
First published in the *Government Gazette*, Electronic Edition, on 18 December 2018 at 5 pm.

No. S 839

INSURANCE ACT
(CHAPTER 142)

INSURANCE (LLOYD'S ASIA SCHEME)
(AMENDMENT) REGULATIONS 2018

In exercise of the powers conferred by sections 35B and 35L of the Insurance Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Insurance (Lloyd's Asia Scheme) (Amendment) Regulations 2018 and come into operation on 1 January 2019.

Amendment of regulation 2

2. Regulation 2 of the Insurance (Lloyd's Asia Scheme) Regulations (Rg 9) (called in these Regulations the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “agent”, the following definition:

““Annual Report” means a report of Lloyd's (including any statement of account) for each financial year that is submitted to the members of Lloyd's;”;

(b) by deleting the words “paragraph 4 of the Lloyd's Membership Byelaw (No. 17 of 1993)” in the definition of “Chain of Security” and substituting the words “paragraph 17 of the Lloyd's Membership Byelaw (No. 5 of 2005)”; and

(c) by deleting the words “the Lloyd's Substitute Agents Byelaw (No. 20 of 1983) or the Lloyd's Underwriting

Byelaw (No. 2 of 2003)” in paragraph (b) of the definition of “managing agent” and substituting the words “Part K of the Lloyd’s Underwriting Byelaw (No. 2 of 2003)”.

New regulation 2A

3. The principal Regulations are amended by inserting, immediately after regulation 2, the following regulation:

“Forms

2A.—(1) The forms and annexes and notes to the forms which are to be used for the purposes of these Regulations are those set out at the Authority’s website at <http://www.mas.gov.sg>, and any reference in these Regulations to a numbered form or annex (where such number includes alphanumeric characters) is construed as a reference to the current version of the form, annex or notes (as the case may be) bearing the corresponding number which is displayed at that website.

(2) All forms and annexes and notes to the forms used for the purposes of these Regulations must be completed in the English language and in accordance with such instructions for completion as may be specified in the form or by the Authority.”.

Deletion and substitution of regulation 13

4. Regulation 13 of the principal Regulations is deleted and the following regulation substituted therefor:

“Preparation and submission of documents by Service Company

13.—(1) Every Service Company must prepare, for each syndicate for whose members the Service Company is approved under regulation 6A(1) to enter into any contract of insurance, the following documents:

- (a) Form A1, which relates to the “Statement of Financial Position”, prepared on a quarterly basis;
- (b) Form A1, which relates to the “Statement of Financial Position”, prepared on an annual basis for each accounting period;

-
-
- (c) Annex A1-1 to Form A1, which relates to the “Statement of Financial Position — Other Investments”, prepared on an annual basis for each accounting period;
 - (d) Annex A1-2 to Form A1, which relates to the “Statement of Financial Position — Outstanding Premiums”, prepared on an annual basis for each accounting period;
 - (e) Annex A1-3 to Form A1, which relates to the “Statement of Financial Position — Reinsurance Recoverables on Paid Claims”, prepared on an annual basis for each accounting period;
 - (f) Annex A1-4 to Form A1, which relates to the “Statement of Financial Position — Other Assets”, prepared on an annual basis for each accounting period;
 - (g) Annex A1-5 to Form A1, which relates to the “Statement of Financial Position — Policy Liabilities in respect of General Business”, prepared on a quarterly basis;
 - (h) Annex A1-5 to Form A1, which relates to the “Statement of Financial Position — Policy Liabilities in respect of General Business”, prepared on an annual basis for each accounting period;
 - (i) Annex A1-6 to Form A1, which relates to the “Statement of Financial Position — Financial Liabilities”, prepared on an annual basis for each accounting period;
 - (j) Annex A1-7 to Form A1, which relates to the “Statement of Financial Position — Other Liabilities”, prepared on an annual basis for each accounting period;
 - (k) Annex A1-8 to Form A1, which relates to the “Statement of Financial Position — Other

-
-
- Reserves”, prepared on an annual basis for each accounting period;
- (l) the “Notes” to Form A1, prepared on an annual basis for each accounting period;
 - (m) Form A2, which relates to the “Statement of Profit and Loss”, prepared on a quarterly basis;
 - (n) Form A2, which relates to the “Statement of Profit and Loss”, prepared on an annual basis for each accounting period;
 - (o) Annex A2-1 to Form A2, which relates to the “Statement of Profit and Loss — Other Expenses”, prepared on an annual basis for each accounting period;
 - (p) Annex A2-2 to Form A2, which relates to the “Statement of Profit and Loss — Other Income”, prepared on an annual basis for each accounting period;
 - (q) Annex A2-3 to Form A2, which relates to the “Statement of Profit and Loss — Net Investment Income/ (Loss)”, prepared on an annual basis for each accounting period;
 - (r) Form A3, which relates to the “Statement of Changes in Equity”, prepared on a quarterly basis;
 - (s) Form A3, which relates to the “Statement of Changes in Equity”, prepared on an annual basis for each accounting period;
 - (t) Form A4, which relates to the “Certificate on the Accounts of the Syndicate Managed by the Service Company”;
 - (u) Form A5, which relates to the “Independent Auditor’s Report”;
 - (v) Form A6, which relates to the “Independent Auditor’s Supplementary Report”;

-
-
- (w) Form G1, which relates to the “Statement of Operating Results by Line of Business”, prepared on a quarterly basis;
 - (x) Form G1, which relates to the “Statement of Operating Results by Line of Business”, prepared on an annual basis for each accounting period;
 - (y) the “Notes” to Form G1, prepared on an annual basis for each accounting period.

(2) Despite paragraph (1), the Service Company may, with the Authority’s approval, prepare the documents mentioned in paragraph (1) for all the syndicates for whose members the Service Company is approved under regulation 6A(1) to enter into any contract of insurance, on a consolidated basis.

(3) The Service Company must submit the documents mentioned in paragraph (1)(a), (g), (m), (r) and (w) by way of electronic submission on MASNET, on or before the date ending 3 weeks after the last day of each quarter.

(4) The Service Company must submit the documents mentioned in paragraph (1)(n) and (x) by way of electronic submission on MASNET, on or before the date ending 3 weeks after the last day of its accounting period.

(5) The Service Company must submit audited copies of the documents mentioned in paragraph (1)(b), (h), (l), (n), (s), (x) and (y) by way of electronic submission on MASNET, on or before the date ending 3 months after the last day of its accounting period.

(6) The Service Company must submit the documents mentioned in paragraph (1)(c) to (f), (i), (j) and (k) and (o), (p) and (q) by way of electronic submission on MASNET, on or before the date ending 3 months after the last day of its accounting period.

(7) The Service Company must submit to the Authority, on or before the date ending 4 months after the last day of its accounting period, the following documents:

-
-
- (a) the original of the document mentioned in paragraph (1)(t), which must be signed by the chief executive officer (or, in the alternative, an officer of the Service Company who is for the time being notified to the Authority as having authority for the purposes of these Regulations to sign in place of the chief executive officer) and 2 directors of the Service Company, and one copy of that document;
 - (b) the original of the document mentioned in paragraph (1)(u), which must be signed by the auditor appointed by the Service Company, and one copy of that document;
 - (c) the original of the document mentioned in paragraph (1)(v), which must be signed by the auditor appointed by the Service Company, and one copy of that document.

(8) Where a document is required to be signed by or on behalf of the chief executive officer of the Service Company, the Service Company must ensure that the document is —

- (a) approved by the chief executive officer; and
- (b) signed by the chief executive officer or an officer of the Service Company who is for the time being notified to the Authority as having authority for the purposes of these Regulations to sign in place of the chief executive officer.

(9) In any document which a Service Company is required to prepare in accordance with these Regulations in relation to a syndicate, the Service Company must ensure that the value or amount given for an asset or a liability relating to the business of the syndicate written by the Service Company and by any coverholder authorised by the Service Company, on behalf of the members of the syndicate, must be the value or amount of that asset or liability (as the case may be) as determined in accordance with regulations 13A to 13M.

(10) In any document which a Service Company is required to prepare in accordance with these Regulations in relation to a syndicate, the Service Company must ensure that the value or amount given for an income item, an expense item, an equity item or a change in equity item relating to the business of the syndicate written by the Service Company and by any coverholder authorised by the Service Company, on behalf of the members of the syndicate, is valued in accordance with —

- (a) the instructions for completion in Form A2 or Form G1, as the case may be; or
- (b) where there are no instructions for completion in Form A2 or Form G1 (as the case may be), the Accounting Standards.

(11) In any document which a Service Company is required to prepare in accordance with these Regulations in relation to a syndicate, the Service Company must ensure that any income item, expense item, equity item and change in equity item relating to the business of the syndicate written by the Service Company and by any coverholder authorised by the Service Company, on behalf of the members of the syndicate, is recognised in accordance with —

- (a) the Regulations and directions issued under the Act, if any; and
- (b) where sub-paragraph (a) does not apply, the requirements in the Accounting Standards.

(12) The Service Company must ensure that any monetary amount referred to in any document mentioned in paragraph (1) is stated in Singapore dollars (unless otherwise specified in the relevant form).

(13) Every Service Company must, within such reasonable time as may be specified by the administrator in order for the administrator to comply with regulation 21, provide the administrator with such information on any matter related to its activities as agent for any member of Lloyd's under these Regulations as the administrator may require.”

Amendment of heading to Part IIIA

5. Part IIIA of the principal Regulations is amended by deleting the Part heading and substituting the following Part heading:

“RECOGNITION AND VALUATION OF ASSETS”.

Amendment of regulation 13A

6. Regulation 13A of the principal Regulations is amended by inserting, immediately after the words “applies to the”, the words “recognition and”.

Amendment of regulation 13B

7. Regulation 13B of the principal Regulations is amended —

(a) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) Unless otherwise specified in any direction issued under the Act, an asset of an insurance fund is to be recognised by a Service Company in accordance with the Accounting Standards.”; and

(b) by deleting the regulation heading and substituting the following regulation heading:

“**Recognition and valuation of assets**”.

Amendment of regulation 13F

8. Regulation 13F of the principal Regulations is amended by deleting the words “provision for doubtful debts” and substituting the words “allowance for impairment losses”.

Amendment of regulation 13H

9. Regulation 13H of the principal Regulations is amended by deleting the words “provision for doubtful debts” and substituting the words “allowance for impairment losses”.

Amendment of regulation 13J

10. Regulation 13J of the principal Regulations is amended by deleting the words “provision for doubtful debts” and substituting the words “allowance for impairment losses”.

Amendment of heading to Part IIIB

11. Part IIIB of the principal Regulations is amended by deleting the Part heading and substituting the following Part heading:

“RECOGNITION AND VALUATION OF LIABILITIES”.

Amendment of regulation 13K

12. Regulation 13K of the principal Regulations is amended by inserting, immediately after the words “applies to the”, the words “recognition and”.

Amendment of regulation 13L

13. Regulation 13L of the principal Regulations is amended —

(a) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) Unless otherwise specified in regulation 13M or in any direction issued under the Act, any liability of an insurance fund is to be recognised by a Service Company in accordance with the Accounting Standards.”; and

(b) by deleting the regulation heading and substituting the following regulation heading:

“**Recognition and valuation of liabilities**”.

Amendment of regulation 13M

14. Regulation 13M of the principal Regulations is amended —

(a) by deleting the word “calculate” in paragraph (1) and substituting the word “recognise”;

-
-
- (b) by inserting, immediately after the word “syndicate,” in paragraph (1), the words “valued or calculated (as the case may be)”;
 - (c) by deleting the words “Form 3 in the Fifth Schedule” in paragraph (4) and substituting the words “Form G1”; and
 - (d) by deleting the regulation heading and substituting the following regulation heading:

“Recognition, valuation and calculation of liabilities of general business”.

Amendment of regulation 14

15. Regulation 14(2) of the principal Regulations is amended by deleting the word “accounts” in sub-paragraph (c) and substituting the word “documents”.

Amendment of regulation 16

16. Regulation 16 of the principal Regulations is amended by deleting paragraph (8) and substituting the following paragraph:

“(8) In this regulation, “premiums” means gross premiums less commissions and credit for reinsurance ceded, where —

- (a) “commissions” means the amount shown in the column titled “Total” at row 30 of the table titled “Singapore Insurance Fund” in Form G1;
- (b) “credit for reinsurance ceded” means an amount computed (using the formula, $A \times (1 - (B \times C))$), where —
 - (i) A is the amount of reinsurance business ceded to a person carrying on insurance business that is accounted for in row 7, 8 or 9 of the table on Singapore Insurance Fund in Form G1;
 - (ii) B is the reinsurance counterparty factor described in paragraph 1(11) of the First Schedule to the Insurance (Valuation and

Capital) Regulations 2004 (G.N. No. S 498/2004); and

- (iii) C is the appropriate counterparty risk factor described in paragraph 1(11) of the First Schedule to the Insurance (Valuation and Capital) Regulations 2004;
- (c) “Form G1” means the audited “Statement of Operating Results by Line of Business” for the last accounting period submitted to the Authority in accordance with regulation 13(5); and
- (d) “gross premiums” means the amount shown in the column titled “Total” at row 6 of the table titled “Singapore Insurance Fund” in Form G1.”.

Deletion and substitution of regulation 21

17. Regulation 21 of the principal Regulations is deleted and the following regulation substituted therefor:

“Lodgment and signature of Annual Report by administrator

21.—(1) The administrator must —

- (a) lodge with the Authority a copy of the Annual Report that has been published for the most recently concluded financial year, on or before the date ending 6 months after the last day of that financial year; and
- (b) prepare and submit to the Authority such documents relating to the carrying on of insurance business in Singapore by the members of Lloyd’s under these Regulations as the Authority may require (except for any document prepared and submitted by a Service Company under regulation 13(1)).

(2) The Authority may require any document mentioned in paragraph (1)(b) to be provided in such form and manner and at such times and intervals as the Authority may determine.”.

Deletion of regulations 25 and 26

18. Regulations 25 and 26 of the principal Regulations are deleted.

Deletion of Fifth Schedule

19. The Fifth Schedule to the principal Regulations is deleted.

Saving and transitional provision

20. The principal Regulations as in force immediately before 1 January 2019 continue to apply to any Service Company or administrator (as the case may be) in respect of the following:

- (a) the preparation and submission of statements of accounts and other documents relating to the quarter beginning on 1 October 2018 and ending on 31 December 2018, or the accounting period beginning on 1 January 2018 and ending on 31 December 2018, as the case may be;
- (b) the Annual Report to be lodged with the Authority relating to the financial year beginning on any day between 1 January 2018 and 31 December 2018 (both dates inclusive).

*[G.N. Nos. S 814/2004; S 159/2008; S 665/2010;
S 231/2013; S 833/2013; S 180/2015]*

Made on 17 December 2018.

RAVI MENON
*Managing Director,
Monetary Authority of Singapore.*

[ID 05.1 V. 35; AG/LEGIS/SL/142/2015/4 Vol. 2]