

# **Insurance (Amendment) Bill**

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**Bill No: 19/1999**

***Read the first time: 6th July 1999***

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### **Insurance (Amendment) Bill**

**Bill No. 19/1999**

*Read the first time on 6th July 1999.*

An Act to amend the Insurance Act (Chapter 142 of the 1994 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

#### **Short title and commencement**

**1.** This Act may be cited as the Insurance (Amendment) Act 1999 and shall come into

operation on such date as the Minister may, by notification in the *Gazette*, appoint.

## **Amendment of section 2**

2. Section 2 of the Insurance Act is amended by deleting subsection (5) and substituting the following subsection:

“(5) For the purposes of this Act, “Singapore insurer” means a person who is or has been carrying on insurance business in Singapore as an insurer; and references to carrying on insurance business, or any class of insurance business, in Singapore include, but include only, the receipt of proposals for, or issuing of, policies in Singapore or the collection or receipt in Singapore of premiums on insurance policies.”.

## **New section 5A**

3. The Insurance Act is amended by inserting, immediately after section 5, the following section:

### **“Prohibition relating to solicitation of insurance business and establishment of place of business or representative office**

**5A.—**(1) No person shall solicit any insurance business, other than reinsurance business, for an insurer who is not entitled to carry on that business in Singapore.

(2) No person shall, without the written approval of the Authority, establish —

- (a) a place of business to solicit reinsurance business; or
- (b) a representative office,

for an insurer who is not entitled to carry on insurance business in Singapore.

(3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,000 for every day during which the offence continues after conviction.”.

## **Amendment of section 6**

4. Section 6(1) of the Insurance Act is amended by deleting the words “is carrying on insurance business without having been registered under” in the 2nd and 3rd lines and substituting the words “has contravened any provision of”.

## **Amendment of section 9**

5. Section 9(2) of the Insurance Act is amended by inserting, immediately after the

words “subsection (1)” in the 2nd line, the words “or section 7(2)”.

### **Amendment of section 12**

6. Section 12 of the Insurance Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) If the registration of an insurer has been cancelled or has expired, sections 38 and 39 shall, unless the Authority otherwise directs, continue to apply in relation to the insurer in respect of matters that occurred before the cancellation or expiry as if his registration had not been cancelled or had not expired, as the case may be.”.

### **Amendment of section 13**

7. Section 13 of the Insurance Act is amended by deleting subsection (7).

### **Amendment of section 26**

8. Section 26(3) of the Insurance Act is amended by deleting paragraphs (a) to (d) and substituting the following paragraphs:

- “(a) a person shall be regarded as obtaining effective control of a registered insurer by virtue of an agreement if the person alone or acting together with any associate or associates would, if the agreement is carried out —
  - (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurer; or
  - (ii) control, directly or indirectly, 20% or more of the voting power of the insurer;
- (b) a reference to entering into an agreement to acquire shares includes —
  - (i) a reference to a person making or publishing a statement, however expressed, that expressly or impliedly invites a holder of shares to offer to dispose of his shares to that person;
  - (ii) a reference to a person obtaining a right to acquire shares under an option, or to have shares transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;”.

### **Amendment of section 28**

**9.** Section 28 of the Insurance Act is amended by deleting subsections (1) and (2) and substituting the following subsections:

“(1) No person shall enter into any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would, if the agreement is carried out, become a substantial shareholder of that insurer without first notifying the Authority of his intention to enter into the agreement and obtaining the approval of the Authority to his entering into the agreement.

(2) For the purposes of this section —

- (a) “substantial shareholder”, in relation to an insurer, means a person who holds 5% or more of the voting power of the insurer;
- (b) a reference to entering into an agreement to acquire shares shall be construed in the same way as under section 26; and
- (c) “voting power” shall have the same meaning as in section 26.”.

### **Amendment of section 31**

**10.** Section 31 of the Insurance Act is amended by inserting, immediately after the word “loans” in the 3rd line of subsection (1) and in the marginal note, the words “or advances”.

### **Repeal of sections 33, 34 and 35**

**11.** Sections 33, 34 and 35 of the Insurance Act are repealed.

### **Repeal and re-enactment of section 36**

**12.** Section 36 of the Insurance Act is repealed and the following section substituted therefor:

#### **“Carrying on of general business by Lloyd’s underwriters**

**36.—**(1) Section 3 shall not prevent general business being carried on in Singapore by any person if he carries it on as a Lloyd’s underwriter and if the conditions of this section are complied with.

(2) Subsection (1) shall not authorise a Lloyd’s underwriter to carry on insurance business in Singapore unless there are one or more persons resident in Singapore who are authorised to accept service of notices and legal process on behalf of Lloyd’s underwriters, being persons nominated for that purpose by Lloyd’s.