



MONETARY AUTHORITY OF SINGAPORE

APPLICATION TO ESTABLISH A SPECIAL PURPOSE REINSURANCE VEHICLE 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 wishes to set up a Special Purpose Reinsurance Vehicle (“SPRV”), as defined in the Insurance (General Provisions and Exemptions for Special Purpose Reinsurance Vehicles) Regulations 2008 (“SPRV Regulations”), 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 originator
- Section IV - Overview of global operations of the ceding insurer
- Section V - Details of the proposed operations in Singapore
- Section VI - Details of the insurance securitisation transaction

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, including any projections should reflect the plans over the term of the reinsurance contract. Applicants are also expected to disclose longer term plans in the application, if there are any.

SECTION I - BASIC INFORMATION

1) Please indicate the class(es) of business you are applying for registration.

Class of business Life Business General Business

2) Details of applicant.

Note: The applicant should be the ceding insurer.

Name of Applicant:

(Company Name) _____

Address: _____

Telephone: _____

Fax: _____

Country of Incorporation: _____

Website Address: _____

3) Contact person(s) to whom queries on the application can be directed.

Name:

(in Block Letters and underline surname) _____

Designation: _____

Telephone: _____

Email: _____

4) Details of insurance supervisory authority in the applicant's country, if not MAS.

Name of Authority/ Agency: _____

Address: _____

Name of Contact Personnel: _____

Email of Contact Personnel: _____

Telephone: _____

Fax: _____

5) State any restrictions on your company imposed by the insurance supervisory authority or any other regulatory authorities/ government agencies in the ceding insurer's country for originating an SPRV or ceding risks to an SPRV outside the country; and any foreign exchange controls on movement of funds to and from the 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 (to amend depending on who we decide to allow to submit the application form).

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 of 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 copy of the annual report and financial statements of both the ceding insurer and its ultimate parent company for each of the last three years;
- 2) Actuarial investigation of underlying business, including the financial projections demonstrating that the SPRV is fully funded in accordance with the requirement of the SPRV Regulations. The financial projection scenarios should allow for the allocation of cash flows among the different classes of ILS, for mandatory or optional termination features of the ILS, and for distribution of accumulated surpluses, wherever applicable. The actuary performing the investigation should state in the report, his name and professional qualifications, and where the actuary is an employee of the ceding insurer or a related company, the capacity in which he is carrying out the investigation, and that, to the best of the actuary's knowledge and experience, the set of scenarios included in the investigation is a sufficient representation of all reasonably foreseeable scenarios and reliably demonstrates that the SPRV is fully funded in accordance with the requirement of the SPRV Regulations.
- 3) A written opinion from an independent external legal counsel confirming that the legal structure of the SPRV will ensure that it will be bankruptcy remote and that the proposed legal documents of the SPRV governing the issuance of the insurance securitisation transaction set out in the application form comply with regulation 5 of the SPRV Regulations. The opinion should also include a description of any other measures to enable the SPRV to remain solvent at all times and thus could not be petitioned into bankruptcy. The name and professional qualifications of the legal counsel should also be included. The legal counsel should be qualified to practice Singapore law.
- 4) Draft Prospectus/Offering Circular or Private Placement Memorandum;
- 5) Rating agency's report on the preliminary rating given to the SPRV or the insurance-linked securities ("ILS"), if any;
- 6) Draft Trustee Agreement;

Note: A certified English translation is required of any document which is not in English.

Any person making an offer of securities are required to comply with the requirements in the Securities and Futures Act (Cap. 289) ("SFA"). Any submission with regards to the ILS under this application does not constitute lodgment under the SFA.

SECTION III - INFORMATION ON THE ORIGINATOR¹

- 1) Provide a brief description of the business activities of the originator and its group; and the areas of insurance and other financial activities which its group has particular strength in, both globally and regionally. Please include any supporting statistics.
- 2) Provide a brief description of the originator's experience with insurance securitisation. Please include any supporting statistics.

¹ This is not applicable if the ceding insurer is the originator. The "originator" refers to –

- (a) any entity which, either itself or through related entities, directly or indirectly, creates the liabilities being reinsured, which are then being securitised; or
- (b) any entity which purchases, or advises, or causes an SPRV to reinsure, the liabilities of a third party, which are then being securitised.

**SECTION IV - INFORMATION ON THE
CEDING INSURER**

- 1) Provide a brief history of the ceding insurer, its group and the ultimate parent (including date and place of incorporation, listing on any stock exchanges and number of employees in the group).
- 2) Provide a brief description of the business activities of the ceding insurer and its group; and the areas of insurance and other financial activities which its group has particular strength in, both globally and regionally. Please include any supporting statistics.
- 3) Provide a brief description of the ceding insurer's experience with insurance securitisation. Please include any supporting statistics.
- 4) Provide details of the ultimate parent of the ceding insurer and the structure of the entire group. Also, provide an organisation chart of the structure (and reporting channel) of the group.

SECTION V - DETAILS OF THE PROPOSED OPERATIONS IN SINGAPORE

- 1) State the proposed name of the SPRV to be registered in Singapore. (*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) The proposed amount of share capital, including any planned increases in capital (Please also give details of the number of shares for each class of shares – ordinary, preference, etc.).
- 3) The names, nationalities and addresses of all shareholders and their respective shareholdings.
- 4) The names and particulars of all proposed Directors as specified in MAS Notice 106. (Please download the MAS Notice 106 Appendix A 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 Notice 106 Appendix A from the MAS website.)
- 6) Provide a summary of the permissible activities and any restrictions on such activities under the constituent documents of the SPRV, including any restrictions on the ability to enter into additional reinsurance contracts, issue or invest in additional securities, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the relevant entity
- 7) Provide any other information that will support this application.

SECTION VI - DETAILS OF THE INSURANCE SECURITISATION TRANSACTION

- 1) Describe the reinsurance contract to be issued by the SPRV, including the following information:
 - a. the form and structure of the risk transfer, for example quota share reinsurance, excess-of-loss reinsurance, modeled loss or parametric triggers;
 - b. the coverage (types of perils, risks and territories covered or the nature of the cash flows to be exchanged between the ceding insurer and the SPRV and premiums;
 - c. the triggering events;
 - d. aggregate limits, if any; and
 - e. any other pertinent information that would be useful in understanding the substance of the risk transfer.
- 2) Describe the method by which losses that occur prior to but continue to develop after the termination of the contract period, and are covered by the SPRV reinsurance contract, are to be addressed under the SPRV contract.
- 3) Summarise how the cash flows generated by the asset pool will be allocated among the different classes of ILS after deducting fees and expenses, to the extent necessary to understand the payment characteristics of each class of insurance-linked securities being offered.
- 4) Identify any optional or mandatory redemption or termination features of the ILS.
- 5) Identify any enhancement for the ILS being offered and briefly describe what protection or support is provided by the enhancement, including details relating to the potential use of financial guarantors on any of the tranches of notes to be issued.
- 6) Indicate whether or not the ILS will be listed for quotation on a securities exchange, and name of exchange, if any.
- 7) Describe the nature and terms of the ceding insurer's direct and indirect economic interest in the transactions of issuance of the reinsurance contract and ILS.
- 8) Provide information on the overall risk management plan, including descriptions on how the SPRV will be fully funded, retrocession arrangements, underwriting and claims arrangements, outsourcing arrangements, anti-money laundering arrangements, investment arrangements, capital management, business continuity arrangements, internal audit arrangements and corporate governance framework, if applicable
- 9) Provide any other relevant information.