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INSURANCE ACT (CHAPTER 142)

INSURANCE (LLOYD'S ASIA SCHEME) (AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by sections 35B and 35L of the Insurance Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance (Lloyd's Asia Scheme) (Amendment) Regulations 2015 and come into operation on 1 April 2015.

Amendment of regulation 2

2. Regulation 2 of the Insurance (Lloyd's Asia Scheme) Regulations (Rg 9) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by deleting the word “means” in the definition of “administrator” and substituting the words “, for the purposes of these Regulations other than the definition of “member of Lloyd's” in this regulation, means”;
- (b) by inserting, immediately after the definition of “agent”, the following definitions:

“ “binding authority” means an agreement between a Service Company and a coverholder under which the Service Company authorises the coverholder to enter into a contract of insurance on behalf of the members of a syndicate for whom the Service Company acts as an agent;

“Board”, in relation to the administrator or a Service Company, means the board of directors of the administrator or the Service Company, as the case may be;”;

(c) by inserting, immediately after the definition of “counterparty”, the following definition:

““coverholder”, in relation to a Service Company, means a person authorised by the Service Company under a binding authority to enter into a contract of insurance on behalf of the members of a syndicate —

(a) for whom the Service Company acts as an agent; and

(b) who have authorised the Service Company to enter into such binding authority with the person;”;

(d) by inserting, immediately after the definition of “equity security”, the following definition:

““executive officer”, in relation to the administrator or a Service Company, means any person, by whatever name described —

(a) who —

(i) is in the direct employment of the administrator or the Service Company, as the case may be;

(ii) is acting for the administrator or the Service Company, as the case may be; or

(iii) has an arrangement with the administrator or the Service Company, as the case may be, to act for the administrator or the Service Company; and

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- (b) who is concerned with or takes part in the management of the administrator or the Service Company, as the case may be, on a day-to-day basis;”;
- (e) by deleting the definition of “reinsurance recoverables” and substituting the following definitions:
- “reinsurance recoverables” means any amount that a Service Company or any coverholder authorised by the Service Company is entitled to recover on behalf of a syndicate, but has yet to recover, from the syndicate’s reinsurance counterparty in respect of claims that have been paid by the Service Company or the coverholder, as the case may be, on behalf of the syndicate;
- “senior officer”, in relation to a Service Company, includes —
- (a) a director, a secretary or an executive officer of the Service Company;
- (b) a receiver or a manager of any part of the undertaking of the Service Company appointed under a power contained in any instrument; or
- (c) the liquidator of the Service Company in a voluntary winding up;”;
- (f) by deleting the words “Lloyd’s underwriting agent” in the definition of “syndicate” and substituting the words “managing agent”.

Amendment of regulation 3

3. Regulation 3(1) of the principal Regulations is amended by deleting sub-paragraph (b) and substituting the following sub-paragraph:

- “(b) the member carries on insurance business, and enters into contracts of insurance, in Singapore through —

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- (i) a Service Company; or
 - (ii) a Service Company and a coverholder;”.

Amendment of regulation 5

4. Regulation 5 of the principal Regulations is amended by deleting the words “No person shall” and substituting the words “A person (other than a coverholder acting in accordance with the terms of a binding authority) must not”.

Amendment of regulation 6

5. Regulation 6 of the principal Regulations is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) A company (other than a coverholder acting in accordance with the terms of a binding authority) that wishes to act as an agent in Singapore for any member of Lloyd’s under these Regulations must apply to be registered with the administrator.”.

Amendment of regulation 6A

6. Regulation 6A of the principal Regulations is amended —

(a) by deleting paragraph (1) and substituting the following paragraphs:

“(1) A Service Company must not, without the approval of the Authority, enter into any contract of insurance on behalf of the members of a syndicate.

(1A) Despite paragraph (1), a Service Company (called in this paragraph Lead Service Company) may enter into any contract of insurance on behalf of the members of a syndicate without the approval of the Authority if —

(a) the Authority has approved another Service Company under paragraph (1) to enter into the contract of insurance on behalf of the members of that syndicate, and that approval has not been revoked;

