



Circular No. ID 14/22

31 October 2022

To Chief Executives of Captive Insurers

Dear Sir/Madam

MITIGATING MEASURES AGAINST FRAUD INCIDENTS THAT INVOLVE FRAUDSTERS MASQUERADING AS CAPTIVE INSURERS

The Monetary Authority of Singapore (“MAS”) has observed an increase in the number of fraud incidents involving fraudsters masquerading as captive insurers to deceive victims into making payments for bogus insurance policies. As part of their latest modus operandi, these fraudsters create a website with a captive insurer’s details, such as its name, unique entity number and office address, with the intention to make its purported product offerings appear legitimate. This circular sets out the measures that each captive insurer is expected to undertake to mitigate such fraudulent activity.

2 A captive insurer should conduct ongoing surveillance for fraudulent websites that appear to be misrepresenting the captive insurer to safeguard its brand from being abused for deceitful purposes and to manage its reputational risks. Upon the discovery of a fraudulent website, the captive insurer should notify MAS immediately. Subsequent feedback or complaints received in relation to the fraudulent website, if any, should also be notified to MAS. Should the captive insurer observe a persistent upward trend in the number of complaints, the captive insurer is advised to lodge a police report and take steps to remove the fraudulent website. This could be done by first identifying the host of the website and then reporting to the host and the relevant authority in the host’s jurisdiction to request for the website to be taken down immediately.

3 In addition, a captive insurer should establish an online presence (e.g., a website) which clearly sets out its contact details and indicates that the captive insurer is licensed to write principally related corporation risks. The captive insurer should also ensure that its online presence can be located via internet search engines. This is to reduce the risks of potential victims being misled by a fraudulent website when they search for the captive insurer’s name online. Please provide the relevant URL(s) to MAS when this step is completed.

Monetary Authority of Singapore

4 For any questions related to this circular, please contact your company's MAS liaison officer.
Thank you.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT