

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(APPROVED MARINE, AVIATION
AND TRANSIT INSURERS)
REGULATIONS 2003

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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 Insurers) Regulations 2003 and shall come into operation on 1st January 2004.

Definitions

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

“approved MAT insurer” means an insurer which is for the time being approved under regulation 5;

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- “claim liabilities”, in relation to an insurer, means the obligation of the insurer, whether contractual or otherwise, to make future payments in relation to all claims incurred during a financial year (other than payments which have fallen due for payment during the financial year) in respect of policies issued by the insurer under these Regulations, whether or not they have been reported to the insurer, and includes expenses that the insurer expects to incur in settling these claims;
- “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 the business of providing MAT insurance in that country;
- “gross liabilities incurred in respect of policies issued”, in relation to an insurer, means the sum of the claim liabilities and the premium liabilities in respect of policies issued by the insurer under these Regulations without deduction for reinsurance;
- “gross premiums written” means the amount of premiums written without deduction for reinsurance;
- “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;
- “premium liabilities”, in relation to an insurer, means the obligation of the insurer, whether contractual or otherwise, to make future payments in relation to all claims incurred after the end of a financial year in respect of policies issued by the insurer under these Regulations, and includes expenses that the insurer expects to incur in administering the policies and settling the relevant claims.

(2) Any reference in these Regulations to the domestic liabilities of an approved MAT insurer shall be construed as a reference to the liabilities incurred by the approved MAT insurer as a result of carrying on the business of providing MAT insurance to persons in Singapore.

PART II

APPROVAL OF MAT INSURERS

Exemption of approved MAT insurers from section 3 of Act

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

- (a) the designated entity —
 - (i) is an approved MAT insurer;
 - (ii) does not carry on insurance business in Singapore, other than the collection or receipt of premiums in relation to the MAT insurance business; and
 - (iii) does not have any commercial or physical presence in Singapore for the purpose of carrying on the MAT insurance business; or
- (b) the designated entity is providing the MAT insurance business pursuant to an arrangement which was not solicited by it but was initiated by —
 - (i) an insured or intending insured;
 - (ii) a registered insurance broker; or
 - (iii) a person exempt from registration as an insurance broker under section 35ZN(1) (a), (b), (c), (d), (e) or (ea) of the Act who has notified the Authority, in such manner as may be prescribed under section 64 of the Act, of his commencement of insurance broking business.

Holding out as approved MAT insurer

4.—(1) Where any person holds himself out, or purports to hold himself out, to be an approved MAT insurer when that person is not approved under regulation 5 —

- (a) that person shall be guilty of an offence; and
- (b) where that person is a corporation or firm, every director, manager or officer of the corporation and every partner or officer of the firm shall, unless he proves that the offence was committed without his knowledge or consent, be guilty of an offence.

(2) Any person who is guilty of an offence under paragraph (1) shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both 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.

Approval by Authority

5.—(1) A designated entity may apply to the Authority to be an approved MAT insurer in such form and manner as the Authority may specify.

(2) The Authority may require an applicant to furnish it with such information or documents as it considers necessary in relation to the application.

(3) The Authority may approve an applicant, with or without conditions, or refuse to approve the applicant on such grounds as the Authority thinks fit.

(4) The Authority shall not approve any applicant under paragraph (3) unless the applicant has made a deposit under regulation 9.

(5) The Authority shall cause notice of any approval or change in the name of an insurer approved under this regulation to be published in the *Gazette*.

Conditions of approval

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

(2) Any approved MAT insurer which contravenes any condition imposed by the Authority under paragraph (1) or regulation 5 (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.

Withdrawal of approval

7.—(1) The Authority may, at the request of the approved MAT insurer or on any of the grounds set out in paragraph (2), withdraw the approval of any MAT insurer.

(2) The grounds referred to in paragraph (1) are —

- (a) that the insurer has not commenced the business of providing MAT insurance, as principal and as an insurer, to persons in Singapore within 12 months after being approved;
- (b) that the insurer has ceased to carry on the business of providing MAT insurance to persons in Singapore;
- (c) that, it appears to the Authority, the insurer has failed to satisfy an obligation to which it is subject by virtue of the Act or these Regulations;
- (d) that the insurer —
 - (i) proposes to make, or has made, any composition or arrangement with its creditors;
 - (ii) has gone into liquidation; or
 - (iii) has been wound up or otherwise dissolved;
- (e) that there is a change of the person having control of the insurer and —
 - (i) the new person having control of the insurer is not a fit and proper person; or
 - (ii) the Authority is not satisfied as to the financial standing of the insurer after the change;
- (f) that a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver,

receiver and manager or judicial manager, has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of any property of, the insurer or any of its shareholders having control of the insurer;

- (g) that the insurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners;
- (h) that the insurer is unable to meet its obligations, whether in Singapore or elsewhere;
- (i) that the insurer has contravened any provision of the Act or these Regulations or any condition imposed or any direction given by the Authority under the Act or these Regulations;
- (j) that any of the officers of the insurer holding a managerial or executive position has been convicted of any offence under the Act or these Regulations;
- (k) that the insurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts in its application for approval; or
- (l) that it is in the public interest to withdraw the approval.

(3) Before withdrawing the approval of an MAT insurer under this regulation otherwise than at the request of the insurer, the Authority shall —

- (a) give the insurer notice in writing of its intention to do so; and
- (b) in the notice referred to in sub-paragraph (a), call upon the insurer to show cause within such time as may be specified in the notice as to why its approval should not be withdrawn.

(4) If the insurer referred to in paragraph (3) —

- (a) fails to show cause within the time specified in the notice under paragraph (3) or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the withdrawal of approval is to take effect.

(5) Any insurer which is aggrieved by a decision of the Authority under paragraph (1) to withdraw its approval otherwise than at its request may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB of the Act.

(6) Notwithstanding the withdrawal of the approval of an insurer under this regulation, so long as the insurer remains under any liability in respect of insurance policies belonging to the class of insurance business to which the approval relates, the insurer shall take such action as it considers necessary or as may be required by the Authority to ensure that reasonable provision has been or will be made for that liability and that adequate arrangements exist or will exist for payment of premiums and claims on those policies.

Effects of withdrawal of approval

8.—(1) Where an order of withdrawal under regulation 7 becomes effective —

- (a) notice of the withdrawal shall be published in the *Gazette*; and
- (b) the insurer shall, as from the date of withdrawal, cease to provide insurance to persons in Singapore in respect of which its approval has been withdrawn under these Regulations, otherwise than by the collection or receipt of premiums on insurance policies belonging to that insurance effected before the date of withdrawal of approval and section 3 of the Act shall not apply to the insurer in respect of the collection or receipt of those premiums.

(2) Paragraph (1) (b) shall not prejudice the enforcement by any policy owner or person of any right or claim against the insurer or by the insurer of any right or claim against any policy owner or person.

(3) If the approval of an insurer has been withdrawn, regulation 17 shall, unless the Authority otherwise directs, continue to apply in relation to the insurer in respect of matters that occurred before the withdrawal as if the approval had not been withdrawn, as the case may be.

PART III

CONDUCT OF APPROVED MAT INSURANCE BUSINESS

Duty to maintain insurance deposits

9.—(1) Every approved MAT insurer shall make and maintain an insurance deposit of a value not less than \$2 million or, where allowed by the Authority, its equivalent in foreign currency in the form of

Singapore dollar fixed deposits or foreign currency fixed deposits with a bank licensed under the Banking Act (Cap. 19), in respect of the MAT insurance business for which it is to be approved.

(2) Deposits made by an approved MAT insurer under paragraph (1) shall be in the name of the Authority.

(3) Every approved MAT insurer shall, not later than 7 months after the end of each financial year, make and maintain with the Authority such additional deposit, if any, as is necessary to secure that the aggregate value of the deposit referred to in paragraph (1) shall be —

- (a) \$2 million;
- (b) 30% of the gross premiums written in respect of policies issued by the insurer under these Regulations in that financial year; or
- (c) 30% of the gross liabilities incurred in respect of policies issued by the insurer under these Regulations as at the end of that financial year,

whichever is the highest.

(4) The Authority shall retain any deposit required to be made under paragraphs (1) and (3) until it is satisfied that the approved MAT insurer has ceased to provide MAT insurance to persons in Singapore under these Regulations.

(5) If the Authority is satisfied that the approved MAT insurer has ceased to provide MAT insurance to persons in Singapore under these Regulations, the Authority shall transfer to the insurer the deposits made under paragraphs (1) and (3) less any amount that the Authority determines should be kept available for the purpose of meeting claims against the insurer in respect of policies issued by the insurer under these Regulations.

(6) All income accruing in respect of the deposits made under paragraphs (1) and (3) shall be payable to the insurer making the deposit.

(7) An approved MAT insurer which has made any deposit under this regulation may, at any time, substitute for any asset comprised in the deposit such other assets as the Authority may specify so long as the deposits are not thereby reduced to an amount below that which is required under paragraphs (1) and (3).

(8) If the approved MAT insurer goes into liquidation or is dissolved at its place of incorporation or origin —

- (a) it shall immediately notify the Authority; and
- (b) the Authority shall pay the balance of the deposits made under paragraphs (1) and (3), if any, to the liquidator of the approved MAT insurer after paying any debt or meeting any claim against the insurer in respect of policies issued by the insurer under these Regulations.

(9) The Authority may appoint any person to perform any of its functions under paragraphs (5) and (8) (b).

(10) For the purposes of paragraphs (5) and (8) (b), the costs and expenses of appointing any person under paragraph (9) shall be paid in priority to any claim against the insurer, and all claims against the insurer in respect of policies issued by the insurer under these Regulations shall rank equally between themselves.

Form of deposits

10.—(1) If, in the case of any approved MAT insurer, a bank licensed under the Banking Act (Cap. 19) makes with the Authority an agreement in a form approved by the Authority whereby —

- (a) the bank covenants to deposit with the Authority a specified sum in cash on account of the insurer's deposits under regulation 9; and
- (b) the covenant complies with any requirement the Authority sees fit to impose as to the circumstances in which that sum is to be deposited,

then, for the purposes of these Regulations, the insurer shall be treated as having made the deposit under that regulation and the sum so covenanted for shall be recoverable notwithstanding that no consideration is furnished on the agreement.

(2) Any sum deposited by a bank in pursuance of an agreement made under paragraph (1) shall be dealt with under or for the purposes of these Regulations as if it were a sum deposited by the approved MAT insurer under regulation 9.

Maintenance of assets in Singapore

11.—(1) Where the Authority is satisfied that there exists a ground on which the Authority would be empowered by regulation 7 to

withdraw the approval of an insurer, the Authority may require that assets of the insurer of a value which at any time is equal to the whole or a specified proportion of the amount of its domestic liabilities shall be maintained in Singapore.

(2) The Authority may direct that, for the purposes of any requirement under this regulation, assets of a specified class or description shall or shall not be treated as assets maintained in Singapore.

(3) The Authority may direct that, for the purposes of any requirement under this regulation, the domestic liabilities of an approved MAT insurer, or such liabilities of any class or description, shall be taken to be the net liabilities after deducting any part of them which is reinsured.

(4) A requirement imposed under this regulation may be framed so as to come into effect —

(a) immediately after the day on which it is imposed; or

(b) after the expiration of a specified period,

or such longer period as the Authority may allow.

(5) Subject to paragraph (6), in computing the amount of any liabilities for the purposes of this regulation, all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

(6) For the purposes of this regulation, the Authority may by notice in writing specify the basis on which the value of any assets and the amount of any liabilities shall be determined.

Custody of assets

12.—(1) The Authority may, in the case of an approved MAT insurer on which a requirement has been imposed under regulation 11, impose an additional requirement that the whole or a specified proportion of the assets to which the requirement under that regulation applies shall be held by a person approved by the Authority for the purposes of the requirement under this regulation as trustee for the insurer.

(2) Regulation 11 (4) shall apply to any requirement under this regulation.

(3) Assets of an approved MAT insurer held by a person as trustee for the insurer shall be taken to be held by him in compliance with a requirement imposed under this regulation if, and only if —

- (a) they are assets in whose case the insurer has given him written notice that they are to be held by him in compliance with such a requirement; or
- (b) they are assets into which assets in whose case the insurer has given him such written notice have, by any transaction or series of transactions, been transposed by him on the instructions of the insurer.

(4) No assets held by a person as trustee for an approved MAT insurer in compliance with a requirement imposed under this regulation shall, so long as the requirement is in force, be released except with the consent of the Authority.

(5) If a mortgage or charge is created by an approved MAT insurer at a time when there is in force a requirement imposed on the insurer by virtue of this regulation, being a mortgage or charge conferring a security on any assets which are held by a person as trustee for the insurer in compliance with the requirement, the mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the insurer.

Control of form of proposals, policies and brochures

13.—(1) An approved MAT insurer shall, if required by the Authority by notice in writing, submit to the Authority —

- (a) the forms of proposal and policy for the time being in use by the insurer in respect of the business approved under these Regulations; and
- (b) any brochure which is for the time being in use by the insurer for describing the terms or conditions of, or the benefits to be or likely to be derived from, policies.

(2) Where the whole or part of any such form or brochure required under paragraph (1) is not in English, the approved MAT insurer shall submit with it a translation in English.

(3) A requirement made under paragraph (1) shall, unless it is otherwise provided, apply to all such forms and brochures coming into use after the making of the requirement and before the Authority notifies the insurer that the requirement is withdrawn.

(4) If it appears to the Authority, after affording the approved MAT insurer an opportunity to make representations, orally or in writing, that any such form or brochure —

(a) contravenes any provision of these Regulations; or

(b) is in any respect likely to mislead,

the Authority may, by notice in writing, direct the insurer to discontinue the use of the form or brochure in Singapore either immediately or from such date as may be specified in the notice.

(5) No approved MAT insurer shall use, in the course of providing the insurance business so approved to persons in Singapore, a form of proposal which does not have prominently displayed therein a warning that if a proposer does not fully and faithfully give the facts as he knows them or ought to know them, he may receive nothing from the policy.

(6) For each occasion on which any approved MAT insurer uses a copy of a form or brochure in contravention of paragraph (4) or (5), the insurer shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500.

(7) In this regulation, “brochure” includes any leaflet, circular or similar advertising matter, whether printed or not.

Disclosure by approved MAT insurer

14. No approved MAT insurer shall invite any person in Singapore to make an offer or a proposal to enter into a contract of insurance without disclosing to the person the following:

(a) its approved status and that it is approved in respect of MAT insurance business;

(b) that it is providing the insurance service from outside of Singapore and that it has no commercial or physical presence in Singapore; and

(c) that it is subject to limited oversight by the Authority and is required to comply with approval requirements, and not registration requirements, under the Act.

Requirements as to statements of capital

15. Where a notice, an advertisement or other official publication of a corporation approved under regulation 5 which is made to or directed at persons in Singapore —

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- (a) contains a statement of the authorised share capital of the corporation; and
 - (b) does not contain a statement of how much of that share capital has been subscribed and how much is paid up,
- the corporation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Arrangements affecting control of insurers

16.—(1) Every approved MAT insurer shall immediately inform the Authority of any change in the control of the insurer.

(2) For the purposes of this regulation, section 12A (7) of the Act shall apply as if every reference to authorised reinsurer were a reference to approved MAT insurer.

PART IV

RETURNS

Returns and audit

17.—(1) The forms mentioned in this regulation are those set out in the Second Schedule.

(2) An approved MAT insurer shall prepare and lodge with the Authority for each financial year —

- (a) in respect of the approved MAT insurance business, a statement, which shall be in Form 1, giving particulars as to premiums, claims and commissions;
- (b) a statement, which shall be in Form 2, on the insurance deposit required under regulation 9;
- (c) in respect of the insurer's global business operations —
 - (i) a balance-sheet, which shall be in Form 3, as at the end of that financial year; and
 - (ii) a profit and loss statement, which shall be in Form 4; and
- (d) information on the insurer's external auditor, containing the particulars set out in Form 5 —
 - (i) for each financial year; or
 - (ii) if there is a change in its external auditor.

(3) The statements for any financial year referred to in paragraph (2) (a), (b), (c) and (d) (i) shall be based on the annual audited financial statements of the insurer with respect to that period.

(4) The documents to be lodged with the Authority under this regulation for any financial year of an insurer shall be accompanied by the annual audited report of the insurer with respect to that period, including the audited financial statements and the auditor's opinion on the financial statements.

(5) Where any report or statement referred to in paragraph (4) is in a language other than English, the copy required by that paragraph shall be in English and shall be certified to be a true translation of the original by the translator.

(6) For the purposes of these Regulations, any reference to documents lodged with the Authority shall not be taken to include documents required by paragraph (4) to accompany documents so lodged.

(7) Any person who contravenes this regulation 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.

Submission and signatures of returns, reports and statements

18.—(1) Unless the Authority otherwise agrees, a document to be lodged or submitted by the approved MAT insurer under regulation 17 shall be lodged or submitted by sending to the Authority the number of copies as directed by the Authority.

(2) At least one of the copies of any document referred to in paragraph (1) shall be signed by 2 directors, and the chief executive officer, of the approved MAT insurer.

(3) Unless otherwise allowed by the Authority, a document to be lodged or submitted by an approved MAT insurer shall be lodged or submitted within 6 months after the end of the financial year to which the document relates.

(4) The information on external auditors to be submitted under regulation 17 (2) (d) (ii) shall be submitted within 2 months after the effective date of the change.

(5) A document lodged by an approved MAT insurer shall be in English, and shall be printed or, with permission of the Authority, produced by other mechanical means approved by it.

(6) Any person who contravenes this regulation 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.

Power to require returns under regulation 17 to be rectified

19.—(1) If it appears to the Authority that any document lodged or submitted under regulation 17 —

(a) is, in any particular, unsatisfactory, incomplete, inaccurate or misleading; or

(b) does not comply with the requirements of these Regulations, the Authority may, by notice in writing, require such explanations as it may consider necessary to be made by or on behalf of the approved MAT insurer within such time (not being less than 21 days) as is specified in the notice.

(2) The Authority may, after considering the explanations referred to in paragraph (1), or if such explanations have not been given by or on behalf of the insurer within the time specified in that paragraph, reject the document or give such directions as it may think necessary for its variation within such time (not being less than one month) as is specified in the directions.

(3) Directions given under paragraph (2) with respect to any document may require such consequential variations of any other document lodged or submitted by the insurer under regulation 17 as may be specified in the directions.

(4) Where directions are given under paragraph (2), any document to which they relate shall be deemed not to have been lodged until it is re-submitted with the variations required by the directions, but the insurer shall be deemed to have submitted the document within the time limited by regulation 18 if it is re-submitted with the required variations within the time limited by the directions.

Additional provisions as to returns under regulation 17

20.—(1) Any member or policy owner of an approved MAT insurer shall have a right, on applying to the insurer, to be sent by the insurer at an address supplied by him copies of the documents lodged or submitted by the insurer to comply with regulation 17, and to have the copies despatched not later than 30 days after the insurer receives the application.

(2) The right referred to in paragraph (1) shall not extend to any document excepted from this provision by the Authority by directions or a document of any other description except the last lodged or submitted of that description.

(3) Any person shall have the right —

(a) on the payment of \$5, at any time during working hours of the office of the Authority, to inspect at that office any document lodged or submitted by an approved MAT insurer to comply with regulation 17 and any other document required by that regulation to accompany the document so lodged; and

(b) to make a copy of the whole or any part of the documents on the payment of a fee of 20 cents for each copy made of each page of the documents.

(4) The right referred to paragraph (3) shall not extend to any document excepted from this provision by the Authority, or to documents of any other description lodged or submitted more than 10 years previously.

(5) In any proceedings, a certificate signed by any person appointed by the Authority under section 50 of the Act that a document is one lodged or submitted by an approved MAT insurer to comply with regulation 17, or one that accompanied documents so lodged, may be admitted as evidence of the facts certified.

PART V**MISCELLANEOUS****Obligation to furnish information to Authority**

21.—(1) An approved MAT insurer shall, if notified in writing by the Authority, furnish the Authority with information about any

matter related to any MAT insurance business in respect of which it is approved.

(2) Any approved MAT insurer which contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Transfer of business

22. An approved MAT insurer shall comply with such directions as may be issued by the Authority, by notice in writing, to the insurer on the manner and form of the transfer of the whole or part of the insurance business written by the insurer under these Regulations.

Annual fee

23.—(1) Every approved MAT insurer shall pay to the Authority, before 1st January of each year, an annual fee of \$20,000.

(2) The Authority may exempt wholly or in part any approved MAT insurer from the payment of annual fees specified in paragraph (1).

Use of words “approved MAT insurer”, etc.

24. An approved MAT insurer shall not —

- (a) use any word, other than the words “approved MAT insurer” or any of its derivatives in any language, to indicate that it carries on the business of providing marine, aviation and transit insurance, as principal and as an insurer, to persons in Singapore, from outside of Singapore; or
- (b) use the word “insurance” or any of its derivatives in any language, or any other word, indicating that it carries on insurance business in Singapore,

or make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner.

Saving for validity of policies

25. A contravention of any requirement of the Act or these Regulations does not affect the validity or enforceability of any policy.

FIRST SCHEDULE

Regulation 2 (1)

DESIGNATED COUNTRIES

1. United States of America.

SECOND SCHEDULE

Regulation 17 (2)

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(APPROVED MARINE, AVIATION AND TRANSIT INSURERS)
REGULATIONS

RETURNS TO BE LODGED BY APPROVED MAT INSURERS
(SINGAPORE BUSINESS) (FORMS 1 TO 2)

NAME OF INSURER _____

FORM 1 — STATEMENT OF PREMIUMS, CLAIMS AND COMMISSIONS IN RESPECT OF
MAT INSURANCE BUSINESS FOR PERIOD FROM _____ TO _____

Co Code

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Year

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Month

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S\$

Particulars	Row No.	Marine		Aviation		Other MAT business	Total
		Cargo	Hull and liability	Cargo	Hull and liability		
A. PREMIUMS							
Gross premiums	1						
Less: Reinsurance business ceded	2						
Net premiums written (1-2)	3						
Net premium liabilities at beginning of period	4						
Net premium liabilities at end of period	5						
Premiums earned during the period (3+4-5)	6						

SECOND SCHEDULE — *continued*

<i>Particulars</i>	<i>Row No.</i>	<i>Marine</i>		<i>Aviation</i>		<i>Other MAT business</i>	<i>Total</i>
		<i>Cargo</i>	<i>Hull and liability</i>	<i>Cargo</i>	<i>Hull and liability</i>		
B. CLAIMS							
Gross claims	7						
Less: Recoveries from reinsurance business ceded	8						
Net claims paid (7-8)	9						
Net claim liabilities at end of period	10						
Net claim liabilities at beginning of period	11						
Net claims incurred (9+10-11)	12						
C. DISTRIBUTION EXPENSES							
Commissions paid	13						
Reinsurance commissions	14						
Net commissions incurred (13-14)	15						
Other distribution expenses	16						
Total distribution expenses (15+16)	17						
D. UNDERWRITING RESULT AFTER DISTRIBUTION EXPENSES							
Gross underwriting gain/(loss) (6-12-17)	18						

Names and signatures of: _____ Date: _____
Director
Director
Chief Executive Officer

SECOND SCHEDULE — *continued*

Instructions for completing Form 1

1. All amounts shown in this return are to be rounded up to the nearest dollar. Negative amounts shall be reported in “()”.

2. For the purpose of risk classification, where separate figures for each class of business are not available, as in a combined policy covering several classes of risks, the premiums may be shown under the predominant class of risk.

3. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered into the books of the insurer during the period. Commissions shall not be deducted from gross premiums.

4. “Reinsurance business ceded” refers to premiums paid or payable on reinsurance ceded during the period. It includes portfolio premiums in respect of ceded business.

5. “Net premiums written” refers to the net amount of premiums after deduction of return premiums and payments in respect of reinsurance business ceded.

6. “Gross claims” refers to claims paid, including portfolio losses and medical and legal expenses incurred directly in settlement of claims paid during the period, net of recoveries from salvages. It includes changes in outstanding claims. Outstanding claims refer to claims which have been approved by the company for payment but not yet paid, and include expenses associated with the settlement of such claims.

7. “Recoveries from reinsurance business ceded” refers to reinsurance recoveries received or receivable from reinsurance in respect of claims paid including portfolio losses, during the period.

8. “Net claim liabilities” includes provisions set up for claims reported but not yet determined, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER), as well as all expenses associated with the settlement of such claims. Net claim liabilities should be reported net of any recoveries received or receivable from reinsurance.

9. “Distribution expenses” includes all direct costs such as commissions and bonuses, and all indirect costs of benefits and services provided by the insurer in the distribution of its products. It shall include any reinsurance commissions.

 SECOND SCHEDULE — *continued*

Regulation 17 (2)

 INSURANCE ACT
 (CHAPTER 142)

 INSURANCE
 (APPROVED MARINE, AVIATION AND TRANSIT INSURERS)
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 RETURNS TO BE LODGED BY APPROVED MAT INSURERS
 (GLOBAL BUSINESS) (FORMS 3 TO 4)

NAME OF INSURER _____

 FORM 3 — BALANCE-SHEET IN RESPECT OF
 GLOBAL OPERATIONS AS AT _____

<i>Description</i>	<i>Row No.</i>	<i>Original currency</i>	<i>S\$</i>
ASSETS			
Equity shares	1		
Debt securities	2		
Loans	3		
Cash and deposits	4		
Other invested assets	5		
Investment income due or accrued	6		
Outstanding premiums and agents' balances	7		
Deposits withheld by cedants	8		
Reinsurance recoverables	9		
Income tax recoverables	10		
Intra-group balances	11		
Land and buildings	12		
Fixed assets	13		
Others	14		
Total Assets (1 to 14)	15		

 SECOND SCHEDULE — *continued*

<i>Description</i>	<i>Row No.</i>	<i>Original currency</i>	<i>S\$</i>
LIABILITIES			
Life policy liabilities	16		
General policy liabilities:			
— Premium liabilities	17		
— Claim liabilities	18		
Outstanding claims	19		
Annuities due and unpaid	20		
Amounts owing to insurers	21		
Reinsurance deposits	22		
Bank loans and overdrafts	23		
Intra-group balances	24		
Others	25		
Total Liabilities (16 to 25)	26		
NET ASSETS (15 – 26)	27		
SHAREHOLDERS' EQUITY			
Paid-up capital	28		
Share premium reserves	29		
Other reserves	30		
Unappropriated profits	31		
TOTAL SHAREHOLDERS' EQUITY (28 to 31)	32		

Additional disclosure:
 (i) Exchange rate used (S\$/original currency)

 Names and
 signatures of: _____ *Director* _____ *Director* _____ *Chief Executive Officer*

Date: _____

SECOND SCHEDULE — *continued*

Instructions for completing Form 3

1. All amounts shown in this return are to be rounded up to the nearest dollar. Negative amounts shall be reported in “()”.

2. This return shall not be consolidated with operations of subsidiary and associate companies but shall include the operations of branches of the insurer.

3. “Equity securities” includes any stock, share, depository receipt and unit in a collective investment scheme.

4. “Debt security” includes any debenture stock, bond and note.

5. “Loans” should be reported after net of provisions.

6. “Reinsurance recoverables” refers to claims recoverable from reinsurers, including claims recoverable from related, associate or affiliate companies.

7. “Land and buildings” includes properties acquired through foreclosures and in settlement of debts.

8. Premium liabilities and claim liabilities should be reported net of reinsurance.

9. “Outstanding claims” refers to claims which have been approved by the company for payment but not yet paid. It includes expenses associated with the settlement of such claims. For life business, the amount also includes claims which have not been approved but the quantum for which is fixed.

10. “Amounts owing to insurers” refers to claims owing by the insurer to ceding companies and premiums owing to reinsurers, including premiums or claims payable to related, associate or affiliate companies.

11. “Intra-group balances” refers to amounts owing by or to the insurer to or from related, associate or affiliate companies, excluding balances relating to insurance transactions such as premiums and claims receivable or payable and reinsurance recoverables.

SECOND SCHEDULE — *continued*

Regulation 17 (2)

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(GLOBAL BUSINESS) (FORMS 3 TO 4)

NAME OF INSURER _____

FORM 4 — PROFIT & LOSS STATEMENT
IN RESPECT OF GLOBAL OPERATIONS
FOR PERIOD FROM _____ TO _____

<i>Description</i>	<i>Row No.</i>	<i>Original currency</i>	<i>S\$</i>
Premium revenue	1		
Less: Reinsurance premiums ceded	2		
Net premiums (1-2)	3		
Investment income	4		
Less: Investment expenses	5		
Net investment income (4-5)	6		
Other income	7		
Total income (3+6+7)	8		
Gross claims	9		
Less: Reinsurance recoveries	10		
Net claims (9-10)	11		
Increase (decrease) in policy liabilities	12		
Distribution expenses	13		
Management expenses	14		
Provision for doubtful debts/bad debts written off on receivables	15		
Tax	16		
Other expenses	17		
Total Expenses (11 to 17)	18		

 SECOND SCHEDULE — *continued*

<i>Description</i>	<i>Row No.</i>	<i>Original currency</i>	<i>S\$</i>
Net income (8–18)	19		
Unappropriated profit/(loss) brought forward from previous period	20		
Transfer to reserves	21		
Dividends paid	22		
Other adjustments	23		
Unappropriated profit/(loss) at end of period (19+20–21–22–23)	24		

SECOND SCHEDULE — *continued*

Additional disclosures:

(i) Exchange rate used (\$\$/original currency)

(ii) Statistics for general business

(Amount in original currency)

(a) Earned premiums	<input type="text"/>
(b) Incurred losses	<input type="text"/>
(c) Commission expenses	<input type="text"/>
(d) Management expenses	<input type="text"/>
(e) Underwriting result (a–b–c–d)	<input type="text"/>
(f) Net investment income	<input type="text"/>
(g) Operating result (e–f)	<input type="text"/>

(% based on original currency)

(h) Combined ratio	<input type="text"/>
(i) Technical reserves/net premiums	<input type="text"/>
(j) Shareholders' equity to net premiums	<input type="text"/>
(k) Shareholders' equity to loss reserves	<input type="text"/>

Names and
signatures of: _____
Director *Director* *Chief Executive Officer*

Date: _____

SECOND SCHEDULE — *continued*

Instructions for completing Form 4

1. All amounts shown in this return are to be rounded up to the nearest dollar. Negative amounts shall be reported in “()”.

2. “Premium revenue” refers to total gross premiums received or receivable including portfolio premiums, after deduction of return premiums, premium discounts, recognized in the insurer’s books during the period, where applicable. Commissions should not be deducted from gross premiums.

3. “Outward reinsurance premiums” refers to premiums paid or payable on reinsurance ceded during the period. It includes portfolio premiums in respect of ceded business.

4. “Net premiums” refers to the net amount of premiums after deduction of return premiums and payments in respect of reinsurance business ceded.

5. For general business, “gross claims” refers to claims paid, including portfolio losses and medical and legal expenses incurred directly in settlement of claims paid during the period, net of recoveries from salvages. It includes changes in outstanding claims. Outstanding claims are claims which have been approved by the company for payment but not yet paid, and include expenses associated with the settlement of such claims.

6. “Reinsurance recoveries” refers to reinsurance recoveries received or receivable from reinsurance in respect of claims paid including portfolio losses, during the period.

7. In respect of general business, “increase (decrease) in net policy liabilities” includes any increase or decrease in premium liabilities and claim liabilities. Claim liabilities include provisions set up for claims reported but not yet determined, claims incurred but not yet reported (IBNR), claims incurred but not enough reported (IBNER) and all expenses associated with the settlement of such claims.

8. “Distribution expenses” includes all direct costs such as commissions and bonuses, and all indirect costs of benefits and services provided by the insurer in the distribution of its products. It shall include reinsurance commissions.

9. “Management expenses” includes items such as staff salaries and expenses, office rent, repairs and maintenance and other expenses incurred for the general management of the company.

10. “Provision for doubtful debts” refers to increase (decrease) in provisions for doubtful debt on receivables (e.g. reinsurance recoveries and outstanding premiums and agents balances), excluding loans. It shall include bad debts written off on receivables.

SECOND SCHEDULE — *continued*

Regulation 17 (2)

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FORM 5 — INFORMATION ON EXTERNAL AUDITORS

The following information on an insurer's external auditors is required:

1. Name of audit firm
2. Date of appointment
3. Name and qualification of audit team leader
4. Number of members in the audit team.

Made this 22nd day of December 2003.

KOH YONG GUAN
Managing Director,
Monetary Authority of Singapore.

[ID 05.1 V.30; AG/LEG/SL/142/2002/1 Vol. 3]