

Insurance (Investment-linked Life Insurance) Regulations

Table of Contents

1 Citation

2 Definitions

3 Application

4 Approval of Authority

5 Separate funds

6 Valuation of assets

7 Exemption from investment limits

8 Fund margin of solvency

9 Valuation of liabilities

10 Business plan

11 Disclosure of information to applicants

12 Periodic disclosure to policy owners

13 Age limit

14 Free-look

Legislative History

INSURANCE ACT
(CHAPTER 142, SECTION 62)

INSURANCE (INVESTMENT-LINKED LIFE INSURANCE) REGULATIONS

Rg 4

G.N. No. S 496/1993

REVISED EDITION 1994

(10th December 1993)

[10th December 1993]

Citation

1. These Regulations may be cited as the Insurance (Investment-Linked Life Insurance) Regulations.

Definitions

2. In these Regulations —

“fund” means any separate fund established in respect of investment-linked life insurance policies under regulation 5;

“investment-linked life insurance policy” means any individual policy which provides for life insurance where the policy value at any time varies according to the value of the underlying assets at the time.

Application

3. These Regulations shall apply to any insurer which has been authorised by the Authority to issue investment-linked life insurance policies.

Approval of Authority

4. No insurer shall issue any investment-linked life insurance policy unless the insurer has obtained the written approval of the Authority for the issuance of such policy.

[S 679/2003 wef 01/01/2004]

Separate funds

5.—(1) Any insurer issuing investment-linked life insurance policies shall establish and maintain one or more separate funds pursuant to section 16 (2) of the Act.

(2) The assets of any such fund shall be kept separate from all other assets of the

insurer.

(3) The insurer shall maintain in each such fund adequate assets to meet the liabilities of that fund.

Valuation of assets

6.—(1) The assets of any fund shall be valued at market rate at least once a month except that immovable property may be valued quarterly.

(2) The value of each of the following assets shall be determined for an amount not exceeding the net realisable value of the assets:

- (a) unquoted shares;
- (b) unquoted corporate bonds; and
- (c) equity shares and corporate bonds 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.

Exemption from investment limits

7.—(1) Any fund established under regulation 5 shall be exempted from Parts III and IV of the Insurance Regulations.

[Rg 1.]

(2) Notwithstanding paragraph (1), the assets of each of the funds established shall be subject to the following investment limits:

- (a) the value of investment in loans to and securities of any one company or group of companies related to one another shall not exceed 10% of the value of the assets in the fund; and
- (b) the value of deposits placed with any one approved financial institution or group of approved financial institutions related to one another shall not exceed 15% of the value of the assets in the fund.

(3) For the purposes of this regulation —

“approved financial institution” means any bank, finance company or merchant bank approved by the Authority or any commercial bank licensed in a foreign country;

“related”, in relation to any company or financial institution, has the same meaning as in section 6 of the Companies Act [Cap. 50].

Fund margin of solvency