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INSURANCE ACT
(CHAPTER 142)

INSURANCE (GENERAL PROVISIONS AND EXEMPTIONS
FOR MARINE MUTUAL INSURERS) REGULATIONS 2018

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In exercise of the powers conferred by sections 52(1) and 64(1) of the Insurance Act, the Monetary Authority of Singapore makes the following Regulations:

PART 1
PRELIMINARY

Citation and commencement

1. These Regulations are the Insurance (General Provisions and Exemptions for Marine Mutual Insurers) Regulations 2018 and come into operation on 1 January 2019.

Definition

2. In these Regulations, unless the context otherwise requires, “GSIF amount”, in relation to an insurance fund that relates to Singapore policies, means the highest of the following amounts:

- (a) \$400,000;
- (b) 20% of net premiums written of the fund in the preceding financial year;
- (c) 20% of claim liabilities (net of reinsurance) of the fund as at the end of the preceding financial year.

PART 2
PRESCRIBED RISKS

Prescribed risks

3. For the purposes of the definition of “marine mutual insurance business” in section 1A of the Act, the prescribed risks are —

- (a) risks upon goods, merchandise or property of any description transported on board vessels, including incidental transit before and after shipment;
- (b) risks upon the freight of, or any other interest in or relating to, vessels;
- (c) risks upon vessels, or upon machinery, tackle furniture or equipment of vessels;
- (d) risks against damage arising out of or in connection with the use of vessels, including third-party risks; and
- (e) risks incidental to the construction, repair or docking of vessels, including third-party risks.

PART 3
FINANCIAL REQUIREMENT BEFORE LICENSING,
FUND SOLVENCY REQUIREMENT AND
CAPITAL ADEQUACY REQUIREMENT

Financial requirement

4. For the purposes of section 8(3)(b) of the Act, the financial requirement that an applicant as a marine mutual insurer must satisfy is that the applicant must have a paid-up ordinary share capital (or its equivalent recognised by the Authority as applicable to the applicant under the laws of the country or territory in which the applicant is incorporated, formed or established) of at least \$5 million.

Fund solvency requirement

5. For the purposes of section 18(1)(a) of the Act, the fund solvency requirement that a marine mutual insurer must satisfy in respect of an

insurance fund established and maintained by the marine mutual insurer under the Act is —

- (a) in the case of an insurance fund that relates to Singapore policies, the surplus of assets over liabilities of the fund, less its contingent liabilities, must not at any time be less than the GSIF amount; and
- (b) in the case of an insurance fund that relates to offshore policies, the amount of assets in the fund, less its contingent liabilities, must not at any time be less than the amount of liabilities of the fund.

Capital adequacy requirement

6. For the purposes of section 18(1)(b) of the Act, the capital adequacy requirement that a marine mutual insurer must satisfy is that the shareholders' equity and surplus, less the contingent liabilities of the marine mutual insurer, must not at any time be less than the sum of —

- (a) \$400,000; and
- (b) the GSIF amount.

PART 4

GENERAL EXEMPTIONS

Exemption from sections 17(16) and 20 of Act

7. A marine mutual insurer is exempt from sections 17(16) and 20 of the Act if and only if it maintains such accounts and records, as the Authority may specify, of any insurance fund established by the marine mutual insurer.

Exemption from sections 31(1)(c) and 37 of Act

8. A marine mutual insurer is exempt from sections 31(1)(c) and 37 of the Act.

Exemption from section 39(1) and (3) of Act

9. A marine mutual insurer is exempt from section 39(1) and (3) of the Act in respect of any document lodged by the marine mutual insurer as specified in the direction issued by the Authority that is commonly known as MAS Notice 212, in accordance with section 36(3) and (3A) of the Act.

PART 5**MISCELLANEOUS****Revocation**

10. The Insurance (General Provisions and Exemptions for Marine Mutual Insurers) Regulations 2007 (G.N. No. S 746/2007) (called in these Regulations the 2007 Regulations) are revoked.

Saving and transitional provisions

11. Despite regulation 10, a marine mutual insurer must comply with the 2007 Regulations as in force immediately before 1 January 2019, read with the Insurance (Accounts and Statements) Regulations 2004 (G.N. No. S 494/2004) as in force immediately before 1 January 2019, in respect of statements of accounts and other statements, reports and other documents that are required to be lodged by the marine mutual insurer with the Authority under the 2007 Regulations, for —

- (a) the accounting period beginning on or after 1 January 2018 and ending on 31 December 2018; and
- (b) the financial year of the marine mutual insurer beginning on any day between 1 January 2018 and 31 December 2018 (both dates inclusive).

Made on 17 December 2018.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

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