

Insurance Regulations

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Legislative History

INSURANCE ACT
(CHAPTER 142, SECTION 66)

INSURANCE REGULATIONS

Rg 1

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[31st December 1992]

PART I

PRELIMINARY

Citation

1. These Regulations may be cited as the Insurance Regulations.

PART II

PAID-UP CAPITAL AND MARGINS OF SOLVENCY

Minimum paid-up share capital

2. For the purposes of section 8 (1)(c) of the Act, the paid-up share capital of an insurer or, where an insurer does not have a share capital, its surplus of assets over liabilities, shall be as follows:

- (a) in the case of any insurer or reinsurer (other than a captive insurer) registered under the Act before 27th October 1997, an amount not less than \$25 million by 1st January 2000;
- (b) in the case of any insurer or reinsurer (other than a captive insurer) registered under the Act on or after 27th October 1997, an amount not less than \$25 million; and
- (c) in the case of a captive insurer, an amount not less than \$400,000.

Margins of solvency

3.—(1) For the purposes of section 17 (1)(a) of the Act, the fund margin of solvency of an insurance fund established in respect of general business to be maintained by an insurer at all times during any accounting period is prescribed as follows:

- (a) for a fund established by any insurer other than a reinsurer or captive insurer relating to Singapore policies, it shall not be less than —
 - (i) \$5 million;
 - (ii) 50% of net premium income of the fund in the preceding accounting period; or
 - (iii) 50% of loss reserves of the fund as at the end of the preceding accounting period,

whichever is the highest;

- (b) for a fund established by a reinsurer relating to Singapore policies, it shall not be less than —
 - (i) \$1 million;
 - (ii) 20% of net premium income of the fund in the preceding accounting period; or
 - (iii) 20% of loss reserves of the fund as at the end of the preceding accounting period,

whichever is the highest;

- (c) for a fund established by a captive insurer relating to Singapore policies, it

shall not be less than —

- (i) \$400,000;
- (ii) 20% of net premium income of the fund in the preceding accounting period; or
- (iii) 20% of loss reserves of the fund as at the end of the preceding accounting period,

whichever is the highest;

- (d) for a fund established by any insurer other than a reinsurer or captive insurer relating to offshore policies, it shall not be less than —

- (i) \$1 million;
- (ii) 20% of net premium income of the fund in the preceding accounting period; or
- (iii) 20% of loss reserves of the fund as at the end of the preceding accounting period,

whichever is the highest; and

- (e) for a fund established by a reinsurer or captive insurer relating to offshore policies, there shall be maintained in the fund assets not less than the amount of the liabilities of the fund.

(2) For the purposes of section 17 (1)(a) of the Act, the fund margin of solvency of an insurance fund established in respect of life business to be maintained by an insurer at all times during any accounting period is prescribed as follows:

- (a) for a fund established by any insurer other than a reinsurer or captive insurer relating to Singapore policies, it shall not be less than the sum of the following items:
 - (i) 3% of the insurer's liabilities as determined under Part V in respect of non-participating policies and 2% of such liabilities in respect of participating policies, as at the end of the preceding accounting period;
 - (ii) 0.1% of the sum insured at risk for policies whose original term is 2 years or less and 0.2% of the sum insured at risk for policies whose original term is more than 2 years, as at the end of the