
First published in the *Government Gazette*, Electronic Edition, on 31st December 2015 at 12 noon.

No. S 819

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(WEB AGGREGATOR FEES) REGULATIONS 2015

ARRANGEMENT OF REGULATIONS

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In exercise of the powers conferred by section 64 of the Insurance Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance (Web Aggregator Fees) Regulations 2015 and come into operation on 1 January 2016.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“ad hoc services” means any of the following services requested by a direct life insurer and provided by the Authority, or specified person, in relation to the web aggregator:

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- (a) effecting changes to policy information published on the web aggregator;
 - (b) publishing new policy information on the web aggregator;
 - (c) removing any policy information published on the web aggregator;
 - (d) performing any other services in relation to the direct life insurer's policy information on, or usage of, the web aggregator;

“direct life insurer” means a direct insurer licensed under section 8 of the Act to carry on life business;

“policy information” means any information relating to a policy which may assist a person in the purchase of the policy;

“specified person” means a person specified for the purposes of section 33A(1) of the Act;

“web aggregator” means the Internet portal known as compareFIRST, which is created, developed and operated under section 33A(8) of the Act.

- (2) For the purposes of these Regulations, a direct life insurer —
- (a) participates in the web aggregator if policy information provided by the direct life insurer to the Authority, or to a specified person, for the purposes of publication on the web aggregator is published on the web aggregator; and
 - (b) leaves the web aggregator if all policy information provided by the direct life insurer for the purposes of publication on the web aggregator is removed from the web aggregator.

Application

3. These Regulations apply to direct life insurers that participate in the web aggregator.

Annual participation fee

4.—(1) A direct life insurer that participates in the web aggregator must pay an annual participation fee in respect of —

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- (a) the operation of the web aggregator;
 - (b) the development of the web aggregator;
 - (c) the maintenance of the web aggregator; and
 - (d) the usage by direct life insurers of the web aggregator.
- (2) The annual participation fee is calculated in accordance with the First Schedule.
- (3) The annual participation fee must be paid to the Authority —
- (a) after each calendar year that a direct life insurer participates in the web aggregator, and on or before the date specified in a written demand sent by the Authority to the direct life insurer; and
 - (b) if a direct life insurer leaves the web aggregator, after it leaves the web aggregator, and on or before the date specified in a written demand sent by the Authority to the direct life insurer.

Ad hoc fee

5.—(1) A direct life insurer that requests for ad hoc services from the Authority, or a specified person, in relation to the web aggregator must pay to the Authority an ad hoc fee in connection with its usage of the web aggregator.

(2) The ad hoc fee is calculated in accordance with the Second Schedule.

(3) The Authority must not charge an ad hoc fee —

- (a) where the ad hoc services are requested to rectify an error that is not the fault of the direct life insurer; or
- (b) where no cost is incurred by the Authority in providing the ad hoc services.

(4) An ad hoc fee payable under paragraph (1) must be paid to the Authority on or before the date specified in a written demand sent by the Authority to the direct life insurer.

Late payment fee

6. Where a direct life insurer fails to pay an annual participation fee or an ad hoc fee within the time set out in regulation 4(3) or 5(4), as the case may be, the Authority may impose the late payment fee specified in the Third Schedule.

Mode of payment of fees

7. Payment of any fees under these Regulations must be made —
- (a) through an electronic funds transfer system designated by the Authority for the purpose of payment of fees under these Regulations; or
 - (b) in any other form or manner that the Authority allows.

FIRST SCHEDULE

Regulation 4(2)

CALCULATION OF ANNUAL PARTICIPATION FEE

1. The annual participation fee payable by a direct life insurer in respect of a calculation period in 2016 is

$$\frac{2}{15} \times A \times B \times \left(\frac{C}{D} + \frac{E}{F} + \frac{G}{H} \right),$$

- where A is the cost incurred by the Authority for the calculation period in connection with the items set out in regulation 4(1)(a) to (d);
- B is 1 if the direct life insurer participated in the web aggregator during the calculation period, except where the direct life insurer left the web aggregator in the first month of the calculation period, and 0 if the direct life insurer did not participate in the web aggregator during the calculation period, or if the direct life insurer left the web aggregator in the first month of the calculation period;
- C is the weighted new business premiums of the direct life insurer for the calculation period;
- D is the sum of the values of C for all direct life insurers that participated in the web aggregator during the calculation period;
- E is the sum of the number of unique product IDs in respect of the direct life insurer as at the last day of each month in the calculation period, divided by the number of months in that calculation period

FIRST SCHEDULE — *continued*

during which the direct life insurer participated in the web aggregator;

F is the sum of the values of E for all direct life insurers that participated in the web aggregator during the calculation period;

G is the number of months in the calculation period during which the direct life insurer participated in the web aggregator; and

H is the sum of the values of G for all direct life insurers that participated in the web aggregator during the calculation period.

2. The annual participation fee payable by a direct life insurer in respect of a calculation period in 2017 is

$$\frac{1}{5} \times A \times B \times \left(\frac{C}{D} + \frac{E}{F} + \frac{G}{H} \right),$$

where A is the cost incurred by the Authority for the calculation period in connection with the items set out in regulation 4(1)(a) to (d);

B is 1 if the direct life insurer participated in the web aggregator during the calculation period, except where the direct life insurer left the web aggregator in the first month of the calculation period, and 0 if the direct life insurer did not participate in the web aggregator during the calculation period, or if the direct life insurer left the web aggregator in the first month of the calculation period;

C is the weighted new business premiums of the direct life insurer for the calculation period;

D is the sum of the values of C for all direct life insurers that participated in the web aggregator during the calculation period;

E is the sum of the number of unique product IDs in respect of the direct life insurer as at the last day of each month in the calculation period, divided by the number of months in that calculation period during which the direct life insurer participated in the web aggregator;

F is the sum of the values of E for all direct life insurers that participated in the web aggregator during the calculation period;

G is the number of months in the calculation period during which the direct life insurer participated in the web aggregator; and

FIRST SCHEDULE — *continued*

H is the sum of the values of G for all direct life insurers that participated in the web aggregator during the calculation period.

3. The annual participation fee payable by a direct life insurer in respect of a calculation period in 2018 is

$$\frac{4}{15} \times A \times B \times \left(\frac{C}{D} + \frac{E}{F} + \frac{G}{H} \right),$$

where A is the cost incurred by the Authority for the calculation period in connection with the items set out in regulation 4(1)(a) to (d);

B is 1 if the direct life insurer participated in the web aggregator during the calculation period, except where the direct life insurer left the web aggregator in the first month of the calculation period, and 0 if the direct life insurer did not participate in the web aggregator during the calculation period, or if the direct life insurer left the web aggregator in the first month of the calculation period;

C is the weighted new business premiums of the direct life insurer for the calculation period;

D is the sum of the values of C for all direct life insurers that participated in the web aggregator during the calculation period;

E is the sum of the number of unique product IDs in respect of the direct life insurer as at the last day of each month in the calculation period, divided by the number of months in that calculation period during which the direct life insurer participated in the web aggregator;

F is the sum of the values of E for all direct life insurers that participated in the web aggregator during the calculation period;

G is the number of months in the calculation period during which the direct life insurer participated in the web aggregator; and

H is the sum of the values of G for all direct life insurers that participated in the web aggregator during the calculation period.

4. The annual participation fee payable by a direct life insurer in respect of a calculation period in any calendar year after 2018 is

$$\frac{1}{3} \times A \times B \times \left(\frac{C}{D} + \frac{E}{F} + \frac{G}{H} \right),$$

FIRST SCHEDULE — *continued*

where A is the cost incurred by the Authority for the calculation period in connection with the items set out in regulation 4(1)(a) to (d);

B is 1 if the direct life insurer participated in the web aggregator during the calculation period, except where the direct life insurer left the web aggregator in the first month of the calculation period, and 0 if the direct life insurer did not participate in the web aggregator during the calculation period, or if the direct life insurer left the web aggregator in the first month of the calculation period;

C is the weighted new business premiums of the direct life insurer for the calculation period;

D is the sum of the values of C for all direct life insurers that participated in the web aggregator during the calculation period;

E is the sum of the number of unique product IDs in respect of the direct life insurer as at the last day of each month in the calculation period, divided by the number of months in that calculation period during which the direct life insurer participated in the web aggregator;

F is the sum of the values of E for all direct life insurers that participated in the web aggregator during the calculation period;

G is the number of months in the calculation period during which the direct life insurer participated in the web aggregator; and

H is the sum of the values of G for all direct life insurers that participated in the web aggregator during the calculation period.

5.—(1) In this Schedule —

“calculation period” has the meaning given to it in sub-paragraphs (2) and (3);

“premium payment term” means the period for which premiums are payable in respect of a regular premium policy;

“regular premium policy” means a policy in respect of which premiums are payable at regular intervals;

“single premium policy” means a policy in respect of which only one premium is payable;

“unique product ID” means the serial number that is used to identify a policy when policy information is provided by a direct life insurer for the purposes of publication on the web aggregator;

FIRST SCHEDULE — *continued*

“weighted new business premiums”, in relation to a direct life insurer, means the sum of the following items, as computed quarterly by the Life Insurance Association, Singapore based on the most recent data submitted by the direct life insurer to the Life Insurance Association, Singapore:

- (a) $\frac{1}{10}$ of the premiums paid or payable for each single premium policy issued by the direct life insurer during the calculation period;
 - (b) $\frac{X}{10}$ of the premiums paid or payable for each regular premium policy with a premium payment term of less than 10 years issued by the direct life insurer during the calculation period, where X is the premium payment term in years;
 - (c) all of the premiums paid or payable for each regular premium policy with a premium payment term of 10 years or more issued by the direct life insurer during the calculation period.
- (2) Where no direct life insurer leaves the web aggregator in a calendar year, a calculation period is a period that starts on 1 January and ends on 31 December.
- (3) Where any direct life insurer leaves the web aggregator before the expiry of a calendar year, the calendar year is divided into the following calculation periods:
- (a) a calculation period that starts on 1 January, and ends on the last day of the month before the month in which the direct life insurer leaves the web aggregator;
 - (b) a calculation period that starts on the first day of the month in which the direct life insurer leaves the web aggregator, and ends on 31 December.

SECOND SCHEDULE

Regulation 5(2)

CALCULATION OF AD HOC FEE

<i>Man-days expended</i>	<i>Ad hoc fee</i>
Each man-day or part thereof	\$800

THIRD SCHEDULE

Regulation 6

LATE PAYMENT FEES

<i>Length of time after due date for payment</i>	<i>Late payment fee</i>
1. 1 working day to 7 working days	\$1,250

THIRD SCHEDULE — *continued*

<i>Length of time after due date for payment</i>	<i>Late payment fee</i>
2. 8 working days to 14 working days	\$2,500
3. 15 working days to 21 working days	\$5,000
4. Exceeding 21 working days	\$6,250

In this Schedule, “working day” means a day other than a Saturday, Sunday or a public holiday.

Made on 30 December 2015.

RAVI MENON
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Monetary Authority of Singapore.

[ID 05.1 Vol. 35; AG/LEGIS/SL/142/2015/9 Vol. 1]