

Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations 2003

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FIRST SCHEDULE Designated Countries

SECOND SCHEDULE

No. S 681

**INSURANCE ACT
(CHAPTER 142)**

**INSURANCE (APPROVED MARINE, AVIATION AND TRANSIT INSURANCE
BROKERS AND APPROVED REINSURANCE BROKERS) REGULATIONS 2003**

In exercise of the powers conferred by sections 52 (1A) and 64 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 (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations 2003 and shall come into operation on 1st January 2004.

Definitions

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

“approved general reinsurance broker” means a person who is for the time being approved under regulation 4 in respect of reinsurance of liabilities under insurance policies relating to general business;

“approved insurance broker” means a person who is for the time being approved under regulation 4;

“approved life reinsurance broker” means a person who is for the time being approved under regulation 4 in respect of reinsurance of liabilities under insurance policies relating to life business;

“approved MAT insurer” means an insurer which is for the time being approved under regulation 5 of the Insurance (Approved Marine, Aviation and Transit Insurers) Regulations 2003 (G.N. No. S 682/2003);

“approved MAT insurance broker” means a person who is for the time being approved under regulation 4 in respect of MAT insurance business but not any reinsurance business;

“designated country” means a country or territory specified in the First Schedule;

“designated entity” means any person who is licensed, registered, approved or otherwise regulated under the law of any designated country to carry on business as an insurance broker;

“insurance broker” means a person who is or has been carrying on insurance business as agent for insureds or intending insureds;

“MAT insurance” means insurance of risks comprising —

- (a) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover one or both of the following:

- (i) the goods being transported;
- (ii) the vehicle transporting the goods and any liability arising therefrom; and

(b) goods in international transit;

“MAT policy” means a policy relating to MAT insurance;

“net asset value”, in relation to an entity, means the excess of the value of the assets owned by the entity over its liabilities.

(2) For the purpose of the definition of “net asset value” in paragraph (1) —

- (a) in determining the value of the assets owned by the entity, any amount on account of goodwill or of any other intangible assets shall be disregarded; and
- (b) in determining the amount of the liabilities of the entity —
 - (i) all contingent or prospective liabilities shall be taken into account; and
 - (ii) any amount on account of any liability related to the share capital of the entity shall not be taken into account.

PART II

APPROVAL OF INSURANCE BROKERS

Exemption from section 35W of Act

3. Any designated entity carrying on the business of providing MAT insurance, general reinsurance or life reinsurance, as an insurance broker, to persons in Singapore, from outside of Singapore, shall be exempt from complying with section 35W of the Act (read with section 56A of the Act) if, and only if, the designated entity —

- (a) is an approved insurance broker for such business;
- (b) does not carry on insurance business in Singapore, other than the collection or receipt of premiums in relation to his business as an approved insurance broker; and
- (c) does not have any commercial or physical presence in Singapore for the

purpose of carrying on his business as an approved insurance broker.

Approval of insurance brokers

4.—(1) A designated entity may apply in writing to the Authority for approval for the purposes of these Regulations in such form and manner as the Authority may specify.

(2) The designated entity shall furnish such information and provide such supporting documentary evidence as the Authority may require.

(3) Upon receiving an application under paragraph (1), the Authority shall consider the application and may, subject to regulation 5 —

- (a) approve the applicant with or without conditions; or
- (b) refuse to approve the applicant.

(4) The Authority may approve the applicant as an approved MAT insurance broker, an approved general reinsurance broker, an approved life reinsurance broker or a combination of any of these.

Approval requirements

5.—(1) The Authority shall not approve any applicant under regulation 4 unless the applicant has in force a professional indemnity insurance policy of at least S\$1million in respect of each type of insurance broking business for which it is applying for approval.

(2) In paragraph (1), “professional indemnity insurance policy” means a contract of insurance with an insurer under which a person is indemnified in respect of the liabilities arising out of or in the course of his business as an approved insurance broker.

Conditions of approval

6.—(1) The Authority may at any time add to, vary or revoke any existing condition of approval of an approved insurance broker or impose any new condition thereto.

(2) Any approved insurance broker who contravenes any of the conditions imposed by the Authority under paragraph (1) or regulation 4(3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

Annual fees for approved insurance brokers

7.—(1) An approved insurance broker, if it is approved as a MAT insurance broker,