

Insurance (Amendment) Regulations 1998

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No. S 79

INSURANCE ACT (CHAPTER 142)

INSURANCE (AMENDMENT) REGULATIONS 1998

In exercise of the powers conferred by section 66 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 (Amendment) Regulations 1998 and shall come into operation on 27th February 1998.

Amendment of regulation 7

2. Regulation 7 of the Insurance Regulations (Rg 1) is amended by deleting paragraph (1) and substituting the following paragraphs:

“(1) The value of unit trusts and quoted equity shares shall be an amount not

exceeding the aggregate of the cost of the unit trusts and shares or the aggregate of the market value of the unit trusts and shares, whichever is the lower.

(1A) Shares that have been suspended by any stock exchange from trading in excess of 10 consecutive trading days at the date for which the value is to be determined shall be given zero value.”.

Amendment of regulation 17

3. Regulation 17 of the Insurance Regulations is amended by deleting the words "regulation 18" at the end of paragraph (1) and substituting the words "regulations 18 and 18A".

New regulation 18A

4. The Insurance Regulations are amended by inserting, immediately after regulation 18, the following regulation:

“18A.—(1) For the purposes of regulation 17, the extent to which the Singapore Insurance Fund Assets shall be taken into account shall be subject to the counterparty exposure limits specified in paragraph (2).

(2) The counterparty exposure limits mentioned in paragraph (1) are —

- (a) where the counterparty is an approved financial institution or group of approved financial institutions related to one another, 20% of Singapore Insurance Fund Assets;
- (b) where the counterparty is a company listed on any stock exchange or group of companies related to one another, 10% of Singapore Insurance Fund Assets; and
- (c) where the counterparty is an unlisted company or group of unlisted companies related to one another and all other cases, 5% of Singapore Insurance Fund Assets.

(3) The exposure to any one counterparty shall be calculated on the basis of the aggregate of the value of investments issued by the counterparty, all debts due from the counterparty (including deposits placed with the counterparty) and the value of all rights against the counterparty.”.

Amendment of Schedule

5. The Schedule to the Insurance Regulations is amended —

(a) by deleting item (1) and substituting the following item:

“

(1) Subject to the sub-limit in items (2) and (2A), the admitted 45 value of investment in unit trusts, equity shares, preference