

**Insurance (General Provisions and Exemptions for Captive Insurers)
Regulations 2004**

Table of Contents

Enacting Formula

Part I PRELIMINARY

1 Citation and commencement

2 Definitions

**Part II FINANCIAL REQUIREMENT BEFORE REGISTRATION, FUND
SOLVENCY REQUIREMENT AND CAPITAL ADEQUACY
REQUIREMENT**

3 Paid-up capital requirement

**4 Exemption in respect of Insurance (Valuation and Capital)
Regulations 2004**

5 Fund solvency requirement

6 Capital adequacy requirement

Part III ACCOUNTS AND STATEMENTS

**7 Exemption from Insurance (Accounts and Statements) Regulations
2004**

8 Forms

9 Returns to be lodged by captive insurers

10 Annual returns to be lodged by captive insurers

11 Quarterly and other returns to be lodged by captive insurers

12 Returns on actuarial investigation of life business

13 Provisions as to returns lodged

14 Valuation of assets and liabilities

15 Lodgment and signature of returns

16 Audit and auditor's report

17 Returns in electronic form

18 Deadlines for lodgment of returns

19 Information on external auditor

Part IV EXEMPTIONS

20 Exemptions from sections 14 and 37 (1) (b) of Act

21 Exemption from section 31 (1) (b) of Act

22 Exemption from section 46 of Act

Part IV MISCELLANEOUS

23 Revocation

24 Savings and transitional provisions

No. S 803

INSURANCE ACT

(CHAPTER 142)

INSURANCE (GENERAL PROVISIONS AND EXEMPTIONS FOR CAPTIVE
INSURERS) REGULATIONS 2004

In exercise of the powers conferred by sections 9, 18, 36, 37(1), 52(1) and 64(1) of the Insurance Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Insurance (General Provisions and Exemptions for Captive Insurers) Regulations 2004 and shall come into operation on 1st January 2005.

Definitions

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

“electronic record” has the same meaning as in section 2 of the Electronic Transactions Act (Cap. 88);

“participating fund” means an insurance fund established and maintained under section 17(2) of the Act which comprises wholly or partly of participating policies;

“policy liabilities”, in relation to an insurance fund, means liabilities in respect of policies for which the insurance fund is established and maintained under section 17 of the Act;

“quarter” means any period of 3 months beginning on 1st January, 1st April, 1st July or 1st October of any year;

“valuation date” means the date on which the assets and liabilities of a captive insurer are valued.

PART II

FINANCIAL REQUIREMENT BEFORE REGISTRATION, FUND SOLVENCY
REQUIREMENT AND CAPITAL ADEQUACY REQUIREMENT

Paid-up capital requirement

3. For the purposes of section 9(1)(c) of the Act, the Authority shall not register an applicant as a captive insurer under section 8 of the Act unless the applicant has a paid-up ordinary share capital (or its equivalent recognised by the Authority as applicable to the applicant under the laws of the country or territory in which the applicant is incorporated, formed or established) of not less than \$400,000.

Exemption in respect of Insurance (Valuation and Capital) Regulations 2004

4. A captive insurer shall be exempt from regulation 4 of the Insurance (Valuation and Capital) Regulations 2004 (G.N. No. S 498/2004).

Fund solvency requirement

5.—(1) For the purposes of section 18(1)(a) of the Act, the fund solvency requirement in respect of an insurance fund established and maintained by a captive insurer under the Act shall at all times be such that —

- (a) in the case of an insurance fund for general business that relates to Singapore policies, the surplus of assets over liabilities of the fund, less its contingent liabilities, is not less than the GSIF amount;
- (b) in the case of an insurance fund for general business that relates to offshore policies, the amount of assets in the fund, less its contingent liabilities, is not less than the amount of the liabilities of the fund; and
- (c) in the case of an insurance fund for life business, the amount of assets in the fund, less its contingent liabilities, is not less than the amount of the liabilities of the fund.

(2) In this regulation and regulation 6, "GSIF amount", in relation to an insurance fund, means the highest of the following amounts:

- (a) \$400,000;
- (b) 20% of net premiums written of the fund in the preceding financial year; or
- (c) 20% of the claim liabilities of the fund as at the end of the preceding financial year.

Capital adequacy requirement

6. For the purposes of section 18(1)(b) of the Act, the capital adequacy requirement of a captive insurer shall at all times be such that the shareholders' equity and surplus, less the contingent liabilities of the insurer, is not less than the sum of —

- (a) \$400,000; and
- (b) the GSIF amount.

PART III

ACCOUNTS AND STATEMENTS

Exemption from Insurance (Accounts and Statements) Regulations 2004

7. Except as otherwise provided in this Part, a captive insurer shall be exempt from the Insurance (Accounts and Statements) Regulations 2004 (G.N. No. S 494/2004).

Forms

8.—(1) The forms mentioned in these Regulations are those set out in the First Schedule to the Insurance (Accounts and Statements) Regulations 2004.

(2) Where any provision of the Act or these Regulations provides for the lodgment of a document with the Authority, that document shall be lodged with the Authority in the relevant form.

(3) A form prescribed by these Regulations shall be completed in accordance with such directions as may be specified in the form or by the Authority.

Returns to be lodged by captive insurers

9. For the purposes of section 36(1) of the Act, a captive insurer shall lodge statements of accounts and other statements in accordance with regulations 10 and 11.

Annual returns to be lodged by captive insurers

10.—(1) A captive insurer registered to carry on general business shall lodge for each accounting period, for each insurance fund established and maintained under the Act in respect of its general business —

- (a) a fund balance sheet in Form 1 (excluding Annexes 1F (a), 1F (b), 1F (c), 1G, 1K, 1 (i) and 1 (ii)), as at the end of that accounting period;
- (b) a fund profit and loss account in Form 2 (excluding Annexes 2A, 2B, 2C (a), 2C (b), 2E, 2G, 2H and 2J); and
- (c) subject to regulation 13(4), a statement in Form 6, giving as regards policies belonging to that class of business particulars of premiums, claims, underwriting results and operating results during that accounting period.