

Insurance (General Provisions) Regulations 2003

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No. S 684

INSURANCE ACT (CHAPTER 142)

INSURANCE (GENERAL PROVISIONS) REGULATIONS 2003

In exercise of the powers conferred by sections 11, 39, 48(1), 52(1), 56A(3), 61 and 64 of the Insurance Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance (General Provisions) Regulations 2003 and shall come into operation on 1st January 2004.

Definitions

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

“Offshore Insurance Fund” means any insurance fund established and maintained in respect of offshore policies under the Act;

“Singapore Insurance Fund” means any insurance fund established and maintained in respect of Singapore policies under the Act.

Annual fees for insurers

3.—(1) Except as provided in paragraph (4), a registered insurer (other than a captive insurer or Protection and Indemnity Club), shall pay to the Authority the following annual fees:

- (a) for carrying on life business, other than life reinsurance business —
 - (i) in the case of an insurer with total assets not exceeding \$2 billion, a fee of \$75,000; and
 - (ii) in the case of an insurer with total assets exceeding \$2 billion, a fee of \$120,000;
- (b) for carrying on general business, other than general reinsurance business —
 - (i) in the case of an insurer with gross premiums not exceeding \$100 million, a fee of \$60,000; and
 - (ii) in the case of an insurer with gross premiums exceeding \$100 million, a fee of \$80,000;
- (c) for carrying on life reinsurance business —
 - (i) in the case of a reinsurer with gross premiums not exceeding \$100 million, a fee of \$30,000; and
 - (ii) in the case of a reinsurer with gross premiums exceeding \$100 million, a fee of \$40,000;
- (d) for carrying on general reinsurance business —
 - (i) in the case of a reinsurer with gross premiums not exceeding

\$100 million, a fee of \$30,000; and

- (ii) in the case of a reinsurer with gross premiums exceeding \$100 million, a fee of \$40,000; and

- (e) for carrying on any combination of the insurance business referred to in sub-paragraphs (a) to (d), the aggregate of the respective fees.

(2) A captive insurer shall pay to the Authority an annual fee of \$5,000.

(3) A Protection and Indemnity Club shall pay to the Authority an annual fee of \$50,000.

(4) A registered insurer (other than a captive insurer or Protection and Indemnity Club) which —

- (a) has not previously carried on the relevant type of insurance business in Singapore referred to in paragraph (1); or
- (b) has carried on the relevant type of insurance business referred to in paragraph (1) for less than one accounting period,

and has not lodged the relevant statements relating to total assets or gross premiums under section 36 of the Act shall pay to the Authority the following fees:

- (i) for carrying on life business (other than life reinsurance business), a fee of \$75,000;
- (ii) for carrying on general business (other than general reinsurance business), a fee of \$60,000;
- (iii) for carrying on life reinsurance business, a fee of \$30,000;
- (iv) for carrying on general reinsurance business, a fee of \$30,000; and
- (v) for carrying on any combination of the insurance business referred to in sub-paragraphs (i) to (iv), the aggregate of the respective fees.

(5) Except as provided in paragraph (6), the fees payable under paragraphs (1) to (4) shall be paid to the Authority on or before 1st January of each year.

(6) Where an insurer has not previously carried on insurance business in Singapore, or has not previously carried on the relevant type of insurance business in Singapore, the fees payable under paragraphs (1) to (4) shall be paid to the Authority before —

- (a) the insurer commences carrying on insurance business in Singapore; or
- (b) the insurer commences carrying on the relevant type of insurance business

in Singapore,

as the case may be.

(7) For the purposes of paragraph (1), the total assets or gross premiums of any registered insurer shall include the total assets or gross premiums, as the case may be, of any other registered insurer (other than a captive insurer or Protection and Indemnity Club) which insurance business had been totally acquired by the first-mentioned registered insurer before 1st January of the year for which the fees are to be paid.

(8) Where a registered insurer enters into an agreement to purchase the whole of the insurance business of one or more other registered insurers (referred to in this regulation as the potential constituent insurer), but the agreement is only to take effect on or after 1st January of the next year, the registered insurer may, before the date that the agreement is to take effect, apply to the Authority for an exemption of part of the fees to be paid by the registered insurer and the potential constituent insurers under paragraph (1).

(9) Where, upon an application under paragraph (8), the Authority agrees to exempt part of the fees to be paid by the registered insurer and the potential constituent insurers under paragraph (1), the fees payable to the Authority by the registered insurer and the potential constituent insurers shall be in accordance with the following formulae:

(a) fees payable by the registered insurer —

$$\frac{A}{C} \times D; \text{ and}$$

(b) fees payable by the constituent potential insurer —

$$\frac{B}{C} \times D;$$

- where
- A is the total assets or total premiums, as the case may be, of the registered insurer;
 - B is the total assets or total premiums, as the case may be, of the potential constituent insurer;
 - C is the total assets or total premiums, as the case may be, of the registered insurer and all the potential constituent insurers; and
 - D is the fee payable under paragraph (1) based on the combined total assets or gross premiums, as the case