Monetary Authority of Singapore
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Circular No: ID 17/23

7 December 2023

To Chief Executives
All Licensed Insurers

Dear Sir/Madam

CONSULTATION PAPER ON PROPOSED ENHANCEMENTS TO THE POLICY OWNERS' PROTECTION SCHEME ("PPF SCHEME") IN SINGAPORE

The Monetary Authority of Singapore (MAS) has issued the consultation paper on the Proposed Enhancements to the PPF Scheme in Singapore today.

2 The pre-funded PPF Scheme was introduced in 2011, with the enactment of the Deposit Insurance and Policy Owners' Protection Scheme Act (DI-PPF Act), to protect policy owners of all life insurance policies and certain general insurance policies in the event of a failure of a direct life or general insurer ("PPF Scheme member"). The PPF Life Fund and the PPF General Fund can be used to i) pay compensation to covered parties; ii) fund the transfer of the failed PPF Scheme member's business to another insurer; iii) fund the run-off of a failed PPF Scheme member's business; and iv) fund the termination of any insured policy issued by a PPF Scheme member.

3 The consultation paper seeks public feedback on proposed changes to the PPF Scheme to enhance its coverage, simplify its design, and improve its operational efficacy. These proposals are part of MAS' regular reviews to ensure the Scheme remains up to date with market developments. Please refer to Annex 1 for a copy of the consultation paper, which is also publicly available on the MAS website.

4 Please submit your comments on the consultation paper by 16 February 2024. Thank you.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT

ENCs

ANNEX 1 - CONSULTATION PAPER ON PROPOSED ENHANCEMENTS TO THE PPF SCHEME IN SINGAPORE

PPF - Consultation Paper.pdf