

**INSURANCE ACT
(CHAPTER 142, SECTIONS 52(1A) AND 64)**

**INSURANCE (APPROVED MARINE, AVIATION AND
TRANSIT INSURANCE BROKERS AND APPROVED
REINSURANCE BROKERS) REGULATIONS**

ARRANGEMENT OF REGULATIONS

PART I

PRELIMINARY

Regulation

1. Citation
2. Definitions

PART II

APPROVAL OF INSURANCE BROKERS

3. Exemption from section 35W of Act
4. Approval of insurance brokers
5. Approval requirements
6. Conditions of approval
7. Annual fees for approved insurance brokers
8. Withdrawal of approval

PART III

**CONDUCT OF APPROVED
INSURANCE BROKING BUSINESS**

9. Disclosure by approved insurance broker
10. Representation by approved insurance broker
11. Control of written communication used by approved insurance broker
12. Obligation to furnish information to Authority
13. Duty to maintain net asset value
14. Insurance broking premium accounts
15. Negotiation and placement of risk
16. Arrangements affecting control of approved insurance brokers
17. Holding out as approved insurance broker
18. Returns and audit

PART IV

MISCELLANEOUS

Regulation

19. Powers of Authority to issue directions
 20. Use of words “approved insurance broker”, etc.
 21. Saving for validity of policies
The Schedules
-

[1st January 2004]

PART I

PRELIMINARY

Citation

1. These Regulations may be cited as the Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations.

Definitions

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

“approved general reinsurance broker” means a person who is for the time being approved under regulation 4 in respect of reinsurance of liabilities under insurance policies relating to general business;

“approved insurance broker” means a person who is for the time being approved under regulation 4;

“approved life reinsurance broker” means a person who is for the time being approved under regulation 4 in respect of reinsurance of liabilities under insurance policies relating to life business;

“approved MAT insurer” means an insurer which is for the time being approved under regulation 5 of the Insurance

(Approved Marine, Aviation and Transit Insurers) Regulations (Rg 15);

“approved MAT insurance broker” means a person who is for the time being approved under regulation 4 in respect of MAT insurance business but not any reinsurance business;

“designated country” means a country or territory specified in the First Schedule;

“designated entity” means any person who is licensed, registered, approved or otherwise regulated under the law of any designated country to carry on business as an insurance broker;

“insurance broker” means a person who is or has been carrying on insurance business as agent for insureds or intending insureds;

“MAT insurance” means insurance of risks comprising —

(a) maritime shipping, commercial aviation, space launching and freight (including satellites), with such insurance to cover one or both of the following:

(i) the goods being transported; and

(ii) the vehicle transporting the goods and any liability arising therefrom; and

(b) goods in international transit;

“MAT policy” means a policy relating to MAT insurance;

“net asset value”, in relation to an entity, means the excess of the value of the assets owned by the entity over its liabilities.

(2) For the purpose of the definition of “net asset value” in paragraph (1) —

(a) in determining the value of the asset owned by the entity, any amount on account of goodwill or of any other intangible assets shall be disregarded; and

- (b) in determining the amount of the liabilities of the entity —
- (i) all contingent or prospective liabilities shall be taken into account; and
 - (ii) any amount on account of any liability related to the share capital of the entity shall not be taken into account.

PART II

APPROVAL OF INSURANCE BROKERS

Exemption from section 35W of Act

3. Any designated entity carrying on the business of providing MAT insurance, general reinsurance or life reinsurance, as an insurance broker, to persons in Singapore, from outside of Singapore, shall be exempt from complying with section 35W of the Act (read with section 56A of the Act) if, and only if, the designated entity —

- (a) is an approved insurance broker for such business;
- (b) does not carry on insurance business in Singapore, other than the collection or receipt of premiums in relation to his business as an approved insurance broker; and
- (c) does not have any commercial or physical presence in Singapore for the purpose of carrying on his business as an approved insurance broker.

Approval of insurance brokers

4.—(1) A designated entity may apply in writing to the Authority for approval for the purposes of these Regulations in such form and manner as the Authority may specify.

(2) The designated entity shall furnish such information and provide such supporting documentary evidence as the Authority may require.

(3) Upon receiving an application under paragraph (1), the Authority shall consider the application and may, subject to regulation 5 —

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

(4) The Authority may approve the applicant as an approved MAT insurance broker, an approved general reinsurance broker, an approved life reinsurance broker or a combination of any of these.

Approval requirements

5.—(1) The Authority shall not approve any applicant under regulation 4 unless the applicant has in force a professional indemnity insurance policy of at least \$1 million in respect of each type of insurance broking business for which it is applying for approval.

(2) In paragraph (1), “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 approved insurance broker.

Conditions of approval

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

(2) Any approved insurance broker who contravenes any of the conditions imposed by the Authority under paragraph (1) or regulation 4(3) 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.

Annual fees for approved insurance brokers

7.—(1) An approved insurance broker, if it is approved as a MAT insurance broker, general reinsurance broker or life reinsurance

broker, shall pay to the Authority an annual fee of \$3,000 for each type of approval.

(2) The annual fee payable by an approved insurance broker shall be paid to the Authority on or before the date specified by written notification sent by the Authority.

[S 1096/2020 wef 31/12/2020]

(2A) Payment of the annual fee mentioned in paragraph (1) must be made —

- (a) through an electronic funds transfer system, designated by written notification sent by the Authority, where payment may be made by directing the transfer of funds electronically from the bank account of the payer to a bank account notified by the Authority; or
- (b) in any other form or manner that the Authority allows.

[S 1096/2020 wef 31/12/2020]

(3) The Authority may exempt wholly or in part any approved insurance broker from the payment of annual fees specified in paragraph (1).

Withdrawal of approval

8.—(1) The Authority may, at the request of the approved insurance broker or on any of the grounds specified under paragraph (2), withdraw the approval of any insurance broker.

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

- (a) that the insurance broker has not commenced business of providing MAT insurance, general reinsurance or life reinsurance, as an insurance broker, to persons in Singapore within 6 months after being approved;
- (b) that the insurance broker has ceased to carry on the business for which it is approved;
- (c) that, it appears to the Authority, the insurance broker has failed to satisfy any obligation to which it is subject by virtue of the Act or these Regulations;

- (d) that there exists a ground under regulation 5 on which the Authority would be prohibited from approving 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 otherwise dissolved;
- (f) 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 insurance broker or any of its shareholders having control of the insurance broker;
- (g) that there is a change of the person having control of the insurance broker and —
 - (i) the new person having control of the insurance broker is not a fit and proper person; or
 - (ii) the Authority is not satisfied as to the financial standing of the insurance broker after the change;
- (h) that the insurance broker is carrying on its business in a manner likely to be detrimental to the interests of the policy owners for whom it is acting as an agent;
- (i) that the insurance broker is unable to meet its obligations, whether in Singapore or elsewhere;
- (j) that the insurance broker has contravened any provision of the Act or these Regulations, or any condition imposed or any direction given by the Authority under the Act or these Regulations;
- (k) that any of the officers of the insurance broker holding a managerial or executive position has been convicted of any offence under the Act or these Regulations;

- (l) that the insurance broker has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts, in its application for approval; and
 - (m) that it is in the public interest to withdraw the approval.
- (3) Before withdrawing the approval of an insurance broker under this regulation 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 sub-paragraph (a), call upon the insurance broker to show cause within such time as may be specified in the notice as to why its approval should not be withdrawn.
- (4) If the insurance broker referred to in paragraph (3) —
- (a) fails to show cause within the time specified in the notice under paragraph (3) 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 withdrawal of approval is to take effect.
- (5) Any insurance broker who is aggrieved by a decision of the Authority under paragraph (1) to withdraw its approval 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 of the Act.
- (6) Notwithstanding the withdrawal of the approval of an insurance broker under this regulation, 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.
- (7) If the approval of an insurance broker has been withdrawn or has expired, regulations 13 and 18 shall, unless the Authority otherwise directs, continue to apply in relation to the person in respect of matters that occurred before the withdrawal or expiration as if the

approval had not been withdrawn or had not expired, as the case may be.

PART III
CONDUCT OF APPROVED
INSURANCE BROKING BUSINESS

Disclosure by approved insurance broker

9. No approved insurance broker shall invite any person in Singapore to make an offer or a proposal to enter into a contract of insurance without disclosing to the person all material information, including —

- (a) its business name, business address, email address and telephone number;
- (b) its approved status;
- (c) that it is providing the insurance broking service from outside of Singapore and that it has no commercial or physical presence in Singapore;
- (d) that it is subject to limited oversight by the Authority and is required to comply with approval requirements, and not registration requirements, under the Act;
- (e) the type of insurance broking activity that it is approved to provide under these Regulations;
- (f) the name of the insurer;
- (g) his relationship with the insurer; and
- (h) the premium charged by the insurer.

Representation by approved insurance broker

10.—(1) No approved insurance broker 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.
- (2) A reference in paragraph (1) to making a misleading statement includes a reference to omitting to disclose any matter that is material to a statement.
- (3) No approved insurance broker 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.
- (4) No approved insurance broker 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.
- (5) Any approved insurance broker who contravenes paragraph (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 \$25,000.

Control of written communication used by approved insurance broker

11.—(1) An approved insurance broker shall, if required by the Authority by notice in writing, submit to the Authority any written communication which is for the time being in use by the approved insurance broker for describing the terms or conditions of, or the benefits to be or likely to be derived from, policies.

(2) Where the whole or part of any written communication referred to in paragraph (1) is not in English, the approved insurance broker shall submit with it a translation in English.

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

(4) If it appears to the Authority, after affording the approved insurance broker an opportunity to make representations orally or in writing, that any such written communication —

- (a) contravenes any provision of these Regulations; or
- (b) is in any respect likely to mislead,

the Authority may, by notice in writing, direct the approved insurance broker to discontinue the use of the written communication in Singapore either immediately or from such date as may be specified in the notice.

(5) For each occasion on which any approved insurance broker contravenes a requirement under paragraph (1) or uses any written communication in contravention of paragraph (4), the approved insurance broker shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

(6) This regulation shall only apply to written communication which is made to or directed at persons in Singapore.

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

Obligation to furnish information to Authority

12.—(1) An approved insurance broker shall, if notified in writing by the Authority, furnish the Authority with information about any matter related to its business carried on as an approved insurance broker.

(2) Any approved insurance broker who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Duty to maintain net asset value

13. Every approved insurance broker shall maintain a net asset value whereby the amount of its assets shall not be less than the amount of its liabilities.

Insurance broking premium accounts

14.—(1) Subject to paragraph (2), every approved insurance broker who receives or collects any premium in Singapore shall, for the purposes of this regulation, establish and maintain a separate account with a bank licensed under the Banking Act (Cap. 19).

(2) Where the approved insurance broker is approved under regulation 4 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 (Cap. 19) in respect of the carrying on of business of each type of insurance broker for which it is approved.

(3) An approved insurance broker shall pay into a bank account maintained by it under paragraph (1) all moneys received by it —

- (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.

(4) No approved insurance broker shall withdraw moneys from a bank account maintained by it under paragraph (1) without the prior written consent of the Authority.

(5) Paragraph (4) shall not apply to any withdrawal of moneys from a bank account maintained by the approved insurance broker under paragraph (1) for —

- (a) any payment to or for a person entitled to receive payment of the moneys, including itself in so far as it is entitled to receive payment for itself;
- (b) any payment to or for an insurer in respect of amounts due to the insurer under or in relation to a contract of insurance;
- (c) any investment by way of deposits placed with any bank licensed under the Banking Act; or
- (d) any repayment of moneys that were paid into the account in error.

(6) An approved insurance broker shall pay moneys received from the realisation of any investment made under paragraph (5)(c) into a bank account maintained by it under paragraph (1).

(7) If, upon the realisation of any investment made under paragraph (5)(c), the amount of moneys received in respect of the realisation is less than the amount of moneys invested, the approved insurance broker shall pay into the account from which the moneys were withdrawn for investment an amount equal to the difference between the amount invested and the amount realised.

(8) An approved insurance broker shall pay into, or retain in, a bank account maintained by it under this regulation, any interest or other income that is received by it under the bank account or from any deposit made under paragraph (5)(c).

(9) An approved insurance broker shall designate any bank account maintained by it under paragraph (1), and any deposit placed with a bank under paragraph (5)(c) as an insurance broking premium account, with or without other words of description.

(10) No person shall claim a lien on the moneys in any account established by any approved insurance broker under paragraph (1) or (2) unless the moneys in the account are for fees due and owing to the approved insurance broker.

(11) No person shall create any charge or mortgage on the moneys in any account established by any approved insurance broker under paragraph (1) or (2).

(12) In this regulation —

“contract of insurance” includes a contract of insurance that is subsequently cancelled;

“moneys” means any sum received by an approved insurance broker as agent for an insured or intending insured, including policy moneys, premiums and claims payments.

(13) Any person who contravenes this regulation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Negotiation and placement of risk

15. No approved MAT insurance broker shall, in the course of its business as such, negotiate or place any contract of insurance with an insurer (directly or indirectly) except with an approved MAT insurer or registered insurer acting in the course of its business as such.

Arrangements affecting control of approved insurance brokers

16.—(1) Every approved insurance broker shall immediately inform the Authority of any change in the control of the insurance broker.

(2) For the purposes of this regulation, section 12A(7) of the Act shall apply as if every reference to authorised reinsurer were a reference to approved insurance broker.

Holding out as approved insurance broker

17.—(1) No person shall hold himself out to be an approved insurance broker in respect of any type of insurance broking business

unless he is approved under these Regulations in respect of that type of insurance broking business.

(2) Any person who contravenes paragraph (1) 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 of \$2,500 for every day or part thereof during which the offence continues after conviction.

Returns and audit

18.—(1) An approved insurance broker shall prepare and lodge with the Authority, within 6 months from the end of each financial year or within such longer period as the Authority may allow, a statement —

- (a) in the form set out in the Second Schedule giving particulars as to the placement of business handled during that financial year for each type of insurance broking business in respect of which it is approved; and
- (b) based on the annual audited financial statements of the approved insurance broker of that financial year.

(2) The statement to be lodged by an approved insurance broker under paragraph (1) shall be —

- (a) signed by —
 - (i) 2 of its directors; and
 - (ii) its chief executive officer; and
- (b) accompanied by a copy of the annual audited report on which the statement is based.

(3) Where any audited report referred to in paragraph (2)(b) is in a language other than English, the copy required by that paragraph shall be in English and shall be certified to be a true translation of the original by the translator.

(4) In this regulation, “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 an approved insurance broker; and
- (b) directly responsible for the conduct of any type of business of the approved insurance broker.

PART IV

MISCELLANEOUS

Powers of Authority to issue directions

19.—(1) Where the Authority is satisfied that the affairs of any approved insurance broker 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 approved insurance broker, the Authority may issue such directions to the approved insurance broker as it may consider necessary and, in particular, may require the approved insurance broker, as the case may be —

- (a) to take action as to the disposition or recovery of its assets;
- (b) to take any available steps for the recovery by the approved insurance broker, of sums appearing to the Authority to have been illegally or improperly paid; or
- (c) to take action to make good any default under regulation 13 or 14.

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

(3) Any approved insurance broker who contravenes any direction made under paragraph (1) 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.

Use of words “approved insurance broker”, etc.

20. An approved insurance broker shall not —

- (a) use any word, other than the words “approved insurance broker” or any of its derivatives in any language, to indicate that it carries on business as an approved insurance broker; or
- (b) use the words “insurance broking” or any of its derivatives in any language, or any other word, indicating that it carries on business as an insurance broker in Singapore,

or make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner.

Saving for validity of policies

21. A contravention of any requirement of the Act or these Regulations does not affect the validity or enforceability of any policy.

FIRST SCHEDULE

Regulation 2(1)

DESIGNATED COUNTRIES

1. United States of America.
2. A country or territory that is a signatory or has acceded to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership done at Santiago on 8 March 2018, and for which the Agreement has entered into force.

[S 864/2018 wef 30/12/2018]

3. A member state of the European Union.

[S 764/2019 wef 21/11/2019]

SECOND SCHEDULE

Regulation 18(1)

INSURANCE ACT
(CHAPTER 142)

INSURANCE
(APPROVED MARINE, AVIATION AND

SECOND SCHEDULE — *continued*

TRANSIT INSURANCE BROKERS AND
APPROVED REINSURANCE BROKERS)
REGULATIONS

FORM

NAME OF APPROVED INSURANCE BROKER _____

PLACEMENT OF BUSINESS HANDLED
FOR THE FINANCIAL YEAR _____ TO _____

I. Approved MAT Insurance Broking Business	
Placement with	Premiums (S\$)
(a) Registered insurers	
(b) Approved MAT insurers	
(c) Other US Financial Institutions	
Total	
II. Approved General Reinsurance Broking Business	
Placement with	Premiums (S\$)
(a) Registered insurers	
(b) Authorised General Reinsurers	
(c) Others	
Total	
III. Approved Life Reinsurance Broking Business	
Placement with	Premiums (S\$)
(a) Registered insurers	
(b) Authorised Life Reinsurers	
(c) Others	
Total	

Notes:

1. "Premiums" refers to premiums received or receivable during the financial year, including brokerage.

SECOND SCHEDULE — *continued*

2. “Authorised General Reinsurers” refers to persons who are authorised under section 8A of the Insurance Act to carry on general business.
3. “Authorised Life Reinsurers” refers to persons who are authorised under section 8A of the Insurance Act to carry on life business.

Names and signatures of:

Director

Director

Chief Executive Officer

Date: _____

[G.N. No. S 681/2003]

LEGISLATIVE HISTORY
INSURANCE (APPROVED MARINE, AVIATION AND
TRANSIT INSURANCE BROKERS AND APPROVED
REINSURANCE BROKERS) REGULATIONS
(CHAPTER 142, RG 14)

This Legislative History is provided for the convenience of users of the Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations. It is not part of these Regulations.

1. G. N. No. S 681/2003 — Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations 2003

Date of commencement : 1 January 2004

2. 2004 Revised Edition — Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations

Date of operation : 31 December 2004

3. G.N. No. S 864/2018 — Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) (Amendment) Regulations 2018

Date of commencement : 30 December 2018

4. G.N. No. S 764/2019 — Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) (Amendment) Regulations 2019

Date of commencement : 21 November 2019

5. G.N. No. S 1096/2020 — Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) (Amendment) Regulations 2020

Date of commencement : 31 December 2020