

Deposit Insurance and Policy Owners' Protection Schemes (Policy Owners' Protection Scheme) Regulations 2011

Table of Contents

Enacting Formula

1 Citation and commencement

2 Definitions

3 Premium year

4 Determination of levy rates

5 Computation of levy

6 Minimum levy

7 Size of PPF Life Fund and PPF General Fund

8 Payment of compensation from PPF Life Fund or PPF General Fund

9 Operational preparedness for payment of compensation

10 Register of insured policies

11 Disclosure requirements for insured policies

THE SCHEDULE Levy Rates Applicable To Ppf Scheme Members

**DEPOSIT INSURANCE AND POLICY OWNERS’
PROTECTION SCHEMES ACT 2011
(ACT 15 OF 2011)**

**DEPOSIT INSURANCE AND POLICY OWNERS’
PROTECTION SCHEMES (POLICY OWNERS’ PROTECTION
SCHEME) REGULATIONS 2011**

In exercise of the powers conferred by sections 37, 38, 51 and 64 of the Deposit Insurance and Policy Owners’ Protection Schemes Act 2011, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Deposit Insurance and Policy Owners’ Protection Schemes (Policy Owners’ Protection Scheme) Regulations 2011 and shall, with the exception of regulation 11, come into operation on 20th July 2011.

(2) Regulation 11 shall come into operation on 1st January 2012.

Definitions

2. In these Regulations, unless the context otherwise requires —

“approved agent bank” means a bank appointed by the Central Provident Fund Board under regulation 11(1) of the Central Provident Fund (Investment Schemes) Regulations (Cap. 36, Rg 9);

“ordinary account” means an account maintained under section 13(1)(a) of the Central Provident Fund Act (Cap. 36); and

“special account” means an account maintained under section 13(1)(c) of the Central Provident Fund Act.

Premium year

3.—(1) Subject to paragraph (2), for the purposes of section 37(4) of the Act, the premium year in respect of the levies payable by PPF Scheme members is the period beginning on 1st April of any year and ending on 31st March of the following year.

(2) Where the effective date appointed under section 46(5) of the Act is after 1st April 2011, the first premium year for the purposes of section 37(4) of the Act shall be the period beginning on the effective date and ending on 31st March of the following year.

Determination of levy rates

4.—(1) For the purposes of determining the levy rates applicable to PPF Scheme members for any premium year, all PPF Scheme members shall be classified into the categories specified in the first column of the Schedule.

(2) The levy rates applicable to each category of PPF Scheme members carrying on life business and general business are specified in the second and third columns of the Schedule, respectively.

Computation of levy

5.—(1) Subject to paragraph (1A) and regulation 6(1), the Authority shall calculate the amount of levy payable by a PPF Scheme member for any premium year as —

- (a) in respect of insured policies covered under the PPF Life Fund, the product of the levy rate applicable to the PPF Scheme member and the aggregate protected liabilities of the PPF Scheme member for the insured policies as at 31st December of the preceding calendar year; and
- (b) in respect of insured policies covered under the PPF General Fund —
 - (i) in the case where the PPF Scheme member is not taking in any new insurance business or not renewing any existing insurance policy, the product of the levy rate applicable to the PPF Scheme member and the aggregate protected liabilities of the PPF Scheme member for the insured policies as at 31st December of the preceding calendar year; and
 - (ii) in all other cases, the product of the levy rate applicable to the PPF Scheme member and the gross premium income in respect of the insured policies of the PPF Scheme member in the preceding calendar year ending 31st December.

[S 126/2012 wef 30/03/2012]

(1A) Subject to regulation 6(1), where the whole or any part of the business of a registered insurer is transferred to a PPF Scheme member under Division 1 or 2 of Part IIIAA of the Insurance Act (Cap. 142) before the date on which the Agency gives the PPF Scheme member the levy notice for any premium year (referred to in this paragraph as the relevant premium year) but after the date of the levy notice for the preceding premium year, if any was given, the Authority shall calculate the amount of levy payable by the PPF Scheme member for the relevant premium year as follows:

- (a) in respect of insured policies covered under the PPF Life Fund — by multiplying the levy rate applicable to the PPF Scheme member and the aggregate protected liabilities of the PPF Scheme member for the insured

policies as at such date as the Authority may specify by notice in writing to the PPF Scheme member, being no earlier than the date of the levy notice for the preceding premium year, if any was given; and

- (b) in respect of insured policies covered under the PPF General Fund —
 - (i) in the case where the PPF Scheme member is not taking in any new insurance business (other than the business transferred to the PPF Scheme member under Division 1 or 2 of Part IIIAA of the Insurance Act) or is not renewing any existing insurance policy — by multiplying the levy rate applicable to the PPF Scheme member and the aggregate protected liabilities of the PPF Scheme member for the insured policies as at such date as the Authority may specify by notice in writing to the PPF Scheme member, being no earlier than the date of the levy notice for the preceding premium year, if any was given; and
 - (ii) in all other cases — by adding the following amounts:
 - (A) the product of the levy rate applicable to the PPF Scheme member and the gross premium income in respect of the insured policies of the PPF Scheme member in the preceding calendar year ending 31st December; and
 - (B) the product of the levy rate applicable to the PPF Scheme member and the gross premium income written in the preceding calendar year ending 31st December in respect of the insured policies transferred to the PPF Scheme member under Division 1 or 2 of Part IIIAA of the Insurance Act.

[S 126/2012 wef 30/03/2012]

(2) Subject to regulation 6(2), where —

- (a) a relevant insurer becomes a PPF Scheme member during the course of a premium year; or
- (b) an exemption from the requirement to be a PPF Scheme member granted to a relevant insurer pursuant to section 32 of the Act is withdrawn during the course of a premium year,

the Authority shall impose on that insurer a levy on a pro-rata basis according to the number of months, or any part thereof, remaining for that premium year.

(3) For the purposes of calculating the levy of a relevant insurer referred to in

paragraph (2), the Authority shall apply the following:

- (a) in respect of insured policies covered under the PPF Life Fund, the aggregate protected liabilities of the PPF Scheme member for the insured policies as at the date on which the insurer becomes a PPF Scheme member; and
- (b) in respect of insured policies covered under the PPF General Fund —
 - (i) in the case where the PPF Scheme member is not taking in any new insurance business or not renewing any existing insurance policy, the aggregate protected liabilities of the PPF Scheme member for the insured policies as at the date on which the insurer becomes a PPF Scheme member; and
 - (ii) in all other cases, the gross premium income written in the preceding calendar year ending 31st December.

[S 126/2012 wef 30/03/2012]

(4) Subject to regulation 6(3), where the PPF Scheme member is a relevant insurer registered to carry on insurance business under the Insurance Act (Cap. 142) immediately before the effective date, the Authority shall impose on the PPF Scheme member a levy for the first premium year on a pro-rata basis according to the number of months, or any part thereof, comprised in that first premium year.

(5) For the purposes of calculating the levy of a PPF Scheme member referred to in paragraph (4), the Authority shall apply the following:

- (a) in respect of insured policies covered under the PPF Life Fund, the aggregate protected liabilities of the PPF Scheme member for the insured policies as at 31st December of the preceding calendar year; and
- (b) in respect of insured policies covered under the PPF General Fund —
 - (i) in the case where the PPF Scheme member is not taking in any new insurance business or not renewing any existing insurance policy, the aggregate protected liabilities of the PPF Scheme member for the insured policies as at 31st December of the preceding calendar year; and
 - (ii) in all other cases, the gross premium income in respect of the insured policies of the PPF Scheme member in the preceding calendar year ending 31st December.

(6) In paragraph (1A), “levy notice” means a notice in writing under section 39(2) of the Act stating the amount of levy payable by the PPF Scheme member for a premium