

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(AUTHORISED REINSURERS)
REGULATIONS 2003

ARRANGEMENT OF REGULATIONS

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The Schedule

In exercise of the powers conferred by sections 8A, 11, 14A, 36 (1), 56A (3) 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 (Authorised Reinsurers) Regulations 2003 and shall come into operation on 1st January 2004.

Definitions

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

“claim liabilities”, in relation to an authorised reinsurer, means the obligation of the authorised reinsurer, 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 authorised reinsurer under the Act, whether or not they have been reported to the authorised reinsurer, and includes expenses that the authorised reinsurer expects to incur in settling these claims;

“gross liabilities incurred in respect of policies issued”, in relation to an authorised reinsurer, means the sum of the claim liabilities and the premium liabilities in respect of policies issued by the authorised reinsurer under the Act without deduction for reinsurance;

“gross premiums written” means the amount of premiums written without deduction for reinsurance;

“premium liabilities”, in relation to an authorised reinsurer, means the obligation of the authorised reinsurer, 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 authorised reinsurer under the Act, and includes expenses that the authorised reinsurer expects to incur in administering the policies and settling the relevant claims.

Requirement before authorisation

3. The Authority shall not authorise any applicant under section 8A of the Act unless the applicant has made a deposit, in respect of each class of business for which it has applied to be authorised, which conforms with regulation 4 (1) and (2).

Reinsurance deposit

4.—(1) For the purposes of section 14A of the Act and subject to paragraph (3), the reinsurance deposit to be maintained by an

authorised reinsurer in respect of each class of business for which it is authorised shall be an amount 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).

(2) Deposits made by an authorised reinsurer under paragraph (1) shall be in the name of the Authority.

(3) Every authorised reinsurer 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 authorised reinsurer under the Act in that financial year; or

(c) 30% of the gross liabilities incurred in respect of policies issued by the authorised reinsurer under the Act as at the end of that financial year,

whichever is the highest.

(4) The Authority shall retain any deposit made under paragraphs (1) and (3) until it is satisfied that the authorised reinsurer has ceased to provide reinsurance of liabilities under insurance policies to persons in Singapore.

(5) If the Authority is satisfied that the authorised reinsurer has ceased to provide reinsurance of liabilities under insurance policies to persons in Singapore, the Authority shall transfer to the authorised reinsurer 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 authorised reinsurer in respect of policies issued by the authorised reinsurer under the Act.

(6) An authorised reinsurer which has made any deposit under section 14A of the Act 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).

(7) If the authorised reinsurer 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 authorised reinsurer after paying any debt or meeting any claim against the authorised reinsurer in respect of policies issued by the authorised reinsurer under the Act.

(8) The Authority may appoint any person to perform any of its functions under paragraphs (5) and (7) (b).

(9) For the purposes of paragraphs (5) and (7) (b), the costs and expenses of appointing any person under paragraph (8) shall be paid in priority to any claim against the authorised reinsurer, and all claims against the authorised reinsurer in respect of policies issued by the authorised reinsurer shall rank equally between themselves.

Disclosure by authorised reinsurer

5. No authorised reinsurer shall invite any person in Singapore to make an offer or a proposal to enter into a contract of reinsurance without disclosing to the person the following:

- (a) its authorisation status and the class of business for which it is authorised;
- (b) that it is supplying the reinsurance service from outside 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 authorisation requirements, and not registration requirements, under the Act.

Requirements as to statements of capital

6. Where a notice, an advertisement or other official publication of a corporation authorised under section 8A of the Act which is made to or directed at persons in Singapore —

- (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 authorised reinsurers

7.—(1) Every authorised reinsurer shall immediately inform the Authority of any change of a person having control of the authorised reinsurer.

(2) For the purposes of this regulation, section 12A (7) of the Act shall apply with the necessary modifications.

Returns and audit

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

(2) An authorised reinsurer shall prepare and lodge with the Authority for each financial year —

- (a) where the authorised reinsurer is authorised as a general reinsurer, a statement, which shall be in Form 1, giving particulars as to premiums, claims and commissions in respect of its general business;
- (b) where the authorised reinsurer is authorised as a life reinsurer, the following statements in respect of its life business:
 - (i) a statement, which shall be in Form 2, giving particulars as to premiums, claims and commissions; and
 - (ii) a statement, which shall be in Form 3, giving particulars on the issue of new policies, and movements in claims and other items during that financial year, and the business in force as at the end of that financial year;
- (c) a statement, which shall be in Form 4, on the reinsurance deposit required under section 14A of the Act;
- (d) in respect of the authorised reinsurer's global business operations —
 - (i) a balance-sheet, which shall be in Form 5, as at the end of that financial year; and

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- (ii) a profit and loss statement, which shall be in Form 6; and
 - (e) information on the authorised reinsurer's external auditor, containing the particulars set out in Form 7 —
 - (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), (d) and (e) (i) shall be based on the annual audited financial statements of the authorised reinsurer with respect to that period.

(4) The documents to be lodged with the Authority under this regulation for any financial year of an authorised reinsurer shall be accompanied by the annual audited report of the authorised reinsurer 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) If the authorisation of an insurer has been withdrawn under section 12A of the Act, this regulation 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 his authorisation had not been withdrawn.

Submission and signatures of returns, reports and statements

9.—(1) Unless the Authority otherwise agrees, a document to be lodged or submitted by an authorised reinsurer under the Act 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 authorised reinsurer.

(3) Unless otherwise allowed by the Authority, a document to be lodged or submitted by an authorised reinsurer 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 8 (2) (e) (ii) shall be submitted within 2 months after the effective date of the change.

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

(6) In this regulation, “chief executive officer” means any person, by whatever name described, who is —

- (a) in the direct employment of, or acting for, or by arrangement with an authorised reinsurer; and
- (b) directly responsible for the conduct of any type of business of the authorised reinsurer.

Annual fee

10. Every authorised reinsurer shall pay to the Authority, before 1st January of each year, an annual fee of \$10,000 in respect of each class of business authorised by the Authority.

Use of words “authorised reinsurer”, etc.

11. An authorised reinsurer shall not —

- (a) use any word, other than the words “authorised reinsurer” or any of its derivatives in any language, to indicate that it carries on the business of providing reinsurance, as principal and as an insurer, to persons in Singapore, from outside of Singapore; or
- (b) make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner.

Non-applicability of extra-territoriality of Act

12. Section 56A of the Act (read with section 3 of the Act) shall not apply in the following circumstances:

- (a) where a reinsurance arrangement is entered into between a registered insurer which is incorporated outside Singapore (other than a captive insurer) and its head office outside Singapore;

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- (b) where a reinsurance arrangement is entered into between a registered insurer (other than a captive insurer) and its related corporation which —
- (i) is incorporated outside Singapore;
 - (ii) is not a registered insurer; and
 - (iii) satisfies such criteria as the Authority may, by directions, specify;
- (c) where a reinsurance arrangement is entered into between a registered insurer registered as a captive insurer and an unregistered insurer; or
- (d) where —
- (i) a reinsurance arrangement is entered into between the head office or a related corporation of a registered insurer and an unregistered insurer; and
 - (ii) the reinsurance arrangement covers the whole or part of the insurance business of the head office or the related corporation, as the case may be, in 2 or more countries or territories including Singapore.

Saving for validity of policies

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

THE SCHEDULE

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(AUTHORISED REINSURERS)
REGULATIONS

RETURNS TO BE LODGED BY AUTHORISED REINSURERS
(SINGAPORE BUSINESS) (FORMS 1 TO 4)

FORM RELATING TO GENERAL BUSINESS ONLY
(FORM 1)

NAME OF INSURER _____

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

Co Code

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

Year

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Month

| | |
|--|--|
| | |
|--|--|

S\$

| Particulars | Row No. | Marine and aviation | | Property | Casualty and others | | | Total |
|----------------------------------|---------|---------------------|--------------------|----------|---------------------|---------------------|----------------------|-------|
| | | Cargo | Hull and liability | | Motor | Engineering CAR/EAR | Liability and others | |
| A. PREMIUMS | | | | | | | | |
| Gross premiums | 1 | | | | | | | |
| Less: Reinsurance business ceded | 2 | | | | | | | |
| Net premiums written (1-2) | 3 | | | | | | | |

THE SCHEDULE — *continued*

| <i>Particulars</i> | <i>Row No.</i> | <i>Marine and aviation</i> | | <i>Property</i> | <i>Casualty and others</i> | | | <i>Total</i> |
|---|----------------|----------------------------|---------------------------|-----------------|----------------------------|----------------------------|-----------------------------|--------------|
| | | <i>Cargo</i> | <i>Hull and liability</i> | | <i>Motor</i> | <i>Engineering CAR/EAR</i> | <i>Liability and others</i> | |
| 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 | | | | | | | |
| 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*

THE 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. Property insurance is insurance against risks of loss of or damage to, material property, excluding certain types of loss, which by law or custom are considered as falling exclusively within the scope of marine, aviation and transport insurance, motor vehicle insurance or miscellaneous accident insurance.

4. “Casualty and Others” refers to insurance covering loss or liability arising from accident or mishap, excluding certain types of loss which by law or custom are considered as falling exclusively within the scope of other types of insurance such as property or marine.

5. “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.

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

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

8. “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.

9. “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.

10. “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.

THE SCHEDULE — *continued*

11. “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.

THE SCHEDULE — *continued*

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(AUTHORISED REINSURERS)
REGULATIONS

RETURNS TO BE LODGED BY AUTHORISED REINSURERS
(SINGAPORE BUSINESS) (FORMS 1 TO 4)

FORM RELATING TO LIFE BUSINESS ONLY
(FORMS 2 to 3)

NAME OF INSURER _____

FORM 2 — STATEMENT OF PREMIUMS, CLAIMS AND
COMMISSIONS IN RESPECT OF LIFE BUSINESS
FOR PERIOD FROM _____ TO _____

Co Code Year Month

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|

| <i>Particulars</i> | <i>Row No.</i> | <i>S\$</i> |
|--|----------------|------------|
| Premium revenue | 1 | |
| Less: Outward reinsurance premiums | 2 | |
| Net premiums (1-2) | 3 | |
| Gross claims | 4 | |
| Less: Reinsurance recoveries | 5 | |
| Net claims (4-5) | 6 | |
| Net policy liabilities at end of period | 7 | |
| Net policy liabilities at beginning of period | 8 | |
| Increase (decrease) in policy liabilities (7-8) | 9 | |
| Commissions | 10 | |
| Reinsurance commission | 11 | |
| Other distribution expenses | 12 | |
| Total distribution expenses (10+11+12) | 13 | |

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

Date: _____

THE SCHEDULE — *continued*

Instructions for completing Form 2

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 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.

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. “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.

THE SCHEDULE — *continued*

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)INSURANCE
(AUTHORISED REINSURERS)
REGULATIONSRETURNS TO BE LODGED BY AUTHORISED REINSURERS
(SINGAPORE BUSINESS) (FORMS 1 TO 4)FORM RELATING TO LIFE BUSINESS ONLY
(FORMS 2 to 3)

NAME OF INSURER _____

FORM 3 — STATEMENT OF LIFE REINSURANCE POLICIES
FOR PERIOD FROM _____ TO _____Co Code

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Year

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Month

| | |
|--|--|
| | |
|--|--|

| <i>Particulars</i> | <i>Row No.</i> | <i>Sum insured</i> | <i>Premiums</i> | |
|-------------------------|----------------|--------------------|-----------------|--------------|
| | | | <i>Single</i> | <i>Other</i> |
| A. New Business | | | | |
| Life (Risk premium) | 1 | | | |
| Life (Coinsurance) | 2 | | | |
| Accident and health | 3 | | | |
| Disability income | 4 | | | |
| Portfolio cover | 5 | | | |
| Financial reinsurance | 6 | | | |
| Other reinsurance | 7 | | | |
| Total (1 to 7) | 8 | | | |
| Annuities only | 9 | | | |
| B. Net Movements | | | | |
| Life (Risk premium) | | | | |
| Claims | 10 | | | |
| Others | 11 | | | |
| Life (Coinsurance) | | | | |
| Claims | 12 | | | |
| Others | 13 | | | |
| Accident and health | | | | |
| Claims | 14 | | | |
| Others | 15 | | | |
| Disability income | | | | |

 THE SCHEDULE — *continued*

| <i>Particulars</i> | <i>Row No.</i> | <i>Sum insured</i> | <i>Premiums</i> | |
|-----------------------------|----------------|--------------------|-----------------|--------------|
| | | | <i>Single</i> | <i>Other</i> |
| Claims | 16 | | | |
| Others | 17 | | | |
| Portfolio cover | | | | |
| Claims | 18 | | | |
| Others | 19 | | | |
| Financial reinsurance | | | | |
| Claims | 20 | | | |
| Others | 21 | | | |
| Other reinsurance | | | | |
| Claims | 22 | | | |
| Others | 23 | | | |
| Total (10 to 23) | 24 | | | |
| Annuities only | | | | |
| Claims | 25 | | | |
| Others | 26 | | | |
| C. Business in force | | | | |
| Life (Risk premium) | 27 | | | |
| Life (Coinsurance) | 28 | | | |
| Accident and health | 29 | | | |
| Disability income | 30 | | | |
| Portfolio cover | 31 | | | |
| Financial reinsurance | 32 | | | |
| Other reinsurance | 33 | | | |
| Total (27 to 34) | 34 | | | |
| Annuities only | 35 | | | |

 Names and
 signatures of:

Director

Director

Chief Executive Officer

Date: _____

THE 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. Items in this return shall be shown after deduction of amounts in respect of retrocession on the coinsurance method of liabilities of the reinsurer.

3. Items for premiums (except for single premiums) and in the case of annuities, items for amounts insured shall be the amounts payable per year. Items for premiums shall include extra premiums in respect of higher risks experienced by the insured.

4. Reinsurance shall be classified according to type i.e. life insurance, accident, health, etc as long as the reinsurance treaty permits. However, where the business is bundled, it shall be classified according to the primary exposure. For example, a bundled reinsurance policy with health reinsurance as the primary exposure shall be classified as health reinsurance even if it includes some element of term insurance.

5. “New Business” refers to business that enters the books of the reinsurer for the first time. For example, “new business” for group business refers to new groups, but not new members of an existing group.

6. “Sum Insured” shall not be applicable to reinsurance contracts that do not have a definite amount of claims payment, e.g. accident claims that depend on the nature of the injury and hospitalisation claims that depend on the nature of surgery and the length of hospitalisation. “Sum Insured” shall also not apply to “Financial Reinsurance”.

7. “Sum Insured” for “Disability Income” shall be the yearly benefit payable in case of a claim.

8. “Sum Insured” for plans with acceleration riders shall be the sum assured of the basic policy only.

9. “Single Premium” shall refer to the premium for covering periods in excess of one year. Hence, single premiums paid in respect of insurance contracts of less than one year e.g. travel insurance shall be classified as “Other Premiums”.

10. “Life (Coinsurance)” refers to reinsurance business on life and dread disease basic/rider policies reinsured based on the ceding company’s office premiums, with the payment of a reinsurance commission and with the reinsurer being liable for its share of the reserves.

11. “Portfolio Cover” shall include Catastrophic, Excess of Loss, Stop Loss and other non-proportional portfolio reinsurance covers. “Sum Insured” in this case shall be the maximum possible liability for the year.

THE SCHEDULE — *continued*

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)INSURANCE
(AUTHORISED REINSURERS)
REGULATIONSRETURNS TO BE LODGED BY AUTHORISED REINSURERS
(SINGAPORE BUSINESS) (FORMS 1 TO 4)FORM RELATING TO REINSURANCE DEPOSIT REQUIREMENT
(FORM 4)

NAME OF INSURER _____

FORM 4 — REINSURANCE DEPOSIT REQUIREMENT IN RESPECT OF
LIFE/GENERAL* BUSINESS AS AT _____

Co Code

Year

Month

| <i>Particulars</i> | <i>Row No.</i> | <i>Original Currency</i> | <i>S\$</i> | <i>Amount of reinsurance deposit in S\$</i> |
|--|----------------|--------------------------|------------|---|
| Gross premiums written | 1 | | | |
| Gross premium liabilities | 2 | | | |
| Gross claim liabilities | 3 | | | |
| Gross liabilities in respect of policies issued (2+3) | 4 | | | |
| REINSURANCE DEPOSIT REQUIRED | 5 | N.A. | N.A. | |

Additional disclosure:(i) Exchange rate used (S\$/original currency) Names and
signatures of: _____
Director *Director* *Chief Executive Officer*

Date: _____

Instructions for completing Form 4:

1. Reinsurance deposit required shall be determined in accordance with these Regulations.

 THE SCHEDULE — *continued*

Regulation 8 (2)

 INSURANCE ACT
 (CHAPTER 142)

 INSURANCE
 (AUTHORISED REINSURERS)
 REGULATIONS

 RETURNS TO BE LODGED BY INSURERS
 (GLOBAL BUSINESS) (FORMS 5 TO 6)

NAME OF INSURER _____

 FORM 5 — 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 | | |

 THE 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: _____

THE SCHEDULE — *continued*

Instructions for completing Form 5

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.

THE SCHEDULE — *continued*

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)INSURANCE
(AUTHORISED REINSURERS)
REGULATIONSRETURNS TO BE LODGED BY INSURERS
(GLOBAL BUSINESS) (FORMS 5 TO 6)

NAME OF INSURER _____

FORM 6 — PROFIT AND 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 | | |
| 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 | | |

THE 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: _____

THE SCHEDULE — *continued*

Instructions for completing Form 6

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 the 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.

THE SCHEDULE — *continued*

Regulation 8 (2)

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(AUTHORISED REINSURERS)
REGULATIONS

FORM 7 — 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]