B of the 1969 Act unless the Authority has taken into account the matters specified in section 30A(5) of that Act.⁷³⁸
- (4) Subsection (2) does not apply in relation to disclosure to an authority unless the Authority is satisfied that the authority is subject to restriction on further disclosure at least equivalent to those imposed by sections 52, 52A and this section.
- (5) Section 52 does not preclude the disclosure of information –
 - (a) for the purpose of enabling or assisting an inspector appointed under section 30 to carry out an investigation;
 - (b) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings, whether under this Act or any other Act;
 - (c) in connection with any other proceedings arising out of this Act.
- (6) Section 52 does not preclude the disclosure by the Authority to the Director of Public Prosecutions or a police officer not below the rank of inspector of information obtained pursuant to section 30 or of information in the possession of the Authority as to any suspected contravention in relation to which the powers conferred by that section is⁷³⁹ exercisable.
- (7) Information which is disclosed to a person in pursuance of this section shall not be used otherwise than for the purpose mentioned in this section.

52C. Information supplied to the Authority by relevant overseas authority

- (1) Section 52 applies to information which has been supplied to the Authority for the purposes of any relevant functions by the relevant supervisory authority in a country or territory outside Bermuda.
- (2) Information supplied to the Authority as mentioned in subsection (1) shall not be disclosed except as provided by section 52 or–
 - (a) for the purpose of enabling or assisting the Authority to discharge its functions under this Act; or
 - (b) with a view to the institution of, or otherwise for the purpose of, criminal proceedings, whether under this Act or any other Act.
- (3) In this section –

“relevant functions” in relation to the Authority means its functions under this Act;

“relevant supervisory authority” means the authority discharging in that country or territory functions corresponding to those of the Authority under this Act.

53. Regulations⁷⁴⁰

- (1) The Minister acting on the advice of the Authority⁷⁴¹ may make regulations –
 - (a) dividing insurance business into classes for the purposes of any provision of this Act;
 - (b) exempting any class of insurance business from any provision of this Act;
 - (c) exempting any person or class of persons from any provision of this Act;
 - (d) determining the value of assets or the amount of liabilities for the purposes of any provision of this



Act;

- (e) without prejudice to paragraph (d), providing that, for any specified purpose, assets or liabilities of any specified class or description shall be left out of account or shall be taken into account only to a specified extent;
- (f) prescribing the information to be contained in any statement or report required by any provision of this Act to be provided, and the manner of presentation of such information;
- (g) prescribing the information to be contained in any register under this Act which is to be made available for inspection by members of the public;
- (h) prescribing the number of copies and the manner of certification of any document required to be furnished under any provision of this Act;
- (i) prescribing anything permitted or required by this Act to be prescribed or that is not otherwise prescribed in the rules for prudential standards made by the Authority in accordance with section 6A;⁷⁴²
- (j) creating offences and prescribing penalties (including imprisonment) for breach of⁷⁴³ such offences.

(2) Regulations prescribing the information to be contained in any statutory financial statement or any statutory financial return may provide for enabling the information to be given in a note on, or a statement or report annexed to, the statement or return; or may require there to be given in such a note, statement or report as aforesaid such information in addition to that given in the statement or return as may be prescribed.

(3) Regulations may, as respects such matters stated in any statutory financial statement or any statutory financial return or in statements or reports annexed thereto as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the statutory financial statement or statutory financial return certificates of such matters as may be prescribed.

(4) If a form is prescribed for any statutory financial statement or as that in which information authorized or required to be given in a statement or report annexed to any statutory financial statement is to be given, or for a certificate to be so annexed, the statutory financial statement shall be prepared, the information shall be given or, as the case may be, the certificate shall be framed, in that form.

(4A) Regulations prescribing the information to be contained in any statutory financial statement or statutory financial return may apply retroactively for a period of up to 90 days before their coming into operation.⁷⁴⁴

(5) In this section "Act" includes any regulations.

(6) Regulations made under this section shall be subject to the affirmative resolution procedure.

54. Specific offences

(1) Any person who fails to comply with any duty or prohibition imposed upon him by any provision to which this section applies commits an offence.

(2) This section applies to sections 16, 16A, 17(2), 24(4), 27(2), 28, 29A⁷⁴⁵, 29B, 30(2), 31A, 31AA, 31B, 31C,⁷⁴⁶ 43(5) and 49⁷⁴⁷.

55. General provisions relating to offences

(1) Any person committing an offence against this Act or any regulation for which no penalty is specifically provided may be proceeded against either summarily or on indictment:

Punishment on summary conviction: imprisonment for 12 months or a fine of \$50,000⁷⁴⁸ or both such imprisonment and fine.

Punishment on conviction on indictment: imprisonment for 3 years or a fine of \$150,000⁷⁴⁹ or both such imprisonment and fine.

(2) Where an offence committed against this Act or any regulation by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such

capacity, he, as well as the body corporate, commits that offence and is liable⁷⁵⁰ to be proceeded against and punished accordingly.

55A Civil debt and civil penalties⁷⁵¹

- (1) When a person is convicted of an offence under this Act, such person shall not also be liable to a civil penalty imposed by or under section 32D in relation to the same matters.
- (2) A civil penalty levied pursuant to this Act may be recovered by the Authority as a civil debt.

56. The Authority may modify certain provisions⁷⁵²

- (1) The Authority may, on the application, or with the consent, of any insurer, ⁷⁵³direct that all or any of the provisions to which this section applies shall not apply to that insurer or shall apply to it subject to such modifications as may be specified in the ⁷⁵⁴direction.
- (2) A ⁷⁵⁵direction under this section may be subject to conditions.
- (3) A ⁷⁵⁶direction under this section may be made with retroactive effect.
- (4) A ⁷⁵⁷direction under this section may be revoked at any time by the Authority; and the Authority may also vary any such ⁷⁵⁸direction at any time, provided the variation has been applied for, or is consented to, by the insurer affected by the variation.
- (5) ⁷⁵⁹The provisions to which this section applies are -
 - (a) the limitations upon the carrying on of general business or, as the case may be, long-term business specified in section 1(4);
 - (b) the provisions of sections ⁷⁶⁰4 to 4F, ⁷⁶¹6, 15 to 18, 18B, 27⁷⁶² and 33; and
 - (c) the provisions of any regulations -
 - (i) relating to the limitations referred to in paragraph (a); or
 - (ii) made for the purposes of any of the provisions specified in paragraph (b).
- (6)⁷⁶³ A direction given under this section is not a statutory instrument having legislative effect.

57. Application

- (1) Insurance business of any of the following kinds -
 - (a) insurance business carried on by a friendly society registered under the Friendly Societies Act 1868 or by a trade union registered under the Trade Union Act 1965, being business in which risks of members of the friendly society or trade union, as the case may be, are insured;
 - (b) insurance business carried on by the Health Insurance Committee pursuant to the Health Insurance Act 1970⁷⁶⁴;
 - (c) the health insurance scheme conducted pursuant to the Government Employees (Health Insurance) Act 1986;
 - (d) housing loan insurance carried on by the Bermuda Housing Corporation under the Bermuda Housing Loan Insurance Act 1984,

shall be deemed not to be insurance business within the meaning of this Act.

- (2) Apart from -
 - (a) section 48; and
 - (b) any provision dealt with in subsection (3) of this section,

nothing in this Act or any regulation shall apply in relation to any member of a recognized association of underwriters.

- (3) In relation to a member of a recognized association of underwriters -
 - (a) section 3 shall not apply in relation to any member of a recognised association of underwriters who



INSURANCE ACT 1978

is registered in accordance with paragraph (b) below and carries on his business in accordance with the requirements of that paragraph and with any conditions attached to his registration;

- (b) sections 9 to 14, and any regulations made for the purposes of those sections shall apply in relation to a member of a recognized association of underwriters as respects the carrying on of insurance business by him in or from within Bermuda as those provisions apply in relation to an insurance manager, broker, agent or salesman acting as such;
- (c) sections 42 to 44 shall apply in relation to a member of a recognized association of underwriters in the same manner as those sections apply in relation to an insurance manager, broker, agent or salesman;
- (d) section 54 shall apply as respects the proviso to section 43(5);
- (e) section 55 shall apply;
- (f) section 1 shall apply to the extent necessary for the interpretation of any other section that applies.

57A. Designated Investment Contracts⁷⁶⁵

(1) For the purposes of this section-

“contract” includes investment or security, and any reference to “parties” in relation to an investment or security shall be taken to be a reference to its issuers and investors; and

“designated investment contract” means-

- (a) any contract (including, but not limited to, any option contract, futures contract, swap contract, derivative contract, contract for differences or security) the purpose of which is to secure a profit or avoid a loss-
 - (i) by reference to fluctuations in the value or price of property of any description, or in an index, or other factor, specified for that purpose in the contract, or
 - (ii) based on the happening of a particular event specified for that purpose in the contract; and
- (b) in relation to which the Authority has given a direction under subsection (2).

(2) The Authority may direct in writing that a contract falling within paragraph (a) of the definition of designated investment contract in subsection (1), which was submitted to it in draft together with-

- (a) the fee of \$1000, or such other fee as may be prescribed under the Bermuda Monetary Authority Act 1969, and
- (b) such other documents as the Authority may require,

is a designated investment contract for the purposes of this section.

(3) A direction under this section-

- (a) may be made with retroactive effect;
- (b) may be subject to conditions which may be varied at any time, provided-
 - (i) that the variation has been applied for, or is consented to by the parties to the contract in question; and
 - (ii) that those parties undertake to notify such other persons as the Authority considers may be affected by the variation;
- (c) is not a statutory instrument having legislative effect.

(4) Being a party to a designated investment contract shall not constitute carrying on insurance business, and a designated investment contract shall not constitute a contract of insurance, for any purposes.

(5) For the avoidance of doubt, a designated investment contract shall not constitute a bet for the purposes of

the Betting Act 1975.

(6) The Minister may by order amend the definition of designated investment contract in subsection (1), if, after consulting the Authority⁷⁶⁶, he considers it necessary to do so: and any such order shall be subject to the negative resolution procedure.

58. Transitional

[Omitted]

59. Amendment of Act No. 43 of 1971

[Omitted]

60. Commencement

[Omitted]

INSURANCE ACT 1978

SCHEDULE

MINIMUM CRITERIA FOR REGISTRATION [Sections 5, 11]

1 (1) Every person who is, or is to be, a controller or officer of a registered person is a fit and proper person to perform functions in relation to any activity carried on by the registered person⁷⁶⁷.

(2) In determining whether a person is a fit and proper person to hold any particular position, regard shall be had to his probity, to his competence and soundness of judgement for fulfilling the responsibilities of that position, to the diligence with which he is fulfilling or likely to fulfil those responsibilities and to whether the interests of clients or potential clients of the registered person are, or are likely to be, in any way threatened by his holding that position.

(3) Without prejudice to the generality of the foregoing provisions, regard may be had to the previous conduct and activities in business or financial matters of the person in question and, in particular, to any evidence that he has—

- (a) committed an offence involving fraud or other dishonesty or violence;
- (b) contravened any provision made by or under any enactment appearing to the Authority to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance, investment or other financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts;
- (c) engaged in any business practices appearing to the Authority to be deceitful or oppressive or otherwise improper (whether lawful or not) or which otherwise reflect discredit on his method of conducting business;
- (d) engaged in or has been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgement.

CORPORATE GOVERNANCE⁷⁶⁸

1A Insurers shall implement corporate governance policies and processes as the Authority considers appropriate given the nature, size, complexity and risk profile of the insurer.⁷⁶⁹

BUSINESS TO BE DIRECTED BY AT LEAST TWO INDIVIDUALS

2 If a body corporate, at least two individuals shall effectively direct the business of the registered person.

COMPOSITION OF BOARD OF DIRECTORS

3. If a body corporate, the directors shall include such number (if any) of directors without executive responsibility for the management of its business as the registered person considers appropriate having regard to the circumstances of the registered person and the nature and scale of its operations; subject to the power of the Authority to review and require the addition of non-executive directors as it may deem appropriate⁷⁷⁰

BUSINESS TO BE CONDUCTED IN PRUDENT MANNER

4 (1) The registered person conducts, or, in the case of a registered person which is not yet carrying on business, will conduct its business in a prudent manner.

(2) In determining whether a registered person is conducting its business in a prudent manner, the Authority shall take into account any failure by the registered person to comply with the provisions of—

- (a) this Act;
- (b) any other law, including provisions of the law pertaining to anti-money laundering and anti-financing of terrorism as provided in the Proceeds of Crime Act 1997, the Anti-Terrorism (Financial and Other Measures) Act 2004 and the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008;



INSURANCE ACT 1978

- (c) the code of conduct; and
- (d) international sanctions in force in Bermuda.⁷⁷¹⁷⁷²

(2A) A registered person that is an insurer shall not be regarded as conducting its business in a prudent manner unless it maintains, or as the case may be, will maintain sufficient capital to enable it to meet its insurance obligations given the size, business mix, complexity and risk-profile of its business.⁷⁷³

(2B) An insurance manager, broker or agent⁷⁷⁴ shall not be regarded as conducting his business in a prudent manner unless he maintains or, as the case may be, will maintain sufficient indemnity insurance cover to enable him to meet his business obligations given the nature, scale and complexity of his business.⁷⁷⁵

(3) A registered person shall not be regarded as conducting its business in a prudent manner unless it maintains or, as the case may be, will maintain adequate accounting and other records of its business and adequate systems of control of its business and records.

(4) Those records and systems shall not be regarded as adequate unless they are such as to enable the business of the registered person to be prudently managed and the registered person to comply with the duties imposed on it by or under this Act or other provision of law; and in determining whether those systems are adequate the Authority shall have regard to the nature and scale of its operations and the functions and responsibilities in respect of them of any such directors of the registered person as are mentioned in paragraph 3.

- (5) Subparagraphs (2) to (4) are without prejudice to the generality of subparagraph (1).

CONSOLIDATED SUPERVISION

5 The position of the registered person within the structure of any group to which it may belong shall be such that it will not obstruct the conduct of effective consolidated supervision.

INTEGRITY AND SKILL

6 The business of the registered person is or, in the case of a registered person which is not yet carrying on business, will be carried on with integrity and the professional skills appropriate to the nature and scale of its activities.

INSURANCE ACCOUNTS REGULATIONS 1980

B.R. 18/1980

THE INSURANCE ACT 1978

(Act No. 39 of 1978)

INSURANCE ACCOUNTS REGULATIONS 1980

ARRANGEMENT OF REGULATIONS

1. Citation
2. Interpretation
3. Statutory financial statements
4. Balance sheet and statement of income for general business
5. Balance sheet and statement of income for long-term business
6. Balance sheet and statement of income for composites
- 6A. Balance sheet and statement of income for Special Purpose Insurers
7. Statement of capital and surplus for all insurers
8. Notes to statutory financial statements
9. Instructions relating to statutory financial statements
10. Requirements relating to preparation of accounts generally
11. Offences
12. Commencement

SCHEDULE I - PRESCRIBED FORMS OF STATUTORY FINANCIAL STATEMENTS (Regs. 2, 4, 5, 6, 7)

- Form 1 - [Revoked]⁷⁷⁶
- Form 1A - Statutory Balance Sheet (General Business – Class 1, Class 2 or Class 3⁷⁷⁷ Insurer)
- Form 2 - [Revoked]⁷⁷⁸
- Form 2A- Statutory Statement of Income (General Business – Class 1, Class 2 or Class 3⁷⁷⁹ Insurer)
- Form 3 - [Revoked]⁷⁸⁰
- Form 4 - Statutory Balance Sheet (Long-term Business)
- Form 5 - Statutory Statement of Income (Long-term Business)
- Form 6 - [Revoked]⁷⁸¹
- Form 7 - [Revoked]⁷⁸²
- Form 8 - Statutory Statement of Capital and Surplus

SCHEDULE II - NOTES TO STATUTORY FINANCIAL STATEMENTS (Reg. 8)

- Part I - [Revoked]⁷⁸³
- Part II - [Revoked]⁷⁸⁴
- Part III - Matters to be set forth in Notes to the Statutory Statement of Income
- Part IV - Matters to be set forth in Notes to the Statutory Statement of Capital and Surplus
- Part V (Reg 8(2)) Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer⁷⁸⁵

INSURANCE ACCOUNTS REGULATIONS 1980

PART VI (Reg 8(2)) - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer⁷⁸⁶

SCHEDULE III - INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET (Reg. 9(2))

Part I - [Revoked]⁷⁸⁷

Part II - [Revoked]⁷⁸⁸

Part III - Additional Instructions for Insurers carrying on long-term business only

Part IV (Reg 9(2)) INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer⁷⁸⁹

SCHEDULE IV - INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF INCOME (Reg. 9(3))

Part I - [Revoked]⁷⁹⁰

Part II - [Revoked]⁷⁹¹

Part III - Additional Instructions for Insurers carrying on long-term business only

PART IV(Reg 9(3)) INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer⁷⁹²

SCHEDULE V - INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF CAPITAL AND SURPLUS (Reg.9(4))

In exercise of the powers conferred upon the Minister of Finance by section 15(2) and by section 53 of the Insurance Act 1978 and every other power him hereunto enabling, the following Regulations are hereby made:-

1. Citation

These Regulations may be cited as the Insurance Accounts Regulations 1980.

2. Interpretation

In these Regulations, except where the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say -

“account” includes any of the statements specified in regulation 3(2), and any note or other document annexed or attached to any such statement;

“the Act” means the Insurance Act 1978;

“affiliate”, in relation to an insurer, means a body forming part of a group with that insurer;

“association” has the meaning assigned thereto in the definition of “group”;

“composite” means an insurer which in the relevant year carried on both general business and long-term business;

“fair value determined in good faith”, in relation to an investment held by an insurer, means the value of that investment, being the value that in the opinion of the directors, exercising good faith, that investment would realize on a sale or other disposition of that investment within a reasonable period of time;

“Form” means any Form in Schedule I;

“funds held by ceding reinsurers” means funds held by ceding reinsurers under the terms of contracts of insurance;

“group” means any two or more bodies, whether corporate or unincorporate, that are in association, and two bodies shall for the purposes of these Regulations be deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;

“independent”, in relation to an appraisal, means that the appraisal is made by a person who -

- (a) makes such appraisals in the ordinary course of his business; and
- (b) is not financially interested in any way in the business of the person whose property is

INSURANCE ACCOUNTS REGULATIONS 1980

being appraised, apart from the appraisal;

“insurance” has the same meaning as the expression “insurance business” has in the Act;

“liability insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties;

“non-admitted”, in relation to an asset, means an asset or portion of an asset that is not allowed by these Regulations to be taken into account in preparing the statutory balance sheet;

“policy” or “policy of insurance” means any contract of insurance (including any contract to pay an annuity on human life), whether or not there is in being any instrument in writing evidencing the contract;

“policy loan” means a loan made to a policyholder by an insurer carrying on long-term business on the security of the cash surrender value of the policyholder’s policy of insurance;

“policy reserve” means the amount by which the present value of any benefits due under a policy of insurance exceeds the present value of the net premiums payable under the policy;

“products liability insurance” means liability insurance business where the risks, the subject of the contract of insurance, are risks of the persons insured incurring liabilities in relation to the manufacture or sale by them of, or some other dealing by them in, products that are, or may be claimed to be, in some respect defective;

“professional liability insurance” means liability insurance business where the risks, the subject of the contract of insurance, are risks of the persons insured incurring liabilities in relation to the negligent or other exercise by those persons of some professional skill;

“quoted” -

- (a) in relation to an investment, means an investment as respects which there has been granted a quotation or permission to deal on a stock exchange in Bermuda recognized by the Authority for the purposes of the Act, or on any stock exchange or over-the-counter market of repute outside Bermuda; and
- (b) in relation to the value of an investment, means the market value of that investment, being the value listed on such an exchange or over-the-counter-market as aforesaid on the last day of the relevant year,

and “unquoted” shall have a corresponding meaning, so, however, that any investment by an insurer in an affiliate shall not for any purpose of these Regulations be taken to be either a quoted or an unquoted investment;

“regulations” means regulations made under section 53 of the Act;

“relevant year” has the meaning assigned thereto in paragraph (3) of regulation 3;

⁷⁹³“retrocessional contract” means a reinsurance contract whereby one reinsurer transfers all or part of the reinsurance risk that it has assumed or will assume to another reinsurer.

“section 24(6) composite” means an insurer to which section 24 of the Act does not apply by reason of subsection (6) of that section;

“statutory financial statements” has the meaning assigned thereto in paragraph (2) of regulation 3;

“unearned premiums” means the amount set aside as at the end of an insurer’s financial year out of premiums in respect of risks to be borne by the insurer after the end of that year, and calculated *pro rata*, under contracts of insurance entered into before the end of that year.

3. Statutory financial statements⁷⁹⁴

(1) Except as provided otherwise in other rules⁷⁹⁵, the duties of every insurer in relation to the preparation of statutory financial statements within the meaning of section 15 of the Act shall be those prescribed in these Regulations.

INSURANCE ACCOUNTS REGULATIONS 1980

(2) The said statutory financial statements consist of -

- (a) a statutory balance sheet;
- (b) a statutory statement of income;
- (c) a statutory statement of capital and surplus.
- (d) [Revoked]⁷⁹⁶

(3) Every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{797 798} shall have the duty to prepare in accordance with the requirements of these Regulations, in respect of its insurance business for each financial year, the statutory financial statements specified in sub-paragraphs (a) to (c) of paragraph (2), and the financial year in relation to which any particular set of financial statements have been, or are to be, prepared is in these Regulations referred to as “the relevant year”.

4. Balance sheet and statement of income for general business⁷⁹⁹

(1) The⁸⁰⁰ statutory balance sheet and the statutory statement of income of a Class 1, Class 2, Class 3 Insurer or innovative insurer^{801 802 803 804} which in the financial year carried on no insurance business other than general business shall respectively be in the forms set out in Forms 1A and 2A⁸⁰⁵.

(1A) [Revoked]⁸⁰⁶⁸⁰⁷⁸⁰⁸⁸⁰⁹

(2) [Revoked]⁸¹⁰⁸¹¹⁸¹²

(3) [Revoked]⁸¹³⁸¹⁴⁸¹⁵⁸¹⁶⁸¹⁷⁸¹⁸

5. Balance sheet and statement of income for long-term business⁸¹⁹

The statutory balance sheet and the statutory statement of income of a Class A, Class B insurer or ILT insurer^{820 821} which in the relevant year carried on no insurance business other than long-term business shall respectively be in the forms set out in Forms 4 and 5.

6. Balance sheet and statement of income for composites

(1) Subject to paragraph (3) -

- (a) the statutory balance sheet;
- (b) the statutory statement of income; and
- (c) where the case requires, the statutory open year business revenue statement,

of every composite shall, in respect of its general business, respectively be in the forms called for by regulation 4.

(2) Subject to paragraph (3), the statutory balance sheet and the statutory statement of income of every composite shall, in respect of the composite’s long-term business, respectively be in the forms called for by regulation 5.

(3) Subject to paragraph (4), the requirements of paragraphs (1) and (2) shall not apply in relation to any section 24(6) composite, but instead -

- (a) the statutory balance sheet and the statutory statement of income of a section 24(6) composite shall respectively be in the forms set out in Forms 1A, 2A, 4 and 5;⁸²²
- (b) [Revoked]⁸²³

(4) A section 24(6) composite may, if it thinks fit, comply with the requirements of paragraphs (1) and (2) voluntarily, and any section 24(6) composite which complies with those requirements need not comply with the requirements of paragraph (3).

6A. Balance sheet and statement of income for Special Purpose Insurers⁸²⁴⁸²⁵

The statutory balance sheet and the statutory statement of income of a Special Purpose Insurer for a relevant year shall respectively be in forms set out in Forms 1A, 2A, 4 and 5⁸²⁶.

7. Statement of capital and surplus for all insurers

The statutory statement of capital and surplus of every insurer shall be in the form set out in Form 8.



INSURANCE ACCOUNTS REGULATIONS 1980

8. Notes to statutory financial statements⁸²⁷

- (1) Every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{828 829} shall set forth in a general note to its statutory financial statements the matters called for in Part I of Schedule II.
- (2) [Revoked]⁸³⁰⁸³¹⁸³²⁸³³
- (3)⁸³⁴ Every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{835 836} insurer, section 24 (6) composite, and Special Purpose Insurer⁸³⁷⁸³⁸ shall also set forth-
 - (a) in notes to its statutory balance sheet the matters called for in Part V of Schedule II; and
 - (b) in notes to its statutory statement of income the matters called for in Part VI of Schedule II; and
 - (c) in notes to its statutory capital and surplus the matters called for in Part IV of Schedule II.

9. Instructions relating to statutory financial statements⁸³⁹

- (1) Every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{840 841} shall comply with the following provisions of this regulation (being provisions containing instructions affecting the preparation of the several statutory financial statements).
- (2) In the preparation of the statutory balance sheet the instructions set forth in the several Parts of Schedule III shall have effect in accordance with the following rules, that is to say -
 - (a) [Revoked]⁸⁴²⁸⁴³⁸⁴⁴⁸⁴⁵
 - (b) [Revoked]⁸⁴⁶⁸⁴⁷
 - (c) every insurer to whom subparagraph (e)⁸⁴⁸ applies⁸⁴⁹ which in the relevant year carried on no insurance business other than long-term business shall, in addition to complying with the instructions in Part IV⁸⁵⁰, comply with the instructions in Part III;
 - (d) every section 24(6) composite and Special Purpose Insurer⁸⁵¹ shall, in addition to complying with the instructions in Part IV⁸⁵², comply with the instructions in Part⁸⁵³ III;
 - (e)⁸⁵⁴ every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{855 856} insurer, section 24 (6) composite, and Special Purpose Insurer⁸⁵⁷⁸⁵⁸ shall comply with the instructions in Part IV.
- (3) In the preparation of the statutory statement of income the instructions set forth in the several Parts of Schedule IV shall have effect in accordance with the following rules, that is to say -
 - (a) [Revoked]⁸⁵⁹⁸⁶⁰⁸⁶¹⁸⁶²
 - (b) [Revoked]⁸⁶³⁸⁶⁴
 - (c) every insurer to whom subparagraph (e)⁸⁶⁵ applies⁸⁶⁶ which in the relevant year carried on no insurance business other than long-term business shall, in addition to complying with the instructions in Part IV⁸⁶⁷, comply with the instructions in Part III;
 - (d) every section 24(6) composite and⁸⁶⁸ Special Purpose Insurer⁸⁶⁹ shall -
 - (i) in addition to complying with the instructions in Part IV⁸⁷⁰, comply with the instructions in Part⁸⁷¹ III; and
 - (ii) [Revoked]⁸⁷²
 - (e)⁸⁷³ every Class 1, Class 2, Class 3, Class A, Class B insurer and innovative insurer^{874 875} insurer, section 24 (6) composite, and Special Purpose Insurer⁸⁷⁶⁸⁷⁷ shall comply with the instructions in Part IV.
- (4) In preparing its statutory statement of capital and surplus every insurer shall comply with the instructions in Schedule V.
- (5) If any instruction in Schedule III, IV or V requires any amount to be shown or any information to be given in a line of a Form in Schedule I, that amount or information must be shown or given on that line notwithstanding that that line or that Form may not contain any express direction or indication where the amount or information is to be shown or given.

10. Requirements relating to preparation of accounts generally

- (1) All accounts shall be prepared in the English language.
- (2) All amounts which for any purposes of these Regulations are to be shown in any account of any insurer shall be shown in a single currency, and that currency shall be the currency in which the books and records of the insurer are kept in the insurer's principal office in Bermuda or, where different books and records are kept in different currencies in that office, then the currency in which the majority of those books and records are kept:

Provided that where the Authority pursuant to the power given to it by section 17(1) of the Act directs the production to it of statutory financial statements, and amounts in those statements are shown in a foreign currency, those amounts must be converted into their Bermudian equivalent before the said statements are so produced.

- (3) For the purposes of paragraph (2), the Bermudian equivalent of an amount in a foreign currency shall be the Bermudian dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed Bank in Bermuda in relation to purchases by that Bank of that foreign currency on the last day of the relevant year.
- (4) For all items shown in any account of any insurer (other than a statutory open year business revenue statement) there shall be shown the corresponding amounts for the immediately preceding financial year.

11. Offences

- (1) Any person who -
 - (a) fails to comply with any duty or prohibition imposed upon him by these Regulations; or
 - (b) in or in relation to any account makes, or joins in making, any statement which he knows to be false or does not believe to be true,

shall be guilty an offence against these Regulations.

- (2) In sub-paragraph (b) of paragraph (1), the expression "make a statement" includes, in relation to any statement made, a wilful omission to state something that is material.

12. Commencement

[Omitted].



INSURANCE ACCOUNTS REGULATIONS 1980

SCHEDULE I

Form 1 - [Revoked]⁸⁷⁸

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 1A⁸⁷⁹⁸⁸⁰ - STATUTORY BALANCE SHEET (General Business – Class 1, Class 2, Class 3 insurer or IGB insurer)⁸⁸¹⁸⁸²⁸⁸³⁸⁸⁴

(Reg. 4)

[blank] name of Company
as at [blank] (day / month /year)
expressed in [blank] currency used (vide Reg.10(2))

ASSETS

STMT.		20XX	20XX
LINE No.			
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS:		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities		50
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other unquoted investments	XXX	XXX
	(f) Total unquoted investments	XXX	XXX
4. ⁸⁸⁵	INVESTMENTS IN AND ADVANCES TO AFFILIATES (EQUITY METHOD):		

INSURANCE ACCOUNTS REGULATIONS 1980

	(a)	Unregulated entities that conduct ancillary services	XXX	XXX
	(b)	Unregulated non-financial operating entities	XXX	XXX
	(c)	Unregulated financial operating entities	XXX	XXX
	(d)	Regulated non-insurance financial operating entities	XXX	XXX
	(e)	Regulated insurance financial operating entities	XXX	XXX
	(f)	Total investments in affiliates (equity method)	XXX	XXX
	(g)	Advances to affiliates	XXX	XXX
	(h)	Total investments in and advances to affiliates (equity method)	XXX	XXX
5.		INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
	(a)	First liens	XXX	XXX
	(b)	Other than first liens	XXX	XXX
	(c)	Total investment in mortgage loans on real estate	XXX	XXX
7.		REAL ESTATE:		
	(a)	Occupied by the company (less encumbrances)	XXX	XXX
	(b)	Other properties (less encumbrances)	XXX	XXX
	(c)	Total real estate	XXX	XXX
8.		COLLATERAL LOANS:	XXX	XXX
9.		INVESTMENT INCOME DUE AND ACCRUED:	XXX	XXX
10.		ACCOUNTS AND PREMIUMS RECEIVABLE:		
	(a)	In course of collection	XXX	XXX
	(b)	Deferred – not yet due	XXX	XXX
	(c)	Receivables from retrocessional contracts	XXX	XXX
	(d)	Total accounts and premiums receivable	XXX	XXX
11.		REINSURANCE BALANCES RECEIVABLE		
	(a)	Foreign affiliates	XXX	XXX
	(b)	Domestic affiliates	XXX	XXX
	(c)	Pools & associations	XXX	XXX
	(d)	All other insurers	XXX	XXX
	(e)	Total reinsurance balances receivable	XXX	XXX
12.		FUNDS HELD BY CEDING REINSURERS:		
	(a)	Affiliates	XXX	XXX
	(b)	Non-affiliated	XXX	XXX
	(c)	Total funds held by ceding reinsurers	XXX	XXX
13.		SUNDRY ASSETS:		
	(a)	Derivative instruments	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

	(b)	Segregated accounts companies	XXX	XXX
	(c)	Deposit assets	XXX	XXX
	(d)	_____	XXX	XXX
	(e)	Total sundry assets	XXX	XXX
14.		LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
	(a)	Letters of credit	XXX	XXX
	(b)	Guarantees	XXX	XXX
	(c)	Other instruments	XXX	XXX
	(d)	Total letters of credit, guarantees and other instruments	XXX	XXX
15.		TOTAL:	XXX	XXX

GENERAL BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS

STMT.

LINE No.	20XX	20XX
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INSURANCE RESERVES

16.		UNEARNED PREMIUMS		
17.		LOSS AND LOSS EXPENSE PROVISIONS		
	(a)	Gross loss and loss expense provisions	XXX	XXX
	(b)	Less: Reinsurance recoverable balance	XXX	XXX
		(i) Foreign affiliates	XXX	XXX
		(ii) Domestic affiliates	XXX	XXX
		(iii) Pools & associations	XXX	XXX
		(iv) All other insurers	XXX	XXX
	(c)	Total reinsurance recoverable balance	XXX	XXX
	(d)	Net loss and loss expense provisions	XXX	XXX
18.		OTHER INSURANCE RESERVES – GENERAL BUSINESS	XXX	XXX
19.		TOTAL GENERAL BUSINESS – INSURANCE RESERVES	XXX	XXX

OTHER LIABILITIES

28.		INSURANCE AND REINSURANCE BALANCES PAYABLE ⁸⁸⁶	XXX	XXX
29.		COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.		LOANS AND NOTES PAYABLE	XXX	XXX
31.	(a)	INCOME TAXES PAYABLE	XXX	XXX
	(b)	DEFERRED INCOME TAXES	XXX	XXX
32.		AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.		ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX



INSURANCE ACCOUNTS REGULATIONS 1980

34.	FUNDS HELD UNDER REINSURANCE CONTRACTS	XXX	XXX
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held under reinsurance contracts	XXX	XXX
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	XXX	XXX
39.	TOTAL GENERAL BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	XXX	XXX
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL		

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 2 - [Revoked]⁸⁸⁷

INSURANCE ACCOUNTS REGULATIONS 1980

18.	INCOME BEFORE THE UNDERNOTED ITEMS	XXX	XXX
37.	OTHER INCOME (DEDUCTIONS)	XXX	XXX
38.	INCOME BEFORE TAXES	XXX	XXX
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	XXX	XXX
	(b) Deferred	XXX	XXX
	(c) Total	XXX	XXX
40.	INCOME BEFORE REALIZED GAINS (LOSSES)	XXX	XXX
41.	REALIZED GAINS (LOSSES)	XXX	XXX
42.	NET INCOME	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 3 - STATUTORY OPEN YEAR BUSINESS REVENUE STATEMENT (General Business) - [Revoked]⁸⁹³

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 4⁸⁹⁴ - STATUTORY BALANCE SHEET (Long-term Business)

.....
 Name of Company

as at

(day / month /year)

expressed in

Currency used (vide Reg.10(2))

ASSETS

STMT. LINE No.		20XX	20XX
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS:		
	Bonds and Debentures		
	(a) Bonds and debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total bonds and debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted Investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
	Bonds and Debentures		
	(a) Bonds and debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total bonds and debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES ⁸⁹⁵		
	(a) Unregulated entities that conduct ancillary services ⁸⁹⁶		
	(b) Unregulated non-financial operating entities ⁸⁹⁷		
	(c) Unregulated financial operating entities ⁸⁹⁸		
	(d) Regulated non-insurance financial operating entities ⁸⁹⁹		
	(e) Regulated insurance financial operating entities ⁹⁰⁰		
	(f) Total investments in affiliates (equity method) ⁹⁰¹		
	(g) Advances to affiliates ⁹⁰²		
	(h) Total investments in and advances to affiliates (equity method) ⁹⁰³		
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First liens	XXX	XXX
	(b) Other than first liens	XXX	XXX
	(c) Total investment in mortgage loans on real estate	XXX	XXX
6.	POLICY LOANS		
7.	REAL ESTATE:	XXX	XXX
	(a) Occupied by the company (less encumbrances)	XXX	XXX
	(b) Other properties (less encumbrances)	XXX	XXX
	(c) Total real estate	XXX	XXX
8.	COLLATERAL LOANS	XXX	XXX
9.	INVESTMENT INCOME DUE AND ACCRUED	XXX	XXX
10.	ACCOUNTS AND PREMIUMS RECEIVABLE		
	(a) In course of collection	XXX	XXX
	(b) Deferred - not yet due	XXX	XXX
	(c) Receivables from retrocessional contracts	XXX	XXX
	(d) Total accounts and premiums receivable	XXX	XXX
11.	REINSURANCE BALANCES RECEIVABLE		
	(a) Foreign affiliates	XXX	XXX
	(b) Domestic affiliates	XXX	XXX
	(c) Pools and associations	XXX	XXX
	(d) All other insurers	XXX	XXX
	(e) Total reinsurance balances receivable	XXX	XXX
12.	FUNDS HELD BY CEDING REINSURERS	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

	(a) Affiliated ⁹⁰⁴	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held by ceding reinsurers	XXX	XXX
13.	SUNDRY ASSETS: ⁹⁰⁵		
	(a) Derivative instruments ⁹⁰⁶	XXX	XXX
	(b) Segregated accounts companies-variable annuities ⁹⁰⁷	XXX	XXX
	(c) Segregated accounts companies – others ⁹⁰⁸	XXX	XXX
	(d) Deposit Assets ⁹⁰⁹	XXX	XXX
	(e) _____ ⁹¹⁰	XXX	XXX
	(f) Total sundry assets ⁹¹¹	XXX	
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
15.	TOTAL	XXX	XXX

LONG-TERM BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS

STMT.			
LINE No.		20XX	20XX
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVES FOR REPORTED CLAIMS	XXX	XXX
21.	RESERVES FOR UNREPORTED CLAIMS	XXX	XXX
22.	POLICY RESERVES – LIFE	XXX	XXX
23.	POLICY RESERVES – ACCIDENT AND HEALTH	XXX	XXX
24.	POLICYHOLDERS' FUNDS ON DEPOSIT	XXX	XXX
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	XXX	XXX
26.	OTHER INSURANCE RESERVES – LONG-TERM	XXX	XXX
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES:	XXX	XXX
	(a) Gross long-term business insurance reserves	XXX	XXX
	(b) Less: Reinsurance recoverable balance:		
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

	(c) Total reinsurance recoverable balance	XXX	XXX
	(d) Net long-term business insurance reserves	XXX	XXX
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	XXX	XXX
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.	LOANS AND NOTES PAYABLE	XXX	XXX
31.	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX
32.	AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held under reinsurance contracts	XXX	XXX
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:	XXX	XXX
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	XXX	XXX
39.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	XXX	XXX
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 5⁹¹² - STATUTORY STATEMENT OF INCOME (Long-term Business)⁹¹³⁹¹⁴

.....
Name of Company

as at

(day / month /year)

expressed in

Currency used (vide Reg.10(2))

STMT. LINE No.		20XX	20XX
19.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	XXX	XXX
	(b) Assumed gross premiums and other considerations	XXX	XXX
	(c) Total gross premiums and other considerations	XXX	XXX
	(d) REINSURANCE PREMIUMS ⁹¹⁵ CEDED	XXX	XXX
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(i) Life	XXX	XXX
	(ii) Annuities	XXX	XXX
	(iii) Accident and Health	XXX	XXX
	(iv) Total Net Premiums and Other Considerations	XXX	XXX
20.	LONG-TERM BUSINESS INVESTMENT INCOME — NET	XXX	XXX
21.	OTHER INSURANCE INCOME	XXX	XXX
22.		XXX	XXX
	DEDUCTIONS		
23.	Claims — Life	XXX	XXX
24.	Policyholders' Dividends	XXX	XXX
25.	Surrenders	XXX	XXX
26.	Maturities	XXX	XXX
27.	Annuities	XXX	XXX
28.	Accident and Health Benefits	XXX	XXX
29.	Commissions	XXX	XXX
30.	Other	XXX	XXX
31.		XXX	XXX
32.	OPERATING EXPENSES	XXX	XXX
33.		XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

34.	INCREASE (DECREASE) IN POLICY RESERVES (Actuarial Liabilities): ⁹¹⁶⁹¹⁷		
	(a) Life	XXX	XXX
	(b) Annuities	XXX	XXX
	(c) Accident and Health	XXX	XXX
	(d) Total (Increase) Decrease in policy reserves	XXX	XXX
35.	INCOME BEFORE THE UNDERNOTED ITEMS	XXX	XXX
37.	OTHER INCOME (DEDUCTIONS)	XXX	XXX
38.	INCOME BEFORE TAXES	XXX	XXX
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	XXX	XXX
	(b) Deferred	XXX	XXX
	(c) Total	XXX	XXX
40.	INCOME BEFORE REALIZED GAINS (LOSSES)		
41.	REALIZED GAINS (LOSSES)	XXX	XXX
42.	NET INCOME	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 6⁹¹⁸ - STATUTORY BALANCE SHEET
(Section 24(6) Composite and Special Purpose Insurer) - [Revoked]⁹¹⁹

FORM 7⁹²⁰ - STATUTORY STATEMENT OF INCOME -
(Section 24(6) Composite and Special Purpose Insurer) - [Revoked]^{921 922 923}

INSURANCE ACCOUNTS REGULATIONS 1980

FORM 8⁹²⁴ - STATUTORY STATEMENT OF CAPITAL AND SURPLUS⁹²⁵

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

STMT.	20XX	20XX
LINE No.		
1.	STATUTORY CAPITAL:	
	(a) Capital Stock	
	(i) Common Shares: authorized shares of par value each issued and fully paid shares	
	XXX	XXX
	(ii) Preferred Shares: authorized shares of par value each issued and fully paid shares aggregate liquidation value for:	
	20xx XXX	XXX XXX
	20xx XXX	XXX XXX
	(iii) Treasury shares Repurchased shares of par value each issued and fully paid	
	XXX	XXX
	XXX	XXX
	(b) Contributed surplus	
	XXX	XXX
	(c) Any other fixed capital	
	(i) Hybrid capital instruments	
	XXX	XXX
	(ii) Guarantees and others	
	XXX	XXX
	(iii) Total any other fixed capital	
	XXX	XXX
	XXX	XXX
2.	STATUTORY SURPLUS:	
	(a) Statutory Surplus – Beginning of Year	
	XXX	XXX
	(b) Add: Income for the year	
	XXX	XXX
	(c) Less: Dividends paid and payable	
	XXX	XXX
	(d) Add (Deduct) change in unrealized appreciation (depreciation) of investments	
	XXX	XXX
	(e) Add (Deduct) change in non-admitted assets	
	XXX	XXX
	(f) Add (Deduct) change in appraisal of real estate	
	XXX	XXX
	(g) Add (Deduct) change in any other statutory surplus	
	XXX	XXX
	(h) Statutory Surplus – End of Year	
	XXX	XXX
3.	XXX	XXX
	TOTAL STATUTORY CAPITAL AND SURPLUS	

SCHEDULE II

(Reg. 8)

NOTES TO STATUTORY FINANCIAL STATEMENTS

PART I - Matters to be set forth in a General Note to the Statutory Financial Statements⁹²⁶⁹²⁷⁹²⁸

- 1 The name of the person or persons ultimately having power (whether directly or through having control of some other person or persons who directly or indirectly control the insurer) to control the insurer and, where the persons having that ultimate power are a body corporate, the place of incorporation of that body corporate.
- 2 The general nature of the risks underwritten by the insurer.
- 3 The insurer's significant accounting policies, the nature of any change made during the relevant year in those policies and the effect, if determinable, of that change on the statutory financial statements.
- 4 The basis of recognition of premium, investment and commission income.
- 5 The method used to translate amounts denominated in currencies other than the currency of the statutory financial statements, the amounts, if material, gained or lost on such translation and the manner in which those gains or losses are treated in those statements.
- 6 Any foreign exchange control restrictions affecting assets of the insurer, with particular reference to money balances which cannot be transferred to the insurer because of reasons that are not insurance reasons.
- 7 Any contingencies or commitments calling for special mention (for example, a commitment involving an obligation requiring abnormal expenditure, or the conclusion of a long lease).
- 8 Any default made by the insurer in relation to the principal, interest, sinking fund or redemption provisions of any securities issue made, or any credit agreement entered into, by it.
- 9 The gross amount of arrears of dividends on preferred cumulative shares, and the date to which those dividends were last paid.
- 10 The amount of any loan made during the relevant year by the insurer, to any director or officer of the insurer, not being a loan made in the ordinary course of business.
- 11 The amount of any obligation in respect of retirement benefits relating to employees of the insurer arising from service prior to the end of the relevant year remaining to be charged against operations, and the basis on which the insurer proposes to charge that amount.
- 12 Any transaction made or other event occurring between the end of the relevant year and the date of the auditor's report and materially affecting the statutory financial statements, not being a transaction made or an event occurring in the ordinary course of business.
- 13 Any other information which in the opinion of the directors is required to be disclosed if the statutory financial statements are not to be misleading.

INSURANCE ACCOUNTS REGULATIONS 1980

PART II - Matters to be set forth in Notes to the Statutory Balance Sheet⁹²⁹ Class 1, Class 2 and Class 3 Insurers - [Revoked]^{930 931 932 933}

PART III - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2 and Class 3 Insurers⁹³⁴ - [Revoked]⁹³⁵

PART IV - Matters to be set forth in Notes to the Statutory Statement of Capital and Surplus⁹³⁶

Information required to be given

[Note: The numerals in bold type and letters in bold type in parentheses refer to the numbers of the line of the statutory statement of capital and surplus]

1(a) Capital stock⁹³⁷

As respects authorized capital stock there shall be disclosed severally—

- (a) the number of common shares and preferred shares of each class, the par value, if any, of each class and a brief description of each class;
- (b) the dividend rates applicable to any preference shares, and whether the dividends are cumulative, including the liquidation values of the preference shares;
- (c) the redemption price of any redeemable shares;
- (d) any conversion provisions.

As respects issued capital stock there shall be disclosed severally—

- (a) the number of shares in, and the capital stock amounts for, each class of common and preferred shares;
- (b) the amounts called and unpaid or otherwise due in respect of those shares;
- (c) the amounts not called on those shares that will become receivable in due course when called.

As respects issued capital stock there shall be disclosed severally—

- (a) the number of shares repurchased, and the capital stock amounts for, each class of common and preferred shares;

1(b) Contributed surplus

The nature of any change in contributed surplus during the relevant year.

1(c) Any other fixed capital

The nature, terms and conditions comprising any other fixed capital approved by the Authority, including any material change during the relevant year.

2(c) Dividends paid and payable

The amount and nature of any dividend paid during the relevant year⁹³⁸.

B. There shall also be disclosed in notes the following information—

- (a) details of any change in the authorized capital stock of the insurer during the relevant year;
- (b) where an insurer has contracted to issue or re-issue shares or has given options to purchase shares, the class and number of shares affected, the price and date of the issue or re-issue of the shares or the exercise of the options and (shown separately) the total number of shares in respect of which

INSURANCE ACCOUNTS REGULATIONS 1980

options are held by directors and officers of the insurer;

- (c) details of any share transactions during the relevant year including—
- (i) the number of shares of each class issued since the date of the last statutory balance sheet, giving the value attributed thereto and distinguishing—
 - (aa) shares issued for cash (showing separately shares issued pursuant to options or warrants);
 - (bb) shares issued directly or indirectly for services; and
 - (cc) shares issued directly or indirectly for other considerations;
 - (ii) the number of shares of each class redeemed since the date of the last statutory balance sheet and the consideration given and, where the consideration was other than cash, the nature of the consideration given and the value attributed thereto.

INSURANCE ACCOUNTS REGULATIONS 1980

PART V⁹³⁹ - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer⁹⁴⁰⁹⁴¹⁹⁴²⁹⁴³

(Reg 8(2))

Line of statutory balance sheet	Information required to be given
1. Cash and time deposits	Any encumbrance on cash or time deposits must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate; any other use restriction such that the funds in question are held in escrow or in a custodial account.
2. Quoted investments	The method of valuation of quoted investment must be described. Any encumbrance on quoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.
3. Unquoted investments	The method of valuation of any unquoted investment must be described. Any encumbrance on unquoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.
4. Investment in and advances to affiliates	The method of valuation must be described. Repayment terms and the rates of interest applicable to advances must also be given.
5. Investments in mortgage loans on real estate	The range of interest rates and the range of maturity dates for mortgage loans on real estate must be disclosed.
7. Real estate	As regards real estate – <ul style="list-style-type: none">(a) (i) the method of valuation; and (ii) where there are encumbrances, the value of the real estate before encumbrances, the amount and nature of the encumbrances and the repaying terms and interest rates applicable to the encumbrances, shall be disclosed;(b) where an independent appraisal has been made, real estate may be valued at the appraisal value net of the amount of any encumbrances. In such a case, full details of the appraisal (including the date of the appraisal, the name of the appraiser, the basis of valuation and the disposition of any amounts added to or deducted from the book value) shall be disclosed;(c) where other properties (ie properties not occupied by the insurer) are included in the statutory balance sheet, the nature of the investments represented by those properties (for example whether held for investment return, or as a result of default of mortgage, or for speculative gain) shall be disclosed.
8. Collateral loans ⁹⁴⁴	Description and amount of the collateral loans.
10. Accounts and premiums receivable	The following must be disclosed in a note: <ul style="list-style-type: none">(a) Details of collateralized balances.(b) The amount of the receivable balance with affiliates.

INSURANCE ACCOUNTS REGULATIONS 1980

11. Reinsurance balances receivable The following must be disclosed in a note-
- (a) The name of the person granting the letter of credit and the name of the person in whose favour the letter of credit was granted.
 - (b) The amount of the letter of credit.
 - (c) The purpose for which the letter of credit was granted.
12. Funds held by ceding reinsurers The amount held by affiliates shall be disclosed.
13. Sundry assets
- (a) The nature and terms of these assets.
 - (b) For derivatives and embedded derivatives, if any, the following must be disclosed
 - (i) a description of the policies surrounding the use of derivatives; and
 - (ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.
14. Letters of credit, guarantees and other instruments The following must be disclosed in a note –
- (a) the name of the person granting the letter of credit, guarantee or other instrument, and the name of the person in whose favour the letter of credit, guarantee or other instrument was granted;
 - (b) the amount of the letter of credit, guarantee or other instrument;
 - (c) the purpose for which the letter of credit, guarantee or other instrument was granted.
16. Unearned premiums The method of calculating unearned premiums.
17. Loss and loss expense provisions The following must be disclosed in a note –
- (a) Movements in the loss and loss expense provisions for the current year and previous year as per the table below.
 - (b) Reasons for the change in the net losses incurred and net loss expenses incurred related to prior years and indicate whether additional premiums or return premiums have been accrued as a result of the prior year effects.
 - (c) For the loss and loss expense provisions the following must be disclosed, if any –
 - (i) total restricted assets – an amount equal to the value of all that are held for security or collateral against a liability or contingent liability; and
 - (ii) unsecured policyholder obligations – an amount equal to all policyholder obligations that are not secured by assets or collateral⁹⁴⁵.
 - (d) Loss provisions may be discounted in any of the following cases, that is to say—⁹⁴⁶
 - (i) where both the amount of the loss provisions and the

INSURANCE ACCOUNTS REGULATIONS 1980

payment dates of the losses are fixed;

- (ii) where neither the amount of the loss provisions nor the payment dates of the losses are fixed but the insurer's approved auditor is of the opinion that that amount and those dates are reasonably ascertainable either in the records of the insurer itself or in those of any group of companies of which the insurer is a member;
- (iii) where the loss provisions in question were discounted on or before 31st December 1988 in the insurer's statutory financial statements;

(e) Where loss provisions are discounted as allowed by paragraph (d) above, the directors of the insurer shall determine that an adequate amount has been set aside by the insurer for possible variations in the ultimate amount of the losses, the payment dates of the losses, and the applicable interest rates;⁹⁴⁷

(f) Where an insurer's loss provisions have been discounted as allowed by paragraphs (d) and (e) above but the insurer has not met its general business solvency margin on an undiscounted basis, the opinion of a loss reserve specialist shall be given on the loss and loss expense provisions;⁹⁴⁸

(g) Where the gross premiums from professional liability insurance constitute more than 30% of the gross premiums written by the insurer during the relevant year, then the opinion of a loss reserve specialist must be given on the loss and loss expense provisions relating to all professional liability insurance business; but if the loss provisions cannot be so separated then the opinion of the loss reserve specialist must be given on the whole amount of the loss provisions;⁹⁴⁹

(h) Where, in relation to an insurer no longer effecting contracts of professional liability insurance, the opinion of a loss reserve specialist as to the matters described in paragraph (g) was required in either of the last two years during which it did effect contracts of professional liability insurance, then such an opinion must be given in every subsequent year. Other insurance reserves—general business.⁹⁵⁰

Table (Line 17(a))

	20XX	20XX
Gross loss and loss expense provisions at beginning of year	XXX	XXX
Less : Reinsurance recoverable at beginning of year	(XXX)	(XXX)
Net loss and loss expense provisions at beginning of year	XXX	XXX
Current year	XXX	XXX
Prior years	XXX	XXX
Total net incurred losses and loss expenses	XXX	XXX
Net losses and loss expenses paid or payable related to:	XXX	XXX
Current year	XXX	XXX

INSURANCE ACCOUNTS REGULATIONS 1980

Prior years	XXX	XXX
Total losses and loss expenses paid or payable		
Foreign exchange and other	XXX	XXX
Net loss and loss expense provisions at end of year	XXX	XXX
Add: Reinsurance recoverable at end of year	XXX	XXX
Gross loss and loss expense provisions at end of year	XXX	XXX
For the long-term business insurance reserves the following must be disclosed, if any—	(a) Total restricted assets – an amount equal to the value of all assets that are held for security or collateral against a liability or contingent liability; and	
	(b) Unsecured policyholder obligations – an amount equal to all policyholder obligations that are not secured by assets or collateral ⁹⁵¹ .	
20. Reserves for report claims ⁹⁵²		
21. Reserves for unreported claims ⁹⁵³		
22. Policy reserves – life ⁹⁵⁴		
23. Policy reserves accident and health ⁹⁵⁵		
25. Liability for future policyholders' dividends; and ⁹⁵⁶		
26. Other insurance reserves – long term ⁹⁵⁷ ;		
28. Insurance and reinsurance balances payable	The payable balance to affiliates shall be disclosed.	
30. Loans and notes payable	The repayment terms, rates of interest and the nature of collateral given, if any.	
31. (a) Income taxes payable		
(b) Deferred income taxes	Details of the deferred income tax provision.	
32. Amounts due to affiliates	The repayment terms, rates of interest and the nature of collateral given, if any.	
34. Funds held under reinsurance contracts	The amount held by affiliates shall be disclosed.	
36. Sundry liabilities ⁹⁵⁸	(a) The nature of these liabilities and the repayment terms;	
	(b) For derivatives and embedded derivatives, if any, the following must be disclosed—	
	(i) a description of the policies surrounding the use of derivatives; and	
	(ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.	
37. Letters of credit, guarantees and other instruments	(a) the name of the person granting the letter of credit, guarantee or other instrument, and the name of the person in whose favour the letter of credit, guarantee or other instrument was granted;	
	(b) the amount of the letter of credit, guarantee or other	

INSURANCE ACCOUNTS REGULATIONS 1980

instrument;

(c) the purpose for which the letter of credit, guarantee or other instrument was granted.

INSURANCE ACCOUNTS REGULATIONS 1980

**PART VI - Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3,
Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer** ^{959 960 961 962}

(Reg 8(2))

Line of statutory statement of income	Information required to be given
6. Other insurance income	The nature of material items that have been included.
12. Other underwriting income	The nature of material items that have been included.
37. Other income (deductions)	The nature of material items that have been included.
41. Realized gains (losses)	The nature of material items that have been included.

INSURANCE ACCOUNTS REGULATIONS 1980

SCHEDULE III

(Reg. 9(2))-

INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET

PART I - ⁹⁶³Class 1, Class 2 and Class 3 Insurer^{964 965 966 967} - [Revoked]⁹⁶⁸

PART II - ⁹⁶⁹Additional instructions for Class 1, Class 2, and Class 3 Insurer⁹⁷⁰⁹⁷¹⁹⁷²⁹⁷³⁹⁷⁴⁹⁷⁵ - [Revoked]⁹⁷⁶

PART III - Additional instructions for insurers carrying on long-term business only

Instructions

[Note: The numerals in bold type refer to the numbers of the line of the statutory balance sheet]

6. Policy loans These shall be carried at an amount that is the aggregate of the unpaid balances on policy loans and any unpaid interest, so, however, that, for each loan, that amount shall not exceed the cash surrender value of the policy or the applicable policy reserve.
10. [DELETED]⁹⁷⁷⁹⁷⁸ .
11. [DELETED]⁹⁷⁹⁹⁸⁰
20. Reserves for reported claims This line shall disclose an adequate⁹⁸¹ amount set aside by the insurer to meet claims unpaid at the end of the relevant year and made under contracts of insurance and reinsurance in respect of incidents occurring and reported to the insurer before the end of that year. The said amount shall be reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned the collection of which is in their opinion doubtful and adjust the reserve by said amount.
21. Reserves for unreported claims This line shall disclose an adequate⁹⁸² amount set aside by the insurer to meet claims under contracts of insurance and reinsurance in respect of incidents occurring, but not reported to the insurer, before the end of the relevant year. The said amount shall be reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned the collection of which is in their opinion doubtful and adjust the reserve by said amount.
22. Policy reserves – life These shall be an amount, actuarially computed, which is considered adequate to provide future guaranteed benefits as they become payable under the provisions of life insurance policies in force. Amounts applicable to the other life contract benefits (such as disability waiver of premium, disability income benefits and additional accidental death benefits) and to annuities and to supplemental contracts with life contingencies may also be included.
- The said amount -
- (a) shall not include reserves in respect of accident and health policies; and
- (b) shall be reduced by the amount of reserves ceded under reinsurance contracts.
- The directors shall make allowance for any amount the collection of which is in their opinion doubtful and adjust the reserve by said amount.

INSURANCE ACCOUNTS REGULATIONS 1980

23. Policy reserves - These reserves shall be an amount, actuarially computed, which are accident and health considered adequate,⁹⁸³ and shall consist of -
- (a) an active life reserve, that is to say, that portion of due and collected premiums which has been set aside to be recognised as earned in the future consisting of -
 - (i) the unearned portion of the current premium;
 - (ii) additional reserves, that is to say, the reserves applicable to policies which provide for the payment of uniform rate premiums in respect of a risk the cost of which increases with the age of the insured;
 - (iii) reserves for rate credits;
 - (b) a claims reserve, that is to say, the present value of amounts not yet due on claims, provision for future contingent benefits being included in both cases.
- The said reserves shall not include the amount of any reserves ceded under reinsurance. The directors shall make allowance for any such amount the collection of which is in their opinion doubtful and adjust the reserve by said amount.
24. Policyholders' funds on deposit These funds shall consist of premiums paid in advance of the due date, whether or not interest is paid for early payment. These liabilities shall be valued at the amounts received by the insurer, plus any interest credited.
25. Liability for future policy-holders' dividends This shall be the amount of dividends payable, as declared by the directors, on participating life policies which qualify for such dividends, and shall be recorded at the amount declared.
26. Other insurance reserves - long-term business These shall consist of any other reserves required by the terms of life or accident and health contracts or as a result of special riders or options attaching to any such contracts, not being reserves provided for in lines 22 to 25 inclusive of the statutory balance sheet. These must be actuarially determined and be considered adequate.⁹⁸⁴
27. Gross long-term business insurance reserves⁹⁸⁵. This line shall disclose the gross amount of reserves under contract of reinsurance in respect of the gross amount provided for. There shall be disclosed severally—
- (a) Total gross long-term business insurance reserves: Total lines 20 through 26 before the said amounts are reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for⁹⁸⁶;
 - (b) Less: Reinsurance recoverable balance on long-term business⁹⁸⁷
 - (i) Foreign affiliates reinsurance recoverable balance;
 - (ii) Domestic affiliates reinsurance recoverable balance;
 - (iii) Pools and associations;
 - (iv) All other insurers;
 - (c) Total reinsurance recoverable balance; the total of (i) through (iv)⁹⁸⁸; and
 - (d) Total net long-term business insurance reserves: The total of lines 20 to 26⁹⁸⁹ inclusive, or the amount arrived at by subtracting line 27(c) from 27(a)⁹⁹⁰.

INSURANCE ACCOUNTS REGULATIONS 1980

PART IV - INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer ^{991 992 993 994}

(Reg 9(2))

Line of statutory balance sheet	Instructions
1. Cash and time deposits	Certificates of deposit shall be included.
2. Quoted investments	<p>(a) there shall be disclosed severally –</p> <p style="padding-left: 20px;">(i) bonds and debentures (held to maturity and other);</p> <p style="padding-left: 20px;">(ii) equities (common stocks, preferred stocks, and mutual funds);</p> <p style="padding-left: 20px;">(iii) other quoted investments;</p> <p style="padding-left: 20px;">(iv) the total of (i), (ii) and (iii);</p> <p>(b) held to maturity bonds and debentures shall be at cost or amortized cost, and adequate provision shall be made for any permanent diminution in value;</p> <p>(c) other bonds and debenture shall be carried at their quoted value;</p> <p>(d) equities (common stocks, preferred stocks, and mutual funds) shall be carried at their quoted value;</p> <p>(e) other quoted investments shall be carried at their quoted value.</p>
3. Unquoted investments	<p>(a) there shall be disclosed severally –</p> <p style="padding-left: 20px;">(i) bonds and debentures (held to maturity and other);</p> <p style="padding-left: 20px;">(ii) equities (common stocks, preferred stocks and mutual funds);</p> <p style="padding-left: 20px;">(iii) the total of (i) and (ii);</p> <p>(b) held to maturity bonds and debentures shall be carried either at cost or amortized cost and adequate provision shall be made for any permanent diminution in value;</p> <p>(c) other bonds and debentures at fair value determined in good faith;</p> <p>(d) equities (common stocks, preferred stocks, and mutual funds) shall be carried at fair value determined in good faith.</p>
4. Investments in and advances to affiliates (Equity Method) ⁹⁹⁵	<p>(a) there shall be disclosed severally—⁹⁹⁶</p> <p style="padding-left: 20px;">(i) Unregulated entities that conduct ancillary services</p> <p style="padding-left: 20px;">(ii) Unregulated non-financial operating entities</p> <p style="padding-left: 20px;">(iii) Unregulated financial operating entities</p> <p style="padding-left: 20px;">(iv) Regulated non-insurance financial operating entities</p> <p style="padding-left: 20px;">(v) Regulated insurance financial operating entities</p> <p style="padding-left: 20px;">(vi) Total investments in affiliates (equity method)</p> <p style="padding-left: 20px;">(vii) Advances to affiliates</p> <p style="padding-left: 20px;">(viii) Total investments in and advances to affiliates (equity method)</p> <p>(b) amounts receivable or payable on account of policies of insurance</p>

INSURANCE ACCOUNTS REGULATIONS 1980

or reinsurance with affiliates shall not be included. Such amounts shall be included in accounts and premiums receivable (line 10) and reinsurance balances payable (line 28), respectively;

(c) funds held by ceding reinsurers which are affiliates (line 12) and funds held under reinsurance contracts with affiliates (line 34) shall not be included;

(d) investments in affiliates shall be valued either by the cost method of valuation or the equity method of valuation:

Provided that –

(i) if the value arrived at by the use of the equity method of valuation is less than the value arrived at by the cost method of valuation, the value arrived at by the equity method shall be used;

(ii) the directors shall carry the said investments at a fair value determined in good faith if that value is less than the valuations under the cost method and the equity method of valuation;

(e) advances to affiliates shall be carry at fair value determined in good faith;

(f) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.

5. Investment in mortgage loans on real estate Mortgages shall be carried at the value of the principal amount outstanding less any provision considered by the directors to be needed for doubtful collection, and there shall be disclosed severally –
- (a) first liens;
 - (b) liens other than first liens; and
 - (c) the total of (a) and (b).
7. Real estate
- (a) both land and buildings shall be included;
 - (b) the insurer's title must be clear and incontestable;
 - (c) there shall be disclosed severally –
 - (i) real estate occupied by the company (less encumbrances);
 - (ii) other properties (less encumbrances);
 - (iii) the total of (i) and (ii);
 - (d) except where carried at a value determined by an independent appraisal net of encumbrances, real estate shall be carried at the lower of –
 - (i) cost less accumulated depreciation; and
 - (ii) fair value determined in good faith,
- less the amount of any encumbrances;
- (e) where an independent appraisal has been made, real estate may be valued at the appraisal value net of the amount of any encumbrances.
8. Collateral loans If any amount is in the opinion of the directors uncollectible, that amount shall be deducted.
9. Investment income due and If any amount is in the opinion of the directors uncollectible, that amount

INSURANCE ACCOUNTS REGULATIONS 1980

- accrued shall be deducted.
10. Accounts and premiums receivable (a) there shall be disclosed severally –
- (i) in course of collection;
 - (ii) deferred – not yet due;
 - (iii) receivables from retrocessional contracts
 - (iv) the total of (i) to (iii);
- (b) amounts receivable on account of policies of insurance from any person, whether an affiliate or not, shall be included;
- (c) amounts due from reinsurers and funds held by ceding reinsurers (being amounts or funds which have been included in lines 11 and 12) shall not be included;
- (d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.
11. Reinsurance balances receivable (a) there shall be disclosed severally –
- (i) foreign affiliates;
 - (ii) domestic affiliates;
 - (iii) pools & associations;
 - (iv) all other insurers;
 - (v) the total of (i) to (iv)
- (b) amounts receivable on account of policies of reinsurance from any person, whether an affiliate or not, shall be included;
- (c) any amount shown in line 10 or 12 shall not be included;
- (d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.
12. Funds held by ceding reinsurers (a) there shall be disclosed severally –
- (i) affiliated;
 - (ii) non-affiliated;
 - (iii) the total of (i) and (ii);
- (b) funds held by ceding reinsurers (whether affiliates or not) shall be included;
- (c) any amount shown in line 10 or 11 shall not be included;
- (d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.
13. Sundry assets Any asset not accounted for in lines 1 to 12 and 14 may be included here if it has a readily realisable value. Any other assets, prepaid and deferred expenses, goodwill and similar intangible assets, deferred acquisition costs, excess of book value over admitted asset value of stocks, and other investments shall be non-admitted assets.
14. Letters of credit, guarantees and other instruments (a) where additional fixed capital has been secured to the insurer by means of an irrevocable letter of credit, a guarantee or any other instrument,

INSURANCE ACCOUNTS REGULATIONS 1980

an asset may, with the approval of the Authority obtained on an application made for that purpose, be recorded and the capital increased by a corresponding amount. Where such an asset is recorded, it must be shown net of any allowance for its collectibility;

(b) letters of credit, guarantees or other instruments in favour of the insurer which relate to insurance operations shall not be recorded.

15. Total This shall be the total of lines 1 to 14 inclusive.
16. Unearned premiums
- (a) this line shall disclose an adequate amount set aside for unearned premiums, which shall be shown net of the unearned portion of the reinsurance premiums ceded which are used for calculating net premiums written;
- (b) where refunds are expected to be made under retrospective or experience rating plans, adequate provision must be made by an appropriate addition to the unearned premiums reserve;
- (c) acquisition costs shall not be deducted in calculating the amount of unearned premiums;
17. Loss and loss expense provisions
- (a) this line shall disclose an adequate amount set aside by an insurer to meet losses reported before, but not paid by, the last day of the relevant year, in respect of incidents occurring before that day, and to meet expenses likely to be incurred in connection with the investigation, adjustment and settlement of such losses. The said provisions shall include amounts in respect of losses reported. There shall be disclosed the adequate amount in respect of losses incurred but not reported to the insurer before the last day of the relevant year;
- (b) the said amount shall not include any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned, the collection of which is in their opinion doubtful, and the amount shall be shown net of any such provisions;
- (c) there shall be disclosed severally –
- (i) gross loss and loss expense provisions;
 - (ii) foreign affiliates reinsurance recoverable balance;
 - (iii) domestic affiliates reinsurance recoverable balance;
 - (iv) pools & associations reinsurance recoverable balance;
 - (v) all other insurers reinsurance recoverable balance;
 - (vi) the total reinsurance recoverable balance of (ii) to (v);
 - (vii) net loss and loss expense provisions – the total of (i) and (vi).
18. Other insurance reserves – general business The balance from the open year business revenue statement shall be included.
19. Total general business insurance reserves This shall be the total of lines 16, 17 and 18.
28. Insurance and reinsurance balances payable
- (a) amounts, including premiums and other balances, payable to insured persons and reinsurers (whether affiliates or not) under insurance and reinsurance contracts shall be included;

INSURANCE ACCOUNTS REGULATIONS 1980

- (b) funds held by the insurer under reinsurance contracts (shown on line 34) shall not be included.
29. Commissions, expenses, fees and taxes payable All liabilities in respect of commissions (including profit commissions), underwriting expenses, fees and taxes (other than income taxes) shall be included. Where the insurer is primarily a reinsurer, the said liabilities may be included in line 28.
30. Loans and notes payable Loans and notes payable to any person other than an affiliate shall be included here.
31. Income taxes There shall be disclosed severally –
- (a) income taxes currently payable;
 - (b) provision for deferred income taxes.
32. Amounts due to affiliates
- (a) All balances due to affiliates, not being amounts payable under reinsurance contracts (shown on line 28 or line 34), shall be included here.
 - (b) Deleted⁹⁹⁷
33. Accounts payable and accrued liabilities Any other (non-insurance) accounts payable and accrued liabilities shall be included here.
34. Funds held under reinsurance contracts
- (a) Funds held under reinsurance contracts shall be included here.
 - (b) There shall be disclosed severally—
 - (i) affiliated;
 - (ii) non-affiliated;
 - (iii) the total of (i) and (ii);
35. Dividends payable The amount of dividends payable to shareholders in the insurer declared prior to the last day of the relevant year and remaining unpaid on that day shall be included here.
36. Sundry liabilities Any liabilities (including prospective and contingent liabilities) not assigned to another line of the statutory balance sheet shall be included here.
37. Letters of credit, guarantees and other instruments
- (a) where letters of credit, guarantees and other instruments are given by the insurer in favour of another person, being letters of credit, guarantees or other instruments not relating to the insurer's insurance operations and in effect encumbering the insurer's assets, a liability shall be recorded and the statutory capital and surplus decreased by a corresponding amount, whether the insurer has pledged specific assets or not under the letters of credit, guarantees or other instruments;
 - (b) letters of credit, guarantees and any other instruments relating to insurance operations shall not be recorded.
38. Total other liabilities This shall be the total of lines 28 to 37 inclusive.
39. Total general business insurance reserves and other liabilities This shall be the total of lines 19 and 38, or of lines 27 and 38, or of lines 19, 27 and 38 as the case may require.
40. Total statutory capital and surplus This shall be the capital and surplus total as at the end of the relevant year, as shown in the statutory statement of capital and surplus.
41. Total This shall be the total of lines 39 and 40.

INSURANCE ACCOUNTS REGULATIONS 1980

SCHEDULE IV

(Reg. 9(3))

INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF INCOME

PART I - [Revoked]⁹⁹⁸

PART II - [Revoked]⁹⁹⁹

INSURANCE ACCOUNTS REGULATIONS 1980

PART III - Additional instructions for Insurers carrying on long-term business only

Instructions

[Note: The numerals in bold type refer to the numbers of the line of statutory statement of income]

19. **Gross premiums and other considerations**¹⁰⁰⁰ These shall be gross premiums and other considerations. The amount shall be disclosed severally in the following categories—
- (a) direct gross premiums and other considerations;
 - (b) assumed gross premiums and other considerations;
 - (c) this shall be the total of 19(a) and 19(b);
 - (d) 19(c) shall be deducted by the total reinsurance ceded under contracts of reinsurance during the relevant year, net of related taxes. The result will be net premiums and considerations;
 - (e) this income derived from 19(d) shall be disclosed severally in the following categories—
 - (i) life;
 - (ii) annuities;
 - (iii) accident and health; and
 - (iv) the total of (a) to (c) inclusive¹⁰⁰¹.
20. **Long-term business investment income – net** This income may be shown net of with-holding tax and any other directly related expenses, but shall not include realized gains or losses shown on line 41 of the statutory statement of income.
21. **Other insurance income** This shall be the aggregate of all other income, such as commission and brokerage income, directly related to underwriting long-term business.
22. This shall be the total of lines 19 to 21 inclusive.
23. **Claims – life** This shall be the amount of claims incurred under life insurance policies (in respect, for example, of death or disability) during the relevant year, but shall not include claims ceded under reinsurance contracts.
- Surrenders, maturities, annuities and accident and health benefits which are disclosed in lines 25, 26, 27 or 28 shall not be included.
24. **Policyholders' dividends** These shall be amounts distributed or credited during the relevant year to policyholders with participating life policies.
25. **Surrenders** This shall be amounts incurred during the relevant year as a result of the surrender by policyholders, either for cash or in exchange for some other consideration, of policies with cash surrender values.
26. **Maturities** These shall be amounts incurred as a result of the maturing during the relevant year, after a specified period of time, of any endowment policy before the death of the insured.
- Amounts paid as a result of the death of an insured that is covered by an endowment policy shall be included in line 23.
27. **Annuities** These shall be amounts incurred during the relevant year under the terms of any annuity contract.
28. **Accident and health benefits** These shall be amounts incurred in respect of claims under accident and health contracts, being claims arising out of incidents occurring during the

INSURANCE ACCOUNTS REGULATIONS 1980

- relevant year.
29. Commissions These shall be the aggregate amounts of compensation paid or payable to agents or brokers in return for business procured by them for the insurer in the relevant year in respect of long-term business.
30. Other These shall include any expenses related to long-term business during the relevant year that are not included in any of lines 23 to 29 inclusive or in line 32.
31. This shall be the total of lines 23 to 30 inclusive.
32. Operating expenses These shall include the administrative and other general expenses of operating the insurer's long-term business during the relevant year.
33. This shall be the gain (or loss) arrived at by deducting the aggregate of lines 31 and 32 from the amount shown on line 22 (or *vice versa*).
34. Increase (decrease) in policy reserves This shall be the increase or decrease from the end of the immediately preceding financial year in policy reserves - life (line 22 of the statutory balance sheet), policy reserves - accident and health (line 23 of the statutory balance sheet) and, if applicable, that portion of other insurance reserves - long-term business (line 26 of the statutory balance sheet) which is actuarially determined. The increases (decreases) in the said policy reserves shall be disclosed severally in the following categories -
- (a) life;
 - (b) annuities;
 - (c) accident and health;
 - (d) the total of (a) to (c) inclusive.
35. Income before the undernoted items This shall be the net total of lines 33 and 34.

INSURANCE ACCOUNTS REGULATIONS 1980

PART IV - INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite Special Purpose Insurer and innovative insurer ^{100210031004 1005}

(Reg 9(3))

Line of statutory statement of income	Instructions
1. Gross premiums written	<p>This gross premiums written shall be disclosed severally in the following categories –</p> <p>(a) direct gross premiums written;</p> <p>(b) assumed gross premiums written;</p> <p>(c) the total of (a) and (b) inclusive. These shall be the sum of direct premiums written and reinsurance premiums assumed (net of return premiums in each case).</p> <p>Where reinsurance premiums are reported as a net amount (on either a written or an earned basis), that amount may, where further details are not available, be included as assumed gross premiums written.</p>
2. Reinsurance premiums ceded	These shall be premiums (less return premiums) arising from any reinsurance contract under which part of the liability of the insurer under direct policies or assumed reinsurance is transferred to reinsurers.
3. Net premiums written	This shall be arrived at by subtracting line 2 from line 1.
4. Increase (decrease) in unearned premiums	This shall be the net increase (decrease) in the unearned premiums from the end of the immediately preceding financial year.
5. Net premiums earned	This shall be the aggregate of lines 3 and 4.
6. Other insurance income	This shall be the aggregate of all other income (such as commission and brokerage income) directly related to the underwriting general business.
7.	This shall be the total of lines 5 and 6.
8. Net losses incurred and net loss expenses incurred	These shall consist of net losses and net loss expenses actually paid during the relevant year plus (minus) the increase (decrease) in the reserve shown on line 17(d) of the statutory balance sheet over that of the immediately preceding financial year.
9. Commissions and brokerage	This shall be the aggregate of compensation paid or payable to agents or brokers in return for business procured by them for the insurer in the relevant year in respect of general business.
10. General and administrative	These shall be general and administrative expenses other than those described in line 11.
11. Personnel costs	These shall be the aggregate amount of salaries, wages and benefits, including taxes applicable to salaries and wages.
12. Other	These shall be underwriting expenses not included in lines 10 and 11.
13.	This shall be the total of lines 8 to 12 inclusive.
14. Underwriting profit (loss)	This shall be arrived at by subtracting line 13 from line 7 (<i>or vice versa</i>).
17. General business investment income - net	Investment income may be shown net of with-holding tax and of any other directly related expenses, but shall not include realized gains or losses shown on line 41 of the statutory statement of income.

INSURANCE ACCOUNTS REGULATIONS 1980

18. Income before the undernoted items This shall be the total of lines 16 and 17.
37. Other income (deductions) These shall consist of all income (deduction) items not assigned to any of the lines above. Income taxes (line 39) and realized gains (losses) (line 41) shall not be included.
38. Income before taxes This shall be the total of lines 37 and –
(a) in the case of an insurer engaged in general business, line 18;
(b) in the case of a section 24(6) composite, line 36.
39. Income taxes The following shall, if applicable, be disclosed severally –
(a) the amount provided in respect of income taxes currently payable;
(b) the amount provided in respect of deferred income taxes;
(c) the total of (a) and (b).
41. Realized gains (losses) This shall include gains or losses on the sale of –
(a) investments, whether quoted or unquoted;
(b) investments in affiliates;
(c) investments in mortgage loans on real estate; and
(d) real estate,
and may be net of the taxes and other expenses affecting any such sales.
42. Net income This shall be the total of lines 40 and 41.

SCHEDULE V

(Reg. 9(4))

Instructions affecting the statutory statement of capital and surplus

Instructions

[Note: The numerals in bold type and letters in bold type in parentheses refer to the numbers of the line of statutory statement of capital and surplus]

- 1(a). Capital stock¹⁰⁰⁶ This shall comprise—¹⁰⁰⁷
- (a) where common shares, preferred shares and treasury shares have a par value, the par value;
- (b) where common shares, preferred shares and treasury shares have no par value, the stated value, of shares issued and called.
- Where shares have only been partially called, only the called portion shall be included.
- Where any capital stock has been called but not received, a corresponding receivable shall be reflected in the statutory balance sheet.
- In this Schedule “stated value”, in relation to shares in an insurer, means the value attributed to the shares in the books of the insurer.^{1008 1009}
- In this Schedule “stated value”, in relation to shares in an insurer, means the value attributed to the shares in the books of the insurer.
- (b) Contributed surplus¹⁰¹⁰ This shall comprise -
- (a) any share premium, that is to say -
- (i) where shares have a par value, the excess of any proceeds received or receivable over the par value;
- (ii) where shares have no par value, the excess of proceeds received or receivable over the stated value,
- of shares issued and called.
- Where shares have only been partially called, only the said excess on the called portion shall be included;
- (b) any credit resulting from the redemption or conversion of any shares at less than the amounts set up in respect of those shares as capital stock;
- (c) any other capital contribution made to the insurer by any shareholder, not being a contribution required to be set up as capital stock.
- Where any contributed surplus amount has been called but not received, a corresponding receivable shall be reflected in the statutory balance sheet.
- (c). Any other fixed capital¹⁰¹¹ This shall comprise any other fixed capital approved by the Authority which has not been allocated to line 1(a). or 1(b). and must take into account any amount required by the instruction in Part I of Schedule III relating to line 14 or line 37 of the statutory balance sheet to be credited to, or, as the case may be, charged against, capital—
- (i) Hybrid capital instruments

INSURANCE ACCOUNTS REGULATIONS 1980

- (ii) Guarantees and others
- (iii) Total any other fixed capital – the sum of (i) and (ii).¹⁰¹²¹⁰¹³¹⁰¹⁴
- (d) Total statutory capital This shall be the total of lines 1(a), 1(b) and 1(c).
- 2(a) Statutory surplus - beginning of year - Statutory surplus - beginning of the year means the statutory surplus as at the end of the immediately preceding financial year as computed in accordance with these Regulations.
- (b) Income for the year This shall be the amount described in line 42 of the statutory statement of income.
- (c) Dividends paid and payable This shall comprise -
 - (a) all dividends declared during the relevant year, being dividends payable to shareholders in the insurer during that year, whether those dividends were or were not in fact so paid before the end of the relevant year;
 - (b) any provision made for the payment during the relevant year of cumulative dividends in respect of shares of any class, being dividends due to have been paid before the commencement of the relevant year.
- (d) Change in unrealized appreciation (depreciation) of investments This shall comprise any increase (decrease) occurring since the end of the immediately preceding financial year in the value of quoted investments (line 2 of the statutory balance sheet), to the extent that that increase (decrease) is not reflected in the statutory statement of income.
- (e) Change in non-admitted assets This shall comprise any (increase) or decrease occurring since the end of the immediately preceding financial year in the value of non-admitted assets.
- (f) Change in appraisal of real estate This shall comprise any increase (or decrease) occurring since the end of the immediately preceding financial year in the value of real estate carried at appraisal value (see paragraph (b) of the requirement in Part II of Schedule II relating to line 7 of the statutory balance sheet).
- (g) Change in any other statutory surplus This shall comprise any increase (or decrease) occurring since the end of the immediately preceding financial year in the value of unquoted investments, investments in and advances to affiliates and investments in mortgage loans on real estate (lines 3, 4 and 5 respectively of the statutory balance sheet), to the extent that that increase (decrease) is not reflected in the statutory statement of income.
- (h) Statutory surplus - end of year This shall be the aggregate of lines 2(a), 2(b), 2(c), 2(d), 2(e), 2(f) and 2(g).
- 3. Total statutory capital and surplus This shall be the total of lines 1(d) and 2(h).

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

ARRANGEMENT OF REGULATIONS

1. Citation
2. Interpretation
3. Insurers to make statutory financial return in accordance with these Regulations
4. Return to relate to relevant year
5. Content of statutory financial return
6. Cover sheet
7. Auditor's report
8. General business solvency certificate
- 8A. Loss reserve opinion
9. Long-term business solvency certificate
- 9A. Special purpose business solvency certificate
10. Minimum margin of solvency for general business
11. Minimum liquidity ratio for general business.
12. Minimum margin of solvency for long-term business
- 12A. Minimum margin of solvency for special purpose business
13. Declaration of statutory ratios - Revoked¹⁰¹⁵
14. Actuary's certificate
- 14A. Schedule of ceded reinsurance - Revoked¹⁰¹⁶
- 14B. Annual statutory declaration¹⁰¹⁷
- 14C. Statement of changes of control¹⁰¹⁸
- 14D. Own risk assessment¹⁰¹⁹
- 14E. Underwriting analysis¹⁰²⁰
- 14F. Schedule of segregated accounts¹⁰²¹
- 14G. Anti-Money Laundering and Anti-terrorist Financing
15. [Deleted]
16. Requirements relating to preparation of returns generally
17. Offences
18. Commencement

SCHEDULE 1(Reg. 10(1)) - General Business Solvency Margin

SCHEDULE II (Reg. 12(1)) – Minimum Margin of Solvency for Long-Term Business¹⁰²²

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

SCHEDULE III (Reg. 12(1)) – Minimum Margin of Solvency for the Long-Term Business

SCHEDULE IV (Reg. 14G) – Amendments to the Insurance returns and Insolvency Regulations 1980

In exercise of the power conferred upon the Minister of Finance by section 18 and 53 of the Insurance Act 1978 and every other power him hereunto enabling, the following Regulations are hereby made: -

1. Citation

These Regulations may be cited as the Insurance Returns and Solvency Regulations 1980.

2. Interpretation

In these Regulations -

“accounts” means financial accounts;

“the Act” means the Insurance Act 1978;

“affiliate” has the same meaning as in the Insurance Accounts Regulations 1980¹⁰²³;

“composite” and “section 24(6) composite” have the same meanings as in the Insurance Accounts Regulations 1980;

“financial return” or “return” means statutory financial return;

“insurer” means a Class A, Class B, Class 1, Class 2, Class 3 insurer, Special Purpose Insurer or innovative insurer¹⁰²⁴, except where the context otherwise requires;¹⁰²⁵

“relevant year” has the meaning assigned thereto in regulation 4(2);

“statutory financial statement”, “statutory balance sheet”, “statutory statement of income”, “statutory statement of capital and surplus” and “statutory open year business revenue statement” have the same meanings as in the Insurance Accounts Regulations 1980;

“regulations” means regulations made under the Act.

“unrelated business”, in relation to an insurer, means insurance business consisting of insuring risks of persons who are not shareholders in, or affiliates of, the insurer¹⁰²⁶ and “related business”, in relation to an insurer, means insurance business which is not unrelated business¹⁰²⁷;

3. Insurers to make statutory financial return in accordance with these Regulations

Except as otherwise allowed by a direction¹⁰²⁸ made under section 56 of the Act affecting any insurer, the form of statutory financial return that every insurer is to send to the Authority pursuant to section 18(1) of the Act is the form that is prescribed in these Regulations; and, except as aforesaid, it shall be the duty of every insurer to send to the Authority pursuant to that subsection a return in that form.

4. Return to relate to relevant year

(1) Every return shall relate to the relevant year.

(2) In these Regulations “relevant year”, in relation to a return, means the financial year to which the statutory financial statements relate which are required to be available or filed by section 17 of the Act¹⁰²⁹.

5. Content of statutory financial return

(1) The statutory financial return shall consist of the following documents -

(a) in every case -

(i) a cover sheet;

(ii) an auditor’s report in pursuance of section 16 of the Act; and

(iii) [Revoked]¹⁰³⁰ a declaration of the statutory ratios;

(b) where the insurer carried on general business in the relevant year, a solvency certificate within the meaning of section 33(5) of the Act (in these Regulations called a “general business solvency certificate”) in addition;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (bb)¹⁰³¹ an opinion of a loss reserve specialist where such is required under -
- (i) section 18B of the Act, or
 - (ii) the instructions in Part II and Part IV where applicable of Schedule III to the Insurance Accounts Regulations 1980, relating to line 17 of the statutory balance sheet, in which case it shall be accompanied by statutory financial statements and the notes to those statements, in addition;
- (c) where the insurer carried on long-term business in the relevant year -
- (i) a long-term business solvency certificate; and
 - (ii) an actuary's certificate in pursuance of section 27 of the Act, in addition; and
- (d) [Revoked]^{1032 1033}
- (e)¹⁰³⁴ where the insurer carried on special purpose business in the relevant year, a special purpose business solvency certificate; and¹⁰³⁵
- (f) annual statutory declaration;¹⁰³⁶
 - (g) statement of changes of control;¹⁰³⁷
 - (h) own risk statement;¹⁰³⁸
 - (i) underwriting analysis;^{1039 1040}
 - (j) schedule of segregated accounts;^{1041 1042}
 - (k) schedule of cyber risk management; and¹⁰⁴³
 - (l) schedule of sanctions compliance.¹⁰⁴⁴
- (2)¹⁰⁴⁵ Regulations 6, 7, 8, 8A, 9, 9A, 13, 14, 14A, 15A and 15B¹⁰⁴⁶ shall have effect as to the form and content of the cover sheet, the auditor's report, the general business solvency certificate, the loss reserve certificate, the long-term business solvency certificate, the special purpose business solvency certificate, the declaration of the statutory ratios, the actuary's certificate schedule of ceded reinsurance, schedule of cyber risk management and schedule of sanctions compliance respectively¹⁰⁴⁷.

6. Cover Sheet^{1048 1049 1050}

The cover sheet shall—

- (a) bear the name of the insurer and the title "Statutory Financial Return";
- (b) state the certificate of registration number;
- (c) state the class or classes of registration;
- (d) state the period covered by the return;
- (e) state the currency in which amounts are shown in the insurer's statutory financial statements and whether that currency is the currency in which those amounts are required by regulation 10(2) of the Insurance Accounts Regulations 1980 to be shown;
- (f) state the name of the insurer's ultimate parent;
- (g) state the name of the insurer's parent company;
- (h) state the industry sector of the insurer's parent;
- (i) state the insurer's ownership structure (for example, mutual company, company limited by shares, limited partnership, permit company, branch insurer, trust company, owned by a government or a government agency);
- (j) state the insurer's company structure;
- (k) state the nature of the insurance business carried on by the insurer, including but not limited to—

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (i) whether the insurer is a member of an insurance group;
- (ii) whether the insurer has segregated accounts;
- (iii) whether the insurer is in run-off;
- (l) state the conditions, if any, which have been imposed on the insurer's registration under section 4 of the Act;
- (m) state the particulars, if any, of any direction issued by the Authority;
- (n) state the classes of business written and separated by Class of Business type, Gross Premium Written, Premium Ceded, Net Premium Written, Net Earned Premium, Net Known Loss and Loss Expense Provision, and Net Loss Incurred but Not Reported;
- (o) state any non-Bermuda branches or subsidiaries within the insurance group (if applicable);
- (p) state the names of all of the insurer's directors, the effective date of appointment of each director, the effective date any director ceased to act, and the title and position held by any director (if applicable); and
- (q) state the names of all of the insurer's officers, the effective start date of employment of all officers, the date any officer ceased to act, and the title and position held by any officer.

7. Auditor's report¹⁰⁵¹

(1) The auditor's report shall be signed by the insurer's approved auditor and addressed to the Authority, and shall state -

- (a) that the auditor has carried out a proper examination of the insurer's statutory financial statements, and that that examination was conducted, and the auditor's report has been prepared, in accordance with an auditing standard recognised by the Authority¹⁰⁵²;
- (b) whether in his opinion the statutory financial statements have been prepared in accordance with the requirements of the Act and of any applicable regulations;
- (c) whether in his opinion -
 - (i) the solvency certificate complies, or, where the case requires, the solvency certificates comply, with the requirements of these Regulations; and
 - (ii) it was reasonable for the persons signing such a certificate to have arrived at the opinions expressed in the certificate.¹⁰⁵³
- (d) [Revoked]¹⁰⁵⁴

(2) Where any event specified in paragraph (3) occurs in relation to an audit, the auditor shall qualify his report accordingly and include in his report such observations, whether of fact or opinion, as he considers necessary for bringing the nature and effect of the qualifications to the attention of the Authority.

(3) The events referred to in paragraph (2) are -

- (a) there were deficiencies in the audit consisting of -
 - (i) inability of the auditor to obtain essential information; or
 - (ii) restrictions on the scope of the audit; or
 - (iii) some other deficiency or deficiencies;
- (b) the auditor disagreed with any valuation made in the statutory financial statements;
- (c) in some respect or respects the statutory financial statements or the certificates of solvency¹⁰⁵⁵ do not in his opinion comply with the requirements of the Act or any applicable regulations;
- (d) the auditor considered an opinion or opinions expressed in a solvency certificate unreasonable; and
- (e) the auditor considered that there was a significant doubt as to the insurer's ability to continue as a

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

going concern¹⁰⁵⁶.

8. General business solvency certificate^{1057,1058}

- (1) A general business solvency certificate shall relate to the general business of the insurer and shall be signed -
 - (a) by at least two directors of the insurer (of whom one must be a director resident in Bermuda if the insurer has a director so resident); and
 - (b) by the insurer's principal representative in Bermuda¹⁰⁵⁹.
- (2) The said certificate shall state -
 - (a) in relation to Class 1 insurers, Class 2 insurers and Class 3 insurers, the amount prescribed by regulation 10 as the minimum margin of solvency, and whether it was met;¹⁰⁶⁰
 - (b) whether or not the said statements are available at the insurer's principal office in Bermuda pursuant to section 17(1) or, as the case may be, have been filed pursuant to section 17(3)¹⁰⁶¹ of the Act;
 - (bb)¹⁰⁶² whether or not the insurer has complied with every condition attached to its certificate of registration;
 - (c) the aggregate value of the insurer's assets as shown in the statutory balance sheet for the relevant year, in this sub-paragraph called "the statutory balance sheet assets value", and whether or not in the opinion of those signing the certificate -
 - (i) the statutory balance sheet assets value was determined in accordance with the requirements of the Act and of any applicable regulations;
 - (ii) the value of the insurer's assets at the end of the relevant year was in the aggregate at least equal to the statutory balance sheet assets value;
 - (d) whether or not in the opinion of those signing the certificate the aggregate amount of the insurer's liabilities at the end of the relevant year (after taking into account all prospective and contingent liabilities, but not liabilities in respect of share capital) is not more than the aggregate amount of the liabilities as shown in the insurer's statutory balance sheet for that year;
 - (e) the following amounts as shown in the insurer's statutory statement of income for the relevant year -
 - (i) the aggregate amount of the gross premiums written;
 - (ii) the aggregate amount of the reinsurance premiums ceded;
 - (iii) the aggregate amount of the net premiums written, including the aggregate amount of net premiums shown in the statutory open year business revenue statement (if such a statement was annexed to the statutory statement of income);
 - (f) [Revoked]¹⁰⁶³
 - (g) whether any accounts of the insurer for the relevant year have been audited for any purpose other than the purposes of these Regulations;
 - (h) whether or not the minimum liquidity ratio applicable to the insurer¹⁰⁶⁴ for the relevant year was met;
 - (i) the amount prescribed by regulation 10 as the minimum margin of solvency¹⁰⁶⁵ margin, and whether it was met¹⁰⁶⁶;
 - (j) the aggregate amount of the statutory capital and surplus as shown in the insurer's statutory statement of capital and surplus for the relevant year;
 - (k) the currency in which amounts in the insurer's statutory financial statements for the relevant year have been shown¹⁰⁶⁷;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (l)¹⁰⁶⁸ the rate of exchange used, in compliance with paragraphs (2) and (3) of regulation 16, for the purposes of any statement called for by this regulation;
- (m)¹⁰⁶⁹ if any question in sub-paragraph (bb), (h) or (i) of this paragraph has been answered in the negative, whether or not the insurer has taken corrective action in any case and, where the insurer has taken such action, describe the action in a statement attached to the certificate.

8A.¹⁰⁷⁰ **Loss reserve opinion**^{1071 1072 1073}

- (1) A loss reserve opinion shall relate to the general business of the insurer and shall be signed and dated by a loss reserve specialist.
- (2) In such an opinion the loss reserve specialist shall state to what extent the instructions in Part IV¹⁰⁷⁴ (Classes 1, 2, and 3)^{1075 1076} of Schedule III to the Insurance Accounts Regulations 1980 relating to line 17 of the statutory balance sheet, in so far as those instructions call for the opinion of a loss reserve specialist, have been complied with.

9. **Long-term business solvency certificate**¹⁰⁷⁷

- (1) A long-term business solvency certificate shall relate to the long-term business of the insurer and shall be signed-
 - (a) by at least two directors of the insurer (of whom one must be a director resident in Bermuda if the insurer has a director so resident); and
 - (b) by the insurer's principal representative in Bermuda¹⁰⁷⁸.
- (2) The said certificate shall state -
 - (a) whether or not the insurer has prepared statutory financial statements in respect of the relevant year;
 - (b) whether or not the said statements are available at the insurer's principal office in Bermuda pursuant to section 17(1) of the Act;
 - (bb)¹⁰⁷⁹ whether or not the insurer has complied with every condition to its certificate of registration;
 - (c) the aggregate value of the insurer's assets as shown in the statutory balance sheet for the relevant year, in this sub-paragraph called "the statutory balance sheet assets value", and whether or not in the opinion of those signing the certificate -
 - (i) the statutory balance sheet assets value was determined in accordance with the requirements of the Act and of any applicable regulations;
 - (ii) the value of the insurer's assets at the end of the relevant year was in the aggregate at least equal to the statutory balance sheet assets value;
 - (d) whether or not in the opinion of those signing the certificate the aggregate amount of the insurer's liabilities at the end of the relevant year (after taking into account all prospective and contingent liabilities, but not liabilities in respect of share capital) is not more than the aggregate amount of the liabilities as shown in the insurer's statutory balance sheet for that year;
 - (e) in relation to Class A insurers, Class B insurer and ILT insurer¹⁰⁸⁰, the minimum margin of solvency for long-term business prescribed by regulation 12(1), and whether that margin was met;^{1081 1082}
 - (f) whether any accounts of the insurer for the relevant year have been audited for any purpose other than the purposes of these Regulations;
 - (g) the aggregate amount of the statutory capital and surplus as shown in the insurer's statutory statement of capital and surplus for the relevant year;
 - (h) the currency in which amounts in the insurer's statutory financial statements for the relevant year have been shown¹⁰⁸³;
 - (hh)¹⁰⁸⁴ the rate of exchange used, in compliance with paragraphs (2) and (3) of regulation 16, for the purposes of any statement called for by this regulation;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (i) the aggregate amount of the premiums and other considerations shown on line 19(e)(iv)¹⁰⁸⁵ of the insurer's statutory statement of income for the relevant year.
- (j)¹⁰⁸⁶ if any question in sub-paragraph (bb) or (e) of this paragraph has been answered in the negative, whether or not the insurer has taken corrective action in any case and, where the insurer has taken such action, describe the action in a statement attached to the certificate.

9A. Special purpose business solvency certificate¹⁰⁸⁷

(1) A special purpose business solvency certificate shall relate to the special purpose business of the insurer and shall be signed –

- (a) by at least two directors of the insurer (of whom one must be a director resident in Bermuda if the insurer has a director so resident); and
- (b) by the insurer's principal representative in Bermuda.

(2) The said certificate shall state –

- (a) whether or not the insurer has prepared statutory financial statements in respect of the relevant year;
- (b) whether or not the said statements are available at the insurer's principal office in Bermuda pursuant to section 17(1) or, as the case may be, have been filed pursuant to section 17(3) of the Act;
- (c) whether or not the insurer has complied with every condition attached to its certificate of registration;
- (d) the aggregate value of the insurer's assets as shown in the statutory balance sheet for the relevant year, in this sub-paragraph called "the statutory balance sheet assets value", and whether or not in the opinion of those signing the certificate–
 - (i) the statutory balance sheet assets value was determined in accordance with the requirements of the Act and of any applicable regulations;
 - (ii) the value of the insurer's assets at the end of the relevant year was in the aggregate at least equal to the statutory balance sheet assets value;
- (e) whether or not in the opinion of those signing the certificate the aggregate amount of the insurer's liabilities at the end of the relevant year (after taking into account all prospective and contingent liabilities, but not liabilities in respect of share capital) is not more than the aggregate amount of the liabilities as shown in the insurer's statutory balance sheet for that year;
- (f) the following amounts as shown in the insurer's statutory statement of income for the relevant year–
 - (i) the aggregate amount of the gross premiums written;
 - (ii) the aggregate amount of the reinsurance premiums ceded;
 - (iii) the aggregate amount of the net premiums written shown on line 3 of the insurer's statutory statement of income for the relevant year;
 - (iv) the aggregate amount of the premiums and other considerations shown on line 19(d) of the insurer's statutory statement of income for the relevant year;
- (g) whether any accounts of the insurer for the relevant year have been audited for any purpose other than the purposes of these Regulations;
- (h) the minimum special purpose business solvency margin prescribed by regulation 12A, and whether that margin was met;
- (i) whether the insurer's special purpose business is fully funded in accordance with the definition of special purpose business in section 1 of the Act;
- (j) the aggregate amount of the statutory capital and surplus as shown in the insurer's statutory

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

statement of capital and surplus for the relevant year;

- (k) the currency in which amounts in the insurer's statutory financial statements for the relevant year have been shown;
- (l) the rate of exchange used, in compliance with paragraphs (2) and (3) of regulation 16, for the purposes of any statement called for by this regulation;
- (m) if any question in sub-paragraph (c), (h) or (i) of this paragraph has been answered in the negative, whether or not the insurer has taken corrective action in any case and, where the insurer has taken such action, a description of the action in a statement attached to the certificate.

10. Minimum margin of solvency for general business¹⁰⁸⁸

(1)¹⁰⁸⁹ For the purposes of section 6¹⁰⁹⁰ of the Act, the minimum amount¹⁰⁹¹ by which the value of the general business assets of an insurer must exceed its general business liabilities is the greatest of figure A, figure B and figure C¹⁰⁹², ¹⁰⁹³¹⁰⁹⁴ where those letters represent values calculated, in relation to that insurer, in accordance with Schedule I.

(1A) [Revoked]¹⁰⁹⁵¹⁰⁹⁶

(2) [Repealed]¹⁰⁹⁷

(2A) [Repealed]¹⁰⁹⁸

(3) In this regulation -

“general business assets” and “general business liabilities” respectively mean assets and liabilities established in conformity with the requirements of the Insurance Accounts Regulations 1980 for the statutory balance sheet of an insurer carrying on general business;

“insurer” includes, in relation to section 6 of the Act, a body applying for registration as an insurer under the Act.

11. Minimum liquidity ratio for general business

(1) The minimum proportion that the liquid assets of an insurer carrying on general business may bear to such an insurer's liabilities (in these Regulations called “the minimum liquidity ratio”) shall be that set forth in this regulation.

(2) The value of the relevant assets of an insurer carrying on general business shall be not less than seventy-five per centum of the amount of its relevant liabilities, unless the insurer is a section 24(6) composite.

(3) The value of the relevant assets of a section 24(6) composite shall be not less than one hundred per centum of the amount of its relevant liabilities.

(4) In this regulation -

“relevant assets” means the assets required by the Insurance Accounts Regulations 1980 to be shown on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 -

(a) where the insurer is not a section 24(6) composite, of the insurer's statutory balance sheet for general business;

(b) where the insurer is a section 24(6) composite, of the insurer's statutory balance sheet,

¹⁰⁹⁹including any other assets which the Authority, on application in any particular case made to it with reasons, accepts for the purposes of this definition in that case;

“relevant liabilities” means, in relation to an insurer, the aggregate of the insurer's liabilities required by the Insurance Accounts Regulations 1980 to be shown on lines 19 and 38 of the statutory balance sheet less the aggregate of the insurer's liabilities required by those Regulations to be shown on lines 31(b), 36 and 37 thereof.

12. Minimum margin of solvency for long-term business¹¹⁰⁰

(1) For the purposes of section 6¹¹⁰¹ of the Act, the prescribed amount by which the value of the long-term business assets of an insurer carrying on long-term business must exceed its long term business liabilities is the

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

amount specified in Schedule II in relation to the relevant class of long-term insurer¹¹⁰².

(1A) [Revoked]¹¹⁰³¹¹⁰⁴

(2) In this regulation -

“long-term business assets” and “long-term business liabilities” respectively mean assets and liabilities established in conformity with the requirements of the Insurance Accounts Regulations 1980 for the statutory balance sheet of an insurer carrying on long-term business;

“insurer” includes, in relation to section 6 of the Act, a body applying for registration as an insurer under the Act.

12A. Minimum margin of solvency for special purpose business¹¹⁰⁵

(1) The amount of \$1 dollar is hereby prescribed -

- (a) for the purposes of section 6(1) of the Act as the prescribed amount; and
- (b) for the purposes of the statement called for by regulation 9A(2)(h), as the minimum special purpose business solvency margin, by which the value of the special purpose business assets of an insurer carrying on special purpose business must exceed the amount of its special purpose business liabilities.

(2) In this regulation-

“special purpose business assets” and “special purpose business liabilities” respectively mean assets and liabilities established in conformity with the requirements of the Insurance Accounts Regulations 1980 for the statutory balance sheet of a special purpose insurer carrying on special purpose business;

“insurer” includes, in relation to section 6 of the Act, a body applying for registration as an insurer under the Act.

13. Declaration of statutory ratios¹¹⁰⁶¹¹⁰⁷¹¹⁰⁸ [Revoked]

14. Actuary’s certificate¹¹⁰⁹¹¹¹⁰

(1) The actuary’s certificate shall relate to the long-term business of a Class A, Class B insurer or innovative insurer^{1111 1112} and shall be signed and dated by the insurer’s approved actuary.

(2) A Class A, Class B insurer or innovative insurer^{1113 1114} approved actuary shall state, in an opinion, to what extent the instructions in Part III of Schedule III to the Insurance Accounts Regulations 1980 relating to Line 27(d) of the statutory balance sheet, in so far as those instructions call for the opinion of an approved actuary, have been complied with.

14A Schedule of ceded reinsurance¹¹¹⁵¹¹¹⁶ [Revoked]

14B Annual statutory declaration¹¹¹⁷

An annual statutory declaration shall be signed by at least two directors of the insurer and by the insurer’s principal representative in Bermuda, and shall state whether -

- (a) the information in the latest statutory financial return, including any supporting schedules and attachments, fairly represents the financial condition and position of the insurer in all material respects and are in compliance with the Act, any applicable regulations, the Insurance Code of Conduct and any direction, condition or restriction imposed on the insurer by the Authority;
- (b) the insurer has sufficient resources as at the date of the latest statutory balance sheet to enable the insurer to continue as a going concern, and to satisfy its obligations as and when they fall due for a period of twelve months post the relevant balance sheet date.

14C Statement of changes of control¹¹¹⁸

An insurer shall provide a statement of changes of control relating to the relevant year which shall -

- (a) confirm any change of an insurer’s shareholder controllers since the last statutory financial return;
- (b) state the year-end date;
- (c) attach a register of shareholder controllers of the insurer, confirming the following -

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (i) any increase or decrease in the number of shareholder controllers;
- (ii) changes to the position that a shareholder controller is appointed to or holds an office in;
- (iii) changes in the ownership percentage of a shareholder controller (whether increase or decrease);
- (iv) the date a person became a new shareholder controller;
- (v) the date a person ceased to be a shareholder controller;
- (d) state the name of the ultimate parent company;
- (e) state the industry of operation of the ultimate parent company;
- (f) state the jurisdiction and name of the direct parent company;
- (g) state the jurisdiction of the ultimate parent company;
- (h) state whether or not there has been any change of directors since the filing of the last statutory financial return; if yes, provide—
 - (i) the number of new directors;
 - (ii) the first and last name of each new director and his title;
 - (iii) the date of birth of each director;
 - (iv) the date a director was appointed;
 - (v) the date a director ceased to act;
- (i) state whether or not a registered insurance manager has been appointed to manage the insurer's affairs; if no such manager has been appointed, state—
 - (i) the number of officers of the insurer;
 - (ii) the title and first and last name of each officer;
 - (iii) the date of birth of each officer;
- (j) state whether or not there has been any change of officers since the filing of the last statutory financial return; if yes, provide—
 - (i) the number of new officers;
 - (ii) the title and first and last name of each new officer;
 - (iii) the date of birth of each officer;
 - (iv) the date an officer was appointed;
 - (v) the date an officer ceased to act.

14D Own risk assessment¹¹¹⁹

An insurer's own risk assessment shall provide—

- (a) an overview of the insurance programme (including but not limited to affiliated, third party, source of business, and details of policy limits or aggregate limits);
- (b) details of any significant changes planned for the next 12 months;
- (c) confirmation of fronting insurer or insurers, if applicable;
- (d) details of any investment in, and advances to, affiliates (over 10% of the amount stated on line 4 of the statutory balance sheet) by including—
 - (i) name of affiliate;
 - (ii) nature of balance;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (iii) inter-company balances and obligations;
- (e) details of any reinsurance by including—
 - (i) name of reinsurer or reinsurers;
 - (ii) premiums ceded;
 - (iii) paid loss recoverable;
 - (iv) reinsurance recoverable on loss expense provisions or insurance reserves;
- (f) details of any collateral including but not limited to—
 - (i) collateral posted to contracts written to policy limits;
 - (ii) collateral (for example, funds withheld or letters of credit);
 - (iii) form of collateral;
 - (iv) amount of collateral provided;
 - (v) amount of assets encumbered;
- (g) details of the number of employees of the insurer residing in Bermuda;
- (h) details of the discount on loss reserves by—
 - (i) line of business;
 - (ii) discount rate or range of rates;
 - (iii) amount of discount on loss reserves;
- (i) details of investments based on own risk assessment (“ORA”) rate of—

ORA Rating Category	S&P	Moody’s	AM Best	Fitch
1 ORA Rating 1	AAA	Aaa	A++	AAA
2 ORA Rating 2	AA+ to AA-	Aa1 to Aa3	A+	AA+ to AA-
3 ORA Rating 3	A+ to A-	A1 to A3	A	A+ to A-
4 ORA Rating 4	BBB+ to BBB-	Baa1 to Baa3	A-	BBB+ to BBB-
5 ORA Rating 5	BB+ to BB-	Ba1 to Ba3	B++ to B	BB+ to BB-
6 ORA Rating 6	B+ to B-	B1 to B3	B- to C+	B+ to B-
7 ORA Rating 7	CCC+ to CCC-	Caa1 to Caa3	C to C-	CCC+ to CCC-
8 ORA Rating 8	Below CCC-	Below Caa3	Below C-	Below CCC-

- (j) details of known or notified legal actions, disputes or arbitration;
- (k) risk register;
- (l) risk appetite;
- (m) investment guidelines.

14E Underwriting analysis¹¹²⁰

An insurer shall provide details of its underwriting analysis as follows—

- (a) the statutory lines of general business written, as set out in Table A, by—
 - (i) gross premium written;
 - (ii) net premium written;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (iii) related gross premiums written;
- (iv) unrelated gross premiums written;
- (v) connected gross premiums written;
- (vi) insurance premiums written;
- (vii) reinsurance premiums written;

Table A	
1	Accident and Health, Travel, Personal Accident
2	Agriculture
3	Aviation - Hull, Liability and War
4	Construction
5	Credit/Surety
6	Crime and Fidelity
7	Cyber Risk
8	Energy - Onshore and Offshore
9	Environmental Risk
10	General liability - Public, Products, Umbrella, Product recall
11	Marine - P&I, Cargo, Hull and Liability, War
12	Medical Malpractice
13	Mortgage
14	Motor - APD and Liability
15	Political Risks
16	Professional Liability - Professional Indemnity, D&O, Bankers Blanket, E&O
17	Property and Casualty Catastrophe
18	Property Damage and Business Interruption
19	Property Retrocession
20	Finite Reinsurance
21	Terrorism
22	Warranty, Residual Value
23	Workers Compensation/Employers Liability
24	Incidental long-term business (not to be included if a composite licence)

- (b) details of the geographical location of the general business gross premiums written;
- (c) details of the statutory lines of long-term business written, as set out in Table B, by—
 - (i) gross premium written;
 - (ii) net premium written;
 - (iii) related gross premiums written;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (iv) unrelated gross premiums written;
- (v) connected gross premiums written;
- (vi) insurance premiums written;
- (vii) reinsurance premiums written;

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Table B	
1	Mortality
2	Critical Illness
3	Longevity
4	Deferred Annuities
5	Disability Income: Active lives with premium guarantee of—
(a)	Less than or equal to 1 year
(b)	More than 1 year but less than 5 years
(c)	Greater than 5 years
6	Disability Income: Active lives for other accident and sickness
7	Disability Income: Claims in payment
8	Disability Income: Claims in payment for other accident and sickness
9	Group Life
10	Group Disability
11	Group Health
12	Stop Loss
13	Rider
14	Variable Annuities

(d) details of geographical location of the long-term business gross premiums written.

14F Schedule of segregated accounts¹¹²¹

An insurer shall provide the following information for each segregated cell by statutory lines of business written under the schedule of segregated accounts—

- (a) the cell reference number;
- (b) the name;
- (c) total assets;
- (d) total liabilities;
- (e) statutory capital and surplus;
- (f) cash and investments;
- (g) net loss reserves;
- (h) reinsurance recoverables;
- (i) statutory lines of business written as set out in Tables A and B;
- (j) gross premiums written;
- (k) net premiums written;
- (l) currency used;
- (m) confirm whether the insurance business written by a segregated account cell is business that meets the definition in the Act of business that can ordinarily be written by a Class 1, Class 2, Class 3,

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Class A , Class B insurer or innovative insurers ¹¹²² (with the exception that the insurance business written is that which is assumed from an affiliate insurer is deemed by the Authority as “connected business” or is business written by an insurer owned by insurance brokers or agents);

- (n) whether or not there is any inter-relationship between segregated cells (including but not limited to contractual arrangements, reinsurance, guarantees, transfers or loans);
- (o) whether or not there is access to the general account assets;
- (p) the remedial actions or update on proceedings when a segregated cell is in deficit, is insolvent, or is subject to litigation.

14G Anti-Money Laundering and Anti-Terrorist Financing¹¹²³

(1) Every insurer writing long-term business shall be required to complete the questions set out in Schedule IV “Anti-Money Laundering/Anti-Terrorist Financing” in relation to its long-term business (excluding any reinsurance business) and provide particulars of its gross written premiums on a consolidated basis for the relevant year.

(2) When completing Schedule IV, insurers are required to complete—

- (a) Table I, in order to provide the Authority with the data required to determine the extent of an insurer’s exposure or potential exposure to Money Laundering (“ML”) and Terrorist Financing (“TF”) risks;
- (b) Table II, in order to provide the Authority with an understanding of the insurer’s AML/ATF corporate governance framework, including but not limited to employee training, knowledge, integrity, and compliance with established AML/ATF policies and procedures.

15. Duty to supply additional audit report in certain circumstances

[Deleted]¹¹²⁴

15A. Schedule of Cyber Risk Management¹¹²⁵

Every insurer shall provide the following information in relation to management of its cyber risks—

- (a) whether the insurer’s board has approved the insurer’s cyber risk strategy, and if so, the insurer shall state how often the board reviews the strategy;
- (b) whether the insurer has formally adopted a cyber security standard or practice, and if so, the insurer shall state how often the board reviews the standard or practice;
- (c) whether cyber risk is considered part of the insurer’s internal management control process, and if so, the insurer shall provide the relevant documentation;
- (d) whether the insurer has a process in place to identify the organisation’s critical functions, processes and key information assets that are exposed to cyber risk, and if so, the insurer shall describe how critical functions are defined and provide any relevant policies or supporting documentation;
- (e) whether the insurer’s internal audit department conduct reviews of the organization’s cyber security systems, controls and processes, and if so, the insurer shall provide the latest report;
- (f) whether the insurer has cyber insurance, and if so, the insurer shall provide the applicable limits;
- (g) whether the insurer performs internal regular vulnerability testing and penetration testing, and if so, the insurer shall provide the latest reports;
- (h) whether the insurer has engaged an external consultant to perform vulnerability or penetration testing in the last year, and if so, the insurer shall provide the name and address of the vendor engaged and provide the latest vendor report;
- (i) whether all employees of the insurer are provided with on-going cyber security training;
- (j) whether an assessment has been made regarding cyber and potential contagion risk from third party service providers of the insurer, and if so, the insurer shall provide the assessment report;
- (k) whether the insurer has formal policies and procedures in place to protect critical data and



INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

sensitive data such as personal identification information, and if so, the insurer shall provide the policies and procedures;

- (l) whether the insurer has formal policies and procedures in place to ensure maintenance of its software including installation of patches and updates to software in a timely manner, and if so, the insurer shall provide the policies and procedures;
- (m) whether the insurer has formal policies and procedures in place to monitor its networks and to detect internal and external adverse network activity, and if so, the insurer shall provide the policies and procedures;
- (n) whether a documented response plan has been implemented and whether formal thresholds are set for events and incidents to determine the appropriate response (including reporting to impacted stakeholders and regulators), and the answer to this query shall include information on the following—
 - (i) if the answer is in the affirmative, the insurer shall provide relevant policies or supporting documentation;
 - (ii) the insurer shall state whether the plan shall include detailed incident recovery process;
 - (iii) the insurer shall state whether the plan shall identify requirements for the remediation of any identified weaknesses and associated controls;
 - (iv) the insurer shall state whether he has been subject to a cyber incident, and if so, he shall describe the incident and the amount of loss, if applicable;
- (o) the insurer shall state where he ensures that outsourced functions have equivalent levels of security and protection;
- (p) the insurer shall state the percentage of the current year’s budget he allocates to cyber security.

15B. Schedule of Compliance with Sanctions¹¹²⁶

Every insurer shall provide the following information in relation to management of sanctions processes and policies—

- (a) whether the insurer screens policyholders and beneficiaries (where relevant) to determine whether they are subject to measures imposed under the International Sanctions Act 2003 and related regulations (“Bermuda sanctions regime”);
- (b) whether the insurer screens employees to determine whether they are subject to measures imposed under the Bermuda sanctions regime;
- (c) the insurer shall state if he has frozen any client assets in the last 12 months pursuant to enforcement action taken under the Bermuda sanctions regime;
- (d) if the answer to the query in paragraph (c) is in the affirmative, the insurer shall state how many asset freezes there have been;
- (e) the insurer shall provide the following details for asset freezes from the consolidated list as published by the United Kingdom’s Office of Financial Sanctions Implementation (OFSI)—

	Group ID Name	Name of the insurer	Name of the person/ entity owned/controlled by insurer?	Value of Assets
1				
2				
3				
4				

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

- (f) the insurer shall include any additional information/comments which he thinks might be relevant to this exercise.

16. Requirements relating to preparation of returns generally

- (1) Every statutory financial return and any document annexed to such a return shall be prepared in the English language.
- (2) All amounts which are shown in any such return or document as aforesaid shall be shown in the currency in which pursuant to regulation 10(2) of the Insurance Accounts Regulations 1980 amounts in any account of an insurer are to be shown; but the Bermudian equivalent of every such amount must be stated next to that amount in every case where that amount is an amount expressed in a foreign currency (in this regulation called a “foreign currency amount”).
- (3) For the purposes of paragraph (2), the Bermudian equivalent of a foreign currency amount shall be the Bermudian dollar equivalent of that foreign currency amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that Bank of that foreign currency on the last day of the relevant year; and the person preparing the return or document in question shall state that rate either in the return or document itself or in some other document made available to the Authority.

17. Offences

- (1) [Repealed]¹¹²⁷
- (2) Any person who, in or in relation to a return or a document annexed to a return, makes, or joins in making, any statement which he knows to be false or does not believe to be true commits an offence against these Regulations; and in this paragraph “make a statement”, in relation to any statement made, includes a wilful omission to state something that is material.
- (3) If, for the purposes of any provision of these Regulations (being a provision requiring or allowing for a statement to be made) either -
- (a) any insurer; or
 - (b) any director or officer or employee of an insurer; or
 - (c) any approved auditor,

makes a statement which owing to its or his gross negligence in making the statement is wrong, or grossly misleading, in a material respect, it or he commits an offence against these Regulations.

18. Commencement

These Regulations shall commence on the date of their publication in the Gazette.

SCHEDULE I

(Reg 10(1))

GENERAL BUSINESS SOLVENCY MARGIN^{11281129 1130}*Figure A*

1 For the purposes of regulation 10, figure A has the following value in relation to the class of insurer indicated—

Class 1	\$120,000
Class 2	\$250,000
Class 3	\$1,000,000
IGB insurer	\$120,000

Figure B

2 (1) For the purposes of regulation 10, paragraphs (2) and (3) set out the method of calculating figure B in relation to Class 1, Class 2, Class 3 and IGB¹¹³¹ insurers.

(2) Where the net premiums—

- (a) written by a Class 1, Class 2, Class 3 or IGB¹¹³² insurer in its current financial year; or
- (b) projected to be written by an insurer on application for registration as a Class 1, Class 2 or Class 3 insurer, in its first financial year, do not or (as the case may be) are not projected to exceed \$6,000,000,

figure B shall be calculated as 20% of those net premiums.

(3) Where the net premiums—

- (a) written by a Class 1, Class 2, Class 3 or IGB¹¹³³ insurer in its current financial year; or
- (b) projected to be written by an insurer, on application for registration as a Class 1, Class 2, Class 3 or IGB¹¹³⁴ insurer, do not or (as the case may be) are not projected to, exceed \$6,000,000,

figure B shall be calculated as \$1,200,000 plus the following percentage of the net premiums written which exceed \$6,000,000 in relation to the class of insurer indicated—

Class 1	10%
Class 2	10%
Class 3	15%
IGB insurer ¹¹³⁵	10%

(4) In this paragraph, “net premiums written” in relation to any financial year means, in relation to a Class 1, Class 2, Class 3 or IGB¹¹³⁶ insurer, the net amount, after deductions of any premiums ceded by the insurer for reinsurance, of the premiums written by the insurer in that year in respect of general business and “net premiums projected to be written” has a corresponding meaning.

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Figure C

- 3 For the purposes of regulation 10, figure C shall be calculated as the following percentage of the aggregate—
- (a) of the amounts shown by the insurer in completing lines 17 and 18 of Form 1 or Form 1A (as applicable) in the Insurance Accounts Regulations 1980; or
 - (b) of those amounts as projected by the insurer on application for registration, in relation to the class of insurer indicated—

Class 1	10%
Class 2	10%
Class 3	15%
IGB insurer ¹¹³⁷	10%

Figure D [Revoked] ^{1138 1139}

SCHEDULE II

(Reg. 12(1))

MINIMUM MARGIN OF SOLVENCY FOR LONG-TERM BUSINESS¹¹⁴⁰¹¹⁴¹¹¹⁴²

<u>Class</u>	<u>Minimum Margin of Solvency ('MMS')</u> ^{1143 1144}
A	greater of \$120,000 or 0.5% of assets;
B	greater of \$250,000 or 1% of assets,
ILT insurer	greater of \$120,000 or 0.5% of assets,

where assets shall be the total assets reported on an insurer's balance sheet in the relevant year less the amount held in a segregated account.

SCHEDULE III

(Reg. 12 (1))

MINIMUM MARGIN OF SOLVENCY FOR LONG-TERM BUSINESS¹¹⁴⁵¹¹⁴⁶

<u>Class</u>	<u>Minimum Margin of Solvency ('MMS')</u>
A	greater of \$120,000 or 0.5% of assets;
B	greater of \$250,000 or 1% of assets;
C	greater of \$500,000 or 1.5% of assets;
D	greater of \$4,000,000 or 2% of first \$250,000,000 of assets plus 1.5% of assets above \$250,000,000;
E	greater of \$8,000,000 or 2% of first \$500,000,000 of assets plus 1.5% of assets above \$500,000,000;

where assets shall be the total assets reported on an insurer's balance sheet in the relevant year less the amount held in a segregated account

Application

1. The MMS shall be phased in over a period of three years from the coming into force of this

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Schedule.

2. The applicable MMS for the financial year ending in 2011 shall be 50% of the amount specified above.
3. The applicable MMS for the financial year ending in 2012 shall be 75% of the amount specified above.
4. The applicable MMS for the financial year ending in 2013 and beyond shall be the full amounts specified above.

<u>Class</u>	<u>MMS Floor</u>
C	25% of ECR
D	25% of ECR
E	25% of ECR

Application

The MMS Floor shall come into operation on 1 January 2017.

SCHEDULE IV¹¹⁴⁷

(Regulation 14G)

AMENDMENTS TO THE INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Table I

AML/ATF

INSURER INFORMATION

1. Confirm if the insurer is registered as a segregated accounts company ("SAC") in accordance with the requirements of the Segregated Accounts Companies Act 2000 or has created separate accounts in accordance with the provisions relating to the business of the insurer under any Private Act. If the answer is "yes" to the foregoing question, provide the number of—
 - (a) active accounts; and
 - (b) non-active accounts.
2. Provide the Gross Premium Written (GPW) for the relevant year. In addition:
 - (a) provide the percentage of GPW corresponding to any unrelated business written by the insurer;
 - (b) if applicable, confirm the percentage of incidental general business written by the insurer;
 - (c) provide GPW by line of business—

Lines of Business	Insurance		Reinsurance	
	GPW US\$	Number of Policies	GPW US\$	Number of Policies
(a) Mortality				
(i) Term assurance	XXX	XXX	XXX	XXX
(ii) Whole Life	XXX	XXX	XXX	XXX
(iii) Universal Life	XXX	XXX	XXX	XXX
(b) Critical illness (including accelerated critical illness products)	XXX	XXX	XXX	XXX
(c) Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)	XXX	XXX	XXX	XXX
(d) Longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs)	XXX	XXX	XXX	XXX
(e) Annuities certain only	XXX	XXX	XXX	XXX
(f) Deferred accumulation annuities	XXX	XXX	XXX	XXX
(g) Disability income: active lives - including waiver of premium and long-term care	XXX	XXX	XXX	XXX
(h) Disability income: active lives - other accident and sickness	XXX	XXX	XXX	XXX
(i) Disability income: claims in payment - including waiver of premium and long-	XXX	XXX	XXX	XXX

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

	term care				
(j)	Disability income: claims in payment - other accident and sickness	XXX	XXX	XXX	XXX
(k)	Group Life	XXX	XXX	XXX	XXX
(l)	Group Disability	XXX	XXX	XXX	XXX
(m)	Group Health	XXX	XXX	XXX	XXX
(n)	Stop Loss	XXX	XXX	XXX	XXX
(o)	Rider (other product riders not included above)	XXX	XXX	XXX	XXX
(p)	Variable Annuities	XXX	XXX	XXX	XXX
(q)	Other Lines of Business				
	General Business	XXX	XXX	XXX	XXX
	Any other lines of business	XXX	XXX	XXX	XXX
	Total	XXX	XXX	XXX	XXX

3. Confirm if the insurer has in force designated investment contracts approved by the Authority in accordance with the provisions of section 57A of the Act; or in accordance with the provisions of any Private Act relating to the business of the insurer. If the answer is yes to the foregoing question, provide the—

- (a) number of designated investment contracts approved;
- (b) net account value of the designated investments contracts at year end.

4. Provide claims paid (gross) for the reporting period. Additionally, provide claims paid by line of business—

Lines of Business	Insurance		Reinsurance	
	Paid US\$	Number of Policies	Paid US\$	Number of Policies
(a) Mortality				
(i) Term assurance	XXX	XXX	XXX	XXX
(ii) Whole Life	XXX	XXX	XXX	XXX
(iii) Universal Life	XXX	XXX	XXX	XXX
(b) Critical illness (including accelerated critical illness products)	XXX	XXX	XXX	XXX
(c) Longevity (immediate pay-out annuities, contingent annuities, pension pay-outs)	XXX	XXX	XXX	XXX
(d) Longevity (deferred pay-out annuities, future contingent annuities, future pension pay-outs)	XXX	XXX	XXX	XXX
(e) Annuities certain only	XXX	XXX	XXX	XXX
(f) Deferred accumulation annuities	XXX	XXX	XXX	XXX
(g) Disability income: active lives - including waiver of premium and long-term care	XXX	XXX	XXX	XXX
(h) Disability income: active lives - other	XXX	XXX	XXX	XXX

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

accident and sickness					
(i)	Disability income: claims in payment - including waiver of premium and long-term care	XXX	XXX	XXX	XXX
(j)	Disability income: claims in payment - other accident and sickness	XXX	XXX	XXX	XXX
(k)	Group Life	XXX	XXX	XXX	XXX
(l)	Group Disability	XXX	XXX	XXX	XXX
(m)	Group Health	XXX	XXX	XXX	XXX
(n)	Stop Loss	XXX	XXX	XXX	XXX
(o)	Rider (other product riders not included above)	XXX	XXX	XXX	XXX
(p)	Variable Annuities	XXX	XXX	XXX	XXX
(q)	Other Lines of Business				
	General Business	XXX	XXX	XXX	XXX
	Any other lines of business	XXX	XXX	XXX	XXX
	Total	XXX	XXX	XXX	XXX

5. Confirm if the corporate governance framework or procedure manuals of the insurer relating to ML/AF risks are up to date and aligned with current AML/ATF requirements.
6. Confirm the frequency with which the AML/ATF policies, procedures or manual are reviewed by the insurer.
7. Confirm if the insurer provides employees with training relating to money laundering (“ML”) and terrorism financing (“TF”). If yes, confirm if—
 - (a) ML/TF training is included in the induction programme of new employees;
 - (b) the ML/TF training provided is specific to the business of insurance conducted by the insurer or is of general application;
 - (c) the frequency that employees must undertake ML/TF training.
8. Provide the experience and professional designations of the following employees—

	Number of Years in Current Role	Number of Years of AML/ATF Experience	Professional Designation
Senior Compliance Officer	XXX	XXX	XXX
Reporting Officer (“ML/TF Reporting Officer”)	XXX	XXX	XXX

9. Confirm if the insurer’s Senior Compliance Officer is located in Bermuda.
10. Confirm if the insurer’s ML/TF Reporting Officer is located in Bermuda.
11. Confirm if the insurer’s Senior Compliance Officer is a member of the senior management of the insurer.

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

12. Confirm the actions taken by an insurer prior to hiring employees—
- | | |
|--|--------|
| Verification of: | Yes/No |
| Name | XXX |
| Residential address | XXX |
| Whether the individual should be considered as or is, a PEP | XXX |
| Whether individual is subject to international sanctions lists | XXX |
| Whether there is negative press concerning the proposed employee | XXX |
| Employment history | XXX |
| Professional references | XXX |
| Whether details have been requested regarding regulatory action taken against the individual | XXX |
| Details of any criminal conviction for fraud or other dishonesty | XXX |
13. Confirm if the insurer monitors the transactions of its policyholders against their risk profile for suspicious activity.
14. Confirm if the insurer is registered with the Financial Intelligence Agency's ("FIA") "Go AML" Program and if so, provide the date of registration.
15. Confirm the number of Suspicious Activity Reports filed by the insurer from the year 2011 to date.

POLICY HOLDER AND BENEFICIARY INFORMATION

	Filed Internally	With FIA
201X	XXX	XXX
201X-1	XXX	XXX
201X-2	XXX	XXX
201X-3	XXX	XXX
201X-4	XXX	XXX
Total	XXX	XXX

16. Provide the following information based on the policyholder's residence (in accordance with the underwriting geographical zones set out in Table A); and the GPW for the relevant year—

Geographic Zone	GPW US\$	Number of Policies
Zone 1	XXX	XXX
Zone 2	XXX	XXX
Zone 3	XXX	XXX
Zone 4	XXX	XXX
Zone 5	XXX	XXX
Zone 6	XXX	XXX
Zone 7	XXX	XXX
Zone 8	XXX	XXX
Zone 9	XXX	XXX

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Zone 10	XXX	XXX
Zone 11	XXX	XXX
Zone 12	XXX	XXX
Zone 13	XXX	XXX
Zone 14	XXX	XXX
Zone 15	XXX	XXX
Zone 16	XXX	XXX
Zone 17	XXX	XXX
Zone 18	XXX	XXX
Zone 19	XXX	XXX
Zone 20	XXX	XXX
Total	XXX	XXX

17. Provide the following information, based on the residence of beneficiaries (in accordance with the underwriting geographical zones set out in Table A); and the claims paid for the relevant year—

Geographic Zone	Claims paid	Number of Policies
Zone 1	XXX	XXX
Zone 2	XXX	XXX
Zone 3	XXX	XXX
Zone 4	XXX	XXX
Zone 5	XXX	XXX
Zone 6	XXX	XXX
Zone 7	XXX	XXX
Zone 8	XXX	XXX
Zone 9	XXX	XXX
Zone 10	XXX	XXX
Zone 11	XXX	XXX
Zone 12	XXX	XXX
Zone 13	XXX	XXX
Zone 14	XXX	XXX
Zone 15	XXX	XXX
Zone 16	XXX	XXX
Zone 17	XXX	XXX
Zone 18	XXX	XXX
Zone 19	XXX	XXX
Zone 20	XXX	XXX
Total	XXX	XXX

18. Provide the information based on the residence of politically exposed persons (in accordance with the

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

underwriting geographical zones set out in Table A); and the GPW for the relevant year—

Geographic Zone	Number of PEPs
Zone 1	XXX
Zone 2	XXX
Zone 3	XXX
Zone 4	XXX
Zone 5	XXX
Zone 6	XXX
Zone 7	XXX
Zone 8	XXX
Zone 9	XXX
Zone 10	XXX
Zone 11	XXX
Zone 12	XXX
Zone 13	XXX
Zone 14	XXX
Zone 15	XXX
Zone 16	XXX
Zone 17	XXX
Zone 18	XXX
Zone 19	XXX
Zone 20	XXX
Total	XXX

19. Confirm if the insurer screens policyholders and beneficiaries to determine if they are subject to directives imposed under Bermuda sanctions regime.

20. Provide the number of policyholders by the following risk assessment—

	Number of Policyholders	% of GPW
Low Risk	XXX	XXX
Medium Risk	XXX	XXX
High Risk	XXX	XXX
Unknown	XXX	XXX
Total	XXX	XXX

21. Confirm the frequency with which the insurer rates the AML/ATF risks of its policyholders.

22. Confirm whether senior management approval is required to approve new business, if the policyholder has been risk rated as—

Low	Medium	High
XXX	XXX	XXX

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

23. Confirm if senior management approval is required to retain an existing policyholder, if the policyholder's risk rating has changed to—

Low	Medium	High
XXX	XXX	XXX

24. Confirm the manner in which the insurer conducts business with its policyholders by percentage of the total business—

	% of policyholder
Directly with the policyholder	XXX%
Via affiliated intermediary arrangement	XXX%
Via unrelated intermediary arrangement	XXX%
Introduced from a member of an insurance group	XXX%
Other (provide examples)	XXX%
Total	XXX%

25. Provide the percentage of business conducted by each of the following methods—

	% of policyholder
Face to face with policyholders	XXX%
Via intermediary	XXX%
By phone, email, fax, or post	XXX%
Other (provide examples)	XXX%
Total	XXX%

26. If the insurer engages intermediaries, confirm if the insurer performs AML/ATF due diligence prior to the engagement.

27. Confirm the following information for each type of policyholder that is verified by an insurer prior to commencement of new business—

	Low Risk Policyholder	Medium Risk Policyholder	High Risk Policyholder	Non-Risk Rated Policyholder
Public company (i.e., Policyholders quoted on a stock exchange)				
Full legal name	XXX	XXX	XXX	XXX
Address of Policyholder	XXX	XXX	XXX	XXX
Nature of business	XXX	XXX	XXX	XXX
Evidence of exchange listing	XXX	XXX	XXX	XXX
Private company (i.e. Policyholders not quoted on a stock exchange)				
Legal name	XXX	XXX	XXX	XXX
Trading name	XXX	XXX	XXX	XXX
Registered trading address	XXX	XXX	XXX	XXX
Nature of business	XXX	XXX	XXX	XXX
Jurisdiction of operations	XXX	XXX	XXX	XXX



INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Identity of beneficial owner and whether identity is verified	XXX	XXX	XXX	XXX
Address of beneficial owners	XXX	XXX	XXX	XXX
Identity of directors/senior executives and whether identity is verified	XXX	XXX	XXX	XXX
Address of directors/senior executives	XXX	XXX	XXX	XXX
Natural Person				
Name	XXX	XXX	XXX	XXX
Address	XXX	XXX	XXX	XXX
D.O.B.	XXX	XXX	XXX	XXX
Nationality	XXX	XXX	XXX	XXX
Gender	XXX	XXX	XXX	XXX
Occupation	XXX	XXX	XXX	XXX
Salary	XXX	XXX	XXX	XXX
Employer	XXX	XXX	XXX	XXX
Source of funds	XXX	XXX	XXX	XXX
Source of wealth	XXX	XXX	XXX	XXX
Reason for application	XXX	XXX	XXX	XXX
Expected activities	XXX	XXX	XXX	XXX

28. Confirm the mechanism(s) used by the insurer to receive premium and pay claims—

	Premium	Claim
Bank transfer	XXX	XXX
Cash	XXX	XXX
Cheque	XXX	XXX
Credit/debit card	XXX	XXX
Virtual currencies	XXX	XXX
Other (provide examples)	XXX	XXX

29. Provide any additional information or comments that could be relevant to this report or which may further clarify any information provided by the insurer.

Table A – Underwriting Geographical Zones

Underwriting Zone	Location
Zone 1 - Central & Western Asia	Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Tajikistan, Turkey, Turkmenistan, United Arab Emirates and Uzbekistan



INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Zone 2 – Eastern Asia	China, Hong Kong, Japan, Macao, Mongolia, North Korea, South Korea and Taiwan
Zone 3 - South and South - Eastern Asia	Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, India, Indonesia, Iran, Lao PDR, Malaysia, Maldives, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste, and Vietnam
Zone 4 - Oceania	American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, N. Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Wallis & Futuna Islands
Zone 5 - Northern Africa	Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Cote d' Ivoire, Egypt, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Saint Helena, Senegal, Sierra Leone, Sudan, Togo, Tunisia and Western Sahara
Zone 6 Southern Africa	Angola, Botswana, Burundi, Democratic Republic of Congo, Comoros, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mayotte, Mozambique, Namibia, Republic of Congo, Reunion, Rwanda, Sao Tome & Principe, Seychelles, Somalia, South Africa, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe
Zone 7 - Eastern Europe	Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russian Federation, Slovakia and Ukraine
Zone 8 - Northern Europe	Aland Islands, Channel Islands, Denmark, Estonia, Faroe Islands, Finland Guernsey, Iceland, Republic of Ireland, Isle of Man, Jersey, Latvia, Lithuania, Norway, Svalbard, Jan Mayen, Sweden and United Kingdom
Zone 9 - Southern Europe	Albania, Andorra, Bosnia, Croatia, Cyprus, Gibraltar, Greece, Italy, FYR of Macedonia, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain and Vatican City
Zone 10 - Western Europe	Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands and Switzerland
Zone 11 - Northern America (excluding USA)	Canada, Greenland and St Pierre & Miquelon
Zone 12 - Caribbean	Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guadeloupe, Haiti, Jamaica, Montserrat, Netherlands Antilles, Puerto Rico, St. Barthelemy, St Kitts & Nevis, St Lucia, St Martin, St Vincent, Trinidad & Tobago, Turks & Caicos Islands, and US Virgin Islands
Zone 13 - Eastern South America	Brazil, Falkland Islands, French Guiana, Guyana, Paraguay, Suriname and Uruguay
Zone 14 Northern, Southern and Western South America	Argentina, Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela
Zone 15 - North-East United States	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont
Zone 16 - South-East United States	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

Zone 17 - Mid-West United States	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota and Wisconsin
Zone 18 Western United States	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming
Zone 19 - Central America	Belize, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua and Panama
Zone 20 - Bermuda	Bermuda

Table II
AML/ATF

The insurer shall confirm the following information as at the reporting period –

Corporate Governance	
1	Whether the powers, roles, responsibilities and accountabilities between the board of directors of the insurer (“Board”) and senior management are clearly defined, segregated and understood.
2	Whether the Board and senior management understand how the insurer operates through structures which may impede transparency.
3	That the insurer reviews and monitors the structure, size and composition of the Board and recommends improvements to ensure its compliance with the applicable laws, regulations, listing rules and insurer’s policies.
4	That the Audit and Risk Management Committee of the Board, or any related Board committee, assists the Board in fulfilling its oversight function through the review and evaluation of the financial reporting process and adequacy and effectiveness of the system of internal controls, including financial reporting and information technology security controls.
5	Confirmation that the Board receives sufficient AML/ATF information to assess and understand the senior executive’s process for evaluating the insurer’s system of internal controls.
6	Whether the Board ensures that the insurer complies with all relevant laws and regulations and endeavours to adopt accepted best business practices.
7	That the Board and senior management declare any personal dealings to HR and the Compliance department when applicable or required.
8	That the Board provides oversight to the insurer with regard to enterprise risk management and identifies key risk areas and key performance indicators and monitors these factors with due diligence.
9	Whether Board members ensure there is appropriate oversight by the senior management that is consistent with the insurer’s policies and procedures.
10	Whether the Board sets and enforces clear lines of responsibility and accountability throughout the organization.
11	That at least annually the Board monitors the senior management’s compliance with policies set by the Board and its performance based on approved targets and objectives.
12	That the Board receives advice on all major financing transactions, principal agreements and capitalization requiring Board approval and makes appropriate recommendations for their consideration.
13	Whether the compliance and audit function are independent of all operational and business functions as far as practicable and have direct lines of communication to the senior management.
14	That the insurer has instituted policies or procedures to provide for the Senior Compliance Officer to

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

	have regular contact with, and direct access to, the senior management, to ensure that the senior management is able to satisfy itself that the insurer's statutory obligations are being met and the measures taken to prevent risks of ML/TF are sufficiently robust.
Employee Integrity	
15	Whether the insurer has established and maintains and operates appropriate procedures in order to be satisfied of the integrity of new employees.
16	That appropriate mechanisms have been established to ensure the protection of the insurer's employees; to report suspicious transactions and other actions to comply with AML/ATF obligations.
17	That adequate procedures or management information systems are in place to provide relevant employees with timely information which may include information regarding connected accounts or relationships.
18	Whether adequate procedures or document information systems are in place to ensure relevant legal obligations are understood and practised by employees and adequate guidance and training are provided by the insurer to employees.
19	Whether the incidence of financial crime committed by employees (e.g. theft, fraud) is low.
Employee Knowledge	
20	That all employees are aware of the identity of the Reporting Officer and how to report suspicious activity.
21	Confirm whether training programmes are designed to cover the AML/ ATF/ risks of the insurer.
22	Whether the insurer has an appropriate number of suitably trained employees and other resources necessary to implement and operate its AML/ATF programme.
23	Whether employees fully comply with all AML/ATF procedures in respect of customer identification, account monitoring, record keeping and reporting.
24	That employees are expected to remain vigilant to the possibility of ML.
25	Whether employees who violate any of the AML/ATF regulations and or policies and procedures outlined in the insurer's handbook will be subject to disciplinary action.
26	That all employees are required to (at least annually) undertake training to ensure that their knowledge of AML/ATF laws, policies and procedure is current.
27	Whether employees are updated on money laundering schemes and typologies on a regular basis.
28	That employees are required to declare personal dealings relevant in the jurisdictions that the insurer operates in on a regular basis (at least annually).
Employee Compliance	
29	Whether the insurer ensures that the Senior Compliance Officer is the focal point for the oversight of all activities relating to the prevention and detection of ML/TF.
30	That the Senior Compliance Officer is fully conversant and trained in up-to-date regulatory requirements and ML/TF risks arising from the insurer's business.
31	That the Board monitors compliance with corporate governance regulations and guidelines.
32	Whether the Board supports the senior management's scope of AML/ ATF internal control assessment and receives regular (at least annually) reports from the senior management.
Insurer Data	

INSURANCE RETURNS AND SOLVENCY REGULATIONS 1980

33	The date the insurer last performed an entity-wide AML/ATF risk assessment.
34	The date the insurer last had an independent review of its AML/ATF programme.
35	The date of the last Compliance/ Reporting Officer report on the operation and effectiveness of the insurer's AML/ATF policies, procedures and controls.
36	If the insurer documents the ML/TF risk assessment associated with a product/service prior to launch.
37	If the insurer is listed on a stock exchange.
	If yes, please provide details of the stock exchange(s).

Please include any additional information/comments which the insurer is of the view may be relevant.

INSTRUCTIONS TO THE SCHEDULE—

For the purposes of this Schedule, “relevant year” means in relation to an insurer its financial year.

“POCA Regulations” means the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008.

For the purposes of Table I—

- a) in paragraph 1, “active SAC” means a segregated account cell that is undertaking transactions of business and “non-active SAC” means a segregated account cell that is not undertaking any transactions of business;
- b) in paragraph 2, “unrelated business” means insurance business consisting of insuring risks of persons who are not shareholders or affiliates of the insurer;
- c) in paragraph 2 “incidental general business” has the limitations imposed on the meaning of “general business” and “long-term business” as set out under section 1(4)(aa) of the Act;
- d) for the purposes of paragraph 8, “Reporting Officer” has the meaning given under paragraph 2(1) of POCA Regulations;
- e) in paragraph 12, “negative press” means any public information about the proposed employee that raises concerns about, amongst other things, the probity, fitness for the position or source of wealth of such person;
- f) for the purposes of completing 12, “criminal conviction” means all non-expunged criminal offences;
- g) for the purposes of completing the questions under paragraphs 11 and 19, “senior management” shall be interpreted in accordance with the provisions of POCA Regulations
- h) in paragraph 16, “policyholder” means the individual or entity covered by an insurance policy issued by the insurer;
- i) for the purposes of paragraph 17, a “beneficiary” means a beneficiary as defined under paragraph 6(7) of POCA Regulations;
- j) in paragraph 20, “risk assessment” means the assessment of AML/ATF risks determined by the insurer of a policy holder of the insurer in accordance with POCA Regulations and the relevant Guidance Notes issued by the Authority;
- k) for the purposes of paragraph 27, “non-risk rated policyholder” means a policyholder who has not been “risk rated” in line with the AML/ATF risk assessment requirement imposed under POCA Regulations and the relevant Guidance Notes issued by the Authority.

INSTRUCTIONS TO TABLE II:

For the purposes of Table II—

In paragraphs 20 and 35, “Reporting Officer” has the meaning given under paragraph 2(1) of POCA Regulations.

[Paragraphs 2 and 3 of Schedule 1 in force 1 January 2017. All else in force on date of Assent 21 July 2016.]

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions - Fees)

FOURTH SCHEDULE - INSURANCE ACT 1978^{1148 1149 1150 1151 1152 1153 1154 1155}

PART A 2019		
1	Applying for registration as:	
	(a) an insurer under section 4(1)	\$630
	(b) an insurance manager, broker or agent under section 10	\$340
	(c) an insurance salesman under section 10	\$100
	Applying:	
	(a) to vary or delete any conditions imposed on the Certificate of Registration under section 4(3)	\$500
	(b) to register as a different class of insurer under section 4(6)	\$500
	(c) to be granted an extension to the filing deadline under section 17(4) for:	
	[Note: Where applications are also made for extensions pursuant to section 6C under paragraphs (w) and (y) only one application fee is payable.]	
	(i) Class 3A, C and D insurers:	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500
	(ii) Class 3B, 4 and E insurers:	
	(A) First month past filing deadline	\$2,500
	(B) Second month past filing deadline	\$2,500
	(C) Third month past filing deadline	\$2,500
	(iii) Class 1, 2, 3, A, B insurers, innovative insurers and Special Purpose Insurers:	
	(A) First month past filing deadline	\$750
	(B) Second month past filing deadline	\$750
	(C) Third month past filing deadline	\$750
	(d) to be exempted from the record keeping requirements of section 18C(2)	\$750
	(e) To be granted an extension of the period of registration under section 13 (2A) (b) (ii)	\$2,266

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(f) to notify new or increased shareholder control under section 30D	\$750
	(g) to file an affidavit prior to the payment of dividends exceeding 25% of a Class 3A, 3B, 4, C, D and E insurer's statutory capital and surplus under section 31B	\$550
	(h) to obtain approval for an insurer to reduce statutory capital by 15% or more under section 31C	\$850
	(i) to be granted direction under section 56 other than those mentioned in paragraph (ja)	\$550
	(ia) to be granted a direction under section 56 in respect of:	
	(i) exemption from requirement of section 18B to include opinion of Loss Reserve Specialist or section 27 to include actuarial certificate of long- term business liabilities	\$550
	(ii) modifying of accounting provisions under sections 15 to 18 and Regulations	\$700
	(iii) modifying margin of solvency for general business under section 33 and Regulations	\$550
	(iv) modifying statutory financial returns under sections 15 to 18 and Regulations	\$550
	(j) to be granted a direction under section 57A	\$2,500
	(k) to obtain approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by Insurance Accounts Regulations 1980 or Insurance Accounts Rules 2016, to be treated as "relevant assets	\$700
	(l) to obtain approval of letters of credit, guarantees and any other instruments to be treated as other fixed capital for :	
	(i) Class A, B, 1, 2, and 3 insurers	\$550
	(ii) Class 3A, 3B, 4, C, D and E insurers	\$1,500
	Note: Where applications are made by an insurer for approval of instruments to be treated as other fixed capital and eligible capital then only the higher of the two application fees shall be payable.	
	(m) application for cancellation of registration under section 41(1)(a)	\$550
	(n) application for approval of an internal capital model made under the provisions of a Rule made under section 6A:	\$45,000
	Note: this paragraph is intended to refer to the pre-application process.	
	(o) subject to paragraph 2A, application for review and approval of an internal capital model made under the provision of a Rule made under section 6A.	Assessed on a case-by-case, subject

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to (1) the structural complexity of the internal model, (2) the scale and complexity of risks covered by the internal model, (3) the complexity of the insurance group organization structure.	to minimum of \$200,000 and maximum of \$2,000,000
	(p) annual fee for monitoring of an approved internal capital model made under the provision of a Rule made under section 6A	\$20,000
	(q) application for post-approval of an internal capital model made under the provision of a Rule made under section 6A: Note: this charge shall apply to each major change that is being considered	\$20,000
	(r) application for exemption from filing CSSA information under a prudential rule where a CSSA filing includes such information and the insurance group confirms risk management is centralised within the insurance group	\$550
	(s) application for exemption from an applicable prudential standard requirement under section 6C	\$700
	(t) application for exemption from filing a capital and solvency return under section 6C	\$700
	(u) application for modifications to an applicable prudential standard requirements under section 6C	\$700
	(v) application for approval of an eligible capital instrument under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case- by- case, subject to minimum of \$10,000 and maximum of \$130,000
	(w) Application under section 6D to adjust enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus in accordance with prudential rules made under section 6A: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case- by- case, subject to minimum of \$10,000 and maximum of \$200,000
	(wa) subsequent renewal of adjustment to the enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus (where there are no major changes from the initial application) by changing certain capital factor charges in the BSCR under	\$700

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	Section 6D	
	(x) application for BSCR filing extensions, under section 6C made by – Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable.	
	Class 3A, C and D insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	Class 3B, 4 and E insurers:	\$1,500
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(y) application for exemption or modification of quarterly financial returns, under section 6C:	
	(A) First month past filing deadline	\$2,500
	(B) Second month past filing deadline	\$2,500
	(C) Third month past filing deadline	\$2,500
	(z) application for CISSA, GAAP or Financial Condition Report extensions under section 6C made by –	
	Class 3A, C and D insurers:	
	Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable.	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500
	Class 3B, 4 and E insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(aa) in depth reviews of matters relating to a modification of a prudential rule under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and	Assessed on a case by case, subject to minimum of \$10,000

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	complexity of the review and the expected solvency impact of the application. This fee is to be applied for applications under section 6C not set out in this Schedule.	and maximum of \$130,000
	(ab) application for excepted long term business approval under section 14 (1) (i)	\$550
	(ac) application to modify LRSO for Class 3A, 3B, 4 under section 14 (1) (j)	\$550
3	Registering as an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	\$5,000
	(ii) Class 1 insurer carrying on general business	\$1,500
	(iii) Class 2 insurer carrying on general business	\$3,000
	(iv) Class 3 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$13,500
	(B) exceed \$5 million but not exceed \$20 million	\$15,000
	(C) exceed \$20 million but not exceed \$35 million	\$17,500
	(D) exceed \$35 million but not exceed \$100 million	\$20,000
	(E) exceed \$100 million	\$20,000
	(iva) Class 3A insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$21,000
	(B) exceed \$5 million but not exceed \$20 million	\$25,000
	(C) exceed \$20 million but not exceed \$35 million	\$28,500
	(D) exceed \$35 million but not exceed \$100 million	\$32,500
	(E) exceed \$100 million	\$35,000
	(F) or the insurer qualifies as a Class 3A affiliated reinsurer	\$21,000
	(ivb) Class 3B insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$219,900
	(B) exceed \$150 million but not exceed \$350 million	\$244,400
	(C) exceed \$350 million but not exceed \$2 billion	\$273,700

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(D) exceed \$2 billion but not exceed \$5 billion	\$317,700
	(E) exceed \$5 billion	\$388,500
	(v) Class 4 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$219,900
	(B) exceed \$150 million but not exceed \$350 million	\$244,400
	(C) exceed \$350 million but not exceed \$2 billion	\$273,700
	(D) exceed \$2 billion but not exceed \$5 billion	\$317,700
	(E) exceed \$5 billion	\$388,500
	(vi) Special Purpose Insurers:	
	(A) Conducting restricted special purpose business	\$7,000
	(B) Conducting unrestricted special purpose business	\$7,000
	(vii) Class A insurer	\$11,500
	(viii) Class B insurer	\$11,500
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$22,000
	(B) exceed \$150 million but not exceed \$350 million	\$23,500
	(C) exceed \$350 million but not exceed \$2 billion	\$25,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$30,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$32,500
	(F) exceed \$10 billion	\$34,800
	(x) Class D insurer where total assets are expected to:	
	(A) not exceed \$750 million	\$50,000
	(B) exceed \$750 million	\$55,000
	(xi) Class E insurer where total assets are expected to:	
	(A) not exceed \$1 billion	\$70,000
	(B) exceed \$1 billion but not exceed \$5 billion	\$75,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$80,000
	(D) exceed \$10 billion	\$100,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT	\$6,180
	(xiv) Class 3A insurer carrying on run-off general business where:	

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$21,000
	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$25,000
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$28,500
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$32,500
	(E) gross reserves are exceeding \$100 million and assets are exceeding \$200 million	\$35,000
	(xv) Class 3B insurer carrying on run- off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$219,900
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$244,400
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$273,700
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$317,700
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$388,500
	(xvi) Class 4 insurer carrying on run-off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$219,900
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$244,400
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$273,700
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$317,700
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$388,500
	(b) insurance manager:	
	(i) for each Class 1 insurer managed	\$100
	(ii) for each Class 2 insurer managed	\$150
	(iii) for each Class 3 insurer managed	\$200

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(iv) for each Class 3A insurer managed	\$300
	(v) for each Class 3B insurer managed	\$400
	(vi) for each Class 4 insurer managed	\$400
	(vii) for each Class A insurer managed	\$100
	(viii) for each Class B insurer managed	\$150
	(ix) for each Class C insurer managed	\$300
	(x) for each Class D insurer managed	\$350
	(xi) for each Class E insurer managed	\$400
	Note: Where an insurance manager's fees are less than \$3,000, it shall pay the minimum of \$3,000. Where an insurance manager's fees are \$15,000 or more, it shall pay the maximum of \$15,000.	
	(c) an insurance broker or agent under section 10	\$3,000
	(d) an insurance salesman under section 10	\$300
4	Issuing any certificate under section 14(1)(c)	\$800
5	Inspecting the register under section 14(1)(d)	\$26
6	The furnishing by the Authority of any document or copy of a document under section 14(1)(e):	
	(a) For the first three pages or part thereof	\$26
	(b) For each additional three pages or part thereof	\$6
	Fees in respect of the above are due upon application.	
7	Annual fee under section 14(2) payable by an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	\$5,000
	(ii) Class 1 insurer carrying on general business	\$1,500
	(iii) Class 2 insurer carrying on general business	\$3,000
	(iv) Class 3 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$13,500
	(B) exceed \$5 million but not exceed \$20 million	\$15,000
	(C) exceed \$20 million but not exceed \$35 million	\$17,500
	(D) exceed \$35 million but not exceed \$100 million	\$20,000
	(E) exceed \$100 million	\$20,000

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(iva) Class 3A insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$21,000
	(B) exceed \$5 million but not exceed \$20 million	\$25,000
	(C) exceed \$20 million but not exceed \$35 million	\$28,500
	(D) exceed \$35 million but not exceed \$100 million	\$32,500
	(E) exceed \$100 million	\$35,000
	(F) or where the insurer qualifies as a Class 3A affiliated reinsurer	\$21,000
	(ivb) Class 3B insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$219,900
	(B) exceed \$150 million but not exceed \$350 million	\$244,400
	(C) exceed \$350 million but not exceed \$2 billion	\$273,700
	(D) exceed \$2 billion but not exceed \$5 billion	\$317,700
	(E) exceed \$5 billion	\$388,500
	(v) Class 4 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$219,900
	(B) exceed \$150 million but not exceed \$350 million	\$244,400
	(C) exceed \$350 million but not exceed \$2 billion	\$273,700
	(D) exceed \$2 billion but not exceed \$5 billion	\$317,700
	(E) exceed \$5 billion	\$388,500
	(vi) Special Purpose insurers	
	(A) Conducting restricted special purpose business	\$7,000
	(B) Conducting unrestricted special purpose business	\$7,000
	(vii) Class A insurer	\$11,500
	(vii) Class A insurer	\$11,500
	(viii) Class B insurer	\$11,500
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$22,500
	(B) exceed \$150 million but not exceed \$350 million	\$23,500
	(C) exceed \$350 million but not exceed \$2 billion	\$25,000

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(D) exceed \$2 billion but not exceed \$5 billion	\$30,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$32,500
	(F) exceed \$10 billion	\$34,800
	(x) Class D insurer where total assets are expected to:	
	(A) not exceed \$750 million	\$50,000
	(B) exceed \$750 million	\$55,000
	(xi) Class E insurer where total assets are expected to:	
	(A) not exceed \$1 billion	\$70,000
	(B) exceed \$1 billion but not exceed \$5 billion	\$75,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$80,000
	(D) exceed \$10 billion	\$100,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT	\$6,180
	(b) insurance manager:	
	(A) for each Class 1 insurer managed	\$100
	(B) for each Class 2 insurer managed	\$150
	(C) for each Class 3 insurer managed	\$200
	(D) for each Class 3A insurer managed	\$300
	(E) for each Class 3B insurer managed	\$400
	(F) for each Class 4 insurer managed	\$400
	(G) for each Class A insurer managed	\$100
	(H) for each Class B insurer managed	\$150
	(I) for each Class C insurer managed	\$300
	(J) for each Class D insurer managed	\$350
	(K) for each Class E insurer managed	\$400
	Note: The total sum payable by an insurance manager pursuant to the above fees is subject to a minimum of \$3,000 and a maximum of \$15,000	
	(c) An insurance broker or agent under section 10	\$3,000
	(d) An insurance salesman under section 10	\$300
	(e) An insurer registered to carry on run-off general business as a:	
	(i) Class 3A insurer where:	
	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$21,000

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$25,000
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$28,500
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$32,500
	(E) gross reserves are exceeding \$100 million and assets are exceeding \$200 million	\$35,000
	(ii) Class 3B insurer where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$219,900
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$244,400
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$273,700
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$317,700
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$388,500
	(iii) Class 4 insurer where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$219,900
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$244,400
	(C) gross reserves are less than \$3billion and assets are less than \$6 billion	\$273,700
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$317,700
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$388,500
(7A)	Supplementary fee to be paid by an insurer whose business includes domestic insurance business in addition to the fee payable for its class of business under paragraph (7)(a)	\$25,750
8	(a) Annual fee under section 27B payable by a Class 3A, 3B or 4 designated insurer on behalf of an insurance for group where gross premium written in the year preceding the year of assessment:	
	(i) did not exceed \$5 billion	\$183,300
	(ii) exceeded \$5 billion but did not exceed \$10 billion	\$241,500

BERMUDA MONETARY AUTHORITY ACT 1969 (Select Provisions – Fees)

	(iii) exceeded \$10 billion	\$472,500
	(b) Annual fee under section 27B payable by a Class C, D or E designated insurer on behalf of an insurance group where total assets at the preceding year-end to the year of assessment:	
	(i) did not exceed \$10 billion	\$183,300
	(ii) exceeded \$10 billion but did not exceed \$20 billion	\$241,500
	(iii) exceeded \$20 billion	\$472,500
	(c) Annual fee under section 27B payable by a designated insurer registered to carrying on run off general business on behalf of an insurance group where:	
	(i) gross reserves of the insurance group are less than \$9 billion and assets of the insurance group are less than \$18 billion	\$183,300
	(ii) gross reserves of the insurance group are less than \$15 billion and assets of the insurance group are less than \$30 billion	\$241,500
	(iii) gross reserve of the insurance group exceeds \$15 billion and assets of the insurance group are less than \$30 billion	\$472,500
	Annual fees in respect of the above are due on or before 31st March 2019.	

BERMUDA

**INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE
BROKERS AND AGENTS ANNUAL RETURN) RULES 2018**

BR 155 / 2018

TABLE OF CONTENTS

- 1 Citation
- 2 Interpretation
- 3 Requirement to file annual returns
- 4 Information in annual returns
- 5 Declaration
- 6 Commencement

SCHEDULE - Matters to be Included in an Annual Return

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A of the Insurance Act 1978, makes the following Rules:

1. Citation

These Rules may be cited as the Insurance (Prudential Standards) (Insurance Brokers and Agents Annual Return) Rules 2018.

2. Interpretation

In these Rules—

“the Act” means the Insurance Act 1978;

“AML/ATF regulated financial institution” has the meaning given in section 42A(1)(d) of the Proceeds of Crime Act 1997;

“financial year” has the meaning given in section 1(1) of the Act, except that the words “insurer or insurance group” are deleted and substituted with the words

“insurance broker or an insurance agent”;

“insurance agent” and “insurance broker” mean a person who is registered as such pursuant to section 10 of the Act.

3. Requirement to file annual returns

(1) Every insurance broker and every insurance agent shall file with the Authority an annual return on or before June 30th of each year.

(2) The annual return shall be accompanied by—

(a) a copy of the management accounts of the insurance broker or the insurance agent for the preceding financial year; and

(b) a copy of the business plan of the insurance broker or the insurance agent for the next financial year.

(3) The insurance broker or the insurance agent shall keep a copy of the annual return at its principal office for a period of five years, beginning with the date on which the return was filed.

(4) If directed to do so by the Authority, the insurance broker or the insurance agent shall produce a copy of the

**INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE BROKERS AND AGENTS ANNUAL RETURN) RULES
2018**

annual return to the Authority on or before the date specified in the direction.

4. Information in annual returns

- (1) Subject to subparagraph (2), the annual return shall contain information in respect of the matters set out in Schedules I, II, III and IV, as such matters stood on the day on which the return is filed.
- (2) An insurance broker or an insurance agent that is not an “AML/ATF regulated financial institution” shall file only the information required under—
 - (a) Section I (“Corporate Governance”) of Schedule III, if the broker or the agent is a company;
 - (b) Section J (“Corporate Governance”) of Schedule III, if the broker or the agent is a partnership, sole proprietorship or individual.

5. Declaration

At the time of filing an annual return, an insurance broker or an insurance agent shall also file with the Authority a declaration signed by two directors, one of whom may be the chief executive, that to the best of their knowledge and belief, the information in the annual return is fair and accurate.

6. Commencement

These Rules come into operation on 1 January 2019.

SCHEDULE - MATTERS TO BE INCLUDED IN AN ANNUAL RETURN

(paragraph 4(1))

The Schedules to these Rules (listed below) are published separately on the Authority’s website, www.bma.bm, in accordance with section 6A(8) of the Insurance Act 1978—

Schedule Number	Schedule Title
Schedule I	Return
Schedule II	Cyber Risk Management
Schedule III	AML/ATF Questionnaire
Schedule IV	Sanctions Questionnaire

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE MANAGERS ANNUAL RETURN) RULES 2017

BR 4 / 2017

TABLE OF CONTENTS

- 1 Citation
- 2 Interpretation
- 3 Annual return
- 4 Declaration

SCHEDULE

Matters to be Included in Annual Return

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A of the Insurance Act 1978, makes the following Rules:

1. Citation

These Rules may be cited as the Insurance (Prudential Standards) (Insurance Managers Annual Return) Rules 2017.

2. Interpretation

In these Rules—

“the Act” means the Insurance Act 1978;

“financial year” has the meaning given in section 1(1) of the Act, except that

“insurer” and “insurance group” are substituted with “insurance manager”.

3. Annual return

- (1) An insurance manager shall file with the Authority an annual return on or before 30 June of each year.
- (2) The annual return shall contain information in respect of the matters set out in the Schedule, as such matters stood when the annual return is filed.
- (3) The annual return shall be accompanied by a copy of the insurance manager’s—
 - (a) management accounts for the financial year; and
 - (b) business plan for the next financial year.
- (4) The insurance manager shall keep a copy of the annual return at its principal office for a period of five years, beginning with the date on which the annual return was filed, and shall produce it to the Authority if so directed by the Authority on or before a date specified in the direction.

4. Declaration

An insurance manager shall, at the time of filing its annual return, file with the Authority a declaration signed by two directors, one of whom may be the chief executive, that to the best of their knowledge and belief, the information in the annual return is fair and accurate.

SCHEDULE

(paragraph 3(2))

MATTERS TO BE INCLUDED IN ANNUAL RETURN

- 1. The following information is required in an annual return—
 - (a) the names of the directors, types of directors (whether executive, nonexecutive, independent),

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE MANAGERS ANNUAL RETURN) RULES 2017

- residences of the directors, professional qualifications and experience of the directors;
- (b) the organizational structure of the insurance manager, including but not limited to—
 - (i) the names, roles, residences, professional qualifications and experience of the managers and officers;
 - (ii) the names, roles, residences, professional qualifications and experience of the staff and employees;
 - (iii) whether the staff and employees referred to in clause (ii) are employed by an affiliate of the insurance manager;
 - (c) details of the services provided by the insurance manager;
 - (d) where the services referred to in subparagraph (c) are out-sourced to service providers or affiliates of the insurance manager—
 - (i) the names of those service providers or affiliates;
 - (ii) the services provided by those service providers or affiliates; and
 - (iii) the jurisdictions where the service providers or affiliates perform the services;
 - (e) the names, registration numbers, and insurance classes of all insurers that are managed by the insurance manager or to whom services are provided;
 - (f) where any of the insurers referred to in subparagraph (e) have, to the best of the knowledge of the insurance manager, breached or been non-compliant or potentially non-compliant with the Act and the relevant Rules and Regulations—
 - (i) the names and registration numbers of those insurers;
 - (ii) a description of the breach, non-compliance, or potential noncompliance;
 - (g) where policies have been issued to the insurance manager in respect of professional indemnity insurance and directors and officers insurance—
 - (i) the full legal names of the in insurers who issued those policies, and their financial strength rating;
 - (ii) the name of the agency that issued the financial strength rating referred to in clause (i);
 - (iii) the policy limits;
 - (h) a statement that the insurance manager has met all of the requirements of the minimum criteria for registration in accordance with the Act;
 - (i) where an insurance manager has not met the minimum criteria for registration, a description of the non-compliance and any remedial action taken, if any.

Made this 12th day of January 2017

Chairman The Bermuda Monetary Authority

ENDNOTES

-
- 1 Insurance Amendment (No. 3) Act 2015
 - 2 Insurance Amendment (No. 2) Act 2015
 - 3 Insurance Amendment (No. 2) Act 2012
 - 4 Insurance Amendment (No. 2) Act 2012
 - 5 Insurance Amendment Act 2004
 - 6 All references in the Insurance Act 1978 to “the Authority” result from the Insurance Amendment (No 2) Act 2001
 - 7 Insurance Amendment Act 2008
 - 8 Insurance Amendment (No. 3) Act 2010
 - 9 Insurance Amendment (No. 2) Act 2015
 - 10 Insurance Amendment (No. 3) Act 2015
 - 11 Insurance Amendment (No. 3) Act 2010
 - 12 Insurance Amendment Act 2008
 - 13 Insurance Amendment (No. 2) Act 2010
 - 14 Insurance Amendment Act 2008
 - 15 Insurance Amendment Act 1995
 - 16 Insurance Amendment (No. 3) Act 2010
 - 17 Insurance Amendment Act 2018
 - 18 Insurance Amendment Act 2018
 - 19 Insurance Amendment (No. 2) Act 2006
 - 20 Insurance Amendment Act 2012
 - 21 Insurance Amendment (No. 2) Act 2010
 - 22 Insurance Amendment (No. 3) Act 2010
 - 23 Insurance Amendment (No. 3) Act 2010
 - 24 Insurance Amendment Act 2008
 - 25 Insurance Amendment Act 1983
 - 26 Insurance Amendment (No. 3) Act 2015
 - 27 Insurance Amendment (No. 2) Act 2010
 - 28 Insurance Amendment (No. 2) Act 2012
 - 29 Insurance Amendment Act 1983
 - 30 Insurance Amendment Act 2008
 - 31 Insurance Amendment (No. 2) Act 2010
 - 32 Insurance Amendment (No. 2) Act 2012
 - 33 Insurance Amendment Act 2018
 - 34 Insurance Amendment Act 2018
 - 35 Insurance Amendment Act 2018
 - 36 Insurance Amendment Act 2018
 - 37 Insurance Amendment Act 2018
 - 38 Insurance Amendment Act 2018
 - 39 Insurance Amendment (No. 3) Act 2015
 - 40 Insurance Amendment Act 2006
 - 41 Insurance Amendment Act 1983
 - 42 Insurance Amendment Act 2011
 - 43 Insurance Amendment (No. 2) Act 2010
 - 44 Insurance Amendment Act 1983
 - 45 Insurance Amendment Act 1981
 - 46 Insurance Amendment (No. 2) Act 2012
 - 47 Insurance Amendment Act 1981
 - 48 Insurance Amendment Act 1983
 - 49 Insurance Amendment Act 1983
 - 50 Insurance Amendment Act 2008
 - 51 Insurance Amendment Act 1995
 - 52 Insurance Amendment (No. 3) Act 2010
 - 53 Insurance Amendment Act 2004

54	Insurance Amendment Act 2006
55	Insurance Amendment (No. 3) Act 2015
56	Insurance Amendment Act 1995
57	Insurance Amendment (No. 3) Act 2010
58	Ministers (Change of Responsibilities and Style) Order 2011
59	Insurance Amendment (No. 2) Act 2012
60	Insurance Amendment (No. 2) Act 2012
61	Insurance Amendment Act 2006
62	Insurance Amendment Act 2011
63	Insurance Amendment (No. 2) Act 2010
64	Insurance Amendment (No. 2) Act 2010
65	Insurance Amendment (No. 3) Act 2015
66	Insurance Amendment Act 2008
67	Insurance Amendment (No. 2) Act 2010
68	Insurance Amendment Act 2006
69	Insurance Amendment (No. 2) Act 2010
70	Insurance Amendment (No. 3) Act 2018
71	Insurance Amendment (No. 3) Act 2015
72	Insurance Amendment Act 1995
73	Insurance Amendment Act 2008
74	Insurance Amendment Act 2008
75	Insurance Amendment (No. 2) Act 2015
76	Insurance Amendment Act 2006
77	Insurance Amendment (No. 3) Act 2015
78	Insurance Amendment Act 1995
79	Insurance Amendment (No. 2) Act 2010
80	Insurance Amendment (No. 3) Act 2015
81.	Insurance Amendment Act 1995
82	Insurance Amendment (No. 2) Act 2010
83	Insurance Amendment (No. 2) Act 2015
84	Insurance Amendment (No. 3) Act 2018
85	Insurance Amendment Act 2012
86	Spent on repeal of the Companies (Winding Up) Act 1977
87.	Insurance Amendment Act 1981
88.	Insurance Amendment Act 1983
89.	Insurance Amendment Act 1983
90	Insurance Amendment (No. 2) Act 2010
91	Insurance Amendment (No. 3) Act 2015
92	Insurance Amendment Act 2006
93	Insurance Amendment Act 2006
94	Section 1B(2) repealed and replaced by section 4 of Insurance Amendment (No. 2) Act 2010
95	Inserted by Insurance Amendment (No. 2) Act 2010
96	Insurance Amendment Act 2006
97	Insurance Amendment Act 2008
98	Insurance Amendment Act 2008
99	Insurance Amendment Act 2008
100	Insurance Amendment (No. 3) Act 2010
101	Insurance Amendment Act 2008
102	Insurance Amendment Act 2012
103	Insurance Amendment (No. 2) Act 2010
104	Insurance Amendment Act 2012
105	Insurance Amendment Act 2012
106	Insurance Amendment (No. 2) Act 2006
107	Insurance Amendment (No. 2) Act 2006
108	Insurance Amendment (No. 2) Act 2010

109	Insurance Amendment (No. 2) Act 2010
110	Insurance Amendment (No. 2) Act 2010
111	Insurance Amendment (No. 2) Act 2010
112	Insurance Amendment (No. 2) Act 2010
113	Insurance Amendment Act 1995
114	Insurance Amendment Act 2008
115	Insurance Amendment (No. 3) Act 2010
116	Insurance Amendment Act 2008
117	Insurance Amendment (No. 3) Act 2010
118	Insurance Amendment Act 2018
119	Insurance Amendment (No. 3) Act 2018
120	Insurance Amendment Act 2008 (Punctuation errors original to the legislation)
121	Insurance Amendment Act 2018
122	Insurance Amendment Act 2018
123	Insurance Amendment Act 2004
124	Insurance Amendment Act 2004
125	Insurance Amendment Act 2008
126	Insurance Amendment Act 2008
127	Insurance Amendment Act 2008
128	Insurance Amendment Act 1995
129	Insurance Amendment Act 2008
130	Insurance Amendment (No. 3) Act 2018
131	Insurance Amendment (No. 3) Act 2018
132	Insurance Amendment Act 1995
133	Insurance Amendment Act 1995
134	Insurance Amendment Act 1995
135	Insurance Amendment Act 2008
136	Insurance Amendment Act 2008
137	Insurance Amendment Act 1995
138	Insurance Amendment (No. 3) Act 2010
139	Insurance Amendment (No. 3) Act 2010
140	Insurance Amendment (No. 3) Act 2010
141	Insurance Amendment (No. 3) Act 2010
142	Insurance Amendment (No. 3) Act 2010
143	Insurance Amendment (No. 2) Act 2012
144	Insurance Amendment (No. 3) Act 2010
145	Insurance Amendment (No. 2) Act 2012
146	Insurance Amendment Act 2018
147	Insurance Amendment Act 2018
148	Insurance Amendment Act 1995
149	Insurance Amendment (No. 2) Act 2012
150	Insurance Amendment Act 2018
151	Insurance Amendment (No. 2) Act 2010
152	Insurance Amendment (No. 3) Act 2015
153	Insurance Amendment Act 2008
154	Insurance Amendment (No. 3) Act 2015
155	Insurance Amendment (No. 3) Act 2010
156	Insurance Amendment (No. 3) Act 2010
157	Insurance Amendment Act 2008
158	Insurance Amendment Act 2006
159	Insurance Amendment Act 2008
160	Insurance Amendment Act 2018
161	Insurance Amendment Act 2018
162	Insurance Amendment (No. 3) Act 2010
163	Insurance Amendment (No. 2) Act 2012

164	Insurance Amendment Act 2018
165	Insurance Amendment (No. 2) Act 2012
166	Insurance Amendment Act 2018
167	Insurance Amendment (No. 3) Act 2010
168	Insurance Amendment (No. 3) Act 2010
169	Insurance Amendment (No. 3) Act 2010
170	Insurance Amendment Act 2011
171	Insurance Amendment (No. 2) Act 2012
172	Insurance Amendment Act 2011
173	Insurance Amendment (No. 2) Act 2012
174	Insurance Amendment Act 2011
175	Insurance Amendment (No. 2) Act 2013
176	Insurance Amendment (No. 3) Act 2010
177	Insurance Amendment Act 2016
178	Insurance Amendment (No. 3) Act 2015
179	Insurance Amendment Act 2008
180	Insurance Amendment (No. 2) Act 2015
181	Insurance Amendment (No. 3) Act 2010
182	Insurance Amendment (No. 2) Act 2015
183	Insurance Amendment (No. 3) Act 2015
184	Insurance Amendment (No. 3) Act 2010
185	Insurance Amendment (No. 2) Act 2015
186	Insurance Amendment (No. 2) Act 2015
187	Insurance Amendment Act 2016
188	Insurance Amendment (No. 3) Act 2015
189	Insurance Amendment (No. 3) Act 2018
190	Insurance Amendment Act 2016
191	Insurance Amendment Act 2018
192	Insurance Amendment Act 2016
193	Insurance Amendment (No. 3) Act 2015
194	Insurance Amendment (No. 2) Act 2010
195	Insurance Amendment Act 2018
196	Insurance Amendment (No. 3) Act 2018
197	Insurance Amendment (No. 2) Act 2010
198	Insurance Amendment Act 2018
199	Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
200	Insurance Amendment (No. 2) Act 2012
201	Insurance Amendment Act 2016
202	Insurance Amendment (No. 3) Act 2018
203	Insurance Amendment Act 2018
204	Insurance Amendment (No. 2) Act 2010
205	Insurance Amendment Act 2018
206	Insurance Amendment (No. 2) Act 2010
207	Insurance Amendment (No. 3) Act 2010
208	Section 6A(4) repealed by section 4 and section 23(1)(a) of the Insurance Amendment Act 2012
209	Insurance Amendment (No. 2) Act 2012
210	Section 6A(8) inserted by section 4(b) of the Insurance Amendment Act 2012
211	Insurance Amendment Act 2008
212	Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
213	Insurance Amendment Act 2016
214	Insurance Amendment (No. 2) Act 2012
215	Insurance Amendment Act 2008
216	Insurance Amendment (No. 3) Act 2018
217	Insurance Amendment Act 2018
218	Insurance Amendment Act 2016

219	Insurance Amendment (No. 3) Act 2018
220	Insurance Amendment Act 2016
221	Insurance Amendment (No. 2) Act 2012
222	Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
223	Repealed and replaced by section 4 of the Insurance Amendment Act 2011
224	Insurance Amendment (No. 2) Act 2012
225	Insurance Amendment (No. 2) Act 2012
226	Insurance Amendment Act 2011
227	Insurance Amendment (No. 2) Act 2010
228	Insurance Amendment (No. 3) Act 2018
229	Insurance Amendment Act 2016
230	Insurance Amendment (No. 3) Act 2018
231	Insurance Amendment Act 2016
232	Insurance Amendment (No. 2) Act 2012
233	Insurance Amendment (No. 3) Act 2018
234	Insurance Amendment Act 2018
235	Insurance Amendment Act 2016
236	Insurance Amendment (No. 2) Act 2012
237	Insurance Amendment Act 2008
238	Insurance Amendment (No. 2) Act 2015
239	Insurance Amendment (No. 2) Act 2010
240	Insurance Amendment (No. 2) Act 2015
241	Insurance Amendment (No. 2) Act 2010
242	Insurance Amendment (No. 2) Act 2010
243	Insurance Amendment (No. 2) Act 2010
244	Insurance Amendment (No. 2) Act 2010
245	Insurance Amendment (No. 2) Act 2010
246	Section 6 repealed and replaced by section 10 of Insurance Amendment (No. 2) Act 2010
247	Insurance Amendment Act 2018
248	Insurance Amendment Act 2018
249	Insurance Amendment Act 1995
250	Insurance Amendment Act 2008
251	Insurance Amendment (No. 3) Act 2010
252	Insurance Amendment (No. 3) Act 2010
253	Insurance Amendment (No. 3) Act 2010
254	Insurance Amendment Act 2008
255	Insurance Amendment (No. 3) Act 2010
256	Insurance Amendment Act 2011
257	Insurance Amendment Act 2018
258	Insurance Amendment (No. 2) Act 2012
259	Insurance Amendment Act 1985
260	Insurance Amendment (No. 3) Act 2018
261	Insurance Amendment Act 1995
262	Insurance Amendment (No. 3) Act 2018
263	Insurance Amendment (No. 3) Act 2018
264	Insurance Amendment Act 2004
265	Section 8(5) repealed by section 23(1)(b) of the Insurance Amendment Act 2012
266	Insurance Amendment Act 1985
267	Insurance Amendment Act 2004
268	Insurance Amendment Act 2004
269	Insurance Amendment Act 2008
270	Insurance Amendment Act 2008
271	Insurance Amendment (No. 3) Act 2010
272	Insurance Amendment Act 2008
273	Insurance Amendment Act 2011

274	Insurance Amendment Act 2011
275	Insurance Amendment Act 2008
276	Insurance Amendment Act 2008
277	Section 8A(3) repealed by section 23(1)(c) of the Insurance Amendment Act 2012
278	Insurance Amendment (No. 3) Act 2015
279	Insurance Amendment Act 2004
280	Insurance Amendment (No. 2) Act 2015
281	Insurance Amendment (No. 3) Act 2018
282	Insurance Amendment (No. 3) Act 2018
283	Insurance Amendment (No. 3) Act 2015
284	Insurance Amendment Act 2008
285	Insurance Amendment Act 2018
286	Insurance Amendment (No. 3) Act 2015
287	Insurance Amendment (No. 2) Act 2015
288	Insurance Amendment (No. 3) Act 2015
289	Insurance Amendment (No. 3) Act 2015
290	Section 8B(6) repealed by section 10 of the Insurance Amendment (No. 2) Act 2012
291	Insurance Amendment (No. 3) Act 2010
292	Insurance Amendment (No. 2) Act 2015
293	Insurance Amendment Act 2006
294	Insurance Amendment Act 1995
295	Insurance Amendment Act 2006
296	Insurance Amendment Act 2001
297	Insurance Amendment Act 2018
298	Insurance Amendment Act 2018
299	Insurance Amendment Act 2018
300	Insurance Amendment Act 2016
301	Insurance Amendment (No. 3) Act 2015
302	Insurance Amendment (No. 2) Act 2015
303	Insurance Amendment Act 1995
304	Insurance Amendment Act 2018
305	Insurance Amendment (No. 3) Act 2018
306	Insurance Amendment (No. 3) Act 2015
307	Insurance Amendment (No. 3) Act 2015
308	Bermuda Monetary Authority Amendment (No. 2) Act 2008
309	Insurance Amendment (No. 2) Act 2015
310	Insurance Amendment (No. 3) Act 2010
311	Bermuda Monetary Authority Amendment (No. 2) Act 2008
312	Insurance Amendment (No. 2) Act 2015
313	Insurance Amendment (No. 3) Act 2018
314	Insurance Amendment Act 2016
315	Insurance Amendment (No. 3) Act 2018
316	Insurance Amendment (No. 2) Act 2015
317	Insurance Amendment (No. 3) Act 2018
318	Insurance Amendment (No. 2) Act 2015
319	Insurance Amendment (No. 3) Act 2018
320	Insurance Amendment (No. 3) Act 2018
321	Insurance Amendment Act 1981
322	Bermuda Monetary Authority Amendment (No. 2) Act 2008
323	Insurance Amendment Act 1985
324	Insurance Amendment (No. 2) Act 2012
325	Insurance Amendment (No. 2) Act 2012
326	Insurance Amendment Act 2016
327	Section 3 and 3A inserted by Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
328	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
329	Section 14(3A) repealed and replaced by section 5 of the Insurance Amendment Act 2012

330	Bermuda Monetary Authority Amendment (No. 2) Act 2008
331	Repealed and replaced by section 7(a) of the Insurance Amendment Act 2011
332	Insurance Amendment (No. 3) Act 2010
333	Bermuda Monetary Authority Amendment (No. 2) Act 2008
334	Repealed and replaced by section 7(b) of the Insurance Amendment Act 2011
335	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
336	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
337	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
338	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
339	Insurance Amendment (No. 3) Act 2018
340	Insurance Amendment (No. 3) Act 2018
341	Insurance Amendment (No. 3) Act 2018
342	Insurance Amendment (No. 3) Act 2018
343	Insurance Amendment Act 2016
344	Insurance Amendment Act 2016
345	Insurance Amendment Act 2016
346	Insurance Amendment Act 2004
347	Insurance Amendment Act 2016
348	Insurance Amendment Act 2015
349	Insurance Amendment Act 2016
350	Insurance Amendment Act 2016
351	Insurance Amendment Act 2016
352	Insurance Amendment Act 2016
353	Insurance Amendment Act 2004
354	Insurance Amendment (No. 3) Act 2010
355	Insurance Amendment (No. 3) Act 2010
356	Insurance Amendment Act 2016
357	Insurance Amendment (No. 3) Act 2015
358	Insurance Amendment Act 2004
359	Insurance Amendment Act 2016
360	Insurance Amendment (No. 3) Act 2015
361	Section 16a(1)(e) inserted by section 11 of Insurance Amendment (No. 2) Act 2010
362	Insurance Amendment (No. 3) Act 2015
363	Insurance Amendment Act 2016
364	Insurance Amendment Act 2016
365	Insurance Amendment Act 2016
366	Insurance Amendment (No. 3) Act 2010
367	Insurance Amendment Act 2004
368	Insurance Amendment Act 2008
369	Insurance Amendment (No. 2) Act 2013
370	Insurance Amendment (No. 3) Act 2010
371	Insurance Amendment (No. 2) Act 2013
372	Insurance Amendment Act 2008
373	Insurance Amendment Act 2018
374	Insurance Amendment (No. 3) Act 2010
375	Insurance Amendment Act 2016
376	Insurance Amendment (No. 3) Act 2015
377	Insurance Amendment (No. 2) Act 2012
378	Insurance Amendment (No. 2) Act 2012
379	Insurance Amendment Act 2015
380	Insurance Amendment Act 2011
381	Insurance Amendment Act 2011
382	Insurance Amendment Act 2008
383	Insurance Amendment (No. 2) Act 2012
384	Insurance Amendment (No. 2) Act 2012
385	Insurance Amendment Act 2011
386	Insurance Amendment (No. 3) Act 2010

387	Insurance Amendment (No. 3) Act 2015
388	Insurance Amendment Act 2016
389	Insurance Amendment (No. 3) Act 2015
390	Insurance Amendment Act 2016
391	Insurance Amendment (No. 2) Act 2012
392	Insurance Amendment (No. 2) Act 2012
393	Insurance Amendment Act 2011
394	Insurance Amendment (No. 3) Act 2010
395	Insurance Amendment Act 2015
396	Insurance Amendment Act 2011
397	Insurance Amendment (No. 3) Act 2010
398	Insurance Amendment (No. 3) Act 2018
399	Insurance Amendment Act 1995
400	Insurance Amendment Act 2004
401	Insurance Amendment Act 2016
402	Insurance Amendment Act 1995
403	Insurance Amendment (No. 3) Act 2018
404	Insurance Amendment Act 2016
405	Insurance Amendment (No. 3) Act 2018
406	Insurance Amendment (No. 3) Act 2010
407	Section 18A(1) amended by section 6(a) of the Insurance Amendment Act 2012
408	Insurance Amendment Act 2008
409	Insurance Amendment (No. 3) Act 2018
410	Insurance Amendment (No. 2) Act 2013
411	Insurance Amendment Act 2016
412	Insurance Amendment (No. 3) Act 2018
413	Insurance Amendment (No. 2) Act 2013
414	Insurance Amendment Act 2018
415	Section 18A(2) repealed and replaced by section 6(b) of the Insurance Amendment Act 2012
416	Insurance Amendment (No. 3) Act 2010
417	Insurance Amendment Act 2008
418	Insurance Amendment (No. 3) Act 2010
419	Section 18A(3) repealed by section 6(c) of the Insurance Amendment Act 2012
420	Section 18A(4) repealed by section 6(c) of the Insurance Amendment Act 2012
421	Insurance Amendment Act 2011
422	Insurance Amendment (No. 3) Act 2018
423	Insurance Amendment Act 2016
424	Insurance Amendment Act 2011
425	Insurance Amendment (No. 3) Act 2010
426	Insurance Amendment (No. 3) Act 2018
427	Insurance Amendment Act 2016
428	Insurance Amendment Act 2011
429	Insurance Amendment (No. 3) Act 2010
430	Insurance Amendment Act 2008
431	Insurance Amendment Act 1995
432	Insurance Amendment (No. 2) Act 2015
433	Insurance Amendment (No. 2) Act 2015
434	Insurance Amendment Act 2008
435	Insurance Amendment Act 2008
436	Insurance Amendment (No. 2) Act 2015
437	Insurance Amendment Act 1995
438	Insurance Amendment Act 2018
439	Insurance Amendment (No. 3) Act 2010
440	Section 19 repealed and replaced by section 13 of the Insurance Amendment (No. 2) Act 2012
441	Section 6 Proceeds of Crime (Miscellaneous) (No. 2) Act 2018 (in force 1 January 2019)
442	Section 19 Transitional and savings added by section 22(1) and (2) of the Insurance Amendment (No. 2) Act 2012
443	Insurance Amendment Act 2001

444	Insurance Amendment Act 1983
445	Section 22(5) repealed by section 23(1)(d) of the Insurance Amendment Act 2012
446	Insurance Amendment (No. 2) Act 2018
447	Insurance Amendment (No. 2) Act 2018
448	Insurance Amendment (No. 2) Act 2018
449	Insurance Amendment Act 1981
450	Insurance Amendment (No. 2) Act 2018
451	Insurance Amendment Act 1983
452	Insurance Amendment Act 1985
453	Insurance Amendment Act 1983
454	Insurance Amendment (No. 3) Act 2015
455	Insurance Amendment (No. 2) Act 2015
456	Insurance Amendment Act 2018
457	Insurance Amendment (No. 3) Act 2015
458	Insurance Amendment (No. 2) Act 2015
459	Insurance Amendment (No. 3) Act 2015
460	Insurance Amendment (No. 3) Act 2015
461	Insurance Amendment (No. 2) Act 2015
462	Insurance Amendment Act 2018
463	Insurance Amendment (No. 2) Act 2015
464	Insurance Amendment (No. 3) Act 2015
465	Part IV inserted by section 12 of the Insurance Amendment (No. 2) Act 2010
466	Insurance Amendment Act 2013
467	Insurance Amendment Act 2016
468	Insurance Amendment (No. 2) Act 2015
469	Insurance Amendment Act 2016
470	Insurance Amendment Act 2016
471	Insurance Amendment (No. 2) Act 2012
472	Insurance Amendment Act 2011
473	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
474	Insurance Amendment (No. 2) Act 2015
475	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
476	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
477	Insurance Amendment Act 2016
478	Insurance Amendment Act 2016
479	Insurance Amendment Act 2016
480	Insurance Amendment (No. 3) Act 2010
481	Insurance Amendment (No. 3) Act 2010
482	Insurance Amendment (No. 3) Act 2010
483	Insurance Amendment (No. 3) Act 2010
484	Insurance Amendment (No. 3) Act 2015
485	Insurance Amendment (No. 2) Act 2012
486	Insurance Amendment (No. 2) Act 2015
487	Insurance Amendment (No. 3) Act 2015
488	Insurance Amendment (No. 2) Act 2015
489	Insurance Amendment (No. 3) Act 2018
490	Insurance Amendment (No. 3) Act 2018
491	Insurance Amendment (No. 3) Act 2018
492	Insurance Amendment Act 2002
493	Insurance Amendment Act 2002
494	Section 29A repealed and replaced by section 13 of Insurance Amendment (No. 2) Act 2010
495	Section 29A(1)(b) repealed and replaced by section 7 of the Insurance Amendment Act 2012
496	Section 29A(2) repealed and replaced by section 7 of the Insurance Amendment Act 2012
497	Section 29A(3) repealed and replaced by section 7 of the Insurance Amendment Act 2012
498	Section 29A(4) amended by section 7 of the Insurance Amendment Act 2012
499	Repealed by section 9 of the Insurance Amendment Act 2006
500	Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010

501 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
502 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
503 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
504 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
505 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
506 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
507 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
508 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
509 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
510 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
511 Insurance Amendment Act 2006
512 Section 29B(7) repealed by section 14 of Insurance Amendment (No. 2) Act 2010
513 Section 29C(1) amended by section 8 of the Insurance Amendment Act 2012
514 Section 29C(2) amended by section 8 of the Insurance Amendment Act 2012
515 Section 29D Repealed by section 16 of the Insurance Amendment (No. 2) Act 2010
516 Insurance Amendment Act 2006
517 Insurance Amendment Act 2006
518 Insurance Amendment Act 2016
519 Section 30 repealed and replaced by section 9 of the Insurance Amendment Act 2012
520 Insurance Amendment (No. 3) Act 2018
521 Insurance Amendment Act 2016
522 Insurance Amendment (No. 3) Act 2018
523 Insurance Amendment Act 2016
524 Insurance Amendment (No. 3) Act 2018
525 Insurance Amendment Act 2016
526 Insurance Amendment (No. 3) Act 2018
527 Insurance Amendment (No. 3) Act 2018
528 Insurance Amendment Act 2016
529 Insurance Amendment (No. 3) Act 2018
530 Insurance Amendment Act 2016
531 Section 30 repealed and replaced by section 9 of the Insurance Amendment Act 2012
532 Insurance Amendment Act 2004
533 Insurance Amendment Act 2004
534 Insurance Amendment Act 2004
535 Section 30A heading renumbered by section 10(b) of the Insurance Amendment Act 2012
536 Section 30A heading deleted and replaced by section 10(a) of the Insurance Amendment Act 2012
537 Insurance Amendment Act 2006
538 Renamed section 30AA(1) amended by section 10(c) of the Insurance Amendment Act 2012
539 Renamed section 30AA(1)(a) amended by section 10(d) of the Insurance Amendment Act 2012
540 Renamed section 30AA(1)(b) amended by section 10(e) of the Insurance Amendment Act 2012
541 Renamed section 30AA(1)(c) amended by section 10(f) of the Insurance Amendment Act 2012
542 Insurance Amendment (No. 3) Act 2018
543 Renamed section 30AA(1A) inserted by section 10(g) of the Insurance Amendment Act 2012
544 Renamed section 30AA(1A)(7) inserted by section 10(h) of the Insurance Amendment Act 2012
545 Section 30A(1) and (2) inserted by section 11 of the Insurance Amendment Act 2012
546 Insurance Amendment Act 2006
547 Section 30B(1) amended by section 12(a) of the Insurance Amendment Act 2012
548 Section 30B(1)(a) amended by section 12(b) of the Insurance Amendment Act 2012
549 Section 30B(2)(a) amended by section 12(c) of the Insurance Amendment Act 2012
550 Insurance Amendment Act 2006
551 Section 30C(1)(b) amended by section 13 of the Insurance Amendment Act 2012
552 Insurance Amendment (No. 3) Act 2018
553 Insurance Amendment Act 2016
554 Insurance Amendment (No. 3) Act 2018
555 Insurance Amendment (No. 3) Act 2018
556 Insurance Amendment (No. 3) Act 2018
557 Insurance Amendment (No. 3) Act 2018

558	Insurance Amendment (No. 3) Act 2018
559	Insurance Amendment (No. 3) Act 2010
560	Insurance Amendment (No. 2) Act 2015
561	Insurance Amendment Act 2006
562	Insurance Amendment Act 2006
563	Insurance Amendment (No. 2) Act 2015
564	Section 30G(3) Repealed by section 19 of the Insurance Amendment (No. 2) Act 2010
565	Insurance Amendment (No. 2) Act 2015
566	Insurance Amendment (No. 2) Act 2015
567	Insurance Amendment Act 2006
568	Insurance Amendment Act 2006
569	Section 30I amended by section 20 of the Insurance Amendment (No. 2) Act 2010
570	Section 30I(7) amended by section 20 of the Insurance Amendment (No. 2) Act 2010
571	Section 30I(7) amended by section 20 of the Insurance Amendment (No. 2) Act 2010
572	Insurance Amendment Act 2016
573	Insurance Amendment (No. 3) Act 2010
574	Insurance Amendment (No. 2) Act 2013
575	Insurance Amendment Act 2016
576	Section 30J(6) repealed by section 14 of the Insurance Amendment Act 2012
577	Section 30J(8) repealed by section 14 of the Insurance Amendment Act 2012
578	Insurance Amendment (No. 3) Act 2010
579	Insurance Amendment Act 2015
580	Insurance Amendment (No. 2) 2015
581	Insurance Amendment Act 2015
582	Section 30JA(1)(c) repealed by section 17(a)(i) of the Insurance Amendment (No. 2) Act 2012
583	Insurance Amendment (No. 2) Act 2012
584	Insurance Amendment Act 2015
585	Insurance Amendment (No. 2) Act 2012
586	Insurance Amendment (No. 2) Act 2012
587	Insurance Amendment Act 2015
588	Insurance Amendment (No. 2) Act 2012
589	Insurance Amendment Act 2015
590	Insurance Amendment (No. 2) Act 2012
591	Insurance Amendment Act 2015
592	Insurance Amendment (No. 2) Act 2015
593	Insurance Amendment (No. 2) Act 2015
594	Insurance Amendment (No. 2) Act 2012
595	Insurance Amendment (No. 2) Act 2015
596	Insurance Amendment Act 2015
597	Insurance Amendment (No. 3) Act 2010
598	Insurance Amendment Act 2013
599	Insurance Amendment (No. 2) Act 2012
600	Insurance Amendment Act 2013
601	Insurance Amendment Act 2013
602	Insurance Amendment Act 2015
603	Insurance Amendment (No. 3) Act 2010
604	Insurance Amendment Act 2013
605	Insurance Amendment Act 2013
606	Section 30JD repealed by section 23(1)(e) of the Insurance Amendment Act 2012
607	Insurance Amendment (No. 3) Act 2010
608	Insurance Amendment Act 2002
609	Insurance Amendment Act 1995
610	Insurance Amendment Act 2011
611	Insurance Amendment Act 2008
612	Insurance Amendment (No. 3) Act 2010
613	Insurance Amendment (No. 2) Act 2012
614	Insurance Amendment (No. 2) Act 2012

615 Insurance Amendment (No. 2) Act 2012
616 Insurance Amendment Act 2008
617 Insurance Amendment Act 2008
618 Insurance Amendment (No. 2) Act 2015
619 Insurance Amendment (No. 2) Act 2012
620 Insurance Amendment (No. 2) Act 2012
621 Insurance Amendment (No. 2) Act 2012
622 Insurance Amendment (No. 2) Act 2015
623 Insurance Amendment (No. 2) Act 2015
624 Insurance Amendment (No. 2) Act 2012
625 Insurance Amendment (No. 2) Act 2012
626 Insurance Amendment (No. 2) Act 2012
627 Insurance Amendment (No. 2) Act 2012
628 Insurance Amendment (No. 2) Act 2012
629 Insurance Amendment (No. 2) Act 2012
630 Insurance Amendment (No. 2) Act 2015
631 Insurance Amendment (No. 2) Act 2012
632 Insurance Amendment (No. 2) Act 2012
633 Insurance Amendment Act 2008
634 Insurance Amendment Act 2011
635 Insurance Amendment Act 2011
636 Insurance Amendment Act 2015
637 Insurance Amendment Act 1995
638 Insurance Amendment Act 2015
639 Insurance Amendment Act 2008
640 Insurance Amendment Act 1995
641 Insurance Amendment Act 2011
642 Insurance Amendment Act 2018
643 Insurance Amendment (No. 3) Act 2010
644 Insurance Amendment Act 2011
645 Insurance Amendment (No. 3) Act 2010
646 Insurance Amendment Act 2016
647 Insurance Amendment (No. 3) Act 2015
648 Insurance Amendment Act 2015
649 Insurance Amendment Act 1995
650 Insurance Amendment Act 2006
651 Insurance Amendment Act 2006
652 Insurance Amendment Act 2015
653 Insurance Amendment Act 2006
654 Insurance Amendment Act 2016
655 Insurance Amendment Act 2008
656 Insurance Amendment Act 2008
657 Insurance Amendment Act 2006
658 Insurance Amendment Act 2006
659 Insurance Amendment Act 2006
660 Insurance Amendment (No. 3) Act 2015
661 Insurance Amendment (No. 3) Act 2015
662 Insurance Amendment (No. 3) Act 2015
663 Section 32(7) repealed by section 15 of the Insurance Amendment Act 2012
664 Insurance Amendment Act 2006
665 Insurance Amendment Act 2006
666 Insurance Amendment Act 2006
667 Insurance Amendment Act 2006
668 Insurance Amendment Act 2006
669 Section 32(9) repealed by section 15 of the Insurance Amendment Act 2012
670 Insurance Amendment Act 2006

671	Insurance Amendment Act 2016
672	Insurance Amendment (No. 3) Act 2010
673	Insurance Amendment Act 2016
674	Section 32B inserted by section 16 of the Insurance Amendment Act 2012
675	Section 32C inserted by section 16 of the Insurance Amendment Act 2012
676	Insurance Amendment Act 2012
677	Section 32D inserted by section 16 of the Insurance Amendment Act 2012
678	Section 32E inserted by section 16 of the Insurance Amendment Act 2012
679	Section 32F inserted by section 16 of the Insurance Amendment Act 2012
680	Section 32G inserted by section 16 of the Insurance Amendment Act 2012
681	Insurance Amendment Act 2012
682	Section 32H inserted by section 16 of the Insurance Amendment Act 2012
683	Section 32I inserted by section 16 of the Insurance Amendment Act 2012
684	Section 32J inserted by section 16 of the Insurance Amendment Act 2012
685	Section 32K inserted by section 16 of the Insurance Amendment Act 2012
686	Insurance Amendment Act 2012
687	Section 32L inserted by section 16 of the Insurance Amendment Act 2012
688	Insurance Amendment Act 1995
689	Insurance Amendment Act 1995
690	Insurance Amendment Act 2001
691	Insurance Amendment (No. 2) Act 2018
692	Insurance Amendment (No. 2) Act 2018
693	Insurance Amendment (No. 2) Act 2018
694	Insurance Amendment Act 1981
695	Insurance Amendment Act 2001
696	Insurance Amendment (No. 2) Act 2018
697	Insurance Amendment (No. 3) Act 2015
698	Insurance Amendment Act 1981
699	Insurance Amendment (No. 3) Act 2015
700	Insurance Amendment (No 2) Act 2001
701	Insurance Amendment Act 2006
702	Section 41(2) repealed and replaced by section 17 of the Insurance Amendment Act 2012
703	Insurance Amendment Act 2006
704	Section 41(3) repealed and replaced by section 17 of the Insurance Amendment Act 2012
705	Insurance Amendment Act 2006
706	Insurance Amendment Act 1981
707	Insurance Amendment (No 2) Act 2001
708	Insurance Amendment Act 2006
709	Insurance Amendment Act 2006
710	Insurance Amendment Act 2006
711	Insurance Amendment Act 2006
712	Insurance Amendment Act 2018
713	Insurance Amendment Act 2011
714	Section 44A(1)(b) repealed and replaced by section 18(a) of the Insurance Amendment Act 2012
715	Insurance Amendment Act 2008
716	Insurance Amendment Act 2018
717	Section 44A(2)(a) amended by section 18(b) of the Insurance Amendment Act 2012
718	Insurance Amendment (No. 3) Act 2010
719	Section 44A amended by section 22 of the Insurance Amendment (No. 2) Act 2010
720	Section 44A(3A) inserted by section 18(c) of the Insurance Amendment Act 2012
721	Section 44A(3B) inserted by section 18(c) of the Insurance Amendment Act 2012
722	Appeal Tribunals (Miscellaneous) Act 2017
723	Bermuda Monetary Authority (Determination of Appeals) Act 2016
724	Insurance Amendment Act 2012
725	Section 44F inserted by section 19 of the Insurance Amendment Act 2012
726	Section 44G inserted by section 19 of the Insurance Amendment Act 2012
727	Insurance Amendment Act 2012

728	Section 44H inserted by section 19 of the Insurance Amendment Act 2012
729	Insurance Amendment Act 2012
730	Section 44I inserted by section 19 of the Insurance Amendment Act 2012
731	Insurance Amendment Act 2004
732	Section 51 repealed and replaced by section 20 of the Insurance Amendment Act 2012
733	Section 52 repealed and replaced by section 20 of the Insurance Amendment Act 2012
734	Section 51AA(1) and (2) inserted by section 20 of the Insurance Amendment Act 2012
735	Section 51 repealed and replaced by section 20 of the Insurance Amendment Act 2012
736	Insurance Amendment Act 2001, Bermuda Monetary Authority Amendment Act 2008
737	Insurance Amendment Act 2001
738	Bermuda Monetary Authority Amendment Act 2008
739	[sic]
740	Insurance Amendment (No. 3) Act 2015
741	Insurance Amendment Act 2001
742	Insurance Amendment (No. 3) Act 2015
743	Insurance Amendment Act 1983
744	Insurance Amendment Act 2010
745	Section 54 amended by section 23 of the Insurance Amendment (No. 2) Act 2010
746	Insurance Amendment Act 2008
747	Insurance Amendment Act 2004
748	Section 55(1) amended by section 21 of the Insurance Amendment Act 2012
749	Section 55(1) amended by section 21 of the Insurance Amendment Act 2012
750	Insurance Amendment Act 1995
751	Section 55A inserted by section 22 of the Insurance Amendment Act 2012
752	Insurance Amendment Act 2015
753	Insurance Amendment Act 1981
754	Insurance Amendment Act 1981
755	Insurance Amendment Act 1981
756	Insurance Amendment Act 1981
757	Insurance Amendment Act 1981
758	Insurance Amendment Act 1981
759	Insurance Amendment Act 1983
760	Insurance Amendment Act 1995
761	Insurance Amendment Act 1981
762	Insurance Amendment Act 2015
763	Insurance Amendment Act 1981
764	Insurance Amendment Act 2006
765	Insurance Amendment Act 1998
766	Insurance Amendment Act 2001
767	Schedule section 1(1) amended by section 23(2)(a) of the Insurance Amendment Act 2012
768	Insurance Amendment Act 2015
769	Insurance Amendment Act 2015
770	Insurance Amendment Act 2015
771	Schedule section 4(2) repealed and replaced by section 23(2)(b) of the Insurance Amendment Act 2012
772	The Insurance Amendment (No. 2) Act 2006
773	The Insurance Amendment Act 2008
774	Insurance Amendment (No. 3) Act 2018
775	Insurance Amendment Act 2016
776	Insurance Amendment (No. 3) Act 2015
777	Insurance Amendment (No. 3) Act 2015
778	Insurance Amendment (No. 3) Act 2015
779	Insurance Amendment (No. 3) Act 2015
780	Insurance Accounts Amendment Regulations 2017
781	Insurance Accounts Amendment Regulations 2017
782	Insurance Accounts Amendment Regulations 2017

783	Insurance Amendment (No. 3) Act 2015
784	Insurance Amendment (No. 3) Act 2015
785	Insurance Amendment (No. 3) Act 2015
786	Insurance Amendment (No. 3) Act 2015
787	Insurance Amendment (No. 3) Act 2015
788	Insurance Amendment (No. 3) Act 2015
789	Insurance Amendment (No. 3) Act 2015
790	Insurance Amendment (No. 3) Act 2015
791	Insurance Amendment (No. 3) Act 2015
792	Insurance Amendment (No. 3) Act 2015
793	Insurance Accounts Amendment Regulations 2008
794	Insurance Amendment (No. 3) Act 2015
795	Insurance Amendment (No. 3) Act 2015
796	Insurance Accounts Amendment Regulations 2017
797	Insurance Amendment Act 2018
798	Insurance Amendment (No. 3) Act 2015
799	Insurance Amendment (No. 3) Act 2015
800	Insurance Accounts Amendment Regulations 2017
801	Insurance Amendment Act 2018
802	Insurance Amendment Act 2011
803	Insurance Accounts Amendment (No. 2) Regulation 2010
804	Insurance Accounts Amendment Regulations 2008
805	Insurance Amendment (No. 3) Act 2015
806	Insurance Amendment (No. 3) Act 2015
807	Insurance Amendment Act 2011
808	Insurance Accounts Amendment (No. 2) Regulation 2010
809	Insurance Accounts Amendment Regulations 2008
810	Insurance Accounts Amendment Regulations 2008
811	Insurance Accounts Amendment Regulations 2017
812	Insurance Amendment (No. 3) Act 2015
813	Insurance Accounts Amendment Regulations 2017
814	Insurance Amendment (No. 3) Act 2015
815	Insurance Amendment (No. 3) Act 2015
816	Insurance Accounts Amendment Regulations 2008
817	Insurance Amendment (No. 3) Act 2015
818	Insurance Accounts Amendment Regulations 2008
819	Insurance Amendment (No. 3) Act 2015
820	Insurance Amendment Act 2018
821	Insurance Amendment (No. 3) Act 2015
822	Insurance Accounts Amendment Regulations 2017
823	Insurance Accounts Amendment Regulations 2017
824	Insurance Accounts Amendment Regulations 2017
825	Insurance Accounts Amendment Regulations 2008
826	Insurance Accounts Amendment Regulations 2017
827	Insurance Amendment (No. 3) Act 2015
828	Insurance Amendment Act 2018
829	Insurance Amendment (No. 3) Act 2015
830	Insurance Amendment (No. 3) Act 2015
831	Insurance Accounts Amendment Regulations 2008
832	Insurance Amendment Act 2011
833	Insurance Accounts Amendment (No. 2) Regulation 2010
834	Insurance Accounts Amendment Regulations 2008
835	Insurance Amendment Act 2018
836	Insurance Amendment (No. 3) Act 2015
837	Insurance Amendment Act 2011
838	Insurance Accounts Amendment (No. 2) Regulation 2010
839	Insurance Amendment (No. 3) Act 2015

840	Insurance Amendment Act 2018
841	Insurance Amendment (No. 3) Act 2015
842	Insurance Amendment (No. 3) Act 2015
843	Insurance Accounts Amendment Regulations 2008
844	Insurance Amendment Act 2011
845	Insurance Accounts Amendment (No. 2) Regulation 2010
846	Insurance Amendment (No. 3) Act 2015
847	Insurance Accounts Amendment Regulations 2008
848	Insurance Amendment Act 2011
849	Insurance Accounts Amendment Regulations 2008
850	Insurance Amendment Act 2011
851	Insurance Accounts Amendment Regulations 2008
852	Insurance Amendment Act 2011
853	Insurance Amendment Act 2011
854	Insurance Accounts Amendment Regulations 2008
855	Insurance Amendment Act 2018
856	Insurance Amendment (No. 3) Act 2015
857	Insurance Amendment Act 2011
858	Insurance Accounts Amendment (No. 2) Regulation 2010
859	Insurance Amendment (No. 3) Act 2015
860	Insurance Accounts Amendment Regulations 2008
861	Insurance Amendment Act 2011
862	Insurance Accounts Amendment (No. 2) Regulation 2010
863	Insurance Amendment (No. 3) Act 2015
864	Insurance Accounts Amendment Regulations 2008
865	Insurance Amendment Act 2011
866	Insurance Accounts Amendment Regulations 2008
867	Insurance Amendment Act 2011
868	Insurance Amendment Act 2011
869	Insurance Accounts Amendment Regulations 2008
870	Insurance Amendment Act 2011
871	Insurance Amendment Act 2011
872	Insurance Accounts Amendment Regulations 2017
873	Insurance Accounts Amendment Regulations 2008
874	Insurance Amendment Act 2018
875	Insurance Amendment (No. 3) Act 2015
876	Insurance Amendment Act 2011
877	Insurance Accounts Amendment (No. 2) Regulation 2010
878	Insurance Amendment (No. 3) Act 2015
879	Insurance Amendment (No. 3) Act 2015
880	Insurance Accounts Amendment Regulations 2008
881	Insurance Amendment (No. 3) Act 2015
882	Insurance Amendment Act 2011
883	Insurance Accounts Amendment (No. 2) Regulation 2010
884	Insurance Amendment Act 2018
885	Insurance Amendment (No. 2) Act 2012
886	Insurance Accounts Amendment Regulations 2010
887	Insurance Amendment (No. 3) Act 2015
888	Insurance Accounts Amendment Regulations 2008
889	Insurance Amendment (No. 3) Act 2015
890	Insurance Amendment Act 2011
891	Insurance Accounts Amendment (No. 2) Regulation 2010
892	Insurance Amendment Act 2018
893	Insurance Accounts Amendment Regulations 2017
894	Insurance Amendment Act 2011
895	Insurance Amendment (No. 2) Act 2013



896	Insurance Amendment (No. 2) Act 2013
897	Insurance Amendment (No. 2) Act 2013
898	Insurance Amendment (No. 2) Act 2013
899	Insurance Amendment (No. 2) Act 2013
900	Insurance Amendment (No. 2) Act 2013
901	Insurance Amendment (No. 2) Act 2013
902	Insurance Amendment (No. 2) Act 2013
903	Insurance Amendment (No. 2) Act 2013
904	Insurance Amendment (No. 2) Act 2013
905	Insurance Amendment (No. 2) Act 2013
906	Insurance Amendment (No. 2) Act 2013
907	Insurance Amendment (No. 2) Act 2013
908	Insurance Amendment (No. 2) Act 2013
909	Insurance Amendment (No. 2) Act 2013
910	Insurance Amendment (No. 2) Act 2013
911	Insurance Amendment (No. 2) Act 2013
912	Insurance Amendment Act 2011
913	Insurance Amendment (No. 3) Act 2015
914	Insurance Amendment Act 2016
915	Insurance Amendment (No. 2) Act 2013
916	Insurance Amendment Act 2016
917	Insurance Amendment (No. 3) Act 2015
918	Insurance Amendment Act 2011
919	Insurance Accounts Amendment Regulations 2017
920	Insurance Amendment Act 2011
921	Insurance Accounts Amendment Regulations 2017
922	Insurance Amendment (No. 3) Act 2015
923	Insurance Amendment Act 2016
924	Insurance Amendment Act 2011
925	Form 8 repealed and replaced by Schedule 1 of the Insurance Amendment (No. 2) Act 2012
926	Insurance Amendment Act 2016
927	Insurance Amendment (No. 3) Act 2015
928	Insurance Accounts Amendment Regulations 1981
929	Insurance Amendment Act 2011
930	Insurance Amendment (No. 3) Act 2015
931	Insurance Accounts Amendment Regulations 1989
932	Insurance Amendment (No. 2) Act 2012
933	Deleted by section 5(b)(i) of the Insurance Amendment Act 2011
934	Insurance Amendment Act 2011
935	Insurance Amendment Act 2016
936	Insurance Amendment (No. 2) Act 2012
937	Insurance Amendment (No. 2) Act 2012
938	Insurance Accounts Amendment Regulations 2017
939	Insurance Accounts Amendment Regulations 2008
940	Insurance Amendment (No. 3) Act 2015
941	Insurance Amendment Act 2011
942	Insurance Accounts Amendment (No. 2) Regulation 2010
943	Insurance Amendment Act 2018
944	Insurance Amendment Act 2011
945	Insurance Amendment Act 2011
946	Insurance Accounts Amendment Regulations 2017
947	Insurance Accounts Amendment Regulations 2017
948	Insurance Accounts Amendment Regulations 2017
949	Insurance Accounts Amendment Regulations 2017
950	Insurance Accounts Amendment Regulations 2017
951	Insurance Amendment Act 2011
952	Insurance Amendment Act 2011
953	Insurance Amendment Act 2011

954	Insurance Amendment Act 2011
955	Insurance Amendment Act 2011
956	Insurance Amendment Act 2011
957	Insurance Amendment Act 2011
958	Insurance Accounts Amendment Regulations 2010
959	Insurance Amendment (No. 3) Act 2015
960	Insurance Amendment Act 2011
961	Insurance Accounts Amendment (No. 2) Regulation 2010
962	Insurance Amendment Act 2018
963	Insurance Accounts Amendment Regulations 2008
964	Insurance Accounts Amendment Regulations 1981
965	Insurance Amendment Act 2011
966	Insurance Accounts Amendment (No. 2) Regulation 2010
967	Insurance Amendment Act 1995
968	Insurance Amendment (No. 3) Act 2015
969	Insurance Accounts Amendment Regulations 2008
970	Insurance Amendment Act 2011
971	Insurance Accounts Amendment Regulations 2005
972	Insurance Accounts Amendment Regulations 1981
973	Insurance Accounts Amendment Regulations 1989
974	Insurance Amendment Act 1995
975	Insurance Accounts Amendment (No. 2) Regulation 2010
976	Insurance Amendment (No. 3) Act 2015
977	Insurance Amendment Act 2011
978	Insurance Accounts Amendment (No. 2) Regulation 2010
979	Insurance Amendment Act 2011
980	Insurance Accounts Amendment (No. 2) Regulation 2010
981	Insurance Accounts Amendment Regulations 2005
982	Insurance Accounts Amendment Regulations 2005
983	Insurance Amendment (No. 2) Act 2013
984	Insurance Amendment (No. 2) Act 2013
985	Insurance Amendment Act 2011
986	Insurance Amendment (No. 2) Act 2012
987	Insurance Amendment (No. 2) Act 2012
988	Insurance Amendment (No. 2) Act 2012
989	Insurance Amendment (No. 2) Act 2012
990	Insurance Amendment Act 2011
991	Insurance Amendment (No. 3) Act 2015
992	Insurance Amendment Act 2011
993	Insurance Accounts Amendment (No. 2) Regulation 2010
994	Insurance Amendment Act 2018
995	Insurance Amendment (No. 2) Act 2012
996	Insurance Amendment (No. 2) Act 2012
997	Insurance Accounts Amendment Regulations 2010
998	Insurance Amendment (No. 3) Act 2015
999	Insurance Amendment (No. 3) Act 2015
1000	Insurance Amendment Act 2011
1001	Insurance Amendment Act 2011
1002	Insurance Amendment (No. 3) Act 2015
1003	Insurance Amendment Act 2011
1004	Insurance Amendment Act 2011
1005	Insurance Amendment Act 2018
1006	Insurance Amendment (No. 2) Act 2012
1007	Insurance Amendment (No. 2) Act 2012
1008	Insurance Amendment (No. 2) Act 2012
1009	Insurance Accounts Amendment Regulations 1981
1010	Insurance Accounts Amendment Regulations 1981



1011	Insurance Amendment (No. 2) Act 2012
1012	Insurance Amendment (No. 2) Act 2012
1013	Insurance Accounts Amendment Regulations 1989
1014	Insurance Accounts Amendment Regulations 1981
1015	Insurance Amendment (No. 3) Act 2015
1016	Insurance Amendment (No. 3) Act 2015
1017	Insurance Amendment (No. 3) Act 2015
1018	Insurance Amendment (No. 3) Act 2015
1019	Insurance Amendment (No. 3) Act 2015
1020	Insurance Amendment (No. 3) Act 2015
1021	Insurance Amendment (No. 3) Act 2015
1022	Insurance Amendment (No. 3) Act 2015
1023	Insurance Returns and Solvency Amendment Regulations 1989
1024	Insurance Amendment Act 2018
1025	Insurance Amendment (No. 3) Act 2015
1026	Insurance Returns and Solvency Amendment Regulations 1989
1027	Insurance Returns and Solvency Amendment Regulations 1989
1028	Insurance Returns and Solvency Amendment Regulations 1981
1029	Insurance Amendment Act 1995
1030	Insurance Amendment (No. 3) Act 2015
1031	Insurance Amendment Act 1995
1032	Insurance Amendment (No. 3) Act 2015
1033	Insurance Amendment Act 1995
1034	Insurance Returns and Solvency Amendment Regulations 2008
1035	Insurance Amendment (No. 3) Act 2015
1036	Insurance Amendment (No. 3) Act 2015
1037	Insurance Amendment (No. 3) Act 2015
1038	Insurance Amendment (No. 3) Act 2015
1039	Insurance Amendment (No. 3) Act 2015
1040	Insurance Amendment (No. 3) Act 2018
1041	Insurance Amendment (No. 3) Act 2018
1042	Insurance Amendment (No. 3) Act 2015
1043	Insurance Amendment (No. 3) Act 2018
1044	Insurance Amendment (No. 3) Act 2018
1045	Insurance Returns and Solvency Amendment Regulations 2008
1046	Insurance Amendment (No. 3) Act 2018
1047	Insurance Amendment (No. 3) Act 2018
1048	Insurance Returns and Solvency Amendment Regulations 2005
1049	Insurance Returns and Solvency Amendment Regulations 1989
1050	Insurance Amendment (No. 3) Act 2015
1051	Insurance Amendment (No. 3) Act 2015
1052	Insurance Returns and Solvency Amendment Regulations 2005
1053	Insurance Amendment (No. 3) Act 2015
1054	Insurance Amendment (No. 3) Act 2015
1055	Insurance Amendment (No. 3) Act 2015
1056	Insurance Amendment Act 1995
1057	Insurance Amendment (No. 2) Act 2015
1058	Insurance Amendment (No. 3) Act 2015
1059	Insurance Returns and Solvency Amendment Regulations 1981
1060	Insurance Amendment (No. 2) Act 2015
1061	Insurance Amendment Act 1995
1062	Insurance Returns and Solvency Amendment Regulations 1989
1063	Insurance Amendment (No. 3) Act 2015
1064	Insurance Returns and Solvency Amendment Regulations 1981
1065	Insurance Amendment (No. 3) Act 2010
1066	Insurance Amendment Act 1995

1067	Insurance Returns and Solvency Amendment Regulations 1981
1068	Insurance Returns and Solvency Amendment Regulations 1981
1069	Insurance Returns and Solvency Amendment Regulations 1989
1070	Insurance Returns and Solvency Amendment Regulations 1989
1071	Insurance Amendment (No. 2) Act 2015
1072	Insurance Amendment Act 1995
1073	Insurance Amendment (No. 3) Act 2015
1074	Insurance Amendment (No. 3) Act 2015
1075	Insurance Amendment (No. 2) Act 2015
1076	Insurance Amendment (No. 2) Act 2013
1077	Insurance Amendment (No. 2) Act 2015
1078	Insurance Returns and Solvency Amendment Regulations 1981
1079	Insurance Returns and Solvency Amendment Regulations 1989
1080	Insurance Amendment Act 2018
1081	Insurance Amendment (No. 2) Act 2015
1082	Insurance Amendment (No. 3) Act 2010
1083	Insurance Returns and Solvency Amendment Regulations 1981
1084	Insurance Returns and Solvency Amendment Regulations 1981
1085	Insurance Amendment (No. 2) Act 2012
1086	Insurance Returns and Solvency Amendment Regulations 1989
1087	Insurance Returns and Solvency Amendment Regulations 2008
1088	Insurance Amendment (No. 3) Act 2015
1089	Insurance Amendment Act 1995
1090	Insurance Amendment Act 2015
1091	Insurance Amendment (No. 3) Act 2010
1092	Insurance Amendment Act 2016
1093	Insurance Amendment (No. 3) Act 2015
1094	Insurance Amendment (No. 2) Act 2013
1095	Insurance Amendment (No. 3) Act 2015
1096	Insurance Amendment (No. 2) Act 2013
1097	Insurance Amendment Act 1995
1098	Insurance Amendment Act 1995
1099	Insurance Returns and Solvency Amendment Regulations 1981
1100	Insurance Amendment (No. 3) Act 2015
1101	Insurance Amendment Act 2015
1102	Insurance Amendment (No. 3) Act 2010
1103	Insurance Amendment (No. 3) Act 2015
1104	Insurance Amendment (No. 2) Act 2013
1105	Insurance Returns and Solvency Amendment Regulations 2008
1106	Insurance Amendment (No. 3) Act 2015
1107	Insurance Returns and Solvency Amendment Regulations 1985
1108	Insurance Returns and Solvency Amendment Regulations 1981
1109	Insurance Amendment (No. 2) Act 2015
1110	Insurance Amendment (No. 2) Act 2013
1111	Insurance Amendment Act 2018
1112	Insurance Amendment (No. 2) Act 2015
1113	Insurance Amendment Act 2018
1114	Insurance Amendment (No. 2) Act 2015
1115	Insurance Amendment (No. 3) Act 2015
1116	Insurance Amendment Act 1995
1117	Insurance Amendment (No. 3) Act 2015
1118	Insurance Amendment (No. 3) Act 2015
1119	Insurance Amendment (No. 3) Act 2015
1120	Insurance Amendment (No. 3) Act 2015
1121	Insurance Amendment (No. 3) Act 2015

1122	Insurance Amendment Act 2018
1123	Insurance Amendment Act 2016
1124	Insurance Returns and Solvency Amendment Regulations 1981
1125	Insurance Amendment (No. 3) Act 2018
1126	Insurance Amendment (No. 3) Act 2018
1127	Insurance Amendment Act 1995
1128	Insurance Amendment (No. 3) Act 2015
1129	Insurance Returns and Solvency Amendment Regulations 2008
1130	Insurance Amendment Act 2018
1131	Insurance Amendment Act 2018
1132	Insurance Amendment Act 2018
1133	Insurance Amendment Act 2018
1134	Insurance Amendment Act 2018
1135	Insurance Amendment Act 2018
1136	Insurance Amendment Act 2018
1137	Insurance Amendment Act 2018
1138	Insurance Amendment (No. 2) Act 2013
1139	Insurance Amendment (No. 3) Act 2015
1140	Insurance Amendment (No. 3) Act 2015
1141	Insurance Returns and Solvency Amendment Regulations 1985
1142	Insurance Returns and Solvency Amendment Regulations 1981
1143	Insurance Amendment (No. 3) Act 2015
1144	Insurance Amendment Act 2018
1145	Insurance Amendment (No. 3) Act 2010
1146	Schedule III repealed and replaced by the Insurance Amendment (No. 2) Act 2013
1147	Insurance Amendment Act 2016
1148	Bermuda Monetary Authority Amendment (No. 3) Act 2018
1149	Bermuda Monetary Authority Amendment Act 2015
1150	Bermuda Monetary Authority Amendment (No. 2) Act 2008
1151	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
1152	Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
1153	Bermuda Monetary Authority Amendment Act 2012
1154	Bermuda Monetary Authority Amendment Act 2014
1155	Insurance Amendment Act 2018

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