



THE STATUTES OF THE REPUBLIC OF SINGAPORE

INSURANCE ACT

(CHAPTER 142)

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Insurance Act

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An Act for the regulation of insurance business and insurance intermediaries in Singapore, and for other purposes relating thereto or connected therewith.

[1st January 1967]

PART I
PRELIMINARY

Short title

1. This Act may be cited as the Insurance Act.

Interpretation

- 1A. In this Act, unless the context otherwise requires —

“accounting period”, relation to any insurer, means the period beginning from the commencement of its business in Singapore or 1st January of any year, as the case may be, and ending on 31st December of that year for which accounts relating to the insurance business carried on by the insurer in Singapore are kept and for which an insurance fund has been established under this Act, unless otherwise allowed by the Authority.

“actuary” means a Fellow of any prescribed professional body or institute;

“advocate and solicitor” means an advocate and solicitor of the Supreme Court or a foreign lawyer as defined in section 130A of the Legal Profession Act (Cap. 161);

“authorised reinsurer” means an insurer which is for the time being authorised under section 8A;

[23/2003 wef 01/01/2004]

“Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186);

“captive insurer” means an insurer whose registration is restricted to the carrying on of business which consists

principally of risks of its related corporations, and includes a rent-a-captive insurer;

“company” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

[23/2003 wef 01/01/2004]

“corporation” has the same meaning as in section 4(1) of the Companies Act;

[23/2003 wef 01/01/2004]

“direct insurance broker” means a person who is for the time being registered under section 35X in respect of insurance policies relating to general business and long-term accident and health policies, other than insurance policies relating to reinsurance business;

[23/2003 wef 01/01/2004]

“direct insurer” means any insurer other than a reinsurer, an authorised reinsurer or a captive insurer;

“director” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“directions” includes directives and notices;

[23/2003 wef 01/01/2004]

“exempt financial adviser” has the same meaning as in the Financial Advisers Act (Cap. 110);

“financial advisory service” has the same meaning as in section 2(1) of the Financial Advisers Act;

[23/2003 wef 01/01/2004]

“financial year” has the same meaning as in section 4(1) of the Companies Act;

“general reinsurance broker” means a person who is for the time being registered under section 35X in respect of reinsurance of liabilities under insurance policies relating to general business;

“insurance agent” means a person who is or has been carrying on insurance business in Singapore as an agent for one or more

insurers and includes an agent of a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme under Part IIA.

“insurance broker” means a person who is or has been carrying on insurance business in Singapore as an agent for insureds or intending insureds in respect of —

- (a) insurance policies relating to general business and long-term accident and health policies, other than insurance policies relating to reinsurance business; or
- (b) reinsurance of liabilities under insurance policies relating to —
 - (i) life business; or
 - (ii) general business;

[23/2003 wef 01/01/2004]

“insurance intermediary” means a person who, as an agent for one or more insurers or as an agent for insureds or intending insureds, arranges contracts of insurance in Singapore;

“insured” includes reinsured and “insurer” includes reinsurer;

“licensed financial adviser” means a holder of a financial adviser’s licence under the Financial Advisers Act;

“life reinsurance broker” means a person who is for the time being registered under section 35X in respect of reinsurance of liabilities under insurance policies relating to life business;

“limited liability partnership” has the same meaning as in section 2(1) of the Limited Liability Partnerships Act 2005;

[5/2005 wef 11/04/2005]

“partner” and “manager” , in relation to a limited liability partnership, have the respective meanings assigned to them in section 2(1) of the Limited Liability Partnerships Act 2005;

[5/2005 wef 11/04/2005]

“registered insurance broker” means an insurance broker who is for the time being registered under section 35X;

“reinsurer” means an insurer whose registration is restricted to the carrying on of reinsurance business;

“related corporation” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

[23/2003 wef 01/01/2004]

“representative”, in relation to a licensed financial adviser or exempt financial adviser, has the same meaning as in the Financial Advisers Act (Cap. 110);

“registered insurer” means an insurer which is for the time being registered under section 8;

“statutory balance-sheet” and “statutory valuation” mean respectively a balance-sheet lodged with the Authority in order to comply with section 36(1), and a valuation of which the results are shown in a valuation balance-sheet lodged with it on an actuarial investigation made in order to comply with section 37(1).

[65

[32/93]

Classification of insurance business and construction of references to matters connected with insurance

2.—(1) For the purposes of this Act, insurance business shall be divided into 2 classes —

- (a) life business, which means all insurance business concerned with life policies, long-term accident and health policies, or both; and

[23/2003 wef 01/01/2004]

- (b) general business, that is to say, all insurance business which is not life business, and shall include the effecting and carrying out by any person, not being a person licensed under the Monetary Authority of Singapore Act (Cap. 186), Banking Act (Cap. 19), Finance Companies Act (Cap. 108) or Securities and Futures Act (Cap. 289); of contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee, being contracts effected by

way of business (and not merely incidental to some other business carried on by the person effecting them) in return for the payment of one or more premiums.

[32/93; 41/2001]

(2) For the purposes of this Act, the reinsurance of liabilities under insurance policies shall be treated as insurance business of the class and type to which the policies would have belonged if they had been issued by the reinsurer or authorised reinsurer.

(3) Notwithstanding anything in subsections (1) and (2), if the Authority is satisfied that any part of an insurer's business which belongs to a particular class or type of insurance business ought in the insurer's case to be treated as belonging to another class or type, the Authority may direct that it shall be so treated for the purposes of this Act.

[11/86]

(4) For the purposes of this Act, references to carrying on insurance business include the carrying it on through an agent, or as agent; but "insurer" does not include an insurance agent as such nor, in the case of a person who is both insurer and insurance agent, have reference to business done as an insurance agent.

(5) For the purposes of this Act and subject to subsection (5A), "Singapore insurer" means a person who is or has been carrying on insurance business in Singapore as an insurer; and references to carrying on insurance business, or any class of insurance business, in Singapore mean the receipt of proposals for, or issuing of, policies in Singapore or the collection or receipt in Singapore of premiums on insurance policies.

[11/86; 30/99]

(5A) A person shall not be treated as carrying on insurance business, or any class of insurance business, in Singapore as an insurer if, apart from the collection or receipt of premiums in Singapore, he —

- (a) carries out all activities in relation to his reinsurance business outside Singapore; and

- (b) does not have any commercial or physical presence in Singapore for the purpose of carrying on such reinsurance business.

[23/2003 wef 01/01/2004]

(6) The operation, otherwise than for profit, of a scheme or arrangement relating to service in particular offices or employments, and having for its object or one of its objects to make provision in respect of persons serving therein against future retirement or partial retirement, or against future termination of service through death or disability, or against similar matters, shall not be treated for the purposes of this Act as carrying on the business of insurance.

(7) For the purposes of this Act, no society registered under the Societies Act (Cap. 311) or organisation registered under the Mutual Benefit Organisations Act (Cap. 191) shall be deemed to be an insurer, and no agent for such a society, organisation or company shall as such be deemed to be an insurance agent; nor shall references in this Act to a policy or contract of insurance apply to any policy or contract whereby an insurance is effected with such a society or organisation.

[50/75; 41/2001]

(8) For the purposes of this Act —

- (a) any reference to the last statutory balance-sheet or to the last statutory valuation shall be construed as referring to that last prepared or made and not superseded by the arrival of the date as at which another is to be prepared or made; and
- (b) any reference to there being shown in a statutory balance-sheet or on a statutory valuation a surplus of assets over liabilities of an insurance fund shall be construed accordingly by reference to the prescribed form of balance-sheet or valuation balance-sheet and to the rules to be followed under this Act and the regulations in preparing it.

(9) The definitions set out in the First Schedule shall have effect for the construction of references in this Act to policies of insurance, policy owners and policy moneys.

PART II

CONDUCT OF INSURANCE BUSINESS

*General restriction on insurers***No person to carry on insurance business unless registered or authorised by Authority**

3.—(1) Subject to the provisions of this Act, no person shall carry on any class of insurance business in Singapore as an insurer unless the person is registered by the Authority under this Act in respect of that class of business.

[11/86]

(1A) Except for a registered insurer or a foreign insurer carrying on insurance business under a foreign insurer scheme established under section 35B, no person carrying on reinsurance business outside Singapore shall carry on the business of providing the reinsurance of liabilities under insurance policies, as a principal and as an insurer, to persons in Singapore unless —

- (a) he is authorised by the Authority under section 8A to do so; or
- (b) he is providing the reinsurance of liabilities under insurance policies pursuant to an arrangement which was not solicited by him but was initiated by —
 - (i) a registered insurer;
 - (ii) a registered insurance broker; or
 - (iii) a person exempt from registration as an insurance broker under section 35ZN(1)(a), (b), (c), (d), (e) or (ea) who has notified the Authority, in such manner as may be prescribed under section 64(1), of his commencement of insurance broking business.

[23/2003 wef 01/01/2004]

(1B) Any person registered by the Authority under this Act to carry on insurance business as an insurer in respect of life business may carry on general business relating to short-term accident and health policies while being so registered, and —

- (a) the person need not be registered as an insurer in respect of general business in order to carry on general business relating to short-term accident and health policies; and
- (b) the general insurance business relating to short-term accident and health policies carried on by the person shall be treated as part of the person's life business.

[23/2003 wef 01/01/2004]

(1C) An insurer registered to carry on both life business and general business may treat its short-term accident and health policies as part of its life business or its general business.

[23/2003 wef 01/01/2004]

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine of \$7,500 for every day during which the offence continues after conviction.

[11/86; 41/2001]

(3) Any person who contravenes subsection (1A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 and, in the case of a continuing offence, to a further fine of \$7,500 for every day or part thereof during which the offence continues after conviction.

[23/2003 wef 01/01/2004]

Holding out as registered insurer or authorised reinsurer

4.—(1) Where any person holds himself out, or purports to hold himself out, to be a registered insurer or an authorised reinsurer in respect of life business or general business, or both, when that person is not registered or authorised under this Act in respect of that business —

- (a) that person shall be guilty of an offence; and
- (b) where that person is a corporation, limited liability partnership or firm, every director, manager or officer of the corporation and every partner or officer of the firm and every partner or manager of the limited liability partnership (as the case may be) shall, unless he proves

that the offence was committed without his knowledge or consent, be guilty of an offence.

[5/2005 wef 11/04/2005]

(2) Any person who is guilty of an offence under subsection (1) shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$7,500 for every day or part thereof during which the offence continues after conviction.

[23/2003 wef 01/01/2004]

Use of word “insurance”

5.—(1) No person, other than a registered insurer, an authorised reinsurer or a foreign insurer carrying on insurance business under a foreign insurer scheme established under section 35B, shall —

- (a) use the word “insurance” or any of its derivatives in any language, or any other word indicating that that person carries on insurance business in the name, description or title under which it carries on business in Singapore; or
- (b) make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner.

[22/73; 11/86]

(1A) Subject to subsection (1B), no person shall —

- (a) use the word “insurance” or any of its derivatives in any language, or any other word, that indicates that the person carries on business as an insurance intermediary in the name, description or title under which it carries on business in Singapore; or
- (b) make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner.

[23/2003 wef 01/01/2004]

(1B) Subsection (1A) shall not apply to —

- (a) a registered insurance broker;
- (b) a person exempt from registration as an insurance broker under section 35ZN(1)(a), (b), (c), (d), (e) or (ea) who has notified the Authority, in such manner as may be

prescribed under section 64(1), of his commencement of insurance broking business;

- (c) a licensed financial adviser or an exempt financial adviser, which provides any financial advisory service in respect of life policies;
- (d) an insurance agent operating under an agreement in writing pursuant to section 35M;
- (e) an insurance agent to whom section 35M does not apply;
- (f) an agent of a foreign insurer carrying on insurance business under a foreign insurer scheme established under section 35B; or
- (g) such other person as may be prescribed.

[23/2003 wef 01/01/2004]

(2) Nothing in this section shall prohibit an association of insurers from using the word “insurance” or any of its derivatives in any language as part of its name or description of its activities.

[22/73]

(3) Any person who contravenes subsection (1) or (1A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day during which the offence continues after conviction.

[22/73; 11/86; 41/2001]

Prohibition relating to solicitation of insurance business and establishment of place of business or representative office

6.—(1) No person shall solicit any insurance business for any insurer, other than an insurer who is entitled to carry on that business in Singapore or an authorised reinsurer.

[23/2003 wef 01/01/2004]

(2) No person shall, without the written approval of the Authority, establish a representative office for an insurer who is not entitled to carry on insurance business in Singapore or for an authorised reinsurer.

[23/2003 wef 01/01/2004]

(3) Any person who contravenes subsection (1) or (2) 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 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day during which the offence continues after conviction.

[30/99; 41/2001]

Examination of persons suspected of carrying on insurance business

7.—(1) Whenever the Authority has reason to believe that a person has contravened any of the provisions of this Act, it may call for or inspect the books, accounts and records of that person in order to ascertain whether or not that person has contravened or is contravening any of the provisions of this Act.

[22/73; 11/86; 30/99]

(2) Any person who wilfully refuses to submit such books, accounts and records or to allow the inspection thereof shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day during which the offence continues after conviction.

[22/73; 41/2001]

Registration and authorisation of insurers

Registration by Authority

8.—(1) A person who desires to carry on insurance business in Singapore as an insurer shall —

(a) apply in writing to the Authority for registration under this section; and

(b) furnish such information as the Authority may require.

[11/86]

(2) Upon receiving an application under subsection (1), the Authority shall consider the application and may, subject to

section 9, register the applicant with or without conditions or refuse to register the applicant.

[11/86]

(3) The Authority may register the applicant as a direct insurer, reinsurer or captive insurer.

[32/93]

(4) The Authority shall cause notice of any registration or change of name of a Singapore insurer to be published in the *Gazette*.

[32/93]

Authorisation by Authority

8A.—(1) A person carrying on reinsurance business outside Singapore may apply to the Authority to be authorised for the purposes of this Act in such form and manner as the Authority may prescribe.

(2) The Authority may require the applicant to furnish it with such information or documents as the Authority considers necessary in relation to the application.

(3) The Authority may authorise the applicant with or without conditions, or refuse to authorise the applicant on any prescribed ground or on such other ground as the Authority thinks fit.

(4) The Authority may authorise the applicant as a general reinsurer or life reinsurer or both.

(5) The Authority shall cause notice of any authorisation or change of name of an insurer authorised under this section to be published in the *Gazette*.

[23/2003 wef 01/01/2004]

Requirements before registration

9.—(1) The Authority shall not register any applicant under section 8 unless the applicant —

(a) is a company or a company incorporated outside Singapore which has an established place of business in Singapore or is a society registered under the Co-operative Societies Act (Cap. 62);

(b) has made the deposit under section 14; and

(c) satisfies such financial requirements as may be prescribed.
[23/2003 wef 01/01/2004]

(2) For the purposes of subsection (1)(c), the Authority may prescribe financial requirements of different forms or amounts for different classes of insurance business or for different types of insurers.

[11/86]

Conditions of registration or authorisation

10.—(1) The Authority may at any time add to, vary or revoke any existing conditions of registration or authorisation of an insurer or impose any conditions thereto.

[22/73; 11/86]

(2) Any insurer which fails to comply with any of the conditions imposed by the Authority under subsection (1), section 8(2) or 8A(3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day during which the offence continues after conviction.

[22/73; 11/86; 30/99; 41/2001]

Annual fees

11.—(1) Every registered insurer and authorised reinsurer shall pay to the Authority such annual fees as may be prescribed.

[11/86]

(2) The Authority may prescribe different annual fees for different classes of insurance business or for different types of registered insurers or authorised reinsurers.

[11/86]

(3) The Authority may exempt wholly or in part any registered insurer or authorised reinsurer from the payment of the annual fees prescribed under this section.

[11/86]

Cancellation of registration

12.—(1) The Authority may by order, at the request of the insurer or on any of the grounds set out in subsection (2), cancel the

registration of any insurer either wholly or in respect of a class of business, as the case may be.

[11/86]

(2) The grounds referred to in subsection (1) are —

- (a) that the insurer has not commenced business within 12 months after being registered;
- (b) that the insurer has ceased to carry on insurance business in respect of any class of business;
- (c) that it appears to the Authority that the insurer has failed to satisfy an obligation to which it is subject by virtue of this Act;
- (d) that there exists a ground on which the Authority would be prohibited by section 9 from registering the insurer;
- (e) that the insurer proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved;
- (f) that the insurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners;
- (g) that the insurer is unable to meet its obligations;
- (h) that the insurer has failed to effect satisfactory reinsurance arrangements;
- (i) that the insurer has contravened any of the provisions of this Act or any condition imposed or any direction given by the Authority under this Act;
- (j) that any of the officers of the insurer holding a managerial or executive position has been convicted of any offence under this Act;
- (k) that the insurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts in its application for registration; or
- (l) that it is in the public interest to cancel the registration.

[11/86]

(3) Before cancelling the registration of an insurer under this section otherwise than at the request of the insurer, the Authority shall —

- (a) give the insurer notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the insurer to show cause within such time as may be specified in the notice why his or its registration should not be cancelled.

[41/2001]

(4) If the insurer referred to in subsection (3) —

- (a) fails to show cause within the time given to him or it to do so or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the cancellation of registration is to take effect.

[41/2001]

(5) Any insurer who is aggrieved by a decision of the Authority under subsection (1) to cancel his registration as an insurer otherwise than at his request may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(6) Notwithstanding the cancellation of the registration of an insurer under this section, so long as the insurer remains under any liability in respect of insurance policies belonging to the class of insurance business to which the registration relates, the insurer shall take such action as it considers necessary or as may be required by the Authority to ensure that reasonable provision has been or will be made for that liability and that adequate arrangements exist or will exist for payment of premiums and claims on those policies.

[11/86]

Withdrawal of authorisation

12A.—(1) The Authority may by order, at the request of the insurer or on any of the grounds set out in subsection (2), withdraw the authorisation of any insurer either wholly or in respect of a class of business, as the case may be.

(2) The grounds referred to in subsection (1) are —

- (a) that the insurer has not commenced the business of providing reinsurance of liabilities under insurance policies to persons in Singapore within 12 months after being authorised;
- (b) that the insurer has ceased to carry on the business of providing reinsurance of liabilities under insurance policies to persons in Singapore;
- (c) that it appears to the Authority that the insurer has failed to satisfy an obligation to which it is subject by virtue of this Act;
- (d) that the insurer proposes to make, or has made, whether in Singapore or elsewhere, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved;
- (e) that a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of any property of, the insurer or any of its shareholders having control of the insurer;
- (f) that there is a change of a person having control of the insurer and —
 - (i) the new person having control of the insurer is not a fit and proper person; or
 - (ii) the Authority is not satisfied as to the financial standing of the insurer after the change;

- (g) that the insurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners, whether in Singapore or elsewhere;
 - (h) that the insurer is unable to meet its obligations, whether in Singapore or elsewhere;
 - (i) that the insurer has contravened any of the provisions of this Act or any condition imposed or direction given by the Authority under this Act;
 - (j) that any of the officers of the insurer holding a managerial or executive position has been convicted of any offence under this Act;
 - (k) that the insurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts in its application for authorisation; or
 - (l) that it is in the public interest to withdraw the authorisation.
- (3) Before withdrawing the authorisation of an insurer under this section otherwise than at the request of the insurer, the Authority shall —
- (a) give the insurer notice in writing of its intention to do so; and
 - (b) in the notice referred to in paragraph (a), call upon the insurer to show cause within such time as may be specified in the notice why its authorisation should not be withdrawn.
- (4) If the insurer referred to in subsection (3) —
- (a) fails to show cause within the time specified in the notice under that subsection or within such extended period of time as the Authority may allow; or
 - (b) fails to show sufficient cause,
- the Authority shall give notice in writing to the insurer of the date on which the withdrawal of authorisation is to take effect.

(5) Any insurer which is aggrieved by a decision of the Authority under subsection (1) to withdraw its authorisation as an insurer otherwise than at its request may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

(6) Notwithstanding the withdrawal of the authorisation of an insurer under this section, so long as the insurer remains under any liability in respect of insurance policies belonging to the class of insurance business to which the authorisation relates, the insurer shall take such action as it considers necessary or as may be required by the Authority to ensure that reasonable provision has been or will be made for that liability and that adequate arrangements exist or will exist for the payment of premiums and claims on those policies.

(7) For the purposes of this section —

- (a) a person shall be regarded as having control of an authorised reinsurer if the person alone or acting together with any associate or associates would —
 - (i) acquire or hold, directly or indirectly, 50% or more of the issued share capital of the insurer; or
 - (ii) control, directly or indirectly, 50% or more of the voting power in the insurer;
- (b) a reference to voting power in an authorised reinsurer is a reference to the total number of votes that might be cast in the general meeting of the insurer; and
- (c) the following persons are associates of a person:
 - (i) the person's spouse or parent or remoter lineal ancestor, son, daughter or remoter issue, brother or sister of the person;
 - (ii) any partner of the person;
 - (iii) any corporation of which the person is an officer;
 - (iv) where the person is a corporation, any officer of the corporation;
 - (v) any employee or employer of the person;

- (vi) any officer of any corporation of which the person is an officer;
- (vii) any employee of any individual of whom the person is an employee;
- (viii) any corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the person or, where the person is a corporation, of the directors of the person;
- (ix) any corporation in accordance with the directions, instructions or wishes of which, or the directors of which, the person is accustomed or under an obligation, whether formal or informal, to act;
- (x) any corporation in which the person is in a position to control not less than 20% of the voting power in the corporation; and
- (xi) where the person is a corporation, a person who is in a position to control not less than 20% of the voting power in the corporation.

[23/2003 wef 01/01/2004]

Effects of cancellation of registration and withdrawal of authorisation

13.—(1) Where an order of cancellation under section 12 or an order of withdrawal under section 12A becomes effective —

- (a) the Authority shall publish a notice of the cancellation or withdrawal, as the case may be, in the *Gazette*; and
- (b) the insurer shall —
 - (i) as from the date of cancellation, cease to carry on insurance business in Singapore of the class in respect of which its registration has been cancelled under this Act; or
 - (ii) as from the date of withdrawal, cease to carry on the business of providing reinsurance of liabilities under insurance policies to persons in Singapore of the

class in respect of which its authorisation has been withdrawn under this Act,

otherwise than by the collection or receipt of premiums on insurance policies belonging to that class of insurance business effected before the date of cancellation of registration or withdrawal of authorisation, as the case may be, and section 3 shall not apply to the insurer in respect of the collection or receipt of those premiums.

[23/2003 wef 01/01/2004]

(2) Subsection (1)(b) shall not prejudice the enforcement by any policy owner or person of any right or claim against the insurer or by the insurer of any right or claim against any policy owner or person.

[22/73]

(3) If the registration of an insurer has been cancelled or has expired, sections 36 and 37 shall, unless the Authority otherwise directs, continue to apply in relation to the insurer in respect of matters that occurred before the cancellation or expiry as if his registration had not been cancelled or had not expired, as the case may be.

[30/99]

Deposits, registers of policies and insurance funds

Deposits by Singapore insurers

14.—(1) A Singapore insurer, while registered in respect of any class of insurance business, shall at all times have in respect of that class of business a deposit with the Authority of a value of not less than \$500,000 or such other amount as may be prescribed.

[11/86; 32/93]

(2) A deposit under subsection (1) shall be made in assets of such nature as the Authority may specify.

[11/86]

(3) All income accruing in respect of a deposit shall be payable to the insurer making the deposit.

(4) A deposit made under this section in respect of any class of insurance business shall be retained by the Authority until either —

- (a) the insurer ceases to be registered in respect of that class of insurance business; or
- (b) the deposit is required in the winding up of the affairs of the insurer.

(5) If the insurer ceases to be registered in respect of any class of insurance business, the deposit or part thereof may be further retained for the purpose of and in accordance with any such provision for liabilities in respect of policies as is required by section 12(6).

(6) Where the value of the deposit made by an insurer under subsection (1) in respect of any class of insurance business is less than \$500,000 or the amount prescribed at any time, the Authority may, by notice in writing, direct the insurer to add thereto within 28 days of the service of the notice such assets as the Authority may specify of a value not less than the difference.

[32/93]

(7) An insurer which has made a deposit under this section may, at any time, substitute for any assets comprised in the deposit such other assets as the Authority may specify so long as the value of the deposit is not thereby reduced to an amount below that which is required by this Act.

Deposits by authorised reinsurers

14A.—(1) Every authorised reinsurer shall maintain a reinsurance deposit of a value of such amount as may be prescribed in respect of each class of business for which it is authorised.

(2) A deposit under subsection (1) shall be made in such form and manner, and in assets of such nature, as may be prescribed.

(3) All income accruing in respect of a deposit under subsection (1) shall be payable to the insurer making the deposit.

(4) The Authority may, in relation to a deposit under subsection (1), prescribe —

- (a) the rights and obligations of any party in relation to the deposit; and

- (b) any other matter which the Authority considers to be incidental to or necessary for this section.

[23/2003 wef 01/01/2004]

Bank covenants in lieu of deposits

15.—(1) If, in the case of any insurer, a bank licensed under any written law for the time being in force relating to banking makes with the Authority an agreement in a form approved by the Authority whereby —

- (a) the bank covenants to deposit with the Authority a specified sum in cash on account of the insurer's deposit under section 14 or 14A, as the case may be, in respect of either class of insurance business; and
- (b) the covenant complies with any requirement the Authority sees fit to impose as to the circumstances in which that sum is to be deposited,

then, for the purposes of this Act, the insurer shall be treated as having made the deposit under that section and the sum so covenanted for shall be recoverable notwithstanding that no consideration is furnished on the agreement.

[11/86]

(2) Any sum deposited by a bank in pursuance of an agreement made under subsection (1) shall be dealt with under or for the purposes of this Act as if it were a sum deposited by the insurer under section 14 or 14A, as the case may be.

Register of policies

16.—(1) Every registered insurer shall establish and keep —

- (a) a register of Singapore policies where it carries on business relating to Singapore policies; and
- (b) a register of offshore policies where it carries on business relating to offshore policies.

[11/86]

(2) Subject to this section, there shall be entered in the register of Singapore policies all Singapore policies of the insurer and in the register of offshore policies all offshore policies of the insurer, and no

policy entered in any register shall be removed from it so long as the insurer is under any liability in respect of that policy.

[11/86]

(3) Subject to this section, there may be entered in the register of Singapore policies such other policies as the insurer, with the consent (express or implied) of the policy owners, may determine, and this Act shall apply in relation to any policy so entered as if it were a Singapore policy.

[11/86]

(4) Subject to subsection (5), an insurer carrying on life business outside Singapore (and not doing so only by the collection or receipt of premiums) may, at the request of the policy owner of a policy belonging to the insurer's life business —

(a) refrain from entering the policy in the register of Singapore policies, notwithstanding that it is a Singapore policy; or

(b) remove the policy from the register of Singapore policies, and this Act shall thereafter apply in relation to the policy as if it were not a Singapore policy.

[11/86]

(5) Regulations may provide that subsection (3) or (4) shall apply only in such cases as may be prescribed or shall have effect subject to any prescribed exceptions or restrictions.

[11/86]

(6) A Singapore insurer shall, at the request of any person having an interest in any policy of the insurer, inform him whether or not the policy is entered in any register of policies established by the insurer under this Act.

[11/86]

(7) Where a Singapore insurer has established under this Act any register of policies, the register shall cease to exist as a statutory register under this Act of policies belonging to either class of insurance business, if the insurer ceases to be registered under this Act in respect of that class of business; and any reference in this Act to policies registered under this Act shall be construed accordingly.

[11/86]

(8) Subject to subsection (7), any register of policies established by a Singapore insurer shall, notwithstanding that the insurer at any time ceases to carry on in Singapore either class of insurance business, continue to be maintained by the insurer for policies belonging to that class so long as the insurer is under any liability in respect of those policies registered or required to be registered at that time;

[11/86]

(9) No policies referred to in subsection (8) belonging to either class of insurance business shall be entered in the register under subsection (3) when the insurer is not carrying on that class of business in Singapore, or is doing so only by the collection or receipt of premiums.

[11/86]

(10) A register of policies established and kept by an insurer under this section before 1st January 1987 shall be deemed to be a register of Singapore policies under subsection (1).

[11/86]

Establishment of insurance funds and allocation of surplus

17.—(1) Every registered insurer shall establish and maintain a separate insurance fund —

- (a) for each class of insurance business carried on by the insurer that relates to Singapore policies; and
- (b) for each class of insurance business carried on by the insurer that relates to offshore policies.

[11/86]

(1A) Every direct insurer registered to carry on life business shall establish and maintain, in addition to the insurance funds under subsection (1) and subject to such conditions or restrictions as the Authority may impose, separate insurance funds —

- (a) for its investment-linked policies; and
- (b) for its non-investment-linked policies.

[23/2003 wef 01/01/2004]

(2) If, in the case of a direct insurer registered to carry on life business, no part of the surplus of assets over liabilities from its non-participating policies is allocated by the insurer by way of bonus to its

participating policies, the insurer shall, in addition to the funds maintained under subsections (1) and (1A) and subject to such conditions or restrictions as the Authority may impose, establish and maintain, in respect of its non-investment-linked policies, separate insurance funds —

- (a) for its participating policies; and
- (b) for its non-participating policies.

[23/2003 wef 01/01/2004]

(3) The Authority may require any registered insurer to establish and maintain, in addition to the insurance funds under subsections (1), (1A) and (2), such other insurance fund as the Authority may determine for different types of policies in respect of each class of insurance business.

[11/86; 32/93]

(4) There shall be paid into an insurance fund all receipts of the insurer properly attributable to the business to which the fund relates (including the income of the fund), and the assets comprised in the fund shall be applicable only to meet such part of the insurer's liabilities and expenses as is properly so attributable but shall not be applied to meet any levy payable by the insurer under section 46.

[11/86]

(5) For the purposes of subsection (4), the Authority may prescribe or specify in directions what constitutes receipts, income, liabilities or expenses of the insurer which are properly attributable to the business to which an insurance fund relates and the manner in which each item is to be determined or valued.

[23/2003 wef 23/08/2003]

(6) In the case of an insurance fund maintained by a direct insurer registered to carry on life business which comprises wholly or partly of participating policies —

- (a) there shall be a surplus account, established and maintained in such manner as may be prescribed, as part of the insurance fund;
- (b) no part of the fund shall be allocated by way of bonus to the participating policies except —

- (i) with the approval of the directors of the insurer, upon considering a written recommendation from the actuary appointed under section 31; and
 - (ii) where the making of such allocation does not contravene any condition or restriction that may be prescribed or specified in directions for the purposes of this section;
- (c) no part of the fund shall be allocated to the surplus account except —
 - (i) with the approval of the directors of the insurer, upon considering a written recommendation from the actuary appointed under section 31;
 - (ii) where the making of such allocation does not contravene the fund solvency requirement under section 18;
 - (iii) where the making of such allocation does not contravene any condition or restriction that may be prescribed or specified in directions for the purposes of this section; and
 - (iv) where the amount does not exceed 1/9th of the amount allocated pursuant to paragraph (b) for a particular accounting period.

[23/2003 wef 23/08/2003]

(7) Notwithstanding subsection (6)(c), an insurer may make additional allocations to the surplus account of an insurance fund which comprises wholly or partly of participating policies of an amount and in a manner as prescribed or specified in directions by the Authority.

[23/2003 wef 23/08/2003]

(8) Where the amount allocated to the surplus account in a particular accounting period pursuant to subsection (6)(c) is less than 1/9th of the amount allocated pursuant to subsection (6)(b) for that accounting period, the insurer shall not allocate the difference between the amount actually allocated and the 1/9th amount allowed to the surplus account in any subsequent accounting period.

[23/2003 wef 23/08/2003]

(9) An insurer may, where there is a surplus of assets over liabilities of an insurance fund, at any time withdraw from the fund an amount not exceeding the surplus over any fund solvency requirement prescribed for that fund under section 18 if and only if —

- (a) there is no provision in any instrument or contract binding the insurer disallowing such a withdrawal; and
- (b) the insurer ascertains from the latest statement of accounts lodged with the Authority in accordance with section 36 or such other subsequent audited statement of accounts provided to the Authority that there is in fact such a surplus at the time of the withdrawal.

[23/2003 wef 23/08/2003]

(10) On the making of any withdrawal in accordance with subsection (9), the surplus of the fund shall, for the purposes of this section, be treated as reduced by the amount withdrawn.

[23/2003 wef 23/08/2003]

(11) Any amount withdrawn from an insurance fund under subsection (9) and, in a winding up, any part of an insurance fund remaining after meeting the liabilities and expenses to which the fund is applicable may be dealt with as if it had not formed part of the fund except that, in the case of a winding up where any other insurance fund of the insurer under this Act is in deficit, the surplus remaining after the winding up shall first be applied to make good the deficit in that fund.

[11/86; 32/93]

(12) In a winding up, assets comprised in the deposit made by an insurer under section 14 in respect of either class of insurance business may be allocated by the Authority to any insurance fund established by the insurer for that class of business in such manner and proportion as the Authority sees fit, and assets so allocated shall be treated as assets of that insurance fund, and subsections (4) and (11) shall apply to those assets accordingly.

[11/86]

(13) Any insurance fund established by an insurer for any class of insurance business shall, notwithstanding that the insurer at any time ceases to carry on that class of business in Singapore, continue to be

maintained by the insurer so long as the insurer is required by this Act to maintain a register of policies for policies belonging to that class.
[11/86]

(14) Any insurer carrying on insurance business in Singapore on or before 1st January 1987 which is required under subsection (1) to establish an insurance fund for offshore policies shall do so at the time of establishment of the insurer's register of offshore policies, and by reference to the policies registered or required to be registered in it as at its establishment, and by reference to the assets and liabilities of the insurer as at that time; and —

- (a) there shall be allocated to the fund assets of a value of not less (after allowing for any charges to which the fund is not applicable) than the aggregate of the amounts specified in subsection (15); and
- (b) all such matters as would subsequently have affected the fund if established at that time shall be brought into account accordingly.

[11/86]

(15) The amounts referred to in subsection (14)(a) are as follows:

- (a) the amount, determined in the prescribed manner, of the liability of the insurer in respect of the policies referred to in subsection (14);
- (b) the amount of any other liabilities of the insurer in so far as the assets allocated to the fund will be applicable or be treated as having been applicable to meet those liabilities; and
- (c) the amount of the fund margin of solvency, if any, required to be maintained for the fund under section 18.

[11/86]

(16) The assets of any insurance fund established by an insurer under this Act shall be kept separate from all other assets of the insurer.

[11/86]

Fund solvency requirements and capital adequacy requirements

18.—(1) Every registered insurer shall satisfy —

- (a) such fund solvency requirements in respect of each insurance fund established by the insurer under this Act; and
- (b) such capital adequacy requirements,

as may be prescribed or specified in directions for the purposes of this section.

[23/2003 wef 23/08/2003]

(2) The Authority may prescribe —

- (a) different fund solvency requirements or capital adequacy requirements under subsection (1) for different classes of insurance business and for different types of insurers; and
- (b) in respect of any type of insurers, any exception from the requirements of subsection (1).

[11/86]

(3) Without prejudice to the generality of section 64, regulations made under this Act may —

- (a) provide for the determination of the value of assets and the amount of liabilities in any case in which the value or amount is required by this section to be determined in accordance with valuation regulations;
- (b) provide that, for any specified purpose, assets or liabilities of any specified class or description shall be left out of account or shall be taken into account only to a specified extent; and
- (c) make different provision in relation to different cases or circumstances.

[11/86]

(4) The Authority may by notice in writing, if it considers it appropriate in the particular circumstances of a registered insurer having regard to the risks arising from the activities of the insurer and such other factors as the Authority considers relevant, direct that the

insurer satisfy fund solvency requirements or capital adequacy requirements other than those that the insurer is required to maintain under this section.

[23/2003 wef 23/08/2003]

(5) Without prejudice to the generality of section 41, the failure of a registered insurer to comply with subsection (1) or (4) shall be sufficient cause for the Authority to be satisfied that the affairs of the insurer are being conducted in a manner likely to be detrimental to the public interest or the interests of the policy owners and to issue such directions under section 41(1) as the Authority may consider necessary.

[23/2003 wef 23/08/2003]

Form, investment and situation of assets

19. Regulations made under this Act may make provision for securing that, in such circumstances and to such extent as may be prescribed —

- (a) the assets of any insurance fund of a registered insurer are invested in such manner and maintained in such places as may be prescribed; and
- (b) the nature of the assets is appropriate in relation to the currency in which the liabilities of the insurer are or may be required to be met.

[11/86]

Requirements as to documents evidencing title to assets of insurance funds

20.—(1) Where an insurer has established an insurance fund under this Act, the insurer shall secure that any document evidencing the insurer's title to assets of the fund, so long as the document is held by or on behalf of the insurer, shall be kept in Singapore or, if not so kept, shall be kept in the custody of a person in accordance with such directions as may be issued by the Authority.

[11/86; 41/2001]

(2) An insurer who has established an insurance fund under this Act shall from time to time notify the Authority in writing —

- (a) the person having the custody of any such document on behalf of the insurer, and the fact of any person ceasing to do so; and
- (b) the reason why any such document is not held by or on behalf of the insurer, and the identity of the document in question.

[11/86]

(3) Any such document which is, for the time being, held by or on behalf of the insurer shall, on the Authority giving not less than 14 days notice in writing to the insurer or to the person having the custody of the document, be produced for inspection to the Authority or a person nominated by it by the person to whom the notice is given.

[11/86]

(4) Any person who fails to comply with this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day during which the offence continues after conviction.

[11/86; 41/2001]

Maintenance of assets in Singapore

21.—(1) Where the Authority is satisfied that there exists a ground on which the Authority would be empowered by section 12 to cancel the registration, or by section 12A to withdraw the authorisation, of an insurer, the Authority may require that assets of the insurer of a value which at any time is equal to the whole or a specified proportion of the amount of its domestic liabilities shall be maintained in Singapore.

[11/86]

(2) The Authority may direct that, for the purposes of any requirement under this section, assets of a specified class or description shall or shall not be treated as assets maintained in Singapore.

[11/86]

(3) The Authority may direct that, for the purposes of any requirement under this section, the domestic liabilities of a registered insurer or an authorised reinsurer, or such liabilities of

any class or description, shall be taken to be the net liabilities after deducting any part of them which is reinsured.

[11/86]

(4) A requirement imposed under this section may be framed so as to come into effect immediately after the day on which it is imposed or so as to come into effect after the expiration of a specified period or such longer period as the Authority may allow.

[11/86]

(5) In this section —

- (a) any reference to a domestic liability of a registered insurer is a reference to a liability of the insurance business carried on by the insurer in Singapore, including the liability to satisfy the fund solvency requirements and capital adequacy requirements prescribed under section 18; and
- (b) any reference to a domestic liability of an authorised insurer is a reference to any liability incurred by the authorised reinsurer as a result of carrying on the business of providing reinsurance of liabilities under insurance policies to persons in Singapore.

[23/2003 wef 23/08/2003]

(6) Subject to subsection (7), in computing the amount of any liabilities for the purposes of this section, all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

[11/86]

(7) For the purposes of this section, the value of any assets and the amount of any liabilities shall be determined in accordance with any valuation regulations made under this Act or any direction of the Authority.

[11/86]

Custody of assets

22.—(1) The Authority may, in the case of a registered insurer or an authorised reinsurer on which a requirement has been imposed under section 21, impose an additional requirement that the whole or a specified proportion of the assets to which the requirement under that section applies shall be held by a person approved by the Authority

for the purposes of the requirement under this section as trustee for the insurer.

[11/86]

(2) Section 21(4) shall apply to any requirement under this section.

[11/86]

(3) Assets of a registered insurer or an authorised reinsurer held by a person as trustee for the insurer shall be taken to be held by him in compliance with a requirement imposed under this section if, and only if —

(a) they are assets in whose case the insurer has given him written notice that they are to be held by him in compliance with such a requirement; or

(b) they are assets into which assets in whose case the insurer has given him such written notice have, by any transaction or series of transactions, been transposed by him on the instructions of the insurer.

[11/86]

(4) No assets held by a person as trustee for a registered insurer or an authorised reinsurer in compliance with a requirement imposed under this section shall, so long as the requirement is in force, be released except with the consent of the Authority.

[11/86]

(5) If a mortgage or charge is created by a registered insurer or an authorised reinsurer at a time when there is in force a requirement imposed on the insurer by virtue of this section, being a mortgage or charge conferring a security on any assets which are held by a person as trustee for the insurer in compliance with the requirement, the mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the insurer.

[11/86]

Miscellaneous requirements as to conduct of business

Payment in Singapore currency of policy moneys under life policies

23. In the case of a life policy issued as a Singapore policy after 1st January 1967, to a policy owner who is a citizen of Singapore, any

policy moneys or moneys payable on the surrender of the policy shall, notwithstanding anything in the policy or in any agreement relating thereto, be paid in the currency of Singapore unless at the time of payment it is otherwise agreed between the insurer and the person entitled to payment.

Regulation of premiums under life policies and long-term accident and health policies

24.—(1) A direct insurer registered to carry on life business shall not issue a life policy or a long-term accident and health policy of any description, being a Singapore policy or an offshore policy, if the premium chargeable under the policy is not in accordance with rates fixed with the approval of the actuary appointed under section 31 or, where no rates have been so fixed for policies of that description issued by the insurer, is not a premium approved for the policy by the actuary.

(2) The Authority may, by notice in writing, require a direct insurer registered to carry on life business to obtain and furnish it within the time specified in the notice with —

- (a) a report by the actuary appointed under section 31 as to the suitability of the rates of premium for the time being chargeable by the insurer for any description of life policy or long-term accident and health policy; and
- (b) if the actuary considers that the rates of premium are not suitable or not in accordance with sound insurance principles, a report as to the rates of premium which the actuary approves for that description of policy.

(3) For the purpose of subsection (1), regard shall be had to any report referred to in subsection (2) to the exclusion of any previous approval or report.

(4) For each occasion on which an insurer issues a policy in contravention of this section, the insurer shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500.

[23/2003 wef 01/01/2004]

Control of form of proposals, policies and brochures

25.—(1) The Authority may, by notice in writing, require a Singapore insurer to submit to it —

- (a) the forms of proposal and policy for the time being in use by the insurer in Singapore; and
- (b) any brochure which is for the time being in use by the insurer for describing the terms or conditions of, or the benefits to be or likely to be derived from, policies.

[11/86]

(2) Where the whole or part of any such form or brochure required under subsection (1) is not in English, there shall be submitted with it a translation in English.

[11/86]

(3) Unless it is otherwise provided, a requirement under this section shall apply to all such forms and brochures coming into use after the making of the requirement and before the Authority notifies the insurer that the requirement is withdrawn.

[11/86]

(4) If it appears to the Authority, after affording the insurer an opportunity to make representations orally or in writing, that any such form or brochure —

- (a) contravenes any of the provisions of this Act; or
- (b) is in any respect likely to mislead,

the Authority may, by notice in writing, direct the insurer to discontinue the use of the form or brochure in Singapore either immediately or from a date specified in the notice.

[11/86]

(5) No Singapore insurer shall use, in the course of carrying on insurance business in Singapore, a form of proposal which does not have prominently displayed therein a warning that if a proposer does not fully and faithfully give the facts as he knows them or ought to know them, he may receive nothing from the policy.

[11/86]

(6) For each occasion on which any insurer uses a copy of a form or brochure in contravention of subsection (4) or (5), the insurer shall be

guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500.

[11/86; 41/2001]

(7) In this section, “brochure” includes any leaflet, circular or similar advertising matter, whether printed or not.

Requirements as to statements of capital

26. Where a notice, advertisement or other official publication of a company registered or intended to be registered as an insurer under this Act contains a statement of the company’s share capital, and does not state therewith how much of that capital has been subscribed and how much is paid up, the company shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

[41/2001]

Control of take-overs of insurers incorporated in Singapore

27.—(1) This section and sections 28 and 29 shall apply to and in relation to all natural persons whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

[11/86]

(2) No person shall, after 1st January 1987, enter into an agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would, if the agreement is carried out, obtain effective control of that insurer without first notifying the Authority of his intention to enter into the agreement and obtaining the approval of the Authority to his entering into the agreement.

(3) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[41/2001]

(4) For the purposes of this section —

- (a) a person shall be regarded as obtaining effective control of a registered insurer by virtue of an agreement if the person

alone or acting together with any associate or associates would, if the agreement is carried out —

- (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurer; or
 - (ii) control, directly or indirectly, 20% or more of the voting power of the insurer;
- (b) a reference to entering into an agreement to acquire shares includes —
 - (i) a reference to a person making or publishing a statement, however expressed, that expressly or impliedly invites a holder of shares to offer to dispose of his shares to that person;
 - (ii) a reference to a person obtaining a right to acquire shares under an option, or to have shares transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
- (c) a reference to the voting power in a registered insurer is a reference to the total number of votes that might be cast in the general meeting of the insurer; and
- (d) the following persons are associates of a person:
 - (i) the person's spouse or parent or remoter lineal ancestor, son, daughter or remoter issue, brother or sister of the person;
 - (ii) any partner of the person;
 - (iii) any corporation of which the person is an officer;
 - (iv) where the person is a corporation, any officer of the corporation;
 - (v) any employee or employer of the person;
 - (vi) any officer of any corporation of which the person is an officer;

- (vii) any employee of a natural person of whom the person is an employee;
- (viii) any corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the person or, where the person is a corporation, of the directors of the person;
- (ix) any corporation in accordance with the directions, instructions or wishes of which, or of the directors of which, the person is accustomed or under an obligation, whether formal or informal, to act;
- (x) any corporation in which the person is in a position to control not less than 20% of the voting power in the corporation; and
- (xi) where the person is a corporation, a person who is in a position to control not less than 20% of the voting power in the corporation.

[30/99]

Arrangements affecting control of insurers incorporated in Singapore

28.—(1) No person shall enter into any arrangement in relation to any registered insurer that is incorporated in Singapore by virtue of which he would, if the arrangement is carried out, obtain control of the insurer without first notifying the Authority of his intention to enter into the arrangement and obtaining the approval of the Authority to his entering into the arrangement.

[11/86]

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[41/2001]

(3) For the purposes of this section —

- (a) a person shall be regarded as entering into an arrangement by virtue of which he would obtain control of a registered

insurer if he alone or acting together with an associate or associates would be in a position to determine the policy of the insurer;

- (b) the reference to entering into any arrangement is a reference to any formal or informal scheme, arrangement or understanding, whether expressly or by implication and without limiting the generality of the foregoing includes a reference —

(i) creating a trust whether express or implied; and

(ii) entering into a transaction or agreement,

and references to an arrangement shall be construed accordingly; and

- (c) the reference to associates of a person has the same reference as under section 27.

Control of substantial shareholdings of insurers incorporated in Singapore

29.—(1) No person shall enter into any agreement to acquire shares of a registered insurer that is incorporated in Singapore by virtue of which he would, if the agreement is carried out, become a substantial shareholder of that insurer without first notifying the Authority of his intention to enter into the agreement and obtaining the approval of the Authority to his entering into the agreement.

[30/99]

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[41/2001]

(3) For the purposes of this section —

- (a) “substantial shareholder”, in relation to an insurer, means a person who holds 5% or more of the voting power of the insurer;

- (b) a reference to entering into an agreement to acquire shares shall be construed in the same way as under section 27; and

- (c) “voting power” shall have the same meaning as in section 27.

[30/99]

Power of Authority to require an insurer incorporated in Singapore to obtain information as to beneficial interests in shares of insurer

30.—(1) The Authority may, by notice in writing, direct a registered insurer that is incorporated in Singapore to obtain from any shareholder of the insurer and to transmit to the Authority information —

- (a) as to whether that shareholder holds any voting shares in the insurer as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate as far as it can the person for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interests,

and the insurer shall comply with that direction within such time as is specified in the notice.

[11/86]

(2) In this section, “voting shares” has the same meaning as in the Companies Act (Cap. 50).

Approval of directors and principal officers of insurers

31.—(1) No registered insurer —

- (a) shall appoint a person as principal officer of the insurer in Singapore; or
- (b) incorporated or established in Singapore shall appoint a person as director of the insurer,

unless the insurer satisfies the Authority that that person is a fit and proper person to be so appointed and has obtained the approval of the Authority.

[11/86]

(2) A direct insurer registered to carry on life business shall appoint a person as an actuary of the insurer to perform such duties as may be prescribed.

[32/93]

(3) The appointment of the actuary by a direct insurer under subsection (2) shall be made by the board of directors of the insurer in writing and shall be subject to the approval of the Authority.

[32/93]

(3A) Where a registered insurer has obtained the approval of the Authority to appoint a person as its principal officer, director or actuary under subsection (1) or (2), as the case may be, the person may be re-appointed as principal officer, director or actuary, as the case may be, of the registered insurer, immediately upon the expiry of the earlier term, without the approval of the Authority.

[23/2003 wef 01/01/2004]

(4) If at any time it appears to the Authority that a principal officer, director or an actuary of a registered insurer has failed to perform his functions or is no longer a fit and proper person to be so appointed, the Authority may, in writing, direct the registered insurer to remove the principal officer, director or actuary, as the case may be.

[41/2001]

(5) For the purpose of determining whether to grant its approval under subsection (1) or whether the principal officer, director or actuary has failed to perform his functions under subsection (4), the Authority shall, without prejudice to any other matter it may consider relevant, have regard to such criteria as may be prescribed.

[41/2001]

(6) Before directing the registered insurer to remove its principal officer, director or actuary under subsection (4), the Authority shall —

(a) give the insurer notice in writing of its intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the registered insurer to show cause within such time as may be specified in the notice why the principal officer, director or actuary, as the case may be, should not be removed.

[41/2001]

(7) If the registered insurer referred to in subsection (6) —

(a) fails to show cause within the time given to it to do so or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the direction to remove the principal officer, director or actuary, as the case may be, is to take effect.

[41/2001]

(8) Any person who is aggrieved by a decision of the Authority under subsection (1), (3) or (4) may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(9) Any registered insurer which fails to comply with any direction of the Authority under subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000.

[41/2001]

(10) Nothing in section 152 of the Companies Act (Cap. 50) shall prevent the Authority from exercising any power under subsection (4).

[41/2001]

(11) In this section —

“director” has the same meaning as in the Companies Act (Cap. 50);

“principal officer”, in relation to a registered insurer, means any person by whatever name called employed by the insurer to be directly responsible for the conduct of any class of insurance business of the insurer in Singapore.

Restriction on granting of unsecured loans or advances to directors and employees of insurers

32.—(1) No registered insurer shall in respect of its business in Singapore grant, directly or indirectly, unsecured loans or advances —

- (a) to a director of the insurer which in the aggregate and outstanding at any one time exceed the sum of \$5,000; or
- (b) to an employee of the insurer which in the aggregate and outstanding at any time exceed one year's emolument of that employee.

[32/93; 30/99]

(2) In this section, “director” includes the wife, husband, father, mother, son or daughter of a director.

General obligation to furnish information

33. The Authority may, by notice in writing —

- (a) require any Singapore insurer to furnish it with information about any matter related to any business carried on by the insurer in Singapore or elsewhere; or
- (b) require any authorised reinsurer to furnish it with information about any matter related to any insurance business in respect of which it is authorised,

if, in the opinion of the Authority, it requires that information for the discharge of its functions under this Act.

[23/2003 wef 01/01/2004]

Carrying on of general business by Lloyd's underwriters

34. *[Repealed by Act 41/2001 — see section 65]*

Saving for validity of policies

35. Nothing in this Part, Part IIA or IIB shall invalidate any policy or contract of insurance.

[41/2001]

PART IIA

FOREIGN INSURER SCHEMES

Interpretation of this Part

35A. In this Part —

“administrator” means an administrator appointed by the Authority under section 35C in respect of a foreign insurer scheme;

“agent”, in relation to a foreign insurer, means an agent in respect of the carrying on of insurance business in Singapore by the foreign insurer, with authority to enter into contracts of insurance on behalf of the foreign insurer;

“foreign insurer” means an insurer —

(a) that is authorised under the law of another country or territory to carry on insurance business in that country or territory; and

(b) that is not registered as an insurer under section 8;

“foreign insurer scheme” means any foreign insurer scheme referred to in section 35B.

[41/2001]

Establishment of foreign insurer schemes

35B. The Authority may by regulations establish any foreign insurer scheme for the purpose of permitting any member of any class, society or association of foreign insurers specified in the scheme to carry on insurance business in Singapore.

[41/2001]

Appointment of administrator of foreign insurer scheme

35C.—(1) The Authority shall, in respect of any foreign insurer scheme, appoint an administrator who shall be resident in Singapore.

[41/2001]

(2) Any person who wishes to be appointed as an administrator in respect of any foreign insurer scheme may apply to the Authority in such form and manner as the Authority may require.

[41/2001]

(3) Upon receiving an application under subsection (2), the Authority may grant the application either unconditionally or subject to such conditions as the Authority thinks fit or reject the application.

[41/2001]

(4) An administrator appointed under subsection (1) shall, in respect of the foreign insurer scheme for which the administrator is appointed —

- (a) have such responsibility for the operation of the scheme as may be prescribed; and
- (b) carry out such tasks in relation to the carrying on of insurance business in Singapore by the foreign insurers under the scheme as may be directed by the Authority or as may be prescribed.

[41/2001]

(5) Any appointment of an administrator under subsection (1) may be revoked if the administrator —

- (a) breaches any of the conditions on which the approval is granted; or
- (b) contravenes any of the provisions of this Act or any direction given by the Authority under this Act.

[41/2001]

Carrying on of insurance business by foreign insurer under foreign insurer scheme

35D.—(1) Where a foreign insurer scheme is established, each member of the class, society or association of foreign insurers specified in the scheme may, in accordance with the terms of the scheme, carry on such insurance business in Singapore as may be prescribed.

[41/2001]

(2) A foreign insurer shall not carry on insurance business in Singapore under a foreign insurer scheme unless —

- (a) an administrator has been appointed for the scheme under section 35C; and
- (b) the foreign insurer has, in accordance with regulations made under section 35L, authorised the administrator or an agent or both, as the case may be, to accept service of notices and legal processes on his or its behalf.

[41/2001]

(3) A foreign insurer shall not carry on insurance business in Singapore under a foreign insurer scheme if the foreign insurer is prohibited from so doing under section 35F.

[41/2001]

Non-application of Business Registration Act and Companies Act

35E. The Business Registration Act (Cap. 32) and the Companies Act (Cap. 50) shall not apply to any foreign insurer in respect of the carrying on of insurance business in Singapore by the foreign insurer under any foreign insurer scheme if the foreign insurer is permitted to carry on insurance business in Singapore in accordance with the terms of the foreign insurer scheme.

[41/2001]

Prohibition against carrying on insurance business in Singapore by foreign insurer under foreign insurer scheme

35F. The Authority may by notice in writing prohibit any foreign insurer from carrying on all or any kind of insurance business in Singapore under any foreign insurer scheme —

- (a) if the foreign insurer breaches or contravenes any of the terms of the scheme under which the foreign insurer carries on insurance business in Singapore; or
- (b) if the Authority considers it necessary in the public interest.

[41/2001]

Appointment of agent for foreign insurer scheme

35G.—(1) Except as may be provided for in regulations made under section 35L, no person may act as an agent for any foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme unless that person meets such requirements as may be prescribed.

[41/2001]

(2) Any agent for any foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme shall carry out such tasks in relation to the carrying on of that insurance business in Singapore for the foreign insurer as may be directed by the Authority or as may be prescribed.

[41/2001]

Right of hearing and appeal

35H.—(1) Before revoking any appointment of an administrator under section 35C(5) or prohibiting any foreign insurer from carrying on insurance business in Singapore under section 35F, the Authority shall —

- (a) give the administrator or the foreign insurer, as the case may be, notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the administrator or the foreign insurer to show cause within such time as may be specified in the notice why his or its appointment should not be revoked, or (as the case may be) why he or it should not be prohibited from carrying on insurance business in Singapore.

[41/2001]

(2) If the person to whom notice has been given under subsection (1) —

- (a) fails to show cause within the time given to him or it to do so or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to that person of the date on which the revocation of appointment or the prohibition, as the case may be, is to take effect.

[41/2001]

(3) Any person who is aggrieved by a decision of the Authority to revoke any appointment of an administrator under section 35C(5) or to prohibit any foreign insurer from carrying on insurance business in Singapore under section 35F may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

Effect of prohibition on carrying on insurance business

35I.—(1) Where a foreign insurer is prohibited from carrying on insurance business in Singapore, the foreign insurer shall cease to carry on in Singapore insurance business of the kind of which he or it is prohibited from carrying on.

[41/2001]

(2) Subsection (1) shall not prejudice the enforcement by any policy owner or person of any right or claim against the foreign insurer or by the foreign insurer of any right or claim against any policy owner or person.

[41/2001]

(3) Nothing in subsection (1) shall prohibit a foreign insurer from collecting or receiving premiums on insurance policies effected before the date of prohibition.

[41/2001]

Effect of revocation of appointment of administrator

35J.—(1) Where the appointment of the administrator of any foreign insurer scheme is revoked, all foreign insurers carrying on insurance in Singapore under that scheme shall cease to carry on in Singapore insurance business under the scheme.

[41/2001]

(2) Subsection (1) shall not prejudice the enforcement by any policy owner or person of any right or claim against the foreign

insurer or by the foreign insurer of any right or claim against any policy owner or person.

[41/2001]

(3) Nothing in subsection (1) shall prohibit a foreign insurer from collecting or receiving premiums on insurance policies effected before the date the appointment of its administrator is revoked.

[41/2001]

Holding out as foreign insurer or as agent of foreign insurer

35K. Any person who —

- (a) holds himself or itself out as a foreign insurer permitted to carry on insurance business in Singapore under any foreign insurer scheme when he or it is not a foreign insurer, or is not permitted to carry on insurance business in Singapore under the foreign insurer scheme; or
- (b) holds himself or itself out as an agent permitted to act for a foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme when he or it has not been appointed as the foreign insurer's agent or is not permitted to act as such an agent,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$30,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$3,000 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Regulations

35L. The Authority may make such regulations as are necessary or expedient for the purpose of carrying out the provisions of this Part and, in particular, such regulations may —

- (a) require the foreign insurers who wish to carry on insurance business in Singapore under any foreign insurer scheme to obtain such undertakings and guarantees by any person acceptable to the Authority as the Authority considers necessary to secure for the benefit of potential claimants the payment of all potential claims that may arise from the

carrying on of insurance business in Singapore by the foreign insurers under the scheme;

- (b) require the foreign insurers carrying on insurance business in Singapore under any foreign insurer scheme, or the administrator, on behalf of such foreign insurers, to make and maintain on behalf of all the foreign insurers carrying on business in Singapore under the scheme such insurance funds and deposits with the Authority as the Authority considers necessary to secure the payment of claims arising from contracts of insurance entered into by the foreign insurers under the scheme;
- (c) require the foreign insurers to authorise the administrator or an agent or both to accept service of notices and legal processes on his or its behalf;
- (d) provide for the imposition of a levy or fee in respect of the carrying on of insurance business in Singapore by the foreign insurers under any foreign insurer scheme;
- (e) require the administrator of a foreign insurer scheme to keep, in such form as may be prescribed —
 - (i) a register of foreign insurers carrying on insurance business in Singapore under that scheme;
 - (ii) a register of the agents of foreign insurers carrying on insurance business in Singapore under that scheme; and
 - (iii) such other registers relating to or connected with the activities of foreign insurers carrying on insurance business in Singapore under that scheme and their agents as the Authority may determine;
- (f) require the administrator of a foreign insurer scheme to furnish such accounts, reports and statements in respect of the carrying on of insurance business in Singapore by the foreign insurers under the scheme as may be prescribed;

- (g) provide for any other duties not referred to in paragraph (b), (e) or (f) of the administrator of a foreign insurer scheme in respect of the scheme;
- (h) provide for the duties of the officers of the administrator of any foreign insurer scheme;
- (i) provide for the duties of the agents of foreign insurers carrying on insurance business in Singapore under any foreign insurer scheme, including requiring each agent to keep, in such form as may be prescribed —
 - (i) a register of foreign insurers carrying on insurance business in Singapore for whom he or it is an agent; and
 - (ii) such other registers relating to or connected with his or its activities as the Authority may determine;
- (j) prohibit any person from acting as agent for any foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme unless it is a company having a prescribed minimum share capital and meets such other requirements as to shareholdings as may be prescribed;
- (k) empower the Authority to, and specify the circumstances in which the Authority may, prohibit any person from acting, or continuing to act, as agent for any foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme and to specify the effects of a prohibition in respect of contracts of insurance entered into by the foreign insurer under any foreign insurer scheme before the date of prohibition;
- (l) provide for the exemption from, or modification of, the operation of the provisions of this Act in relation to any foreign insurer carrying on insurance business in Singapore under any foreign insurer scheme or any of its agents; and
- (m) provide for any transitional provisions necessary in the event of the revocation of any foreign insurer scheme.

[41/2001]

PART IIB

INSURANCE INTERMEDIARIES

*General***Insurance agent to operate under written agreement**

35M.—(1) An insurance agent shall not arrange, or hold himself out as entitled to arrange, a contract of insurance as agent for a registered insurer unless an agreement in writing between the insurance agent and the insurer authorises the insurance agent to arrange, as agent for that insurer —

- (a) that contract;
- (b) any contract of insurance; or
- (c) any class of contracts of insurance which includes that contract.

[41/2001]

(2) A registered insurer shall not cause or permit an insurance agent to arrange, or hold himself out as entitled to arrange, a contract of insurance as agent for that insurer unless an agreement in writing between the insurer and the insurance agent authorises the insurance agent to arrange, as agent for that insurer —

- (a) that contract;
- (b) any contract of insurance; or
- (c) any class of contracts of insurance which includes that contract.

[41/2001]

(3) Subsections (1) and (2) shall not apply in relation to any act or thing done by an employee of a registered insurer in the course of performing his duties as such an employee.

[41/2001]

(3A) Subsection (1) shall not apply to —

- (a) a licensed financial adviser;
- (b) a person exempt from holding a financial adviser's licence in respect of any financial advisory service under section 23(1)(a), (b), (c), (d) or (e) of the Financial

Advisers Act (Cap. 110), other than a registered insurer;
and

- (c) a representative of a person referred to in paragraph (a)
or (b),

where they arrange, or hold themselves out as entitled to arrange, a contract of insurance in respect of life policies, other than contracts for the reinsurance of liabilities under life policies, as agent for a registered insurer.

[23/2003 wef 01/01/2004]

(3B) Subsection (1) shall not apply to a registered insurer and any insurance agent acting for that insurer where they arrange, or hold themselves out as entitled to arrange, a contract of insurance in respect of life policies, other than contracts for the reinsurance of liabilities under life policies, as agent for another registered insurer.

[23/2003 wef 01/01/2004]

(3C) Subsection (2) shall not apply to a registered insurer in relation to an insurance agent who is a person specified in subsection (3A) or (3B).

[23/2003 wef 01/01/2004]

(4) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Application of sections 35O to 35R and 35T, 35TA, 35U and 35V

35N.—(1) Sections 35O and 35Q shall not apply to a general reinsurance broker or life reinsurance broker in respect of contracts for the reinsurance of liabilities under insurance policies.

[41/2001]

(2) Section 35P shall not apply to —

- (a) a licensed financial adviser or exempt financial adviser, or its representatives, in respect of life policies, other than life

policies with accident and health benefits and contracts for the reinsurance of liabilities under insurance policies; or

- (b) a general reinsurance broker or life reinsurance broker in respect of contracts for the reinsurance of liabilities under insurance policies.

[41/2001]

(3) Sections 35R, 35T, 35U and 35V shall not apply to a licensed financial adviser or an exempt financial adviser, or its representatives, in respect of life policies, other than contracts for the reinsurance of liabilities under insurance policies.

[23/2003 wef 01/01/2004]

(4) Section 35TA shall not apply to a licensed financial adviser or an exempt financial adviser, or its representatives, in respect of life policies, other than life policies with accident and health benefits and contracts for the reinsurance of liabilities under insurance policies.

[23/2003 wef 01/01/2004]

Effect of payment to insurance intermediary

35O.—(1) Where a contract of insurance is arranged or effected by an insurance intermediary, payment to the insurance intermediary of moneys payable by the insured to the insurer under or in relation to the contract (whether in respect of a premium or otherwise) shall be a discharge, as between the insured and the insurer, of any liability of the insured under or in respect of the contract, to the extent of the amount of the payment.

[41/2001]

(2) Payment to an insurance intermediary by or on behalf of an intending insured of moneys in respect of a contract of insurance to be arranged or effected by the insurance intermediary (whether the payment is in respect of a premium or otherwise) shall be a discharge, as between the insured and the insurer, of any liability of the insured under or in respect of the contract, to the extent of the amount of the payment.

[41/2001]

(3) Payment by an insurer to an insurance intermediary of moneys payable to an insured (whether in respect of a claim, return of premiums or otherwise) under or in relation to a contract of insurance,

shall not discharge any liability of the insurer to the insured in respect of those moneys.

[41/2001]

(4) An agreement, insofar as it purports to alter or restrict the operation of subsection (1), (2) or (3), shall be void.

[41/2001]

(5) Subsection (4) shall not render void an agreement between an insurance intermediary and an insured insofar as the agreement allows the insurance intermediary to set off, against moneys payable to the insured, moneys payable by the insured to the insurance intermediary in respect of premiums.

[41/2001]

Pre-contract disclosure by insurance intermediary

35P.—(1) No insurance intermediary shall invite any person to make an offer or proposal to enter into a contract of insurance without disclosing to the person all material information, including —

- (a) the name of the registered insurer;
- (b) his relationship with the registered insurer;
- (c) the premium charged by the registered insurer; and
- (d) such other information as the Authority may prescribe or specify in directions.

[23/2003 wef 01/01/2004]

[41/2001]

(2) No insurance intermediary shall arrange any group policy for 2 or more persons where any person insured under the group policy is liable to pay the premium without disclosing to every person insured under the group policy all material information, including —

- (a) the name of the registered insurer;
- (b) his relationship with the registered insurer;
- (c) the conditions of the group policy;
- (d) the premium charged by the registered insurer; and

- (e) such other information as the Authority may prescribe or specify in directions.

[23/2003 wef 01/01/2004]

[41/2001]

(2A) Any insurance intermediary who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both.

[23/2003 wef 01/01/2004]

(3) In this section, “insurance intermediary” includes the group policy owner of any group policy.

[41/2001]

Effect of payment to group policy owner and liability of insurer under group policy

35Q.—(1) This section applies to any group policy where any person insured under the group policy is liable to pay a premium.

[41/2001]

(2) Payment to the group policy owner of moneys payable by any person insured under the group policy to the insurer under or in relation to the group policy (whether in respect of a premium or otherwise) shall be a discharge, as between the person insured and the insurer, of any liability of the person insured under or in respect of the group policy, to the extent of the amount of the payment.

[41/2001]

(3) The registered insurer of a group policy shall pay the moneys due under the policy to the person insured or any person entitled through him if the person insured has paid the premium or is regarded as having paid the premium under subsection (2), and is entitled to the benefit under the policy.

[41/2001]

Representation by insurance intermediary

35R.—(1) No insurance intermediary shall, with intent to deceive, make a false or misleading statement as to —

- (a) any amount that would be payable in respect of a proposed contract of insurance; or

- (b) the effect of any provision of a contract of insurance or a proposed contract of insurance.

[41/2001]

(2) A reference in subsection (1) to making a misleading statement includes a reference to omitting to disclose any matter that is material to a statement.

[41/2001]

(3) No insurance intermediary shall, with intent to deceive, in relation to a proposed contract of insurance —

- (a) write on a form, being a form that is given or sent to an insurer, any matter that is material to the contract and is false or misleading in a material particular;
- (b) omit to disclose to the insurer any matter that is material to the proposed contract;
- (c) advise or induce the intending insured to write on a form, being a form that is given or sent to an insurer, any matter that is false or misleading in a material particular; or
- (d) advise or induce the intending insured to omit to disclose to the insurer any matter that is material to the proposed contract.

[41/2001]

(4) No insurance intermediary shall, with intent to deceive, in relation to a claim under a contract of insurance —

- (a) fill up, in whole or in part, a form, being a form that is given or sent to an insurer, in such a way that the form is false or misleading in a material particular;
- (b) omit to disclose to the insurer any matter that is material to the claim;
- (c) induce the insured to fill up, in whole or in part, a form, being a form that is given or sent to the insurer, in such a way that the form is false or misleading in a material particular; or
- (d) advise or induce the insured to omit to disclose to the insurer any matter that is material to the claim.

[41/2001]

(5) Any person who contravenes subsection (1), (3) or (4) shall, notwithstanding that a contract of insurance does not come into being, 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 12 months or to both.

[41/2001]

Insurance agent to act only for insurers entitled to carry on business in Singapore

35S.—(1) No person shall, without the approval of the Authority, act as an insurance agent for an insurer in respect of any insurance business which the insurer is not entitled to carry on in Singapore under this Act.

[41/2001]

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both.

[41/2001]

(3) Where the Authority has, under section 7 of the Insurance Intermediaries Act (Cap. 142A) in force before 1st October 2002¹, approved any person to act as an insurance agent for an insurer in respect of any insurance business which the insurer is not entitled to carry on in Singapore, the approval shall continue in force as if granted by the Authority under subsection (1).

[41/2001]

Control of written communication used by insurance intermediary

35T.—(1) The Authority may, by notice in writing, require any insurance intermediary to submit to it any written communication which is for the time being in use by the insurance intermediary for describing the terms or conditions of, or the benefits to be or likely to be derived from, policies.

[41/2001]

¹Date of commencement of section 20 of the Insurance (Amendment) Act 2001 (Act 41 of 2001).

(2) Where the whole or part of any written communication referred to in subsection (1) is not in English, there shall be submitted with it a translation in English.

[41/2001]

(3) A requirement made under subsection (1), unless it is otherwise provided therein, shall apply to all such written communication coming into use after the making of the requirement and before the Authority notifies the insurance intermediary that the requirement is withdrawn.

[41/2001]

(4) If it appears to the Authority that any such written communication used by an insurance intermediary contravenes any provision of this Part, or is in any respect likely to mislead, the Authority may (after affording the insurance intermediary an opportunity to make representations orally or in writing), by notice in writing, direct the insurance intermediary to discontinue the use in Singapore of the written communication immediately or from such date as may be specified in the notice.

[41/2001]

(5) For each occasion on which any insurance intermediary fails to comply with a requirement under subsection (1) or uses any written communication in contravention of subsection (4), the insurance intermediary shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both.

[41/2001]

(6) In this section, “written communication” includes any brochure, leaflet, circular or advertising matter, whether in electronic, print or other form.

[41/2001]

Business conduct of insurance intermediaries

35TA. Without prejudice to the generality of section 64(1) and (2), the Authority may make regulations or issue directions for or with respect to —

- (a) the standards to be maintained by an insurance intermediary in the conduct of business under this Act,

including the standards in relation to the obligation to disclose information to insureds;

- (b) the qualifications, experience and training of an insurance intermediary and, where the insurance intermediary is a corporation or an association, of the officers, agents and employees of the insurance intermediary; and
- (c) the procedure for the conduct of disciplinary control of insurance intermediaries and, where the insurance intermediary is a corporation or an association, of the officers, agents and employees of the insurance intermediary.

[23/2003 wef 01/01/2004]

Obligation to furnish information to Authority

35U. The Authority may, by notice in writing, require any insurance intermediary to furnish it with information about any matter related to his business carried on in Singapore or elsewhere if, in the opinion of the Authority, it requires that information for the discharge of its functions under this Act.

[41/2001]

Authority may prohibit person from carrying on business as insurance intermediary

35V.—(1) The Authority may, by order, prohibit any person from carrying on business as an insurance intermediary or from taking part, directly or indirectly, in the management of any insurance intermediary —

- (a) where the person has been convicted, whether in Singapore or elsewhere, of an offence involving fraud, dishonesty or moral turpitude or the conviction for which involved a finding that he acted fraudulently or dishonestly; or
- (b) where the Authority is satisfied that the person has —
 - (i) forged policyholders' signatures;
 - (ii) misappropriated policyholders' premiums;
 - (iii) contravened any provision of this Act;

- (iv) given false, misleading or inaccurate information in its application to the insurer;
- (v) wilfully misled any policyholder when assisting him to fill up the proposal form;
- (vi) used dishonest means to meet the requirements set up by the insurer; or
- (vii) been involved in any activity prejudicial to the public interest.

[41/2001]

(2) Before prohibiting any person from carrying on business as an insurance intermediary or from taking part, directly or indirectly, in the management of any insurance intermediary, the Authority shall —

- (a) give the person notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the person to show cause within such time as may be specified in the notice why he or it should not be prohibited from carrying on business as an insurance intermediary or from taking part, directly or indirectly, in the management of any insurance intermediary, as the case may be.

[41/2001]

(3) If the person to whom notice has been given under subsection (2) —

- (a) fails to show cause within the time given to him or it to do so or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to that person of the date on which the prohibition is to take effect.

[41/2001]

(4) Any person who is aggrieved by a decision of the Authority under subsection (1) may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(5) No insurer or insurance intermediary shall employ or otherwise deal with any person who has been issued an order under subsection (1) where any activity to be undertaken by the person pursuant to such employment or dealing is prohibited by the order.

[41/2001]

(6) Any person who —

- (a) fails to comply with an order of the Authority made under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 2 years or to both;
- (b) contravenes subsection (5) 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.

[41/2001]

(7) Where the Authority has, under section 31 of the Insurance Intermediaries Act (Cap. 142A) in force before 1st October 2002, by order prohibited any person from carrying on business as an insurance intermediary or from taking part, directly or indirectly, in the management of any insurance intermediary, the order shall continue in force as if made by the Authority under subsection (1).

[41/2001]

Conduct of Insurance Broking Business

Insurance broker not to carry on business unless registered

35W.—(1) No person shall carry on business as any type of insurance broker in Singapore unless —

- (a) the person is registered by the Authority as that type of insurance broker; or
- (b) the person is exempted from registration under section 35ZN.

[23/2003 wef 01/01/2004]

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not

exceeding \$7,500 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Registration of insurance brokers

35X.—(1) A person who desires to carry on business as an insurance broker shall apply in writing to the Authority for registration under this section and shall furnish such information as the Authority may require.

[41/2001]

(2) Upon receiving an application under subsection (1), the Authority shall consider the application and may, subject to section 35Y —

- (a) register the applicant with or without conditions; or
- (b) refuse to register the applicant.

[41/2001]

(3) The Authority may register the applicant as a direct insurance broker, general reinsurance broker, life reinsurance broker or a combination of any of these.

[41/2001]

(4) Subject to subsection (5), any person who has been registered under section 16 of the Insurance Intermediaries Act (Cap. 142A) in force before 1st October 2002 as a direct general insurance broker, general reinsurance broker, life reinsurance broker or a combination of any of these shall be deemed to be registered as such under subsection (2).

[41/2001]

(5) Any person who is registered or deemed to be registered under this section as a direct general insurance broker immediately before the date of commencement of the Insurance (Amendment) Act 2003 shall, as from that date, be deemed to be registered as a direct insurance broker under subsection (2).

[23/2003 wef 01/01/2004]

Registration requirements

35Y.—(1) The Authority shall not register any applicant under section 35X unless the applicant —

- (a) is a company;
- (b) has a paid-up share capital which is not less than such amount as may be prescribed; and
- (c) has in force a professional indemnity insurance policy, the cover of which is consistent with such limit and deductible requirements as may be prescribed.

[41/2001]

(2) For the purposes of subsection (1)(b) and (c), the Authority may prescribe different amounts for different types of insurance brokers.

[41/2001]

(3) In subsection (1)(c), “professional indemnity insurance policy” means a contract of insurance with an insurer under which a person is indemnified in respect of the liabilities arising out of or in the course of his business as an insurance broker.

[41/2001]

Conditions of registration

35Z.—(1) The Authority may at any time add to, vary or revoke any existing condition of registration of an insurance broker or impose any new condition thereto.

[41/2001]

(2) Any insurance broker which fails to comply with any of the conditions imposed by the Authority under subsection (1) or section 35X(2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Annual fees

35ZA.—(1) Every registered insurance broker shall pay to the Authority such annual fees as may be prescribed.

[41/2001]

(2) The Authority may prescribe different annual fees for different types of registered insurance brokers.

[41/2001]

(3) The Authority may exempt wholly or in part any registered insurance broker from the payment of the annual fees prescribed under this section.

[41/2001]

Cancellation of registration

35ZB.—(1) The Authority may by order, at the request of the insurance broker or on any ground specified under subsection (2), cancel the registration of any insurance broker.

(2) The grounds referred to in subsection (1) are —

- (a) that the insurance broker has not commenced business within 6 months after being registered;
- (b) that the insurance broker has ceased to carry on the business for which it is registered;
- (c) that, it appears to the Authority, the insurance broker has failed to satisfy any obligation to which it is subject by virtue of this Act;
- (d) that there exists a ground on which the Authority would be prohibited by section 35Y from registering the insurance broker;
- (e) that the insurance broker —
 - (i) proposes to make, or has made, any composition or arrangement with its creditors;
 - (ii) has gone into liquidation; or
 - (iii) has been wound up or dissolved;
- (f) that the insurance broker is carrying on its business in a manner likely to be detrimental to the interests of policy owners for whom it is acting as an agent;
- (g) that the insurance broker is unable to meet its obligations;
- (h) that the insurance broker has contravened any provision of this Act or any condition imposed or any direction given by the Authority under this Act;

- (i) that any of the officers of the insurance broker holding a managerial or executive position has been convicted of any offence under this Act;
- (j) that the insurance broker has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts, in its application for registration; and
- (k) that it is in the public interest to cancel the registration.

[41/2001]

(3) Before cancelling the registration of an insurance broker under this section otherwise than at its request, the Authority shall —

- (a) give the insurance broker notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the insurance broker to show cause within such time as may be specified in the notice why its registration should not be cancelled.

[41/2001]

(4) If the insurance broker to whom notice has been given under subsection (3) —

- (a) fails to show cause within the time given to it to do so or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurance broker of the date on which the cancellation of registration is to take effect.

[41/2001]

(5) Any insurance broker which is aggrieved by a decision of the Authority under subsection (1) to cancel its registration as an insurance broker otherwise than at its request may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(6) Notwithstanding the fact that the registration of an insurance broker has been cancelled under this section, so long as the insurance

broker remains under any liability to an insurer, insured or intending insured, the insurance broker shall take such action as it considers necessary or as may be required by the Authority to ensure that reasonable provision has been or will be made for that liability.

[41/2001]

(7) If the registration of a person as an insurance broker has been cancelled or has expired, sections 35ZC and 36 shall, unless the Authority otherwise directs, continue to apply in relation to the person in respect of matters that occurred before the cancellation or expiration as if its registration had not been cancelled or had not expired, as the case may be.

[41/2001]

Duty to maintain net asset value

35ZC. Every registered insurance broker shall maintain a net asset value of such amount as may be prescribed.

[41/2001]

Insurance broking premium accounts

35ZD.—(1) Subject to subsection (2), every registered insurance broker which receives any money —

- (a) from or on behalf of an insured or intending insured for or on account of an insurer in connection with a contract of insurance or proposed contract of insurance; or
- (b) from or on behalf of an insurer for or on account of an insured or intending insured,

shall, for the purposes of this section, establish and maintain a separate account with a bank licensed under the Banking Act (Cap. 19).

[23/2003 wef 01/01/2004]

(2) Where the registered insurance broker is registered under section 35X to carry on business as more than one type of insurance broker, it shall establish and maintain separate accounts with a bank licensed under the Banking Act in respect of the carrying on of business of each type of insurance broker for which it is registered.

[41/2001]

(3) The Authority may prescribe, in relation to an account established under subsection (1) or (2) —

- (a) the types of moneys that must be paid into or withdrawn from such account;
- (b) the manner in which moneys should be paid into or withdrawn from such account;
- (c) the manner in which moneys held in such account are to be invested;
- (d) the manner in which the proceeds from the investment of moneys held in such account are to be distributed;
- (e) the rights and obligations of any party in relation to moneys held in such account; and
- (f) any other matter which the Authority considers to be incidental to or necessary for this section.

[41/2001]

(4) A lien or claim on the moneys in any account established by any registered insurance broker under subsection (1) or (2) shall be void unless the moneys in the account are for fees due and owing to the registered insurance broker.

[41/2001]

(5) A charge or mortgage on the moneys in any account established by any registered insurance broker under subsection (1) or (2) shall be void.

[41/2001]

(6) Any registered insurance broker which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

[41/2001]

(7) In this section, “moneys” means any sum received by a registered insurance broker as agent for an insured or intending insured, including policy moneys, premiums and claims payments.

[41/2001]

Negotiation and placement of risk with unregistered insurer

35ZE.—(1) Subject to sections 35ZF and 35ZG, no registered insurance broker shall, in the course of its business as such, negotiate any contract of insurance with an insurer (directly or indirectly) except with a registered insurer acting in the course of its business as such.

[41/2001]

(2) The reference in subsection (1) to a contract of insurance shall not apply to —

- (a) reinsurance;
- (b) business relating to risks outside Singapore; or
- (c) such other risks as may be prescribed.

[41/2001]

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both.

[41/2001]

(4) In subsection (2), “risks outside Singapore” means any risk which would be classified as an offshore policy as defined in the First Schedule had the risk been underwritten by a registered insurer in Singapore.

[41/2001]

Permission to negotiate and place risk with unregistered insurer

35ZF.—(1) Where in any particular case the Authority is satisfied that, by reason of the exceptional nature of the risk or other exceptional circumstances, it is not reasonably practicable to comply with section 35ZE, the Authority may permit any registered insurance broker —

- (a) to negotiate the contract of insurance with such insurer as the insurance broker sees fit; and

- (b) if in the opinion of the Authority the case requires it, to effect the contract of insurance and receive the premium in Singapore on behalf of such insurer.

[41/2001]

(2) Where the Authority has, under section 23(5) of the Insurance Intermediaries Act (Cap. 142A) in force before 1st October 2002, granted any registered insurance broker permission to negotiate with any unregistered insurer as the insurance broker sees fit and, if the case requires it, to effect the contract of insurance and receive the premium in Singapore on behalf of the insurer, the permission shall continue in force as if granted by the Authority under subsection (1).

[41/2001]

Negotiation and placement of risk with foreign insurer

35ZG.—(1) Without prejudice to section 35ZF, a registered insurance broker may negotiate any contract of insurance referred to in section 35ZE with a foreign insurer under a foreign insurer scheme under Part IIA if he is authorised to do so under a licence issued by the Authority.

[41/2001]

(2) Any person who wishes to obtain a licence under subsection (1) shall apply to the Authority in such manner as the Authority may determine and furnish such information as the Authority may require.

[41/2001]

(3) In issuing a licence under subsection (1), the Authority may impose such conditions as it thinks fit and may at any time add to, vary or revoke such conditions.

[41/2001]

(4) The issue of a licence by the Authority under subsection (1) shall be subject to the payment of such annual fees as may be prescribed.

[41/2001]

(5) Section 35ZB shall apply, with the necessary modifications, in relation to the cancellation of a licence issued under subsection (1).

[41/2001]

(6) Where, immediately before 1st October 2002, a person has a licence under section 8 of the Insurance Intermediaries Act (Cap.142A) in force before that date, he shall be deemed to have

been issued, subject to the same terms and conditions but only in so far as they are not inconsistent with the provisions of this Act, with a licence under subsection (1) to negotiate contracts of insurance referred to in section 35ZE with such foreign insurers under any foreign insurer scheme under Part IIA as the Authority may determine.

[41/2001]

Restriction as to receipt and payment of remuneration

35ZH.—(1) An insurer shall not pay to a registered insurance broker, and a registered insurance broker shall not receive from an insurer, in respect of the arranging or effecting of contracts of insurance by the insurance broker with the insurer, remuneration at a rate or on a basis that has been varied, having regard solely to all or any of the following:

- (a) the number of contracts so arranged or effected;
- (b) the total amount of premiums paid or payable under such contracts;
- (c) the total amount of sums insured under such contracts.

[41/2001]

(2) Subsection (1) shall not apply to the receipt and payment of profit commissions.

[41/2001]

(3) Any person who contravenes subsection (1) 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 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

[41/2001]

(4) This section shall not apply to general reinsurance brokers and life reinsurance brokers in respect of contracts for the reinsurance of liabilities under insurance policies.

[41/2001]

Control of take-over of insurance broker

35ZI.—(1) This section shall apply to and in relation to all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

[41/2001]

(2) No person shall enter into an agreement to acquire shares of a registered insurance broker by virtue of which he would, if the agreement is carried out, obtain effective control of that insurance broker without first notifying the Authority of his intention to enter into the agreement and obtaining the approval of the Authority to his entering into the agreement.

[41/2001]

(3) For the purposes of this section —

- (a) a person shall be regarded as obtaining effective control of a registered insurance broker by virtue of an agreement if the person alone or acting together with any associate or associates would, if the agreement is carried out —
 - (i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the insurance broker; or
 - (ii) control, directly or indirectly, 20% or more of the voting power of the insurance broker;
- (b) a reference to entering into an agreement to acquire shares includes —
 - (i) a reference to a person making or publishing a statement, however expressed, that expressly or impliedly invites a holder of shares to offer to dispose of his shares to the first person; and
 - (ii) a reference to a person obtaining a right to acquire shares under an option, or to have shares transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on fulfilment of a condition or not;

- (c) a reference to the voting power in a registered insurance broker is a reference to the total number of votes that might be cast in the general meeting of the insurance broker; and
- (d) a person, *A*, is an associate of another person, *B*, if —
 - (i) *A* is the spouse or a parent or remoter lineal ancestor, or a son, daughter or remoter issue, or a brother or sister, of *B*;
 - (ii) *A* is a partner of *B*;
 - (iii) *A* is a corporation of which *B* is an officer;
 - (iv) where *B* is a corporation, *A* is an officer of *B*;
 - (v) *A* is an employee or employer of *B*;
 - (vi) *A* is an officer of any corporation of which *B* is an officer;
 - (vii) *A* is an employee of an individual of whom *B* is an employee;
 - (viii) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
 - (ix) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or the directors of *A*, where *A* is a corporation;
 - (x) *A* is a corporation in which *B* is in a position to control not less than 20% of the voting power in *A*; or
 - (xi) where *B* is a corporation, *A* is a person who is in a position to control not less than 20% of the voting power in *B*.

[41/2001]

(4) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding

\$25,000 or to imprisonment for a term not exceeding 2 years or to both.

[41/2001]

Approval or removal of chief executive officer and director of insurance broker

35ZJ.—(1) No registered insurance broker shall appoint a person as its chief executive officer or director in Singapore unless it has obtained the approval of the Authority.

[41/2001]

(1A) Where a registered insurance broker has obtained the approval of the Authority to appoint a person as its chief executive officer or director under subsection (1), the person may be re-appointed as chief executive officer or director, as the case may be, of the registered insurance broker immediately upon the expiry of the earlier term without the approval of the Authority.

[23/2003 wef 01/01/2004]

(2) If at any time it appears to the Authority that a chief executive officer or director of a registered insurance broker has failed to perform his functions or is no longer a fit and proper person to be so appointed, the Authority may, in writing, direct the insurance broker to remove the chief executive officer or director, as the case may be.

[41/2001]

(3) For the purpose of determining whether to grant its approval under subsection (1) or whether the chief executive officer or director has failed to perform his functions under subsection (2), the Authority shall, without prejudice to any other matter that it may consider relevant, have regard to such criteria as may be prescribed.

[41/2001]

(4) Before directing the registered insurance broker to remove its chief executive officer or any director under subsection (2), the Authority shall —

- (a) give the registered insurance broker notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the registered insurance broker to show cause within such time as may be specified in the notice why the chief executive

officer or director, as the case may be, should not be removed.

[41/2001]

(5) If the registered insurance broker referred to in subsection (4) —

(a) fails to show cause within the time given to it to do so or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurance broker of the date on which the direction to remove the chief executive officer or director, as the case may be, is to take effect.

[41/2001]

(6) Any person who is aggrieved by a decision of the Authority under subsection (1) or (2) may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(7) Any registered insurance broker which fails to comply with any direction of the Authority under subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000.

[41/2001]

(8) Any approval by the Authority for a registered insurance broker to appoint a person as its chief executive officer or director in Singapore under section 26 of the Insurance Intermediaries Act (Cap. 142A) in force before 1st October 2001 shall continue in force as if approved by the Authority under subsection (1).

[41/2001]

(9) Nothing in section 152 of the Companies Act (Cap. 50) shall prevent the Authority from exercising any power under subsection (2).

[41/2001]

(10) In this section, “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 a registered insurance broker; and

- (b) directly responsible for the conduct of any type of business of the insurance broker in Singapore.

[41/2001]

Restriction on granting of unsecured loans or advances to director and employee of or adviser engaged by registered insurance broker

35ZK.—(1) Without prejudice to section 162 of the Companies Act, no registered insurance broker shall, on or after 1st October 2002, in respect of its business in Singapore, grant, directly or indirectly, any unsecured loan or unsecured advance —

- (a) to a director of the insurance broker, other than a director who is its employee; or
- (b) to an employee of the insurance broker, including a director who is its employee, or a person engaged by the insurance broker to provide technical advice to clients, which in the aggregate and outstanding at any one time exceeds the sum of \$3,000.

[41/2001]

(2) No registered insurance broker shall, on or after 1st October 2002 —

- (a) increase the amount of any unsecured loan or unsecured advance granted to any person referred to in subsection (1)(a) before that date; or
- (b) increase the amount of any unsecured loan or unsecured advance granted to any person referred to in subsection (1)(b) before that date if the total amount granted to that person will exceed the sum stated in that subsection.

[41/2001]

(3) Any registered insurance broker which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction.

[41/2001]

(4) In this section, “director” includes the spouse, father, step-father, mother, step-mother, son, step-son, daughter, step-daughter, brother or sister of a director.

[41/2001]

Holding out as registered insurance broker

35ZL.—(1) No person shall hold himself out to be registered as a direct insurance broker, general reinsurance broker or life reinsurance broker unless he is registered under this Act as such.

[23/2003 wef 01/01/2004]

(2) Any person who contravenes subsection (1) 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 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Use of words “insurance broking”

35ZM.—(1) No person, other than a registered insurance broker or an insurance broker who is exempt from registration under section 35ZN(1)(a), (b), (c), (d), (e) or (ea), shall —

- (a) use the words “insurance broking” or any of its derivatives in any language, or any other word indicating that that person carries on business as an insurance broker in the name, description or title under which it carries on business in Singapore; or
- (b) make any representation to such effect in any bill head, letter paper, notice, advertisement, publication or writing, including in electronic form, or in any other manner.

[41/2001]

(2) Nothing in this section shall prohibit an association of insurance brokers from using the words “insurance broking” or any of its derivatives in any language as part of its name or description of its activities, subject to the Authority’s prior written approval.

[41/2001]

(3) Nothing in this section shall apply to the use of the words “life insurance broking” or any of its derivatives.

[41/2001]

(4) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction.

[41/2001]

(5) Any association of insurance brokers that, immediately before 1st October 2002, had been using the words “insurance broking” or any of its derivatives in any language, in any bill head, letter paper, notice, advertisement, publication or writing or in any other manner, shall be deemed to have been granted approval under subsection (1) to use such words in the same manner.

[41/2001]

Exempt insurance brokers

35ZN.—(1) The following persons (referred to in this section as exempt insurance brokers) shall be exempt from registration as insurance brokers:

- (a) a bank licensed under the Banking Act (Cap. 19);
- (b) a merchant bank approved as a financial institution and approved to carry on business as an insurance broker under the Monetary Authority of Singapore Act (Cap. 186);
- (c) a licensed financial adviser under the Financial Advisers Act (Cap. 110);
- (d) a holder of a capital markets services licence under the Securities and Futures Act (Cap. 289);
- (e) a finance company which has been granted an exemption from section 25(2) of the Finance Companies Act (Cap. 108) to carry on business as an insurance broker;
- (ea) a direct insurer registered to carry on life business; and

[23/2003 wef 01/01/2004]

- (f) such other persons or class of persons as may be prescribed, subject to such conditions as the Authority may impose.

[41/2001]

(2) Subject to this Act, sections 35ZD, 35ZE, 35ZF and 35ZH shall, with the necessary modifications, apply to the persons referred to in subsection (1) (other than persons referred to in subsection (1)(f)) in respect of their business as insurance brokers as if they are registered insurance brokers.

[41/2001]

(2A) For the avoidance of doubt, references in subsection (2) to specific sections in this Act that apply to the persons referred to in that subsection do not include references to any regulations made under those sections unless the Authority prescribes that such regulations so apply.

[23/2003 wef 01/01/2004]

(3) The Authority may prescribe or specify in directions the provisions of this Act that apply to the persons referred to in subsection (1)(f).

[41/2001]

(4) The Authority may by written directions impose such conditions or restrictions as it deems fit on an exempt insurance broker or a class of exempt insurance brokers.

[41/2001]

(5) The Authority may withdraw an exemption granted to any person under this section if the person contravenes any provision of this Act applicable to him or if the Authority considers it necessary in the public interest.

[41/2001]

(6) A withdrawal of an exemption under subsection (5) shall not operate so as to —

- (a) avoid or affect any agreement, transaction or arrangement, relating to any contract of insurance entered into by the person, whether the agreement, transaction or arrangement was entered into before or after the withdrawal of the exemption; or

- (b) affect any right, obligation or liability arising under any agreement, transaction or arrangement referred to in paragraph (a).

[41/2001]

(7) Any exempt insurance broker who is aggrieved by a decision of the Authority to withdraw the exemption under subsection (5) may, within 30 days of the decision, appeal in writing to the Minister in accordance with Part IIIB.

[41/2001]

(8) Any exempt insurance broker who contravenes any condition or restriction imposed by the Authority under subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Registers maintained by Authority

35ZO.—(1) The Authority shall establish and maintain one or more registers in respect of the following persons:

- (a) registered insurance brokers;
- (b) persons removed by registered insurance brokers as directed by the Authority in exercise of its powers under section 35ZJ;
- (c) persons against whom a prohibition order is made under section 35V; and
- (d) such other persons as may be prescribed.

[41/2001]

(2) The Authority may prescribe the manner in which the registers are established or maintained, including the details or particulars required to be entered in the registers.

[41/2001]

(3) Any person may, upon payment of the prescribed fee, inspect and take an extract from the registers established under subsection (1), and any such extract, certified by the Authority to

be a true copy, shall be admissible as evidence in any legal proceedings.

[41/2001]

PART III

RETURNS, INSPECTIONS AND INVESTIGATIONS, WINDING UP AND TRANSFERS OF BUSINESS

Returns

Annual account and audit

36.—(1) A registered insurer, an authorised reinsurer or a registered insurance broker shall prepare such statements of account and other statements and in such form and manner as may be prescribed and lodge them with the Authority.

[11/86; 41/2001]

(2) A registered insurer or registered insurance broker shall —

(a) cause to be kept in Singapore such books and records as will sufficiently explain the transactions and financial position of the insurer or insurance broker, as the case may be, in Singapore and enable the insurer or insurance broker to comply with the requirements of this section and, in the case of the insurer, section 37; and

(b) cause those books and records to be kept in such manner as to enable them to be conveniently and properly audited.

[41/2001]

(3) A registered insurer shall have its accounts audited for each accounting period for which statements of account are prepared in accordance with regulations prescribed under subsection (1).

(4) A registered insurance broker shall have its accounts audited for each financial year for which statements of accounts and other statements are prepared in accordance with regulations prescribed under subsection (1).

[41/2001]

(5) A registered insurance broker shall appoint an auditor to carry out an audit of its accounts and other statements prepared in accordance with subsection (1) and where, for any reason, the auditor

ceases to act for the registered insurance broker, the registered insurance broker shall, as soon as practicable thereafter, appoint another auditor.

[41/2001]

(6) No person shall act as auditor for any registered insurer or registered insurance broker unless —

- (a) he has a place of business in Singapore;
- (b) he is approved under section 9 of the Companies Act (Cap. 50) as a company auditor for the purposes of that Act; and
- (c) in the case of a registered insurer, he has the approval of the Authority.

[41/2001]

(7) An auditor shall not be approved by the Authority as an auditor for registered insurers unless he is able to comply with such conditions in relation to the discharge of his duties as may be determined by the Authority.

(8) Notwithstanding any other provision of this Act or the provisions of the Companies Act, the Authority may, if it is not satisfied with the performance of duties by an auditor appointed by a registered insurer or registered insurance broker —

- (a) at any time direct the registered insurer or registered insurance broker to remove the auditor; and
- (b) direct the registered insurer or registered insurance broker, as soon as practicable thereafter, to appoint another auditor,

and the registered insurer or registered insurance broker, shall comply with such direction.

[41/2001]

(9) The Authority may impose all or any of the following duties on an auditor:

- (a) a duty to submit such additional information in relation to his audit as the Authority considers necessary;

- (b) a duty to enlarge or extend the scope of his audit of the business and affairs of the registered insurer or registered insurance broker, as the case may be;
- (c) a duty to carry out any other examination or establish any procedure in any particular case;
- (d) a duty to submit a report on any of the matters referred to in paragraphs (b) and (c),

and the registered insurer or registered insurance broker, as the case may be, shall remunerate the auditor in respect of the discharge by him of all or any of these duties.

[41/2001]

(10) An auditor's report made under subsection (9) shall be lodged by the insurer with the Authority together with the statements of accounts lodged under subsection (1).

[41/2001]

(11) If an auditor, in the course of the performance of his duties as an auditor of a registered insurer or registered insurance broker, is satisfied that —

- (a) there has been a serious contravention of any provision of this Act or that an offence involving fraud or dishonesty has been committed;
- (b) serious irregularities have occurred, including irregularities that jeopardise the interests of policy owners;
- (c) in the case of a registered insurer —
 - (i) where the insurer is incorporated or established in Singapore, the insurer is unable to meet its obligations; or
 - (ii) any transaction or dispute has taken place which will have a material effect on the solvency of any insurance fund established by the insurer under this Act; or
- (d) in the case of a registered insurance broker, the insurance broker is unable to meet its obligations,

the auditor shall immediately report the matter in writing to the Authority.

[41/2001]

(12) In the case of a company incorporated or established outside Singapore, the audit required by subsection (3) need not extend beyond the business for which an insurance fund is maintained under this Act.

(13) The documents to be lodged with the Authority under this section for any accounting period of an insurer shall be accompanied by copies of any report submitted to the members of the insurer with respect to that period and (if it is not among the documents so lodged) by any statement of accounts so submitted with respect to that period.

(14) References in this Act to documents lodged with the Authority shall not be taken to include documents required by subsection (13) to accompany documents so lodged.

(15) Where any report or statement referred to in subsection (13) is in a language other than English, the copy required by that subsection shall be in English and shall be certified to be a true translation of the original by the translator.

[11/86]

Actuarial investigations and reports as to insurance business

37.—(1) A registered insurer shall, for each accounting period —

- (a) in respect of its life business, have an investigation made by an actuary approved by the Authority into the financial condition of that business;
- (b) in respect of its general business, have an investigation made by an actuary approved by the Authority into its liabilities in respect of insurance policies; and
- (c) lodge with the Authority such abstract of the report of the investigation referred to in paragraph (a) or (b) or both, and a certificate relating thereto, signed by the actuary who made the investigation referred to in paragraph (a) or (b) or both, together with such statements as to the business as may be prescribed under section 36(1).

[23/2003 wef 01/01/2004]

(2) For the purposes of this section, the Authority may approve as an actuary any person meeting such requirements as the Authority may determine.

[41/2001]

(3) The Authority may revoke the approval of a person as an actuary under subsection (2) by serving on the insurer a notice of revocation.

[41/2001]

(4) Before revoking the approval of a person as an actuary, the Authority shall —

- (a) give the insurer notice in writing of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the insurer to show cause within such time as may be specified in the notice why the approval of the actuary should not be revoked.

[41/2001]

(5) If the insurer referred to in subsection (4) —

- (a) fails to show cause within the time given to him to do so or within such extended period of time as the Authority may allow; or
- (b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the revocation of approval is to take effect.

[41/2001]

(6) Any person who is aggrieved by a decision of the Authority under subsection (3) may, within 30 days of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

[41/2001]

(7) *[Deleted by Act 23/2003]*

(8) In the case of a company incorporated or established outside Singapore, the investigation required by subsection (1) need not extend beyond the business for which an insurance fund is maintained under this Act.

(9) If the company referred to in subsection (8) is required by the law relating to insurance in the country in which it is incorporated or established to furnish the authority having the administration of that law with returns as to actuarial investigations of its insurance business, the documents to be lodged with the Authority under this section shall be accompanied by certified copies of any such returns made since the company was first registered under this Act in respect of insurance business, other than returns of which copies have previously been furnished under this subsection.

[11/86; 41/2001]

(10) References in this Act to documents lodged with the Authority shall not be taken to include documents required by subsection (9) to accompany documents so lodged.

(11) Where a registered insurer —

- (a) has an actuarial investigation made into its insurance business for which it maintains an insurance fund under this Act (whether with or without any other insurance business carried on by it); and
- (b) the investigation is not made to comply with subsection (1) or with any provision as to returns in the law relating to insurance in a country outside Singapore, but the results of the investigation are made public,

then the insurer shall, as to the lodging of documents with the Authority, comply with the requirements of subsection (1) as in the case of an investigation made under that subsection.

[41/2001]

Power to require returns under section 36 or 37 to be rectified

38.—(1) If it appears to the Authority that any document lodged in accordance with section 36 or 37 —

- (a) is, in any particular, unsatisfactory, incomplete, inaccurate or misleading; or
- (b) does not comply with the requirements of this Act,

the Authority may, by notice in writing, require such explanations as it may consider necessary to be made by or on behalf of the insurer

within such time (not being less than 14 days) as is specified in the notice.

[11/86]

(2) The Authority may, after considering the explanations referred to in subsection (1), or if such explanations have not been given by or on behalf of the insurer within the time specified in that subsection, reject the document or give such directions as it may think necessary for its variation within such time (not being less than one month) as is specified in the directions.

[11/86]

(3) Directions given under subsection (2) with respect to any document may require such consequential variations of any other document lodged by the insurer under section 36 or 37 as may be specified in the directions.

(4) Where directions are given under subsection (2), any document to which they relate shall be deemed not to have been lodged until it is re-submitted with the variations required by the directions, but the insurer shall be deemed to have submitted the document within the time limited by regulations prescribed under section 36(1) if it is re-submitted with the required variations within the time limited by the directions.

[11/86]

Additional provisions as to returns under section 36 or 37

39.—(1) Any member or policy owner of an insurer shall have a right, on applying to the insurer, to be sent by the insurer at an address supplied by him copies of documents lodged by the insurer to comply with section 36 or 37, and to have the copies despatched not later than 14 days after the insurer receives the application.

[11/86]

(2) The right referred to in subsection (1) shall not extend to any document excepted from this provision by regulations prescribed under section 36(1), or to a document of any other description except the last lodged of that description.

[11/86]

(3) Any person shall have the right, on payment of the prescribed fee, at any time during working hours of the office of the Authority, to

inspect at that office any document lodged by an insurer to comply with section 36 or 37 and any document required by sections 36(13) and 37(9) to accompany the document so lodged and make a copy of the whole or any part of it.

[11/86]

(4) The right referred to in subsection (3) shall not extend to any document excepted from this provision by regulations prescribed under section 36(1), or to documents of any other description lodged more than 10 years previously.

[11/86]

(5) In any proceedings, a certificate signed by any person appointed by the Authority under section 50 that a document is one lodged by an insurer to comply with section 36 or 37, or one that accompanied documents so lodged, shall be admissible as evidence of the facts certified.

[11/86]

(6) Any person who contravenes section 36 or 37 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[41/2001]

Inspections and Investigations

Inspection by Authority

40.—(1) The Authority may, from time to time, inspect under conditions of secrecy the books, accounts, records and other documents, whether in electronic, print or other form, of a registered insurer or an insurance intermediary.

[41/2001]

(2) For the purpose of an inspection under this section, a registered insurer or insurance intermediary referred to in subsection (1) shall —

- (a) produce his books, accounts, records and other documents, whether in electronic, print or other form, to the Authority and give such information and facilities as may be required by the Authority to conduct the inspection; and

- (b) procure that any person who is in possession of such books, accounts, records and other documents referred to in paragraph (a) shall produce such books, accounts, records and other documents and give such information and facilities as may be required by the Authority.

[41/2001]

(3) The Authority may make copies of, or take possession of, any of the books, accounts, records and other documents, whether in electronic, print or other form, of a registered insurer or an insurance intermediary.

[41/2001]

(4) Nothing in subsection (1) shall preclude the Authority from —

- (a) producing a document to a court in the course of criminal proceedings or in the course of any proceedings under any written law of Singapore or elsewhere;
- (b) disclosing to a court in the course of any proceedings referred to in paragraph (a) any information that was obtained during the inspection;
- (c) producing a document or disclosing information to a person to whom, in the opinion of the Authority, it is in the public interest that the document be produced or the information be disclosed, as the case may be;
- (d) producing a document or disclosing information that is required or permitted by any written law of Singapore or elsewhere to be produced or disclosed, as the case may be; or
- (e) producing a document or disclosing information for such purpose, or in such circumstance, as may be prescribed.

[41/2001]

(5) Any person who fails, without reasonable excuse, to produce any book, account, record or other document or furnish any information or facilities in accordance with subsection (2) 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.

[41/2001]

Investigation by Authority

40A.—(1) The Authority may conduct such investigation as it considers necessary or expedient for all or any of the following purposes:

- (a) to perform any of the Authority's functions and duties under this Act;
- (b) to determine the truth or otherwise of an alleged or suspected contravention of any provision of this Act or any direction issued under this Act.

[41/2001]

(2) For the purposes of subsection (1), the Authority may, in writing, require any person named therein to provide information or to produce books, accounts, records and other documents, whether in electronic, print or other form, relating to any matter under investigation, and such person shall immediately comply with that requirement.

[41/2001]

(3) Nothing in this Part shall —

- (a) compel an advocate and solicitor to disclose or produce a privileged communication, or a document or other material containing a privileged communication, made by or to him in that capacity; or
- (b) authorise the taking of any such document or other material which is in his possession.

[23/2003 wef 01/01/2004]

(4) If an advocate and solicitor refuses to disclose the information or produce the document or other material referred to in subsection (3), he shall nevertheless be obliged to give the name and address (if he knows them) of the person to whom, or by or on behalf of whom, that communication was made.

[41/2001]

(5) Any person who refuses or fails, without reasonable excuse, to comply with subsection (2) or (4) 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.

[41/2001]

Powers of Authority to issue directions

41.—(1) Where the Authority is satisfied that the affairs of any insurer or insurance intermediary are being conducted in a manner likely to be detrimental to the public interest or the interests of the policy owners or prejudicial to the interests of the insurer or insurance intermediary, the Authority may issue such directions to the insurer or insurance intermediary as it may consider necessary and, in particular, may require the insurer or insurance intermediary, as the case may be —

- (a) to take such action or recruit such management personnel as may be necessary to enable it to conduct its business in accordance with sound insurance principles;
- (b) to remove any of its directors or any person whom the Authority considers unfit to be associated with it;
- (c) to take action as to the disposition or recovery of its assets;
- (d) to take any available steps for the recovery by the insurer or insurance intermediary, as the case may be, of sums appearing to the Authority to have been illegally or improperly paid;
- (e) to stop renewing or issuing further policies of the class of business to which the direction relates;
- (f) to make such arrangements with respect to reinsurance as the Authority so specifies; or
- (g) to take action to make good any default under section 16, 17, 18, 19, 20, 35ZC or 35ZD.

[22/73; 11/86; 41/2001]

(2) The Authority may, upon representation being made to it, or on its own motion, modify or cancel any direction issued under subsection (1) and, in so doing, may impose such conditions as it may think fit.

[22/73; 11/86]

(3) Any insurer or insurance intermediary which fails to comply with any direction made under subsection (1) 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 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day during which the offence continues after conviction.

[22/73; 11/86; 41/2001]

Winding up

General provisions as to winding up

42.—(1) The persons who may apply under the Companies Act (Cap. 50) for the winding up of the affairs of an insurer or insurance broker registered under this Act, or for the continuance of the winding up of the affairs of such an insurer or insurance broker subject to the supervision of the court, shall include the Authority.

[11/86; 41/2001]

(2) The Authority may, in accordance with the provisions of the Companies Act, apply for the winding up of an insurer or insurance broker registered under this Act if the insurer or insurance broker has contravened or failed to comply with any of the provisions of this Act.

[11/86; 41/2001]

(3) The Authority shall be a party to any proceedings under the Companies Act relating to the winding up of the affairs of an insurer or insurance broker registered under this Act, and the liquidator in such a winding up shall give the Authority such information as it may from time to time require about the affairs of the insurer or insurance broker, as the case may be.

[41/2001]

(4) For the purposes of any proceedings under the Companies Act for the winding up of the affairs of such an insurer by the court, the contingent and prospective liabilities of the insurer in respect of policies shall, in determining whether it is unable to pay its debts, be estimated in accordance with such rules as may be prescribed.

[11/86]

(5) Evidence that an insurer was insolvent at the close of the last accounting period for which statements of account have been lodged with the Authority under section 36 shall be evidence that the insurer continues to be unable to pay its debts.

[11/86]

(6) If the Authority submits to the Rules Committee, established under any written law relating to the courts, proposals for making special provision under section 410 of the Companies Act (Cap. 50) in relation to insurers registered under this Act or any description of such insurers, the Committee may by rules made under that section give effect to the proposals, either as submitted or subject to such modifications as the Committee may think fit.

[11/86]

(7) Proposals under subsection (6), and rules made by virtue thereof, may provide for modifying or excluding, in relation to insurers so registered, provisions of Part X of the Companies Act requiring the holding of meetings or otherwise relating to the procedure in a winding up.

(8) In the winding up of the affairs of a registered insurer, section 327(2) of the Companies Act (which applies bankruptcy rules in the winding up of insolvent companies), shall not apply to the valuation of liabilities in respect of policies; but in any such winding up, whether the insurer is insolvent or not, those liabilities shall be estimated in accordance with any prescribed rules and, as regards matters not fixed by the rules, on a basis approved by the court.

(9) In a members' voluntary winding up, the basis to be adopted as regards matters not fixed by the rules may be approved by the Authority instead of by the court.

[11/86]

(10) References in this section to a registered insurer shall extend also to a Singapore insurer which has ceased to be so registered but remains under any liability in respect of Singapore policies or offshore policies.

[11/86]

Special provision for insurers directed to cease insurance business

43.—(1) Where the Authority gives an insurer a direction under section 41(1)(e) by reason of the insolvency of the fund maintained by the insurer under this Act for either class of insurance business, the affairs of the insurer may be wound up by the court under the Companies Act (Cap. 50) as if it had suspended its business for a

whole year or, in the case of a winding up under Division 5 of Part X of that Act, as if it had ceased to carry on business.

[22/73; 11/86]

(2) Where the Authority gives an insurer a direction under section 41(1)(e) but, on an application for the affairs of the insurer to be wound up by the court, the court is satisfied that the insurer will be able to pay its debts in full within 12 months or such longer period as the court thinks reasonable, the court may (if it thinks fit) order the affairs of the insurer to be wound up only as regards the insurance fund maintained for the class of insurance business to which the direction relates.

[11/86]

(3) An order made under subsection (2) for a limited winding up shall be of the same effect as an order for the affairs of the insurer to be wound up generally, except in so far as this section otherwise provides.

(4) Where such an order is made, the powers of the liquidator shall be exercisable only for the purpose of applying the assets of the relevant insurance fund (including such part of the deposit as is allocated to the insurance fund by the Authority under section 17(12)) in discharging the liabilities to which they are applicable, together with the costs, charges and expenses incurred in the winding up.

[11/86]

(5) The insurer shall, from time to time, as the court may direct, make such additions to those assets as are required to secure that they are sufficient for the purpose or shall, if the court so directs, discharge any of those liabilities out of other assets.

(6) In the winding up of the affairs of an insurer under such an order, the Companies Act (Cap. 50) shall have effect subject to the following modifications:

- (a) section 250 (or, as the case may be, section 352) of that Act and other sections so far as they relate to contributories shall not apply;
- (b) section 258 shall apply after, as it applies before, the making of the winding-up order, and section 262(3) of that Act shall not apply; and

- (c) sections 259, 260, 319, 329, 330 and 332 to 335 of that Act shall not apply.

(7) Where such an order is made, the court may, at any time, on the application of the liquidator or of any person who might apply for the affairs of the insurer to be wound up —

- (a) substitute an order for the affairs of the insurer to be wound up generally; and
- (b) give such directions as the court thinks fit as to matters in progress under the previous order,

and, subject to any such directions, the winding up shall, for all purposes connected with the substituted order, be deemed to have commenced at the time of the application for that order.

Co-operative societies doing insurance business

44.—(1) Where a society registered under the Co-operative Societies Act (Cap. 62) is a registered insurer, no proceedings for the dissolution or winding up of the society shall be taken under sections 83 to 89 of that Act except with the consent of the Authority and in accordance with such conditions, if any, as it sees fit to attach to that consent.

[11/86]

(2) Notwithstanding section 101 of the Co-operative Societies Act, any such society which is a registered insurer shall be deemed to be an unregistered company within the meaning of Division 5 of Part X of the Companies Act and may be wound up by the court accordingly under that Act.

- (3) In any such winding up —

- (a) the provisions of the Companies Act shall apply with the substitution for references to the Registrar of Companies and the register under that Act of references to the Registrar and register under the Co-operative Societies Act; and
- (b) section 89(3), (4) and (5) of the Co-operative Societies Act (which govern the disposal of any surplus), shall apply,

subject to any necessary modifications, as they apply where a society is wound up under that Act.

(4) Where a society has ceased to be a registered insurer, but remains under any liability in respect of Singapore policies or offshore policies, this section shall apply as if the society were an insurer so registered.

[11/86]

Priority of claim of policy owners

45. Where a registered insurer becomes insolvent or is unable to meet its obligations, the assets of the insurer shall, subject to section 17(11), be available to meet its liabilities to all policy owners of Singapore policies and offshore policies and these liabilities shall have priority over all unsecured liabilities of the insurer other than preferential debts specified under section 328(1) of the Companies Act (Cap. 50).

[11/86; 30/99]

Policy Owners' Protection Fund

46.—(1) The Authority shall establish and maintain in accordance with this section and regulations prescribed, a Policy Owners' Protection Fund (referred to in this section as the Fund) for the purposes of indemnifying in whole or in part, or otherwise assisting or protecting, policy owners and others who have been or may be prejudiced in consequence of the inability of registered insurers to meet their liabilities under life policies and compulsory insurance policies issued by them.

[11/86]

(2) Subject to such exceptions or restrictions as may be prescribed, the Authority shall —

(a) secure that a sum equal to —

- (i) the full amount of any liability of a registered insurer in liquidation in respect of a sum payable to any person entitled to the benefit under the terms of any compulsory insurance policy, being a liability arising in respect of a liability of the policy owner which is a liability subject to compulsory insurance; and

- (ii) 90% of the amount of any liability of a registered insurer in liquidation towards a policy owner under the terms of any life policy which was a Singapore policy or an offshore policy and not being a contract of reinsurance,

is paid to the person or policy owner as soon as reasonably practicable after the beginning of the liquidation; and

- (b) make arrangements so far as reasonably practicable for securing continuity of insurance for every policy owner of a registered insurer in liquidation or in financial difficulties who is a policy owner in respect of a life policy which was a Singapore policy or an offshore policy and not being a contract of reinsurance, and for this purpose the Authority may take measures to secure or facilitate the transfer of the life business of the insurer, or part of that business, to another registered insurer or to secure the issue by another registered insurer to the policy owners of life policies in substitution of their existing policies.

[11/86]

(3) For the purposes of financing the expenditure of the Fund, the Authority may from time to time by regulations impose a levy on registered insurers carrying on —

- (a) general business in Singapore (referred to in this section as a general business levy); and
- (b) life business in Singapore (referred to in this section as a life business levy).

[11/86]

(4) The proceeds of general business levies and life business levies shall be paid into the Fund.

[11/86]

(5) The amounts required to be paid by any registered insurer under general business levies or life business levies imposed under subsection (3) in any financial year shall not exceed one per cent of any income of the insurer for the year ending last before the

beginning of that financial year which income is liable to the general business levy or the life business levy, as the case may be.

[11/86]

(6) The amount each registered insurer may be required to pay under general business levies imposed in any financial year shall be calculated by reference to the gross premium income of Singapore policies of the insurer for the year ending last before the beginning of that financial year in respect of general business carried on in Singapore other than reinsurance business; and any such income is hereinafter in this section referred to, in relation to any registered insurer, as income of the insurer for the year in question which is income liable to the general business levy.

[11/86]

(7) The amount each registered insurer may be required to pay under life business levies imposed in any financial year shall be calculated by reference to the gross premium income of the insurer for the year ending last before the beginning of that financial year in respect of life business carried on in Singapore other than reinsurance business; and any such income is hereinafter in this section referred to, in relation to any registered insurer, as income of the insurer for the year in question which is income liable to the life business levy.

[11/86]

(8) In subsections (6) and (7), the gross premium income of a registered insurer for any year in respect of any class of insurance business carried on in Singapore other than reinsurance business means the gross amounts after deducting any return of premiums recorded in the accounts of the insurer during that year as paid or due to the insurer by way of premiums under that class.

[11/86]

(9) Subject to subsection (10) —

- (a) the proceeds of general business levies may be applied only on expenditure incurred by the Authority under subsection (2)(a)(i); and
- (b) the proceeds of life business levies may be applied only on expenditure incurred by the Authority under subsection (2)(a)(ii) and (b).

[11/86]

(10) The Authority may deduct any expenditure incurred by it in performing its functions under this section from the Fund.

[11/86]

(11) Where it appears to the Authority that any circumstances have occurred in relation to a registered insurer incorporated outside Singapore which are the equivalent of a registered insurer in liquidation or in financial difficulties under the law relating to companies in force in the country in which it is incorporated, the Authority may treat that insurer as a registered insurer in liquidation or in financial difficulties for the purposes of this section, and this section shall apply to that insurer subject to such modifications as appear to the Authority to be necessary.

[11/86]

(12) Without prejudice to the generality of section 64, regulations made under this Act may provide —

- (a) for the imposition, distribution and enforcement of general business levies and life business levies and other matters in connection with or in relation to those levies; and
- (b) for the investment of such part of the Fund as appears to the Authority to be surplus to its requirements for the time being.

[11/86]

(13) For the purposes of this section —

- (a) “compulsory insurance policy” means any policy or security which satisfies the requirements of the Motor Vehicles (Third-Party Risks and Compensation) Act (Cap. 189) or the Work Injury Compensation Act (Cap. 354);
- (b) references to a registered insurer in liquidation are references to an insurer in whose case —
 - (i) a resolution has been passed after 1st January 1987 in accordance with the provisions of the Companies Act (Cap. 50) for the voluntary winding up of the insurer, otherwise than merely for the purpose of reconstruction of the insurer or of amalgamation with another insurer;

- (ii) without any such resolution having being passed beforehand, an order has been made after that date for the winding up of the insurer by the High Court under the Companies Act on an application made after that date; or
 - (iii) an order has been made after that date for the winding up of the insurer by the Registrar of Co-operative Societies under section 83 of the Co-operative Societies Act (Cap. 62);
- (c) references, in relation to a registered insurer in liquidation, to the beginning of the liquidation, are references to the passing of any such resolution or the making of any such order referred to in paragraph (b), as the case may be; and
- (d) a registered insurer, not being an insurer in liquidation, is an insurer in financial difficulties if —
 - (i) a provisional liquidator has been appointed in respect of the insurer under section 267 of the Companies Act;
 - (ii) it has been proved, in any proceedings on an application for the winding up of the insurer under the Companies Act (Cap. 50), to be unable to pay its debts; or
 - (iii) an application has been made to the High Court under section 210 of the Companies Act for the sanction of a compromise or arrangement proposed between the insurer and its creditors or any class of them (whether or not any of its members are also parties thereto) and the terms of the compromise or arrangement provide for reducing the liabilities or the benefits provided for under the insurer's life policies,and the application referred to in sub-paragraph (ii) or (iii) is made after that date.

[11/86]

*Transfers of business***Schemes for transfer of business**

47.—(1) The whole or part of the insurance business of a registered insurer may be transferred to another insurer registered in respect of the class or classes of business to be transferred, if the transfer is effected by a scheme under this section, but shall not be transferred except by such a scheme.

[11/86]

(2) Subsection (1) shall not apply to the transfer of the whole or part of any insurance business of —

- (a) a company incorporated or established outside Singapore, except in so far as it relates to Singapore policies or offshore policies; or
- (b) a registered reinsurer to another registered reinsurer carrying on the same class of insurance business.

[23/2003 wef 01/01/2004]

(2A) For the avoidance of doubt, subsection (2)(b) shall not affect, in relation to the transfer of the whole or any part of any insurance business of a registered direct insurer under subsection (1), the reinsurance of liabilities under such transferred insurance business.

[23/2003 wef 01/01/2004]

(2B) Notwithstanding subsection (2)(b), the Authority may, by notice in writing, issue such directions to the first-mentioned registered reinsurer in that subsection as it may consider necessary with respect to the manner and form of the transfer of the whole or part of the insurance business of that registered reinsurer.

[23/2003 wef 01/01/2004]

(3) No scheme shall transfer any insurance business of a society registered under the Co-operative Societies Act (Cap. 62) except to another society so registered, nor transfer to such a society any business except that of another.

[11/86]

(4) Any registered insurer, not being a company incorporated or established outside Singapore, shall by virtue of this section have power to make such a transfer by a scheme under this section, and the

directors shall have authority on behalf of the insurer to arrange for and do all things necessary to give effect to such a transfer.

(5) Subsection (4) shall apply notwithstanding the absence of the power or authority mentioned in that subsection under the constitution of the insurer or any limitation imposed by its constitution on its powers or on the authority of its directors.

(6) A scheme under this section may provide for the business in question to be transferred to a body not registered as an insurer under this Act in respect of the relevant class of business (including a body not yet in existence), if the scheme is so framed as to operate only in the event of the body becoming so registered.

(7) A scheme under this section for the transfer of any insurance business may extend to the transfer with it of any other business, not being insurance business, where the other business is carried on by the insurer as ancillary only to the insurance business transferred.

(8) A scheme under this section may include provision for matters incidental to the transfer thereby effected, and provision for giving effect to that transfer and, in particular —

- (a) for any property, rights or liabilities of the transferor (including assets comprised in a deposit under this Act or in an insurance fund) to vest, by virtue of the scheme and without further or other assurance, in the transferee; and
- (b) for the registration by the transferee of policies transferred, for the amounts to be included in respect of those policies in the transferee's insurance fund and for other matters arising under this Act out of the transfer.

(9) A scheme under this section shall be of no effect unless confirmed by the High Court, but may be prepared and submitted for confirmation to the High Court by any of the insurers concerned.

(10) If so confirmed, the scheme shall have effect according to its tenor notwithstanding anything in the preceding sections of this Act and be binding on any person thereby affected.

Confirmation of schemes

48.—(1) Before an application is made to the High Court for confirmation of a scheme under section 47 —

- (a) a copy of the scheme shall be lodged with the Authority together with copies of the actuarial and other reports, if any, upon which the scheme is founded;
- (b) not earlier than one month after the copy is so lodged, notice of the intention to make the application (containing such particulars as are prescribed) shall be published in the *Gazette* and in not less than 2 newspapers approved by the Authority; and
- (c) for a period of 15 days after the publication of the notice a copy of the scheme shall be kept at each office in Singapore of every insurer concerned, and shall be opened to inspection by all members and policy owners of such an insurer who are affected by the scheme.

[11/86]

(2) The Authority may cause a report on the scheme to be made by an actuary independent of the parties to the scheme and, if it does so, shall cause a copy of the report to be sent to each of the insurers concerned.

[11/86; 32/93]

(3) Copies of the scheme and any such report as is mentioned in subsection (1) (a) or (2), or summaries approved by the Authority of the scheme and any such report, shall, except in so far as the High Court upon application made in that behalf otherwise directs, be transmitted by the insurers concerned, at least 15 days before application is made for confirmation of the scheme, to every policy owner affected by the scheme.

[11/86]

(4) An application to the High Court with respect to any matter connected with the scheme may, at any time before confirmation by the Court, be made by the Authority or by any person who, in the opinion of the Court, is likely to be affected by the scheme.

[11/86]

(5) The High Court may confirm the scheme without modification or subject to modifications agreed to by the insurers concerned, or may refuse to confirm the scheme.

(6) The insurers concerned shall be jointly and severally liable to reimburse to the Authority any expenses incurred by the Authority under this section in connection with any scheme or proposed scheme (subject to any order of the High Court as to costs).

[11/86]

(7) The scheme or proposed scheme referred to in subsection (6) shall include provision as to how that liability is, as between the insurers, to be borne.

Documents to be filed when scheme confirmed

49.—(1) Where, by a scheme under section 47, the insurance business of an insurer is transferred to another, the transferee shall, within one month after the scheme takes effect, lodge with the Authority —

- (a) statements of the assets and liabilities of each insurer concerned as at the time immediately before the transfer, signed on behalf of the insurer and, in the case of the transferor, indicating whether the transfer is of the whole of the transferor's business and, if not, the extent to which the transferor's assets and liabilities relate to the business transferred;
- (b) a copy of the scheme as confirmed by the High Court, and a certified copy of the order of the Court confirming the scheme;
- (c) copies of any actuarial or other reports upon which the scheme was founded (being reports made since a copy of the scheme was lodged under section 48(1));
- (d) a statement from an auditor of the transferee who satisfies the conditions mentioned in section 36(6)(a) and (b) certifying that the assets and liabilities of the transferor relating to the business transferred have been assumed and accounted for in the books of the transferee; and

- (e) a statutory declaration made by the chairman of directors of the transferee, or by its principal officer in Singapore, fully setting forth every payment made or to be made to any person on account of the transfer, and stating that, to the best of his belief, no other payment beyond those so set forth has been, or is to be, made on account thereof by or with the knowledge of any insurer concerned; and in this paragraph, references to the making of a payment include references to the transfer of property or rights of any description.

[11/86; 32/93]

(2) On the confirmation of a scheme under section 47, each of the insurers concerned shall (unless it is an unincorporated company) file a copy of the scheme with the Registrar of Companies or, in the case of societies registered under the Co-operative Societies Act (Cap. 62), with the Registrar of Co-operative Societies.

PART IIIA

ASSISTANCE TO FOREIGN REGULATORY AUTHORITIES

Interpretation of this Part

49A. In this Part, unless the context otherwise requires —

“enforce” means enforce through criminal, civil or administrative proceedings;

“enforcement” means the taking of any action to enforce a law or regulatory requirement against a specified person, being a law or regulatory requirement that relates to the insurance industry in the foreign country of the regulatory authority concerned;

“foreign country” means a country or territory other than Singapore;

“investigation” means an investigation to determine if a specified person has contravened or is contravening a law or regulatory requirement, being a law or regulatory requirement that relates to the insurance industry in the foreign country of the regulatory authority concerned;

“material” includes any information, book, document or other record in any form whatsoever, and any container or article relating thereto;

“prescribed written law” means this Act, or any of the following written laws and any subsidiary legislation made thereunder:

- (a) Banking Act (Cap. 19);
- (b) Finance Companies Act (Cap. 108);
- (c) Financial Advisers Act (Cap. 110);
- (d) Monetary Authority of Singapore Act (Cap. 186);
- (e) Money-changing and Remittance Businesses Act (Cap. 187);
- (f) Securities and Futures Act (Cap. 289); or
- (g) such other Act as the Authority may prescribe;

“regulatory authority”, in relation to a foreign country, means an authority of the foreign country exercising any function that corresponds to a regulatory function of the Authority under this Act;

“supervision”, in relation to a regulatory authority, means the taking of any action for or in connection with the supervision of a subject-matter in the foreign country of the regulatory authority similar to that to which this Act pertains.

[41/2001]

Conditions for provision of assistance

49B.—(1) The Authority may provide the assistance referred to in section 49D to a regulatory authority of a foreign country if the Authority is satisfied that all of the following conditions are fulfilled:

- (a) the request by the regulatory authority for assistance is received by the Authority on or after 8th January 2002;
- (b) the assistance is intended to enable the regulatory authority, or any other authority of the foreign country, to carry out supervision, investigation or enforcement;

- (c) the contravention of the law or regulatory requirement to which the request relates took place on or after 8th January 2002;
- (d) the regulatory authority has given a written undertaking that any material or copy thereof obtained pursuant to its request shall not be used for any purpose other than a purpose that is specified in the request and approved by the Authority;
- (e) the regulatory authority has given a written undertaking not to disclose to a third party (other than a designated third party of the foreign country in accordance with paragraph (f)) any material received pursuant to the request unless the regulatory authority is compelled to do so by the law or a court of the foreign country;
- (f) the regulatory authority has given a written undertaking to obtain the prior consent of the Authority before disclosing any material received pursuant to the request to a designated third party, and to make such disclosure only in accordance with such conditions as may be imposed by the Authority;
- (g) the material requested for is of sufficient importance to the carrying out of the supervision, investigation or enforcement to which the request relates and cannot reasonably be obtained by any other means;
- (h) the matter to which the request relates is of sufficient gravity; and
- (i) the rendering of assistance will not be contrary to the public interest or the interest of the policy owners.

[41/2001]

(2) In subsection (1)(e) and (f), “designated third party”, in relation to a foreign country, means —

- (a) any person or body responsible for supervising the regulatory authority in question;

- (b) any authority of the foreign country responsible for carrying out the supervision, investigation or enforcement in question; or
- (c) any authority of the foreign country exercising a function that corresponds to a regulatory function of the Authority under this Act.

[41/2001]

Other factors to consider for provision of assistance

49C. In deciding whether to grant a request for assistance referred to in section 49D from a regulatory authority of a foreign country, the Authority may also have regard to the following:

- (a) whether the act or omission that is alleged to constitute the contravention of the law or regulatory requirement to which the request relates would, if it had occurred in Singapore, have constituted an offence under this Act;
- (b) whether the regulatory authority has given or is willing to give an undertaking to the Authority to comply with a future request by the Authority to the regulatory authority for similar assistance;
- (c) whether the regulatory authority has given or is willing to give an undertaking to the Authority to contribute towards the costs of providing the assistance that the regulatory authority has requested for.

[41/2001]

Assistance that may be rendered

49D.—(1) Notwithstanding the provisions of any prescribed written law or any requirement imposed thereunder or any rule of law, the Authority or any person authorised by the Authority may, in relation to a request by a regulatory authority of a foreign country for assistance —

- (a) transmit to the regulatory authority any material in the possession of the Authority that is requested by the regulatory authority or a copy thereof;

- (b) order any person to furnish to the Authority any material that is requested by the regulatory authority or a copy thereof, and transmit the material or copy to the regulatory authority;
- (c) order any person to transmit directly to the regulatory authority any material that is requested by the regulatory authority or a copy thereof;
- (d) order any person to make an oral statement to the Authority on any information requested by the regulatory authority, record such statement, and transmit the recorded statement to the regulatory authority; or
- (e) request any Ministry, Government department or statutory authority to furnish to the Authority any material that is requested by the regulatory authority or a copy thereof, and transmit the material or copy to the regulatory authority.

[41/2001]

(2) The assistance referred to in subsection (1)(c) may only be rendered if the material sought is to enable the regulatory authority to carry out investigation or enforcement.

[41/2001]

(3) An order under subsection (1)(b), (c) or (d) shall have effect notwithstanding any obligation as to secrecy or other restriction upon the disclosure of information imposed by any prescribed written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.

[41/2001]

(4) Nothing in this section shall compel an advocate and solicitor —

- (a) to furnish or transmit any material or copy thereof that contains; or
- (b) to disclose,

a privileged communication made by or to him in that capacity.

[41/2001]

(5) An advocate and solicitor who refuses to disclose, or to furnish or transmit any material or copy thereof that contains, any privileged communication shall nevertheless be obliged to give the name and

address (if he knows them) of the person to whom, or by or on behalf of whom, the privileged communication was made.

[41/2001]

(6) A person is not excused from making an oral statement pursuant to an order made under subsection (1)(d) on the ground that the statement might tend to incriminate him but, where the person claims before making the statement that the statement might tend to incriminate him, that statement is not admissible in evidence against him in criminal proceedings other than proceedings for an offence under section 49E.

[41/2001]

Offences under this Part

49E.—(1) Any person who —

- (a) without reasonable excuse, refuses or fails to comply with an order under section 49D(1)(b), (c) or (d);
- (b) in purported compliance with an order under section 49D(1)(b) or (c), furnishes to the Authority or transmits to the regulatory authority, any material or copy thereof known to the person to be false or misleading in a material particular; or
- (c) in purported compliance with an order made under section 49D(1)(d), makes a statement to the Authority that is false or misleading in a material particular,

shall be guilty of an offence.

[41/2001]

(2) Any person found guilty of an offence under subsection (1) shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

[41/2001]

Immunities

49F.—(1) No civil or criminal proceedings, other than proceedings for an offence under section 49E, shall lie against any person for —

- (a) furnishing to the Authority or transmitting any material or copy thereof to the Authority or a regulatory authority of a

foreign country if he had furnished or transmitted that material or copy in good faith in compliance with an order made under section 49D(1)(b) or (c);

- (b) making a statement to the Authority in good faith and in compliance with an order made under section 49D(1)(d); or
- (c) doing or omitting to do any act, if he had done or omitted to do the act in good faith and as a result of complying with such an order.

[41/2001]

(2) Any person who complies with an order referred to in subsection (1)(a) or (b) shall not be treated as being in breach of any restriction upon the disclosure of information or thing imposed by any prescribed written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.

[41/2001]

PART IIIB

APPEALS

Appeals to Minister

49G.—(1) Where an appeal is made to the Minister under this Act, the Minister may confirm, vary or reverse the decision of the Authority on appeal, or give such directions in the matter as he thinks fit, and the decision of the Minister shall be final.

[41/2001]

(2) Where an appeal is made to the Minister under this Act, the Minister shall, within 28 days of his receipt of the appeal, constitute an Appeal Advisory Committee comprising not less than 3 members of the Appeal Advisory Panel and refer that appeal to the Appeal Advisory Committee.

[41/2001]

(3) The Appeal Advisory Committee shall submit to the Minister a written report on the appeal referred to it under subsection (2) and may make such recommendations as it thinks fit.

[41/2001]

(4) The Minister shall consider the report submitted under subsection (3) in making his decision under subsection (1) but he shall not be bound by the recommendations in the report.

[41/2001]

Appeal Advisory Committees

49H.—(1) For the purposes of enabling Appeal Advisory Committees to be constituted under section 49G, the Minister shall appoint a panel (referred to in this Part as the Appeal Advisory Panel) comprising such members from the financial services industry and the public and private sectors as the Minister may appoint.

[41/2001]

(2) A member of the Appeal Advisory Panel shall be appointed for a term of not more than 2 years and shall be eligible for re-appointment.

[41/2001]

(3) An Appeal Advisory Committee shall have the power, in the exercise of its functions, to inquire into any matter or thing related to the financial services industry and, for this purpose, may summon any person to give evidence on oath or affirmation or produce any document or material necessary for the purpose of the inquiry.

[41/2001]

(4) Nothing in subsection (3) shall compel the production by an advocate and solicitor of a document or other material containing any privileged communication made by or to him in that capacity or authorise the taking of any such document or other material which is in his possession.

[41/2001]

(5) An advocate and solicitor who refuses to produce any document or other material referred to in subsection (4) shall nevertheless be obliged to give the name and address (if he knows them) of the person to whom, or by or on behalf of whom, the privileged communication was made.

[41/2001]

(6) For the purposes of this Act, every member of an Appeal Advisory Committee —

- (a) shall be deemed to be a public servant for the purposes of the Penal Code (Cap. 224); and
- (b) in case of any suit or other legal proceedings brought against him for any act done or omitted to be done in the execution of his duty under this Part, shall have the like protection and privileges as are by law given to a Judge in the execution of his office.

[41/2001]

(7) Every Appeal Advisory Committee shall have regard to the interest of the public, the protection of policy owners and the safeguarding of sources of information.

[41/2001]

(8) Subject to the provisions of this Part, an Appeal Advisory Committee may regulate its own procedure and shall not be bound by the rules of evidence.

[41/2001]

Disclosure of information

49I. Nothing in this Act shall require the Minister or any public servant to disclose facts which he considers to be against the public interest to disclose.

[41/2001]

Regulations for purposes of this Part

49J.—(1) The Minister may make regulations for the purposes and provisions of this Part and for the due administration thereof.

(2) Without prejudice to the generality of subsection (1), the Minister may make regulations for or with respect to —

- (a) the appointment of members to, and procedures of, the Appeal Advisory Panel and Appeal Advisory Committees;
- (b) the form and manner in which an appeal to the Minister under this Act shall be made;
- (c) the fees to be paid in respect of any appeal made to the Minister under this Act, including the refund or remission, whether in whole or in part, of such fees;

- (d) the remuneration of the members of the Appeal Advisory Panel and Appeal Advisory Committees; and
- (e) all matters and things which by this Part are required or permitted to be prescribed or which are necessary or expedient to give effect to the provisions of this Part.

[23/2003 wef 01/01/2004]

PART IIIC

NOMINATION OF BENEFICIARIES

[3/2009 wef 01/09/2009]

Interpretation of this Part

49K. In this Part, unless the context otherwise requires —

“Central Provident Fund” means the Central Provident Fund established under section 6 of the Central Provident Fund Act (Cap. 36);

“Central Provident Fund Board” means the Central Provident Fund Board constituted under section 3 of the Central Provident Fund Act;

“minimum sum” has the same meaning as in section 2(1) of the Central Provident Fund Act;

“relevant policy” means any life policy or accident and health policy, whether issued before, on or after the date of commencement of section 2 of the Insurance (Amendment) Act 2008, which —

- (a) is issued by a registered insurer;
- (b) is governed by Singapore law;
- (c) provides death benefits;
- (d) is effected by the policy owner on his own life;
- (e) is not the subject of any trust created under section 73 of the Conveyancing and Law of Property Act (Cap. 61); and

- (f) is not an annuity purchased with the minimum sum under section 15(6C) of the Central Provident Fund Act;

“will” has the same meaning as in the Wills Act (Cap. 352).

Trust nomination

49L.—(1) This section shall not apply to any relevant policy which is —

- (a) issued under the Dependants’ Protection Insurance Scheme established and maintained by the Central Provident Fund Board under section 41 of the Central Provident Fund Act (Cap. 36); or
- (b) an investment made by a member of the Central Provident Fund under any scheme in accordance with any regulations made under section 77(1)(n) of the Central Provident Fund Act the proceeds or benefits (or any part thereof) of which the member is obliged to repay into the Central Provident Fund.

(2) Where the policy owner of a relevant policy who has attained the age of 18 years —

- (a) nominates as the beneficiary or beneficiaries under the relevant policy his spouse, his children, his spouse and children or any of them;
- (b) expresses in the nomination his intention to create a trust of the policy moneys in favour of the nominee or nominees; and
- (c) makes the nomination, and indicates each nominee’s portion of the policy moneys, in such manner as may be prescribed by the Authority,

the nomination shall create a trust of the policy moneys in favour of the nominee or nominees.

(3) No nomination under subsection (2) shall be valid unless it provides for the disposition of all policy moneys under the relevant policy.

(4) Subject to subsection (5), all policy moneys subject to the trust created under subsection (2) shall not form part of the estate of the policy owner or be subject to his debts.

(5) If it is proved that the relevant policy was effected, and the premiums for the relevant policy were paid, with intent to defraud the creditors of the policy owner, the creditors shall be entitled to receive out of the policy moneys a sum equal to the premiums so paid.

(6) On the death of any nominee, the nominee's interest in the policy moneys shall, subject to any encumbrance created over, or any disposition of, the nominee's interest while the nominee was alive, form part of the nominee's estate.

(7) A policy owner may revoke a nomination under subsection (2) if, and only if, the prior written consent to the revocation has been obtained from —

(a) in a case where any trustee of the policy moneys is a person other than the policy owner —

(i) that trustee or, if there is more than one such trustee, any such trustee; or

(ii) so long as no nominee has died before the revocation —

(A) each nominee who has attained the age of 18 years; and

(B) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years;

(b) in any other case, so long as no nominee has died before the revocation —

(i) each nominee who has attained the age of 18 years; and

(ii) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years; and

- (c) such requirements for the revocation as may be prescribed by the Authority are satisfied.

(8) Where a nomination under subsection (2) has been revoked in accordance with subsection (7) —

- (a) the trust created pursuant to the nomination shall be deemed to be revoked; and
- (b) the policy owner may make a new nomination under subsection (2) or section 49M(2).

(9) Where a nomination under subsection (2) has been made in respect of a relevant policy, a term or condition of the relevant policy may be varied, and an instruction of the policy owner in relation to the relevant policy (being an instruction which may directly or indirectly alter the benefits payable under the relevant policy) may be executed by the registered insurer that issued the relevant policy, if, and only if, the prior written consent to the variation of the term or condition or to the execution of the instruction, as the case may be, has been obtained from —

- (a) in a case where any trustee of the policy moneys is a person other than the policy owner —
 - (i) that trustee or, if there is more than one such trustee, any such trustee; or
 - (ii) so long as no nominee has died before the variation of the term or condition or the execution of the instruction, as the case may be —
 - (A) each nominee who has attained the age of 18 years; and
 - (B) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years; or
- (b) in any other case, so long as no nominee has died before the variation of the term or condition or the execution of the instruction, as the case may be —
 - (i) each nominee who has attained the age of 18 years; and

- (ii) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years.

(10) Any purported revocation of a nomination under subsection (2) in contravention of subsection (7), and any purported variation of any term or condition of a relevant policy in contravention of subsection (9), shall be void.

(11) Where a nomination under subsection (2) has been made in respect of a relevant policy, and the registered insurer that issued the relevant policy executes an instruction of the policy owner in contravention of subsection (9), the registered insurer shall be liable to each nominee for the loss suffered by the nominee (if any) as a result of the execution of the instruction.

(12) Subject to subsection (14), the policy owner —

- (a) shall, in such manner as may be prescribed by the Authority, appoint one or more trustees of the policy moneys;
- (b) may, in such manner as may be prescribed by the Authority, from time to time, appoint one or more new trustees of the policy moneys;
- (c) may, in such manner as may be prescribed by the Authority, revoke the appointment of any trustee appointed under paragraph (a) or (b); and
- (d) may, in such manner as may be prescribed by the Authority, make provision for —
 - (i) the appointment of one or more new trustees of the policy moneys; and
 - (ii) the revocation of the appointment of any trustee appointed under paragraph (a) or (b) or pursuant to a provision under sub-paragraph (i).

(13) Subject to subsection (14), on or after the death of the policy owner, the High Court may appoint one or more new trustees of the policy moneys if —

- (a) there is no trustee of the policy moneys; or

(b) it is expedient to do so.

(14) No individual shall be appointed a trustee of policy moneys under subsection (12)(a) or (b) or (13), or pursuant to a provision under subsection (12)(d)(i), unless he has attained the age of 18 years; and any appointment of a trustee of policy moneys in contravention of this subsection shall be void.

(15) Where, in respect of a relevant policy issued by a registered insurer, a trust of the policy moneys has been created pursuant to a nomination under subsection (2), the relevant policy shall vest, in trust for the nominees, in the trustee or trustees of the policy moneys appointed —

(a) under subsection (12)(a) or (b) or (13); or

(b) pursuant to a provision under subsection (12)(d)(i),

when the registered insurer has been given notice of the appointment in such manner as may be prescribed by the Authority.

Revocable nomination

49M.—(1) This section shall not apply to any relevant policy in respect of which any nomination made by the policy owner under section 49L(2) is not revoked in accordance with section 49L(7).

(2) Subject to subsection (3), the policy owner of a relevant policy who has attained the age of 18 years —

(a) may nominate any person as a beneficiary of the whole or any portion of the death benefits under the relevant policy; and

(b) if he does so, shall make the nomination and indicate each nominee's portion of the death benefits in such manner as may be prescribed by the Authority.

(3) No nomination under subsection (2) shall be valid unless it provides for the disposition of all death benefits under the relevant policy.

(4) A policy owner may revoke a nomination under subsection (2) at any time in such manner as may be prescribed by the Authority.

(5) Where the policy owner of a relevant policy has made a nomination under subsection (2), and any nominee dies before the policy owner —

- (a) if there is no surviving nominee, the nomination shall be deemed to be revoked;
- (b) if there is only one surviving nominee, the nomination shall be deemed to be varied by adding, to that surviving nominee's portion of the death benefits under the policy, the deceased nominee's portion of the death benefits under the policy; and
- (c) if there is more than one surviving nominee, the nomination shall be deemed to be varied by adding, to each surviving nominee's portion of the death benefits under the policy, a share of the deceased nominee's portion of the death benefits under the policy, such share to be calculated as follows:

$$\frac{\text{A}}{\text{B}} \times \text{C},$$

where	A	is that surviving nominee's original portion of the death benefits under the policy (as set out in the nomination);
	B	is the aggregate of all the surviving nominees' original portions of the death benefits under the policy (as set out in the nomination); and
	C	is the deceased nominee's portion of the death benefits under the policy.

(6) For the purposes of subsection (5), where the policy owner and one or more of the nominees die in circumstances rendering it uncertain which of them survived the other or others, then in the absence of any order of the court determining otherwise —

- (a) such deaths shall be presumed to have occurred in order of seniority; and
- (b) accordingly, the younger shall be deemed to have survived the elder.

(7) A nomination made by the policy owner of a relevant policy under subsection (2) shall be deemed to be revoked if —

- (a) the policy owner assigns, encumbers or otherwise deals with the relevant policy or any interest under the relevant policy;
- (b) after the making of the nomination, the policy owner makes a will in accordance with the Wills Act (Cap. 352) which —
 - (i) provides for the disposition of all death benefits under the relevant policy; and
 - (ii) specifies such particulars of the relevant policy as may be prescribed by the Authority; or
- (c) after the making of the nomination, the policy owner makes another nomination under subsection (2) or a nomination under section 49L(2).

(8) Notwithstanding anything in the Wills Act, the Intestate Succession Act (Cap. 146) and any rule of law relating to the distribution of estates, but subject to section 57 of the Probate and Administration Act (Cap. 251), where the policy owner of a relevant policy has made one or more nominations under subsection (2) and one or more wills in accordance with the Wills Act —

- (a) if the last nomination is not and is not deemed to be revoked, the death benefits under the relevant policy shall be distributed in accordance with the last nomination;
- (b) if the last nomination is or is deemed to be revoked, and the last will is not revoked, the death benefits under the relevant policy shall be distributed in accordance with the last will; or
- (c) if the last nomination is or is deemed to be revoked, and the last will is revoked, the death benefits under the relevant policy shall be distributed in accordance with the Intestate Succession Act.

(9) Notwithstanding anything in the Intestate Succession Act and any rule of law relating to the distribution of estates, but subject to

section 57 of the Probate and Administration Act, where the policy owner of a relevant policy who has made one or more nominations under subsection (2) dies intestate —

- (a) if the last nomination is not and is not deemed to be revoked, the death benefits under the relevant policy shall be distributed in accordance with the last nomination; or
- (b) if the last nomination is or is deemed to be revoked, the death benefits under the relevant policy shall be distributed in accordance with the Intestate Succession Act.

Register of nominees

49N.—(1) Every registered insurer shall maintain, in such manner as may be prescribed by the Authority and in accordance with such directions as may be issued by the Authority, a register of every person —

- (a) who has been nominated under section 49L(2) or 49M(2) by the policy owner of a relevant policy issued by the registered insurer; and
- (b) in respect of whom the registered insurer has received written notice of the nomination in such manner as may be prescribed by the Authority for the purposes of this subsection.

(2) Where —

- (a) any person nominated under section 49L(2) has been registered by a registered insurer under subsection (1);
- (b) the nomination of that person has been revoked under section 49L(7); and
- (c) the registered insurer has received written notice of the revocation of the nomination in such manner as may be prescribed by the Authority for the purposes of this subsection,

the registered insurer shall record the revocation of the nomination under section 49L(7) in its register maintained under subsection (1).

(3) Where —

- (a) any person nominated under section 49M(2) has been registered by a registered insurer under subsection (1);
- (b) the nomination of that person has been or is deemed to be revoked; and
- (c) the registered insurer has received written notice of the revocation of the nomination in such manner as may be prescribed by the Authority for the purposes of this subsection,

the registered insurer shall record the revocation of the nomination in its register maintained under subsection (1).

Relevant policies issued by co-operative society

49O.—(1) Where the registered insurer of any relevant policy is a co-operative society registered under the Co-operative Societies Act (Cap. 62), and the policy owner of that relevant policy —

- (a) has not, before the date of commencement of section 2 of the Insurance (Amendment) Act 2008, made any nomination under section 45(1) of the Co-operative Societies Act in relation to that relevant policy; or
- (b) has, before that date, revoked every nomination made under section 45(1) of the Co-operative Societies Act in relation to that relevant policy,

nothing in the Co-operative Societies Act shall, on or after that date, apply to that relevant policy or to any share or interest in any policy moneys under that relevant policy.

(2) Where the registered insurer of any relevant policy is a co-operative society registered under the Co-operative Societies Act, and on or after the date of commencement of section 2 of the Insurance (Amendment) Act 2008 the policy owner of that relevant policy —

- (a) revokes the last subsisting nomination made by him under section 45(1) of the Co-operative Societies Act in relation to that relevant policy; or

- (b) makes any nomination under section 49L(2) or 49M(2) in relation to that relevant policy, whether or not there is any subsisting nomination made by him under section 45(1) of the Co-operative Societies Act in relation to that relevant policy,

nothing in the Co-operative Societies Act shall apply, on or after the date the policy owner revokes the last subsisting nomination under section 45(1) of the Co-operative Societies Act or makes the nomination under section 49L(2) or 49M(2), as the case may be, to the relevant policy or to any share or interest in any policy moneys under that relevant policy.

Regulations for purposes of this Part

49P.—(1) The Authority may make regulations for the purposes of this Part.

(2) Without prejudice to the generality of subsection (1), such regulations may —

- (a) prescribe anything which may be prescribed by the Authority under this Part; and
- (b) make provision for the exercise of the court's powers under section 20 of the Mental Capacity Act 2008 (Act 22 of 2008) in relation to —
 - (i) the making, on a person's behalf, of any nomination under section 49L(2) or 49M(2); and
 - (ii) where any nomination under section 49L(2) or 49M(2) has been made by a person or by the court on behalf of a person, the revoking, on the person's behalf, of that nomination under section 49L(7) or 49M(4), as the case may be.

PART IV

MISCELLANEOUS AND GENERAL

*Administration and enforcement***Appointment of assistants**

50.—(1) Subject to subsection (1A), the Authority may appoint any person to exercise any of its powers or perform any of its functions or duties under this Act, either generally or in any particular case, except the power to make subsidiary legislation.

[41/2001]

(1A) The Authority may, by notification published in the *Gazette*, appoint one or more of its officers to exercise the power to grant an exemption to any person (not being an exemption granted to a class of persons) under a provision of this Act specified in the Second Schedule, or to revoke any such exemption.

[23/2003 wef 01/01/2004]

(2) Any person appointed by the Authority under subsection (1) shall be deemed to be a public servant for the purposes of the Penal Code (Cap. 224).

[41/2001]

51. [Deleted by Act 24/2003]

Exemption

52.—(1) The Authority may, by regulations, exempt any person or class of persons from all or any of the provisions of this Act, subject to such conditions as may be prescribed.

[41/2001]

(1A) Without prejudice to the generality of subsection (1), the Authority may make regulations to exempt any person or class of persons from section 3 or 35W and, in making these regulations, the Authority may make such provisions as it thinks fit to regulate the person or class of persons, whether by modification of provisions of this Act or by imposing such other requirements or restrictions as may be prescribed.

[23/2003 wef 01/01/2004]

(2) The Authority may, on the application of any person, exempt the person from all or any of the provisions of this Act or any direction by

notice in writing if the Authority considers it appropriate to do so in the circumstances of the case.

[41/2001]

(3) An exemption under subsection (2) —

(a) may be granted subject to such terms or conditions as the Authority may specify by notice in writing; and

(b) need not be published in the *Gazette*.

[41/2001]

(4) An exemption granted under this section may be withdrawn by the Authority at any time.

[11/86]

Statistics

53.—(1) Without prejudice to the generality of section 64(1), regulations may provide —

(a) for the collection by or on behalf of the Authority, at such intervals or on such occasions as may be prescribed, of statistical information as to such matters relevant to insurance as may be prescribed; and

(b) for the collection and use of statistical information for any purpose, whether or not connected with insurance.

[11/86; 41/2001]

(2) Without prejudice to the generality of section 64(1) and (2), the Authority may prescribe or specify in directions the form or manner in which statistical information shall be furnished by Singapore insurers or insurance intermediaries to the Authority.

[23/2003 wef 01/01/2004]

(3) No use shall be made of any information obtained by or on behalf of the Authority by virtue only of this section except in a form which does not disclose the affairs of any particular person.

Service of notice, etc.

54.—(1) Unless otherwise expressly provided in this Act, any notice, order or document required or authorised by this Act to be given to or served on any person may be given to or served on the person —

- (a) by delivering it to the person or to some adult member or employee of his family or household at his last known place of residence;
- (b) by leaving it at his usual or last known place of residence or business in an envelope addressed to him;
- (c) by sending it by registered post addressed to the person at his usual or last known place of residence or business; or
- (d) in the case of a body corporate, a partnership or a body of persons —
 - (i) by delivering it to the secretary or other like officer of the body corporate, partnership or body of persons at its registered office or principal place of business; or
 - (ii) by sending it by registered post addressed to the body corporate, partnership or body of persons at its registered office or principal place of business.

[41/2001]

(2) Any notice, order or document sent by registered post to any person in accordance with subsection (1) shall be deemed to be duly served on the person to whom the letter is addressed at the time when the letter would, in the ordinary course of post, be delivered.

[41/2001]

(3) When proving service of the notice, order or document, it shall be sufficient to prove that the envelope containing the notice, order or document was properly addressed, stamped and posted by registered post.

[41/2001]

General provisions as to offences

55.—(1) Any person who —

- (a) signs any document lodged with the Authority under section 36, 37 or 49(1)(a); or
- (b) 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.

[11/86; 32/93; 41/2001]

(2) Any person who is guilty of any breach of a duty imposed on him by this Act or any direction issued by the Authority under section 64(2) shall be guilty of an offence and, where no penalty is expressly provided, shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day during which the offence continues after conviction.

[11/86; 32/93; 30/99; 41/2001]

(3) Where an offence under this Act is committed by any corporation, any person who, at the time of the commission of the offence, is a director, manager, secretary or other similar officer of that corporation, or is purporting to act in that capacity, shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly unless he proves that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

[41/2001]

(4) Where an offence under this Act is committed by a corporation, being an offence consisting in the breach of a duty imposed only on corporations, any individual guilty of the offence (whether under subsection (3) or otherwise) shall be liable on conviction to imprisonment for a term not exceeding 12 months in addition to or in substitution for any fine.

[11/86; 32/93]

(5) For the purpose of any proceedings under subsection (1)(a), a document purporting to be signed by any person shall be presumed to have been signed by him, unless the contrary is proved.

(6) The Authority may, without instituting proceedings against any person for an offence under this Act which is punishable only by a

fine, demand and receive the amount of such fine or such reduced amount as it thinks fit from that person, whereupon —

- (a) if that person pays such amount to the Authority within 14 days after the demand, no proceedings shall be taken against him in relation to the offence; and
- (b) if that person does not pay the amount so demanded, the Authority may cause proceedings to be instituted in relation to the offence.

[41/2001]

(7) [*Deleted by Act 23/2003*]

Penalties for corporations

55A.—(1) Subject to subsection (2), where a corporation is convicted of an offence under this Act, the penalty that the court may impose is a fine not exceeding 2 times the maximum amount that the court could, but for this subsection, impose as a fine for that offence.

[41/2001]

(2) Subsection (1) shall not apply to any offence under this Act consisting in the breach of a duty imposed only on corporations.

[41/2001]

(3) Where an individual is convicted of an offence under this Act by virtue of section 55(3), he shall be liable to the fine or imprisonment or both as prescribed for that offence and subsection (1) shall not apply.

[41/2001]

Jurisdiction of court

56. Notwithstanding any provision to the contrary in the Criminal Procedure Code (Cap. 68), a District Court and a Magistrate's Court shall have jurisdiction to try any offence under this Act and shall have power to impose the full penalty or punishment in respect of any offence under this Act.

[11/86]

Extra-territoriality of Act

56A.—(1) Where a person does an act partly in and partly outside Singapore which, if done wholly in Singapore, would constitute an offence against any provision of this Act, that person shall be guilty of that offence as if the act were carried out by that person wholly in Singapore, and may be dealt with as if the offence were committed wholly in Singapore.

[41/2001]

(2) Where —

- (a) a person does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore; and
- (b) that act would, if carried out in Singapore, constitute an offence under section 3, 6, 35S or 35W,

that person shall be guilty of that offence as if the act were carried out by that person in Singapore, and may be dealt with as if the offence were committed in Singapore.

[41/2001]

(3) The Authority may, by regulations, specify the circumstances under which subsection (2) does not apply.

[41/2001]

Miscellaneous amendments of law

Insurable interest required for life insurances

57.—(1) A life policy insuring the life of a person which is issued by a registered insurer shall be void unless —

- (a) the person effecting the insurance has an insurable interest in the life which is insured at the time the insurance is effected;
- (b) the life which is insured is that of —
 - (i) the person effecting the insurance;
 - (ii) his spouse at the time the insurance is effected;
 - (iii) his child or ward under the age of 18 years at the time the insurance is effected; or

- (iv) any other person on whom the person effecting the insurance is, at the time the insurance is effected, wholly or partly dependant; or
- (c) the life policy is one in respect of which all of the conditions referred to in subsection (2A) or (2B) are satisfied.

[3/2009 wef 01/03/2009]

(2) Where subsection (1)(a) applies, the policy moneys payable under the life policy shall not exceed the amount of the insurable interest at the time the insurance is effected.

[3/2009 wef 01/03/2009]

(2A) Section 5 of the Civil Law Act (Cap. 43) and section 62 shall not apply to a life policy, and a life policy shall not be void, if all of the following conditions are satisfied:

- (a) the life which is insured is that of the settlor of a trust;
- (b) the person effecting the insurance is the trustee of the trust;
- (c) any beneficiary of the trust —
 - (i) has an insurable interest in the life of the settlor at the time the insurance is effected; or
 - (ii) is —
 - (A) the settlor's spouse at the time the insurance is effected;
 - (B) the settlor's child or ward under the age of 18 years at the time the insurance is effected; or
 - (C) any other person on whom the settlor is, at the time the insurance is effected, wholly or partly dependant; and
- (d) the settlor consents in writing to the effecting of the insurance before it is effected.

[3/2009 wef 01/03/2009]

(2B) Section 5 of the Civil Law Act and section 62 shall not apply to a life policy, and a life policy shall not be void, if all of the following conditions are satisfied:

- (a) the life which is insured is that of a beneficiary of a trust (referred to in this subsection as the relevant beneficiary);
- (b) the person effecting the insurance is the trustee of the trust;
- (c) any beneficiary of the trust —
 - (i) has an insurable interest in the life of the relevant beneficiary at the time the insurance is effected; or
 - (ii) is —
 - (A) the relevant beneficiary's spouse at the time the insurance is effected;
 - (B) the relevant beneficiary's child or ward under the age of 18 years at the time the insurance is effected; or
 - (C) any other person on whom the relevant beneficiary is, at the time the insurance is effected, wholly or partly dependant; and
- (d) the relevant beneficiary consents in writing to the effecting of the insurance before it is effected.

[3/2009 wef 01/03/2009]

(2C) Subsections (1), (2), (2A) and (2B) shall apply to a life policy regardless of whether the proper law of the life policy is the law of Singapore.

[3/2009 wef 01/03/2009]

(3) In this section, “insuring the life of a person” means insuring the payment of money (or the equivalent) on that person's death or on the happening of any contingency dependent on the termination or continuance of that person's life, and includes granting an annuity to commence on that death or at a time to be determined by reference thereto or to any such contingency.

(4) In so far as in the case of any life policy the policy moneys do not consist wholly of a cash payment due on the death in question, the limit under this section on the amount to be paid shall be applied by reference to the value of the right to the policy moneys immediately after the death or the happening before the death of any event on which they become payable.

(5) Subsections (1)(a) and (b), (2), (3) and (4) shall not affect policies issued before 1st January 1967.

(6) Subsections (1)(c), (2A), (2B) and (2C) shall not affect policies issued before the date of commencement of section 3 of the Insurance (Amendment) Act 2009.

[3/2009 wef 01/03/2009]

Capacity of infant to insure

58.—(1) Notwithstanding any law to the contrary, a person over the age of 10 years shall not, by reason only of his age, lack the capacity to enter into a contract of insurance; but a person under the age of 16 years shall not have the capacity to enter into such a contract except with the consent in writing of his parent or guardian.

(2) This section shall be deemed always to have had effect.

Life policy moneys to be paid without deduction

59.—(1) Subject to section 61, any policy moneys payable under a life policy or moneys payable on the surrender of a life policy shall be paid without any deduction for sums not due under the policy or under an agreement charging them on the policy, unless the deduction is made with the consent of the person entitled to those moneys; and any provision contained in a life policy or in any agreement relating thereto shall be void, in so far as it entitles the insurer to make any such deduction without that consent.

(2) Subsection (1) shall apply to all Singapore policies, but shall not apply to any other policy issued before 1st January 1967.

(3) In any proceedings for the recovery of policy moneys due under the life policy or of moneys payable on the surrender of a life policy, no set-off or counterclaim shall be allowed except for sums due under the policy or under an agreement charging them on the policy.

Life policies (surrenders, non-payment of premiums, paid-up policies)

60.—(1) Where a life policy, has been in force for 3 years or more, the policy owner may by notice in writing to the insurer surrender the policy and shall thereupon become entitled to receive the surrender

value thereof, determined in accordance with such rules as may be prescribed (but subject to any deduction for sums due under the policy or under an agreement charging them on the policy).

[30/99]

(2) Where a life policy has been in force for 3 years or more, the policy shall not lapse or be forfeited by reason of the non-payment of premiums, but shall have effect subject to such modifications as to the period for which it is to be in force or the benefits receivable thereunder or both as may be determined in accordance with any system adopted by the insurer and applicable to the policy; and —

- (a) in the case of a policy issued as a Singapore policy after 1st January 1967 or as an offshore policy issued after 1st January 1987, the system shall require the approval of the Authority, and shall be that adopted and applicable at the time the policy is issued, and the policy shall contain a statement in a form approved by the Authority of the effect of this subsection in relation to the policy; and
- (b) in any other case, unless the system is determined by the policy, the system shall be that which at the time when this section becomes applicable to the policy would apply to a like policy then issued as a Singapore policy.

[11/86]

(3) Where a life policy has been in force for 3 years or more, the policy owner may by notice in writing to the insurer elect to exchange the policy for a paid-up policy, which shall be a non-participating policy for an amount determined in accordance with such rules as may be prescribed, but with no other modification not required by this Act or some other written law.

(4) A policy issued in place of an earlier policy shall, for the purposes of this section (including this subsection), be treated as having been in force since the earlier policy began to be in force; but this shall not affect the operation in relation to a policy of subsection (2)(a) or (b).

(5) Subsections (1) to (3) shall not apply —

- (a) to a policy securing the grant of an annuity for a term dependent upon human life; or

(b) to a policy under which no policy moneys are necessarily payable, not being a policy which provides for the payment of policy moneys on a death after a specified period.

(6) As respects policies of any prescribed description, subsections (1), (2) and (3) shall have effect subject to such modifications as may be prescribed.

(7) The rights conferred by this section shall be in addition to, and not in derogation of, any other rights available to the policy owner under the terms of the policy or otherwise; but this section shall not be taken to confer on a policy owner any rights except against the insurer as such.

(8) This section shall apply to policies whenever issued; and, subject to subsection (5), shall extend to any Singapore policy and offshore policy.

[11/86]

Payment of living benefits or death benefits under life policy or accident and health policy, etc.

61.—(1) In any case where —

- (a) the policy owner of any life policy or accident and health policy has made a nomination under section 49L(2) in respect of the policy;
- (b) that nomination is not revoked in accordance with section 49L(7);
- (c) the registered insurer of the policy has received written notice of that nomination under section 49N(1)(b); and
- (d) any living benefits are payable under the policy,

the registered insurer may make a payment from the living benefits, and shall be discharged from all liability in respect of the payment, to —

- (i) in a case where any trustee of the policy moneys is a person other than the policy owner —
 - (A) that trustee, for the benefit of every nominee under that nomination; or

(B) if there is more than one such trustee, any such trustee, for the benefit of every nominee under that nomination; or

(ii) in any other case —

(A) any nominee under that nomination who has attained the age of 18 years;

(B) a parent or legal guardian, not being the policy owner, of any nominee under that nomination who is below the age of 18 years; or

(C) the personal representatives of the estate of any nominee under that nomination who is deceased,

such payment not exceeding that nominee's portion of the living benefits.

(2) In any case where the policy owner of any life policy or accident and health policy dies, and death benefits are payable under the policy on his death —

(a) if subsection (7), (8) or (9) applies in respect of the policy, the registered insurer of the policy may make one or more payments in accordance with the applicable subsection from the death benefits under the policy, without the production of any probate or letters of administration;

(b) if subsection (10) applies in respect of the policy, the registered insurer of the policy may make one or more payments in accordance with subsections (10) and (11) from the death benefits under all such policies issued by the registered insurer on the deceased's life in respect of which subsection (10) applies, such payment or payments not exceeding in the aggregate the amount prescribed by the Authority for the purposes of this paragraph, without the production of any probate or letters of administration; and

(c) the registered insurer shall be discharged from all liability in respect of each such payment.

(3) If, in any case referred to in subsection (2), estate duty is payable in Singapore on any death benefits referred to in that subsection, the registered insurer may, notwithstanding section 43(2) of the Estate Duty Act (Cap. 96), make one or more payments in accordance with subsections (10) and (11) from the death benefits under all such policies issued by the registered insurer (such payment or payments not exceeding in the aggregate the amount prescribed by the Authority for the purposes of this subsection) without the death benefits having been included in any schedule or certificate referred to in section 43(2) of that Act.

(4) If, as a consequence of making any payment under subsection (3), the aggregate of all payments made under that subsection will exceed the amount prescribed by the Authority for the purposes of this subsection, the registered insurer shall, before making the first-mentioned payment, give written notice to the Commissioner of Estate Duties of such particulars as the Commissioner may require.

(5) Subsection (3) shall apply in relation to death benefits under policies of which the deceased was not the policy owner at his death as it applies in relation to any death benefits referred to in subsection (2).

(6) Where the payment or payments allowed under subsection (3) on account of any death benefits have been made, the registered insurer may, before paying the balance of such death benefits to one or more relevant persons according to their entitlements, apply the whole or any part of the death benefits to pay any unpaid estate duty payable on the death of the insured.

(7) Where —

- (a) the policy owner of a policy referred to in subsection (2) has made a nomination under section 49L(2) in respect of the policy;
- (b) that nomination is not revoked in accordance with section 49L(7); and
- (c) the registered insurer of the policy has received written notice of that nomination under section 49N(1)(b),

the registered insurer may make a payment under subsection (2)(a) to —

- (i) in a case where any trustee of the policy moneys is a person other than the policy owner —
 - (A) that trustee, for the benefit of every nominee under that nomination; or
 - (B) if there is more than one such trustee, any such trustee, for the benefit of every nominee under that nomination; or
- (ii) in any other case —
 - (A) any nominee under that nomination who has attained the age of 18 years;
 - (B) a parent or legal guardian, not being the policy owner, of any nominee under that nomination who is below the age of 18 years; or
 - (C) the personal representatives of the estate of any nominee under that nomination who is deceased,such payment not exceeding that nominee's portion of the death benefits under the policy.

(8) Where —

- (a) the policy owner of a policy referred to in subsection (2) has made a nomination under section 49M(2) in respect of the policy;
- (b) that nomination is not and is not deemed to be revoked; and
- (c) the registered insurer of the policy has received written notice of that nomination under section 49N(1)(b),

the registered insurer may make a payment under subsection (2)(a) to —

- (i) any nominee under that nomination who has attained the age of 18 years;

- (ii) a parent or legal guardian, not being the policy owner, of any nominee under that nomination who is below the age of 18 years; or
- (iii) the personal representatives of the estate of any nominee under that nomination who dies after the policy owner,

such payment not exceeding that nominee's portion of the death benefits under the policy.

(9) Subject to subsection (7), where —

- (a) the policy owner of a policy referred to in subsection (2) has made, and has not revoked, a will in accordance with the Wills Act (Cap. 352);
- (b) the will —
 - (i) provides for the disposition of all death benefits under the policy; and
 - (ii) specifies such particulars of the policy as may be prescribed by the Authority under section 49M(7)(b)(ii); and
- (c) the registered insurer of the policy has received written notice, signed by the policy owner, of that will in such manner as may be prescribed by the Authority for the purposes of this subsection,

the registered insurer may make a payment under subsection (2)(a) to any executor of that will, such payment not exceeding the amount of the death benefits under the policy.

(10) Subject to subsection (11), where —

- (a) the policy owner of a policy referred to in subsection (2) or (3) has not made —
 - (i) any nomination under section 49L(2) or 49M(2) in respect of the policy; or
 - (ii) any will which —
 - (A) provides for the disposition of all death benefits under the policy; and

(B) specifies such particulars of the policy as may be prescribed by the Authority under section 49M(7)(b)(ii);

(b) the registered insurer of a policy referred to in subsection (2) or (3) has not received —

(i) any written notice referred to in section 49N(1)(b) of any nomination made under section 49L(2) or 49M(2) in respect of the policy; or

(ii) any written notice referred to in subsection (9)(c) of any will providing for the disposition of all death benefits under the policy; or

(c) there exist, in respect of a policy referred to in subsection (2) or (3), such other circumstances as the Authority may prescribe,

the registered insurer of the policy may make a payment under subsection (2)(b) or (3) to any proper claimant from the death benefits under the policy.

(11) Where subsection (10) applies, and the registered insurer referred to in that subsection receives 2 or more different claims for payment in accordance with that subsection —

(a) each such claim shall be paid in the same order of priority; and

(b) the amount payable under subsection (2)(b) or (3), as the case may be, in respect of any such claim shall be calculated as follows:

$$\frac{A}{B} \times C,$$

where	A	is the amount which would have been payable in respect of that claim had it been paid in full;
	B	is the total amount which would have been payable in respect of all such claims had they been paid in full; and

	C	is the amount prescribed by the Authority for the purposes of subsection (2)(b) or (3), as the case may be.
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(12) In this section, unless the context otherwise requires —

“policy owner” includes a part owner of a policy;

“proper claimant” means a person who —

(a) claims to be entitled to payment under subsection (2)(b) or (3) as executor of the deceased; or

(b) claims to be entitled to payment under subsection (2)(b) or (3) (whether for his own benefit or not) and is the widower, widow, parent, child, brother, sister, nephew or niece of the deceased;

“relevant person” means the personal representative of the deceased or, where there is none, any proper claimant.

(13) In deducing any relationship for the purposes of the definition of “proper claimant” in subsection (12), an illegitimate person shall be treated as the legitimate child of his actual parents.

(14) For the purposes of this section, where any nomination has been or is deemed to be varied, any reference to a nominee under that nomination shall be construed as a reference to a nominee under that nomination as varied.

[3/2009 wef 01/09/2009]

No insurance to be made unless insurer has interest and no policy without inserting names (UK Life Assurance Act 1774)

62.—(1) No insurance shall be made by any person on any event wherein the person for whose use or benefit or on whose account the policy is made has no interest, or by way of gaming or wagering; and every assurance made contrary to this subsection shall be void.

[35/93]

(2) It shall not be lawful to make any policy on any event without inserting in such policy the names of the persons interested therein, or for whose use or benefit or on whose account such policy was made. [35/93]

(3) In all cases where there is an interest in such event, no greater sum shall be recovered or received from the insurer than the amount or value of the interest. [35/93]

(4) Nothing in this section shall extend to insurance made by any person on ships or goods, or to contracts of indemnity against loss by fire or loss by other events whatsoever. [35/93]

No action for accidental fire (UK Fire Prevention (Metropolis) Act 1774, s. 86)

63. No action shall lie against a person in whose house or premises or on whose estate any fire accidentally began except that no contract or agreement made between landlord and tenant shall be hereby defeated or made void. [35/93]

Supplementary

Amendment of Schedules

63A.—(1) The Minister may from time to time, by order published in the *Gazette*, amend, add to or vary the First or Second Schedule.

(2) The Minister may, in any order made under subsection (1), make such incidental, consequential or supplementary provisions as may be necessary or expedient.

(3) Any order made under subsection (1) shall be presented to Parliament as soon as possible after publication in the *Gazette*. [23/2003 wef 01/01/2004]

Regulations

64.—(1) The Authority may make regulations for carrying into effect the objects of this Act, and for prescribing anything which under this Act is to be prescribed. [11/86; 32/93]

(1A) Without prejudice to the generality of subsection (1), regulations may be made for or with respect to —

- (a) the forms for the purposes of this Act;
- (b) the fees to be paid in respect of any matter or thing required for the purposes of this Act, including the refund or remission, whether in whole or in part, of such fees; and
- (c) the corporate governance of insurers.

[23/2003 wef 01/01/2004]

(1B) Except as otherwise expressly provided in this Act, regulations made under this Act —

- (a) may be of general or specific application;
- (b) may provide that a contravention of any specified provision thereof shall be an offence; and
- (c) may provide for penalties not exceeding a fine of \$50,000 or imprisonment for a term not exceeding 12 months or both for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part thereof during which the offence continues after conviction.

[23/2003 wef 01/01/2004]

(2) The Authority may issue such directions as it may consider necessary for carrying into effect the objects of this Act.

[11/86; 32/93]

(2A) Without prejudice to the generality of subsection (2), the Authority may issue such directions as it may consider necessary to an authorised reinsurer with respect to the manner and form of the transfer of the whole or part of its business of providing the reinsurance of liabilities under insurance policies, to persons in Singapore.

[23/2003 wef 01/01/2004]

(3) For the avoidance of doubt, a direction issued under this Act shall be deemed not to be subsidiary legislation.

[41/2001]

Saving provisions

65.—(1) The repeal of section 34 shall not —

- (a) invalidate any existing Lloyd’s policy;
- (b) prevent the collection or receipt of premiums on any existing Lloyd’s policy; or
- (c) prejudice any right or claim against the Lloyd’s underwriter, or by the Lloyd’s underwriter of any right or claim against any policy owner or person, relating to any existing Lloyd’s policy.

(2) The Authority shall, if satisfied that insurance business is not being carried on in Singapore by any Lloyd’s underwriter under the repealed section 34, transfer any deposit referred to in the repealed section 34(4) and maintained under the repealed Second Schedule, to Lloyd’s, except such part (if any) that the Authority determines should be kept available for meeting claims against Lloyd’s underwriters in respect of any existing Lloyd’s policy.

(3) For the purposes of this section —

“existing Lloyd’s policy” means any insurance policy entered into by a Lloyd’s underwriter before 8th January 2002 and which was authorised under the repealed section 34;

“Lloyd’s ” has the same meaning as in the repealed section 34;

“Lloyd’s underwriter” has the same meaning as in the repealed section 34;

[41/2001]

FIRST SCHEDULE

Section 2(9)

DEFINITION OF INSURANCE TERMS**GENERAL**

1.—(1) “Policy” includes any contract of insurance whether or not embodied in or evidenced by an instrument in the form of a policy, and references to issuing a policy shall be construed accordingly.

FIRST SCHEDULE — *continued*

(2) References to a policy of an insurer include any policy in respect of which the insurer is under any liability, whether the policies were issued by the insurer or the liability was transferred to the insurer from another.

2.—(1) Subject to this paragraph and section 16(3) and (4) of the Act, “Singapore policy”, in relation to any insurer, means a policy issued in the course of the insurer’s business in Singapore and falling within one of the following descriptions:

- (a) in relation to a life policy or accident and health policy —
 - (i) where the policy owner is an individual, the policy owner or insured is ordinarily resident in Singapore at the date of the proposal in respect of the policy (proposal date);
 - (ii) where the policy owner is not an individual, the policy owner’s address is or was an address in Singapore at the date of issue of the policy and at the date of the establishment of the insurer’s register of Singapore policies (if the policy was issued before then);
- (b) in relation to direct general insurance (other than short-term accident and health policies) and facultative general reinsurance, a policy where the risk arises in Singapore or —
 - (i) where the insured is an individual, the insured is ordinarily resident in Singapore; or
 - (ii) where the insured is not an individual, the insured is a person resident in Singapore or has a permanent establishment in Singapore; and
- (c) in relation to treaty general reinsurance, a policy where more than 25% of the total risks in terms of gross premiums arises in Singapore.

(2) Notwithstanding sub-paragraph (1)(b), a policy where —

- (a) the insured is an individual and the insured is ordinarily resident in Singapore; or
- (b) the insured is not an individual and the insured is a person resident in Singapore or has a permanent establishment in Singapore,

shall not be regarded as a Singapore policy if it is in respect of cargo transported from a place outside Singapore to a place outside Singapore, whether or not the cargo is in transit in Singapore.

(3) “Offshore policy”, in relation to any insurer, means any policy, other than a Singapore policy, issued in the course of the insurer’s business in Singapore.

FIRST SCHEDULE — *continued*

(4) For the purposes of this paragraph —

- (a) an individual shall be treated as ordinarily resident in Singapore if the individual —
 - (i) is a citizen of Singapore, unless he has resided outside Singapore continuously for 5 or more years preceding the proposal date of the policy and is not currently residing in Singapore;
 - (ii) is a permanent resident, unless he has resided in Singapore for less than a total of 183 days in the 12 months preceding the proposal date of the policy;
 - (iii) has a work pass or permit required under the Employment of Foreign Manpower Act (Cap. 91A), unless he has resided in Singapore for less than a total of 183 days in the 12 months preceding the proposal date of the policy; or
 - (iv) has a pass or permit required under the Immigration Act (Cap. 133) that has a duration longer than 90 days and has resided in Singapore continuously for at least 90 days in the 12 months preceding the proposal date of the policy;
- (b) “policy owner’s address” means the address for the time being known to the insurer as the address (or normal address) for communicating with the policy owner about the policy;
- (c) “resident in Singapore” and “permanent establishment” have the same meanings as in the Income Tax Act (Cap. 134);
- (d) “permanent resident” means any individual who is not subject to any restriction as to his period of residence in Singapore imposed under the provisions of any written law relating to immigration for the time being in force;
- (e) where an individual is present in Singapore for any part of a day, his presence on that day shall be counted as one day.

(5) Sub-paragraph (1)(a) shall apply to a policy of reinsurance —

- (a) where the owner of the policy under which the liability reinsured ultimately arises is an individual, as if the references to the proposal date and to whether the policy owner or insured is ordinarily resident in Singapore are references to those of the policy under which the liability reinsured ultimately arises; and

FIRST SCHEDULE — *continued*

- (b) in any other case, as if the references to the date of issue of the policy and to the policy owner's address are references to those of the policy under which the liability reinsured ultimately arises.

[S 184/2010 wef 01/01/2011]

2A. "Child" means a legitimate child, an illegitimate child, a stepchild or a child adopted in accordance with any written law relating to the adopting of children.

[3/2009 wef 01/09/2009]

3. "Policy owner" means, where a policy has been assigned, the assignee for the time being and, where they are entitled as against the insurer to the benefit of the policy, the personal representatives of a deceased policy owner.

4. "Policy moneys" includes any benefit, pecuniary or not, which is secured by a policy, and "pay" and other expressions, where used in relation to policy moneys, shall be construed accordingly.

4A. "Accident and health benefits" means policy moneys which are paid out —

- (a) in the event of an injury to, or a disability of, the insured as a result of accident or sickness;
- (b) in the event of the insured being found to have a condition or disease stated in the policy of the insured;
- (c) with respect to health services;
- (d) on the death, by accident or some other cause stated in the policy, of the insured; or
- (e) on the happening of a combination of any of the above,

but does not include policy moneys that are payable with respect to any loss arising out of a liability to pay compensation or damages.

[23/2003 wef 01/01/2004]

4B. "Health services" means —

- (a) medical, surgical, diagnostic, nursing, dental, chiropody or chiropractic services, or eye therapy, occupational therapy, physiotherapy, speech therapy, or other similar services or treatment;
- (b) services involving the supply, alteration, maintenance or repair of hearing aids, spectacles, contact lenses, artificial teeth, eyes or limbs (including parts of teeth or limbs) or other medical, surgical, prosthetic or dental aids, equipment or appliances;
- (c) the provision of drugs or medicinal preparations;
- (d) ambulance or paramedic services; or

FIRST SCHEDULE — *continued*

- (e) professional services provided for the treatment or management of a person who is sick or disabled.

[23/2003 wef 01/01/2004]

4C. “Accident and health policy” means any policy which provides accident and health benefits only.

[23/2003 wef 01/01/2004]

4D.—(1) “Long-term accident and health policy” means any accident and health policy that —

- (a) may, in accordance with the terms and conditions of the policy, be in force for more than 5 years if it is not terminated earlier by the policy owner; and
- (b) does not contain any term or condition which permits the insurer to terminate the policy unilaterally, other than termination on the ground of fraud or material non-disclosure.

(2) An accident and health policy that is of a duration of 5 years or less but satisfies sub-paragraph (1)(b) shall be considered a long-term accident and health policy if the policy is of a duration of 5 years or less only because of the age of the insured at the time when it was entered into.

(3) Where the terms and conditions of an accident and health policy provide the insured an option of extending the duration of the policy, whether on the same terms and conditions or otherwise, the duration of the policy shall be determined on the assumption that the insured will exercise the option.

[23/2003 wef 01/01/2004]

4E. “Short-term accident and health policy” means any accident and health policy that is not a long-term accident and health policy.

[23/2003 wef 01/01/2004]

4F. “Death benefits” means policy moneys which are paid out on the death of the insured.

[3/2009 wef 01/09/2009]

4G. “Living benefits” means policy moneys which are paid out before the death of the insured.

[3/2009 wef 01/09/2009]

DEFINITIONS RELATED TO LIFE BUSINESS

5.—(1) Subject to sub-paragraph (2), “life policy” means any policy which —

- (a) provides for the payment of policy moneys on the death of a person or on the happening of any contingency dependent on the termination or continuance of human life;

FIRST SCHEDULE — *continued*

- (b) is subject to payment of premiums for a term dependent on the termination or continuance of human life;
- (c) provides for the payment of an annuity for a term dependent on the termination or continuance of human life; or
- (d) is a combination of any of the above.

(2) An accident and health policy that provides for the payment of policy moneys on the death of a person is not a life policy.

[3/2009 wef 01/09/2009]

[23/2003 wef 01/01/2004]

6. “Investment-linked policy” means any policy which provides benefits calculated by reference to units, the value of which is related to the market value of the underlying assets, and “non-investment-linked policy” means a policy that is not an investment-linked policy.

[23/2003 wef 01/01/2004]

6A.—(1) “Participating policy” means any non-investment-linked policy conferring a right to participate in allocations by way of bonuses from policy assets of the fund established and maintained by an insurer for such a policy, and “non-participating policy” means a non-investment-linked policy not conferring such a right.

(2) “Policy assets”, in relation to a fund established and maintained for participating policies, means the total assets of the fund as at valuation date held for the benefit of policyholders in that fund less —

- (a) the balance in the surplus account established and maintained in such manner as prescribed under section 17(6) of the Act; and
- (b) the amount of assets required to satisfy the liabilities described as “other liabilities” in statements of account lodged with the Authority under section 36(1) of the Act.

(3) “Valuation date”, in relation to policy assets, means the date on which the assets and liabilities of an insurer are valued.

[S 184/2010 wef 30/03/2010]

DEFINITIONS RELATED TO GENERAL BUSINESS

7. “Marine, aviation or transit insurance policy” means a policy of insurance —

- (a) upon vessels or aircraft or space launching (including satellites), or upon the machinery, tackle, furniture or equipment of vessels or aircraft or space launching (including satellites);

[23/2003 wef 01/01/2004]

FIRST SCHEDULE — *continued*

- (b) upon goods, merchandise or property of any description whatever on board vessels or aircraft or space launching (including satellites);
[23/2003 wef 01/01/2004]
- (c) upon the freight of, or any other interest in or relating to, vessels or aircraft or space launching (including satellites);
[23/2003 wef 01/01/2004]
- (d) against damage arising out of or in connection with the use of vessels or aircraft or space launching (including satellites), including third-party risks;
[23/2003 wef 01/01/2004]
- (e) against risks incidental to the construction, repair or docking of vessels, including third-party risks; or
- (f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance.

8. Deleted by Act 23/2003, wef 01/01/2004.

SECOND SCHEDULE

Section 50(1A)

SPECIFIED PROVISIONS

- (1) Section 11(3)
- (2) Section 35ZA(3)
- (3) Section 52(2).

[23/2003 wef 01/01/2004]

LEGISLATIVE HISTORY

INSURANCE ACT (CHAPTER 142)

This Legislative History is provided for the convenience of users of the Insurance Act. It is not part of this Act.

1. Act 46 of 1966 — Insurance Act 1966

Date of First Reading : 26 October 1966
(Bill No. 40/66 published on
8 November 1966)

Date of Second and Third Readings : 5 December 1966

Date of commencement : 1 January 1967

2. Act 37 of 1967 — Insurance (Amendment) Act 1967

Date of First Reading : 14 November 1967
(Bill No. 33/67 published on
17 November 1967)

Date of Second and Third Readings : 5 December 1967

Date of commencement : 20 December 1967

3. 1970 Revised Edition (Cap. 193) — Insurance Act 1970

Date of operation : 1 January 1970

4. Act 22 of 1973 — Insurance (Amendment) Act 1973

Date of First Reading : 7 March 1973
(Bill No. 17/73 published on
9 March 1973)

Date of Second and Third Readings : 20 March 1973

Date of commencement : 21 April 1973

5. Act 50 of 1975 — Insurance (Amendment) Act 1975

Date of First Reading : 11 November 1975
(Bill No. 54/75 published on
11 November 1975)

Date of Second and Third Readings : 20 November 1975

Date of commencement : 1 January 1976

6. 1985 Revised Edition — Insurance Act

Date of operation : 1 January 1985

7. Act 11 of 1986 — Insurance (Amendment) Act 1986

Date of First Reading	: 31 October 1985 (Bill No. 18/85 published on 12 November 1985)
Date of Second and Third Readings	: 10 January 1986
Date of commencement	: 1 January 1987

8. Act 35 of 1993 — Application of English Law Act 1993

(Consequential amendments made by)

Date of First Reading	: 30 August 1993 (Bill No. 26/93 published on 31 August 1993)
Date of Second and Third Readings	: 12 October 1993
Date of commencement	: 12 November 1993

9. Act 32 of 1993 — Insurance (Amendment) Act 1993

Date of First Reading	: 30 August 1993 (Bill No. 27/93 published on 31 August 1993)
Date of Second and Third Readings	: 12 October 1993
Date of commencement	: 31 December 1993

10. 1994 Revised Edition — Insurance Act

Date of operation	: 15 March 1994
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11. Act 21 of 1995 — Insurance (Amendment) Act 1995

Date of First Reading	: 23 March 1995 (Bill No. 16/95 published on 24 March 1995)
Date of Second and Third Readings	: 7 July 1995
Date of commencement	: 15 August 1995

**12. Act 25 of 1999 — Drug Trafficking (Confiscation of Benefits)
(Amendment) Act 1999**

(Consequential amendments made by)

Date of First Reading	: 4 May 99 (Bill No. 16/99 published on 5 May 1999)
Date of Second and Third Readings	: 6 July 1999

Date of commencement : 13 September 1999

13. Act 30 of 1999 — Insurance (Amendment) Act 1999

Date of First Reading : 6 July 1999
(Bill No. 19/99 published on
7 July 1999)

Date of Second and Third Readings : 4 August 1999

Date of commencement : 31 December 1999

14. 2000 Revised Edition — Insurance Act

Date of operation : 1 July 2000

15. Act 41 of 2001 — Insurance (Amendment) Act 2001

Date of First Reading : 25.9.2001
(Bill No. 35/2001 published on
26 September 2001)

Date of Second and Third Readings : 5 October 2001

Date of commencement : 8 January 2002 (except
section 20)

16. Act 41 of 2001 — Insurance (Amendment) Act 2001

Date of First Reading : 25.9.2001
(Bill No. 35/2001 published on
26 September 2001)

Date of Second and Third Readings : 5 October 2001

Date of commencement : 1 October 2002 (section 20)

17. 2002 Revised Edition — Insurance Act

Date of operation : 31 December 2002

18. Act 23 of 2003 — Insurance (Amendment) Act 2003

Date of First Reading : 16 October 2003
(Bill No. 20/2003 published on
12 December 2003)

Date of Second and Third Readings : 10 November 2003

Date of commencement : 1 January 2004

19. Act 24 of 2003 — Monetary Authority of Singapore (Amendment) Act 2003

Date of First Reading	: 16 October 2003 (Bill No. 21/2003 published on 12 December 2003)
Date of Second and Third Readings	: 10 November 2003
Date of commencement	: 1 January 2004

20. Act 23 of 2003 — Insurance (Amendment) Act 2003

Date of First Reading	: 16 October 2003 (Bill No. 20/2003 published on 12 December 2003)
Date of Second and Third Readings	: 10 November 2003
Date of commencement	: 23 August 2004 (Sections 18(d) and (e), 19 and 20(c))

21. Act 5 of 2005 — Limited Liability Partnerships Act 2005

Date of First Reading	: 19 October 2004 (Bill No. 64/2004 published on 11 February 2005)
Date of Second and Third Readings	: 25 January 2005
Date of commencement	: 11 April 2005

22. Act 21 of 2005 — Companies (Amendment) Act 2005

Date of First Reading	: 18 April 2005 (Bill No. 11/2005 published on 10 June 2005)
Date of Second and Third Readings	: 16 May 2005
Date of commencement	: 30 January 2006

23. Act 42 of 2005 — Statutes (Miscellaneous Amendments) (No. 2) Act 2005

Date of First Reading	: 17 October 2005 (Bill No. 30/2005 published on 16 December 2005)
Date of Second and Third Readings	: 21 November 2005
Date of commencement	: 1st April 2006 (Items (2) to (7), (9), (11), (12), (13), (15), (16), (22), (25), (31), (34) (a) and (36))

in the First Schedule; and the
Third Schedule)

24. Act 5 of 2008 — Workmen’s Compensation (Amendment) Act 2008

Date of First Reading : 12 November 2007
(Bill No. 50/2007 published on
29 February 2008)

Date of Second and Third Readings : 22 January 2008

Date of commencement : 1 April 2008

25. Act 3 of 2009 — Insurance (Amendment) Act 2009

Date of First Reading : 20 October 2008

Date of Second and Third Readings : 19 January 2009

Dates of commencement : 1st March 2009 (Sections 3 & 4)

**26. G. N. No. S 130/2009 — Insurance Act (Amendment of First Schedule)
Order 2009**

Date of commencement : 31 March 2009

27. Act 3 of 2009 — Insurance (Amendment) Act 2009

Date of First Reading : 20 October 2008

Date of Second and Third Readings : 19 January 2009

Dates of commencement : 1st September 2009 (Sections 2,
5 to 11 and 13)

**28. G. N. No. S 184/2010 — Insurance Act (Amendment of First Schedule)
Order 2010**

Date of commencement : 30 March 2010
(except paragraph 2(a))

**29. G. N. No. S 184/2010 — Insurance Act (Amendment of First Schedule)
Order 2010**

Date of commencement : 1 January 2011 (paragraph 2(a))

COMPARATIVE TABLE

INSURANCE ACT (CHAPTER 142)

The following provisions in the 1994 Revised Edition of the Insurance Act have been renumbered by the Law Revision Commissioners in this 2002 Revised Edition.

This Comparative Table is provided for the convenience of users. It is not part of the Insurance Act.

2002 Ed.		1994 Ed.
1A		8—(5), 64—(3) and 65—(1)
2—(8)		65—(2)
(9)		(8)
12—(4)		12—(3A)
(5)		(3B)
(6)		(4)
—		(5) and (6) — <i>Deleted by Act 41/2001</i>
16—(8) and (9)		16—(8)
(10)		(9)
—		17—(8) — <i>Omitted</i> see subsection (7)
17—(8) to (16)		17—(9) to (17)
31—(5) to (10)		31—(4A) to (4F)
(11)		(5)
36—(4) and (5)		36—(3A) and (3B)
(6) and (7)		(4) and (5)
(8)		(5A)
(9) to (15)		(6) to (12)
37—(2) to (6)		37—(1A) to (1E)
(7) to (11)		(2) to (6)
52—(2) and (3)		52—(1A) and (1B)

(4)		(2)
64—(3)		64—(2A)
65		38—(2), (3) and (4) of Act 41 of 2001
THE SCHEDULE		FIRST SCHEDULE
—		SECOND SCHEDULE (<i>Repealed by Act 41/2001</i>)