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**No. S 818**

INSURANCE ACT  
(CHAPTER 142)

INSURANCE (REMUNERATION) REGULATIONS 2015

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
  2. Definitions
  3. Permitted payment of remuneration in relation to life policy  
The Schedule
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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 (Remuneration) Regulations 2015 and come into operation on 1 January 2016.

**Definitions**

2. In these Regulations, unless the context otherwise requires —
  - “accredited investor” has the same meaning as in section 4A(1)(a) of the Securities and Futures Act (Cap. 289);
  - “expert investor” has the same meaning as in section 4A(1)(b) of the Securities and Futures Act;
  - “financial adviser” means —
    - (a) a licensed financial adviser as defined in section 2(1) of the Financial Advisers Act (Cap. 110); or
    - (b) an exempt financial adviser as defined in section 2(1) of the Financial Advisers Act;

“institutional investor” has the same meaning as in section 4A(1)(c) of the Securities and Futures Act;

“pure protection policy” means a life policy —

- (a) which has no surrender value;
- (b) the policy moneys of which are payable only on death or for incapacity due to injury, sickness or infirmity; and
- (c) which has no provision for its conversion or extension which would result in it ceasing to satisfy paragraph (a) or (b);

“recipient” means —

- (a) a financial adviser;
- (b) a representative of a financial adviser; or
- (c) a supervisor of a financial adviser.

### **Permitted payment of remuneration in relation to life policy**

3.—(1) For the purposes of section 26(1) of the Act, a licensed insurer must not pay a recipient any remuneration in relation to —

- (a) the provision of any financial advisory service in connection with any life policy; or
- (b) the sale of any life policy following the provision of any financial advisory service,

except in accordance with paragraph (2), (3), (4) or (5).

(2) A licensed insurer may pay a recipient such remuneration if —

- (a) the recipient, who is a financial adviser, is —
  - (i) exempt under section 100(2) of the Financial Advisers Act (Cap. 110) from sections 25, 26, 27 and 36 of that Act; and
  - (ii) not subject to any of the following written directions issued by the Authority under section 58 of the Financial Advisers Act:

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- (A) Notice on Recommendations on Investment Products (Notice No. FAA-N16);
  - (B) Notice on Appointment and Use of Introducers by Financial Advisers (Notice No. FAA-N02);
  - (C) Notice on Information to Clients and Product Information Disclosure (Notice No. FAA-N03);
  - (D) Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice No. FAA-N13); or
- (b) the recipient, who is a representative of a financial adviser, is —
- (i) exempt under section 100(2) of the Financial Advisers Act from sections 25, 26, 27 and 36 of that Act; and
  - (ii) not subject to any of the following written directions issued by the Authority under section 58 of the Financial Advisers Act:
    - (A) Notice on Recommendations on Investment Products (Notice No. FAA-N16);
    - (B) Notice on Information to Clients and Product Information Disclosure (Notice No. FAA-N03);
    - (C) Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice No. FAA-N13).
- (3) A licensed insurer may pay a recipient such remuneration if the financial advisory service is provided, or the sale of life policy is made, to —
- (a) an accredited investor;
  - (b) an expert investor; or
  - (c) an institutional investor.

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(4) A licensed insurer may pay a recipient such remuneration if the remuneration payable is not dependent, whether directly or indirectly, on —

- (a) the number of contracts entered into for the sale of any life policy; or
- (b) the value of contracts entered into for the sale of any life policy.

(5) A licensed insurer may, in relation to paragraph (1)(b), pay a recipient such remuneration if the sale —

- (a) is made pursuant to an agreement under which the recipient is entitled, for a continuous period of at least one year after the date on which the agreement becomes effective, to remuneration for the sale of life policies within any one category listed in the Schedule;
- (b) is made pursuant to an agreement for the sale of any type of life policies within 2 or more categories listed in the Schedule; or
- (c) is of a pure protection policy.

## THE SCHEDULE

Regulation 3(5)

### CATEGORIES OF LIFE POLICIES

1. Whole life policies other than investment-linked policies.
2. Term policies.
3. Endowment policies other than investment-linked policies.
4. Investment-linked policies where only a single premium is payable.
5. Investment-linked policies where the premiums are payable at regular intervals.
6. Universal life policies.
7. Annuities.

Made on 30 December 2015.

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