



MONETARY AUTHORITY OF SINGAPORE

APPLICATION TO CARRY ON CAPTIVE INSURANCE BUSINESS IN SINGAPORE

IMPORTANT NOTES

- 1) Interested applicants are strongly encouraged to contact the Monetary Authority of Singapore (Tel: +65 6225 5577/ Fax: +65 6229 9694/ Email: id@mas.gov.sg) for a preliminary discussion of their business plans and any other relevant information before completing this application form.
- 2) Please refer to the MAS website at <http://www.mas.gov.sg/> for details on the admission criteria.
- 3) The completed application form should be submitted to:

Executive Director
Insurance Supervision Department
Monetary Authority of Singapore
10 Shenton Way
MAS Building
Singapore 079117
- 4) Applicants may be required to submit a soft copy of the completed application form upon request. Please retain the soft copy of the completed application form in word format.

EXPLANATORY NOTES

This application form is to be used by any person who desires to carry on insurance business in Singapore as a captive insurer, to apply to the Monetary Authority of Singapore (“the Authority”) for registration under section 8 of the Insurance Act (Cap. 142).

This form comprises the following sections -

- Section I - Basic information
- Section II - Documents to be submitted
- Section III - Overview of global operations of the applicant
- Section IV - Overview of proposed Singapore operations
- Section V - Detailed information on the proposed Singapore operations

Applicants should provide complete information for all the sections above. Where any section or area is not applicable, please state “N.A.”.

Please note that all information supplied should reflect both the existing scope of activities undertaken as well as projections and plans over the next 3 years. Although projections are only for 3 years, applicants are expected to adopt a longer term approach.

SECTION I - BASIC INFORMATION

1) Please indicate the category of insurer you are applying for.

- General Captive Insurer
 Life Captive Insurer
 Composite Captive Insurer

(Check one box only)

2) Details of applicant.

Note: The applicant should be the immediate/ultimate parent company of the proposed Singapore operations. In the case of a branch application, the applicant should be the head office of the proposed branch.

Name of Applicant:

(Company Name)

Address:

Telephone:

Fax:

Country of Incorporation:

Website Address:

3) Contact person and/or senior officer of the applicant to whom queries on the application can be directed.

Name:

(in Block Letters and underline surname)

Designation:

Telephone:

Email:

4) Details of the insurance supervisory authority in your country.

Name of Authority/ Agency:

Address:

Name of Contact Personnel:

Email of Contact Personnel:

Telephone:

Fax:

5) State any restrictions on your company imposed by any regulatory authorities/ government agencies in your country for establishing insurance operations outside your

country, and any foreign exchange controls on movement of funds into and out of your country.

6) Submission of application form and declaration.

Note: This application should be submitted by the Group CEO or a representative of the Board of Directors of the applicant, who should attest that the information submitted is true to the best of his knowledge.

I hereby submit this application and declare that all information given in this application (including any annexes and appendices attached) is true and complete to the best of my knowledge and belief. I understand that any misrepresentation or omission of material facts may be grounds for rejecting the application. I understand that I may be required to furnish additional information relating to this application, upon request by the Authority.

Signature: _____ Date: _____

Name (in Block Letters and underline surname): _____

Designation: _____

Telephone: _____ Email: _____

Under section 55(1)(b) of the Insurance Act (Cap. 142), any person who furnishes the Authority with any information under or for the purposes of any other provision of this Act, shall use due care to secure that the document or information is not false in any material particular; and if he does not use due care in this behalf and the document or information is false in a material particular, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

SECTION II - DOCUMENTS TO BE SUBMITTED

The following documents are to be submitted along with this application.

- 1) A certified true copy of the certificate of incorporation or business registration of your company issued by the relevant regulatory authority or government agency in your country;
- 2) A certified true copy of the letter from the relevant regulatory authorities or government agencies in your country approving your company to establish insurance operations in Singapore, if such approval is required. If approval is not required, a statement to this effect should be provided;
- 3) A copy of the annual report and financial statements of both the applicant and its ultimate parent company for each of the last three years;
- 4) A copy of the annual report and financial statements of any existing captive insurer owned by the ultimate parent company or any of its subsidiaries for each of the last three years; and
- 5) A copy of the feasibility study conducted in respect of the proposed Singapore operations. Please include financial projections for the proposed Singapore operations (e.g. forecast revenue, profitability, capital and assets of the business for the next 3 years) and state the assumptions made.

Note: For items 1 and 2, a certified English translation is required of any document which is not in English. Items 1 and 2 may be certified “true copy” by the relevant regulatory authority or government agency in your country, or by an external legal counsel.

**SECTION III - OVERVIEW OF GLOBAL OPERATIONS
OF THE APPLICANT**

- 1) Details of ultimate parent company. *(This item is only applicable if the applicant is not the ultimate parent company of the Group.)*

Name of Ultimate Parent Company: _____
Address: _____
Telephone: _____ Fax: _____
Country of Incorporation: _____
Website Address: _____

- 2) Provide a brief history of the applicant, its ultimate parent company and the Group (including date and place of incorporation, listing on any stock exchanges and number of employees in the Group).
- 3) Provide the names, nationalities and addresses of shareholders owning 5% or more of the shares of the ultimate parent company, and their respective shareholdings.
- 4) Provide a brief description of the business activities of the applicant and the Group.
- 5) Provide information on the ultimate parent company and structure of the Group. Give details of the international network of subsidiaries, branches, representative offices, joint ventures and any special purpose vehicles that have been set up (including names, business activities, country of incorporation/ location and effective percentage interest owned by the ultimate parent company for each entity in the Group). Also provide an organisation chart of the structure (and reporting channels) of the Group.
- 6) Provide the names of insurance and reinsurance companies, and insurance intermediaries in Singapore or elsewhere, in which the ultimate parent company or any of its subsidiaries has an equity interest. If the ultimate parent company or any of its subsidiaries already owns a captive insurer(s), state the reasons for setting up another captive insurer or relocating the existing captive insurer to Singapore.
- 7) Provide information on the financial position and performance of both the applicant and its ultimate parent company for each of the last 3 years, according to the format given in Appendix 1.
- 8) Provide credit rating information on the applicant and the Group for each of the last 3 years.
- 9) State how the insurance needs of the Group are presently being met (e.g. insurance with conventional insurers, self-insurance, etc.).

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- 10) Provide information on the insurance cost and loss experience of the Group for each of the last 5 years, with respect only to those classes of insurance business the proposed captive insurer will be writing. Please use the format given in Appendix 2.
- 11) Provide details on the expertise that the applicant or the Group has (or has access to) in the following areas:
 - i) insurance underwriting; and
 - ii) loss prevention and risk management.

SECTION IV - OVERVIEW OF PROPOSED SINGAPORE OPERATIONS

- 1) State the proposed name of the captive insurer. *(Note: The use of any proposed name for a branch or company is subject to the acceptance of the Accounting and Corporate Regulatory Authority.)*
- 2) Please elaborate on the reasons for locating the proposed captive insurer in Singapore and state whether the proposed captive insurer will be applying for the concessionary tax rate on offshore business. *(Note: The concessionary tax rate on offshore business is subject to a separate application and approval process.)*
- 3) State whether the proposed captive insurer will be a branch or a company incorporated in Singapore. Give reasons for your choice.
- 4) If the proposed captive insurer will be incorporated in Singapore, provide the following information:
 - i) the proposed amount of issued and paid-up share capital (please also give details of the number of each class of shares – ordinary, preference, etc.);
 - ii) names, nationalities and addresses of all proposed shareholders and their respective shareholdings;
 - iii) names and particulars of all proposed Directors as specified in MAS Notice 106 (Please download the MAS 106 form from the MAS website.);
- 5) Provide the name and particulars of the proposed Principal Officer as specified in MAS Notice 106 (Please download the MAS 106 form from the MAS website.) *(Note: The appointment of the Principal Officer is subject to the approval of the Authority.)*
- 6) Provide the name and address of the proposed auditors in Singapore. *(Note: The appointment of the auditors is subject to the approval of the Authority.)*
- 7) Provide the organisation chart of the proposed captive insurer, with particulars of key management personnel and executives. State whether the proposed captive insurer will be managed by a captive management company. If so, provide the name and address of this captive management company. *(Note: The appointment of the captive management company is subject to the approval of the Authority.)*
- 8) Provide the name(s) and designation(s) of the executive(s) in the Group to whom the management of the proposed captive insurer will be reporting.
- 9) Provide any other information that will support this application.

**SECTION V - DETAILED INFORMATION ON THE
PROPOSED OPERATIONS IN SINGAPORE**

- 1) Provide details of the classes of insurance business which the proposed captive insurer will write, and the estimated business volume (gross and net premiums) for the first three years of operations, according to the format given in Appendix 3.
- 2) State whether the proposed captive insurer will handle all of the insurance requirements of the Group. If not, please provide details of the other insurance arrangements.
- 3) Provide details of the reinsurance arrangements for the proposed captive insurer (using diagrams where appropriate).
- 4) Provide information on the investment policy of the proposed captive insurer.

FINANCIAL POSITION AND PERFORMANCE INDICATORS

Company Name: _____
 Financial Year End: _____

Year	20__	20__	20__
Currency			
Revenue and Profitability			
Total revenue			
Net income before tax			
Net income after tax			
Earnings per share			
Return on equity (%)			
Capital and Assets			
Paid up capital			
Shareholders' funds			
Total assets			

Appendix 2

INSURANCE COST AND LOSS EXPERIENCE OF THE GROUP

Policy Year	Total Insurance Premium Paid	Total Sum Assured	Total Gross Loss Incurred	Total Claims Recovered From Insurers
20__				
20__				
20__				
20__				
20__				

Note: Information provided in the above table should only relate to those classes of insurance business which the proposed captive insurer would write (as per the information that is provided in Appendix 3).

Appendix 3

BUSINESS PROJECTION OF PROPOSED CAPTIVE INSURANCE OPERATIONS**1) Business relating to Singapore policies¹ (SIF business)**

Class of Business	Gross Premiums (S\$'000)			Net Premiums (S\$'000)		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Marine and Aviation - Cargo						
Marine and Aviation - Hull and Liability						
Fire/Property						
Motor						
Workmen's Compensation						
Personal Accident						
Health						
Public Liability						
Bonds						
Engineering/CAR/EAR						
Professional Indemnity						
Credit/Political Risk						
Life						
<u>Others</u> (Please specify)						
Total						

¹ Please refer to paragraph 2 of First Schedule of the Insurance Act (Cap. 142) for the definition of "Singapore policy".

2) Business relating to offshore policies² (OIF business)

Class of Business	Gross Premiums (S\$'000)			Net Premiums (S\$'000)		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Marine and Aviation - Cargo						
Marine and Aviation - Hull and Liability						
Fire/Property						
Motor						
Workmen's Compensation						
Personal Accident						
Health						
Public Liability						
Bonds						
Engineering/CAR/EAR						
Professional Indemnity						
Credit/Political Risk						
Life						
Others (Please specify)						
Total						

² Please refer to paragraph 2 of First Schedule of the Insurance Act (Cap. 142) for the definition of "offshore policy".