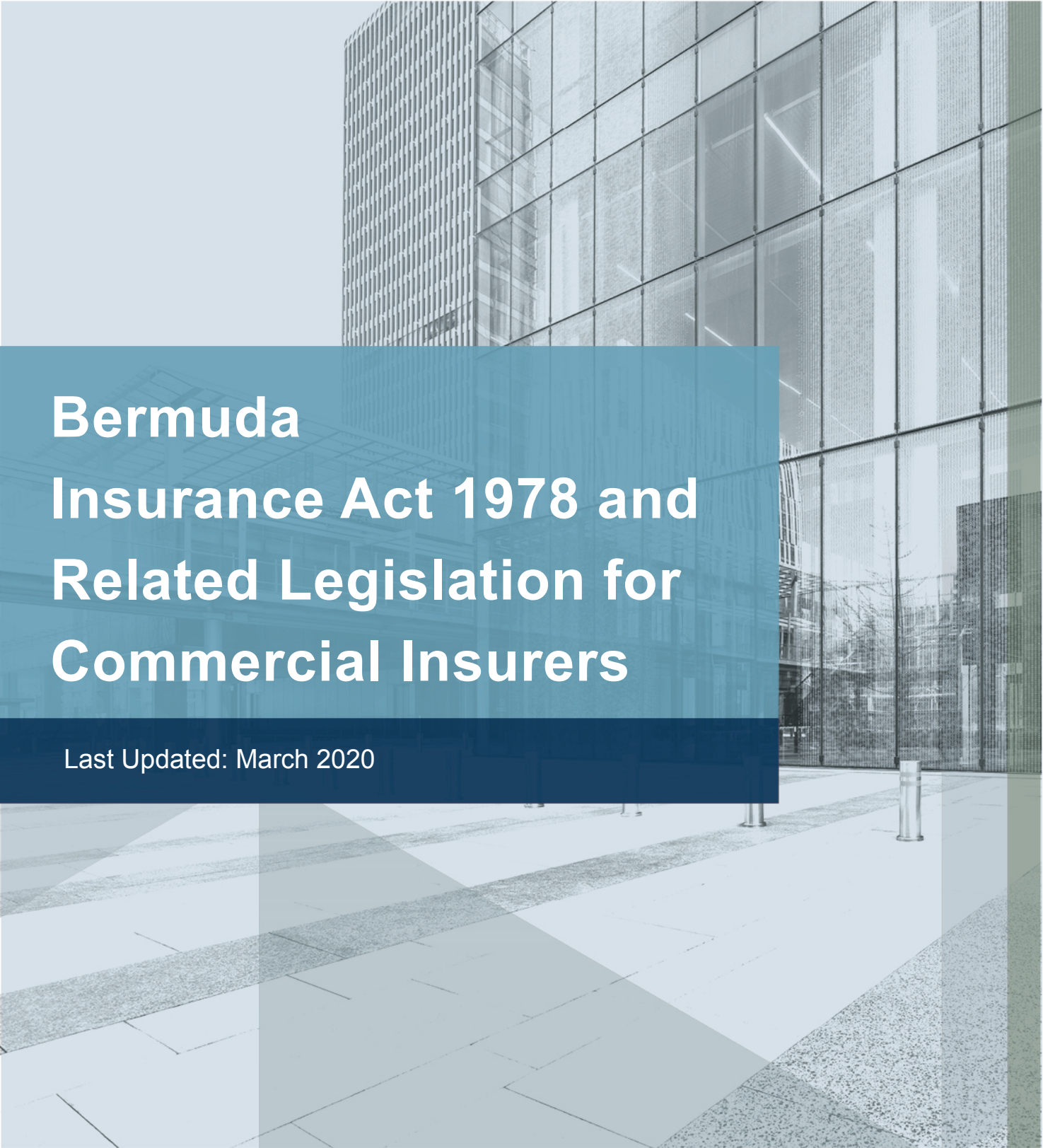


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A photograph of a modern glass skyscraper with a grid-like facade, reflecting the sky and surrounding environment. The building is partially obscured by a semi-transparent blue overlay containing text.

Bermuda Insurance Act 1978 and Related Legislation for Commercial Insurers

Last Updated: March 2020

About Conyers

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Preface

As a service to our clients, we have prepared this compendium of legislation applicable to commercial insurers which includes the Insurance Act 1978 together with the Insurance Account Rules 2016, the Insurance (Eligible Capital) Rules 2012, the Insurance (Public Disclosure) Rules 2015, the Insurance (Group Supervision) Rules 2011, and the fee schedule applicable to insurance entities as set out in the Bermuda Monetary Authority Act 1969, Fourth Schedule, all amendments have been incorporated to the date of publication.

Consolidations of the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008, the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011, the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011, and the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011, excluding the Schedules, have also been included. Consolidated versions of the above Insurance Rules, and Schedules, as well as Excel spread sheets with the BSCR model for each class of insurer and Bermuda Groups can be found on the Bermuda Monetary Authority website [www.bma.bm].

The most recent legislative updates include amendments made by the Insurance (No. 2) Amendment Act 2019, operative 31 December 2019, with the exception of Schedule 1 and part of Schedule 2, which will come into operation on 30 April 2020, the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2019, the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2019, the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2019, and the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2019, effective 1 January 2020.

Conyers Dill & Pearman

Bermuda

Revised: March 2020

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Table of Contents

About Conyers	1
Preface	3
Table of Contents	5
Table of Contents - Detailed	7
Table of Statutes and Statutory Instruments	17
INSURANCE ACT 1978	21
INSURANCE ACCOUNT RULES 2016	111
INSURANCE (ELIGIBLE CAPITAL) RULES 2012	119
INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) RULES 2008	126
INSURANCE (PRUDENTIAL STANDARDS) (CLASS 3A SOLVENCY REQUIREMENT) RULES 2011	132
INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) RULES 2011	137
INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011	143
INSURANCE (PUBLIC DISCLOSURE) RULES 2015	151
INSURANCE (GROUP SUPERVISION) RULES 2011	154
BERMUDA MONETARY AUTHORITY ACT 1969 (Fourth Schedule Fees - Insurance Act 1978)	177
Endnotes	213

Table of Contents - Detailed

About Conyers	1
Preface	3
Table of Contents	5
Table of Contents - Detailed	7
Table of Statutes and Statutory Instruments	17
INSURANCE ACT 1978	21
PART I	21
1. Interpretation	21
1A. Meaning of “director”, “controller”, “chief executive”, “officer”, “senior executive”, “associate”	28
1B. Meaning of parent and subsidiary company	30
PART IA - THE AUTHORITY	31
Functions and Duties of the Authority	31
2. Functions of the Authority	31
2A. Authority’s statement of principles	31
2B. Guidance	32
2BA. Codes of conduct	32
2C. Insurance Advisory Committee	32
PART II - REGISTRATION	32
3. Insurers to be registered	32
4. Registration as insurer	32
4A. Determination of class of registration for general business	33
4B. Class 1 insurer	34
4C. Class 2 insurer	34
4D. Class 3 insurer	34
4DA. Class 3A insurer	35
4DB. Class 3B insurer	35
4E. Class 4 insurer	35
4EA. Determination of class of registration for long-term business	35
4EB. Class A insurer	36
4EC. Class B insurer	36
4ED. Class C insurer	36
4EE. Class D insurer	36
4EF. Class E insurer	36
4EG. Class IGB	36
4EH. Class ILT	37
4EI. Class IIGB	37
4F. Classes of insurer: interpretation	37

5.	Factors to be considered by Authority under section 4.....	38
6.	Further registration requirements.....	38
6A.	Prudential and technical standards	39
6B.	Consultation	40
6C.	Authority may exempt insurers, insurance managers and intermediaries from or modify prudential or technical standards	40
6D.	Authority may make adjustment to enhanced capital requirement, available statutory capital and surplus, and available statutory economic capital and surplus	41
6E.	Authority may adjust registration requirements of innovative insurers	42
6F.	Protection of public interest, policyholders of innovative insurers and clients of innovative intermediaries	42
7.	Paid up share capital	43
8.	Principal office and principal representative	43
8A.	Principal representative to report certain events	44
8B.	Appointment of approved loss reserve specialist	45
8C.	Class 3A, Class IIGB, Collateralized Insurer, Class 3B, Class 4, Class C, Class D and Class E insurer to maintain head office in Bermuda	46
9.	Insurance managers and intermediaries to be registered	46
10.	The Authority may register insurance managers and intermediaries.....	46
11.	Factors to be considered by Authority under section 10	46
12.	Power of Authority in relation to registration.....	47
13.	Registration	47
14.	Fees	47
PART III - REGULATION OF INSURERS GENERALLY		50
15.	Statutory financial statements.....	50
15A.	Declaration of compliance	50
16.	Appointment and approval of auditors	51
16A.	Auditor to communicate certain matters to Authority	52
17.	Keeping and filing of statutory financial statements	53
17A.	Additional financial statements prepared in accordance with GAAP and declaration of compliance	53
17B.	Insurance manager, broker ,agent and insurance marketplace provider to file statutory financial returns	54
18.	Insurer to make financial returns.....	54
18A.	Failure to file statutory statements or returns	54
18B.	Opinion of loss reserve specialist	55
18C.	Requirement to keep records in Bermuda	55
19.	Prohibition of non-insurance business to be carried on by insurers.....	55
20.	Minister may require Bermuda investment.....	56
21.	Maintenance of assets in Bermuda.....	56
22.	Custody of assets	57
PART IV - INSURERS CARRYING ON LONG-TERM AND GENERAL BUSINESS		57

23.	Insurers to which this Part applies	57
24.	Insurer carrying on long-term and general business to maintain separate accounts	57
24A.	Certification of dividends.....	58
25.	Transfer of long-term business	59
26.	Appointment of approved actuary	59
27.	Actuarial certificates of long-term business liabilities	59
PART IVA - GROUP SUPERVISION		60
27A.	Interpretation	60
27B.	Group Supervisor	60
27C.	Authority may exclude specified entities from group supervision	61
27CA.	Authority may include specified entities within group supervision	62
27D.	Authority may withdraw as group supervisor.....	62
27E.	Functions of Authority as group supervisor.....	62
27F.	Authority to make Rules.....	63
27G.	Appointment of an approved group actuary	63
PART V - INSURANCE MANAGERS, BROKERS, AGENTS, INSURANCE MARKETPLACE PROVIDERS AND SALESMEN		64
28.	Insurance managers, agents and insurance marketplace providers to maintain lists of insurers for which they act	64
29.	Insurance broker, agent, salesman or insurance marketplace provider deemed agent of insurer in certain cases.....	64
PART VI.....		64
29A.	Power to obtain information and reports	64
29B.	Power to require production of documents.....	65
29C.	Communication with Authority	66
29D.	[REPEALED]	67
29E.	[REPEALED]	67
29F.	[REPEALED]	67
Powers.....		67
30.	Investigations on behalf of the Authority	67
30A.	Investigations of suspected contraventions.....	68
30AA.	Power to require production of documents	68
30B.	Powers of entry.....	70
30C.	Obstruction of investigations.....	70
30CA.	Notification of change of shareholder controller or officer of insurance manager, broker, agent or insurance marketplace provider	71
30D.	Notification by shareholder controllers of new or increased control – private companies	71
30E.	Notification by shareholder controllers of new or increased control - public companies ...	72
30EA.	Notification by shareholder controllers of disposal of shares in public and private companies	72
30F.	Objection to new or increased control.....	72
30G.	Contraventions by controller	73

30H.	Objection to existing controller	74
30I.	Restriction on and sale of shares	75
30J.	Notification by registered persons and designated insurers of change of controller and officer	76
30JA.	Material change: insurer or insurance group	76
30JB.	Notification of material change: insurer or insurance group	77
30JC.	Objection to material change: insurer or insurance group	78
30JD.	[REPEALED]	78
30JE.	Insurance marketplace provider to notify the Authority of certain events.....	78
30JF.	Material change: insurance marketplace provider.....	79
30JG.	Notification of material change: insurance marketplace provider	79
30JH.	Objection to material change: insurance marketplace provider	79
31.	[REPEALED]	80
31A.	Failure to meet solvency requirements	80
31AA.	Failure to comply with enhanced capital requirement	80
31AB.	Class 3A: exceeding net premiums written limitation	81
31AC.	Class C: exceeding total assets limitation	81
31AD.	Class D: exceeding total assets limitation	81
31B.	Restrictions as to payment of dividends	82
31C.	Restrictions as to reduction of capital	82
32.	Powers of intervention	83
32A.	Contraventions by designated insurer	85
32B.	Procedure for giving directions	85
32C.	Directions in cases of urgency	85
PART VIA - DISCIPLINARY MEASURES		85
32D.	Power to impose civil penalties for breach of requirements	85
32E.	Civil penalties procedure	86
32F.	Public censure	86
32G.	Public censure procedure	86
Prohibition Orders		86
32H.	Prohibition orders	86
32I.	Prohibition orders: procedures.....	87
32J.	Applications relating to prohibition orders: procedures.....	87
32K.	Determination of applications for variation etc.	87
Injunctions		87
32L.	Injunctions	87
PART VII - INSOLVENCY AND WINDING UP		88
33.	Margin of solvency for general business.....	88
34.	Winding up of insurers under Companies Act 1981	89
35.	Winding up on petition of Authority	89
35A.	Insurers carrying on long-term business	90

36.	Winding up of insurers carrying on long-term and general business	90
36A.	Winding up of insurers	92
37.	Continuation of long-term business of insurer in liquidation	93
38.	Subsidiary insurers	93
39.	Reduction of contracts as alternative to winding up	94
40.	Winding up rules	94
PART VIII - CANCELLATION OF REGISTRATION		95
41.	Cancellation of registration of insurers	95
42.	Cancellation of registration of insurance managers, agents, brokers, salesmen and insurance marketplace providers	95
43.	[REPEALED]	96
44.	Cancellation of registration to be gazetted	96
PART VIIIA - APPEAL TRIBUNALS		96
44A.	Rights of appeal	96
44B.	Constitution of tribunal	97
44C.	Determination of appeals	97
44D.	Costs, procedure and evidence	98
44E.	Further appeals on a point of law	99
PART VIIIB - NOTICES		99
44F.	Warning notices	99
44G.	Decision notices	99
Conclusion of actions		100
44H.	Notices of discontinuance	100
Publication		100
44I.	Publication	100
PART IX - SUPPLEMENTARY		100
45.	Prohibition of loans to directors, etc	100
46.	Effect on business transactions of infringement of Act	101
47.	Acting on behalf of unregistered insurer	101
48.	Personal liability of intermediaries in certain cases	101
49.	Control of advertisements	101
50.	Issue of false documents etc	101
PART X - MISCELLANEOUS		102
51.	Notices	102
Powers Exercisable to Assist Foreign Regulatory Authorities		102
51A.	[REPEALED]	102
51AA.	Service of notice on Authority	102
51B.	[REPEALED]	102
51C.	[REPEALED]	102
51D.	[REPEALED]	102
Restriction on disclosure of information		102

52.	Restricted information.....	102
52A.	Disclosure for facilitating the discharge of functions of the Authority.....	103
52B.	Disclosure for facilitating the discharge of functions by other authorities.....	103
52C.	Information supplied to the Authority by relevant overseas authority.....	103
53.	Regulations by Minister	104
54.	Specific offences	105
55.	General provisions relating to offences.....	105
55A	Civil debt and civil penalties.....	105
56.	The Authority may modify certain provisions.....	105
57.	Application.....	106
57A.	Designated Investment Contracts.....	107
58	Transitional.....	107
59.	Amendment of Act No. 43 of 1971	108
60.	Commencement	108
SCHEDULE		108
Minimum criteria for registration [sections 5, 11]		108
Corporate governance		108
Business to be directed by at least two individuals.....		108
Composition of board of directors		108
Business to be conducted in prudent manner		109
Consolidated supervision		109
Integrity and skill		110
INSURANCE ACCOUNT RULES 2016		111
1	Citation	111
2	Interpretation	111
3	Statutory financial return to relate to relevant year.....	112
4	Content of statutory financial return	113
5	Insurer information sheet.....	113
6	Auditor's report.....	114
7	Statutory balance sheet, statement of income, statement of capital and surplus.....	115
8	Notes to statutory financial statements	115
9	Instructions relating to statutory financial statements.....	115
10	Minimum margin of solvency for general business.....	115
11	Minimum liquidity ratio for general business	115
12	Minimum margin of solvency for long-term business	116
13	Requirements relating to preparation of statutory financial returns generally	116
14	Condensed general purpose financial statements	116
15	Commencement	117
SCHEDULES.....		117
INSURANCE (ELIGIBLE CAPITAL) RULES 2012.....		119

1.	Citation	119
2.	Interpretation	119
3.	Available Statutory Capital and Surplus	125
4.	Commencement	125

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) RULES 2008 126

1.	Citation and commencement	126
2.	Interpretation	126
3.	ECR.....	128
4.	BSCR model.....	128
5.	Approved internal capital model.....	128
6.	Capital and solvency return	129
6A.	Declaration of capital and solvency returns.....	130
6AB.	Quarterly financial return	130
6B.	Offences [REVOKED]	131
	SCHEDULES	131

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 3A SOLVENCY REQUIREMENT) RULES 2011 132

1.	Citation	132
2.	Interpretation	132
3.	ECR.....	133
4.	BSCR-SME model.....	134
5.	Approved internal capital model.....	134
6.	Capital and solvency return	135
6A.	Declaration of capital and solvency returns.....	135
7.	Commencement	135
	SCHEDULES	135

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) RULES 2011 137

1.	Citation	137
2.	Interpretation	137
3.	ECR.....	139
4.	BSCR models	140
5.	Approved internal capital model.....	140
6.	Capital and solvency return	141
7.	Declaration of capital and solvency returns.....	141
8.	Offences	142
9.	Commencement	142
	SCHEDULES	142

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011	143
1. Citation	143
2. Interpretation	143
3. ECR.....	146
4. Group BSCR model.....	146
5. Approved group internal capital model.....	147
6. Insurance group capital and solvency return.....	147
7. Declaration of insurance group capital and solvency return	148
8. Quarterly financial return	148
9. Offences	150
10. Commencement	150
SCHEDULES	150
INSURANCE (PUBLIC DISCLOSURE) RULES 2015	151
1 Citation	151
2. Interpretation	151
3 Financial condition report.....	151
4 Subsequent event.....	152
5 Declaration on financial condition report or significant event.....	152
6 Failure to file a financial condition report or significant event	153
7 Commencement	153
SCHEDULE	153
INSURANCE (GROUP SUPERVISION) RULES 2011	154
1. Citation and commencement	154
Part 1	154
Group Responsibilities and Governance	154
2. Interpretation	154
3. General principles.....	155
4. Corporate governance: general	155
5. Corporate governance: responsibilities of the parent board	156
6. Corporate governance: responsibilities of the chief and senior executives of the parent company.....	157
7. Internal audit function	158
8. Risk management function	158
9. Compliance function	159
10. Actuarial function	159
11. Risk management and internal controls framework	160
12. Risk management and internal controls framework: investment/market risk component	160
13. Risk management and internal controls framework: Liquidity risk component.....	161

14.	Risk management and internal controls framework: Concentration risk component.....	161
15.	Risk management and internal controls framework: Credit risk component	162
16.	Risk management and internal controls framework: Operational risk component	162
17.	Risk management and internal controls framework: Insurance underwriting risk component.....	163
18.	Group Solvency Self-Assessment.....	163
19.	Minimum margin of solvency	164
20.	Group Enhanced Capital Requirement	164
Part 2.....		165
Eligible Capital		165
21.	Interpretation	165
22.	Available Statutory Capital and Surplus.....	170
Assessment of the financial situation of the insurance group		171
23.	Group financial statements	171
Supervisory reporting and disclosures		172
24.	Statutory financial statements.....	172
25.	Group Statutory financial return	172
26.	Requirements relating to preparation of returns generally.....	173
27.	Opinion of group actuary	173
28.	Requirement to keep records in Bermuda.....	173
General provisions to ensure compliance.....		174
29.	Designated insurer to report certain events	174
30.	Financial Condition Report	174
31.	Subsequent Event	175
32.	Declaration on Financial Condition Report or Significant Event	176
SCHEDULES		176
BERMUDA MONETARY AUTHORITY ACT 1969 (Fourth Schedule Fees - Insurance Act 1978).....		177
FOURTH SCHEDULE - Insurance Act 1978		177
PART B - 2020		177
PART C - 2021.....		196
Endnotes		213

Table of Statutes and Statutory Instruments

Insurance Act 1978

Insurance Amendment Act 1981
 Insurance Amendment Act 1983
 Insurance Amendment Act 1985
 Insurance Amendment Act 1995
 Insurance Amendment Act 1998
 Insurance Amendment Act 2001
 Insurance Amendment (No. 2) Act 2001
 Insurance Amendment Act 2002
 Insurance Amendment Act 2004
 Insurance Amendment Act 2006
 Insurance Amendment Act 2008
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 Insurance Amendment (No. 3) Act 2010 (transitional provisions only)
 Ministers (Change of Responsibilities and Style) Order 2011
 Insurance Amendment Act 2011
 Insurance Amendment Act 2012
 Insurance Amendment (No. 2) Act 2012
 Insurance Amendment Act 2013
 Insurance Amendment (No. 2) Act 2013
 Insurance Amendment Act 2015
 Insurance Amendment (No. 2) Act 2015
 Insurance Amendment (No. 3) Act 2015
 Bermuda Monetary Authority Amendment Act 2002
 Bermuda Monetary Authority Amendment (No. 4) Act 2004
 Bermuda Monetary Authority Amendment (No. 2) Act 2006
 Bermuda Monetary Authority Amendment Act 2008
 Bermuda Monetary Authority Amendment (No. 2) Act 2008
 Bermuda Monetary Authority Amendment Act 2009
 Bermuda Monetary Authority Amendment Act 2010
 Bermuda Monetary Authority Amendment Act 2012
 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
 Bermuda Monetary Authority Amendment Act 2014
 Bermuda Monetary Authority Amendment Act 2015
 Insurance Companies (Special Fees) Act 2010
 Insurance Amendment Act 2016

Bermuda Monetary Authority (Determination of Appeals) Act 2016
 Appeal Tribunals (Miscellaneous) Act 2017
 Insurance Amendment Act 2018
 Insurance Amendment (No. 2) Act 2018
 Proceeds of Crime (Miscellaneous) (No. 2) Act 2018
 Insurance Amendment (No. 3) Act 2018
 Insurance (No. 2) Amendment Act 2019

Insurance Account Rules 2016

Insurance (Eligible Capital) Rules 2012

Insurance (Eligible Capital) Amendment Rules 2012
 Insurance (Eligible Capital) Amendment Rules 2013
 Insurance (Eligible Capital) Amendment Rules 2014
 Insurance (Eligible Capital) Amendment Rules 2015
 Insurance (Eligible Capital) Amendment Rules 2016

Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008

Insurance (Prudential Standards) (Class 4 Solvency Requirement) Amendment Order 2009
 Insurance (Prudential Standards) (Class 4 Solvency Requirement) Amendment Order 2010
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2011
 Insurance Amendment Act 2012
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2012
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2013
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2014
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2015
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2016
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment (No. 2) Rules 2016
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment (No. 3) Rules 2016
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2018
 Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment Rules 2019

Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011

Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2012
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2013
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2014
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2015

Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2016
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment (No. 2) Rules 2016
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment (No. 3) Rules 2016
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2018
 Insurance (Prudential Standards) (Class 3A Solvency Requirement) Amendment Rules 2019

Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011

Insurance (Prudential Standards) (Class E Solvency Requirement) Amendment Rules 2012
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2013
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2014
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2015
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2016
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment (No. 2) Rules 2016
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment (No. 3) Rules 2016
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2018
 Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2019

Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011

Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2012
 Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2013
 Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2014
 Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2015
 Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment Rules 2016
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Bermuda Monetary Authority Amendment Act 2012

Bermuda Monetary Authority Amendment Act 2014

Bermuda Monetary Authority Amendment Act 2015

Insurance Amendment Act 2018

Bermuda Monetary Authority Amendment (No. 3) Act 2018

BERMUDA

INSURANCE ACT 1978

1978:39

[Assent Date: 7 July 1978]

[Operative Date: 1 January 1980]

WHEREAS it is expedient to regulate the carrying on of insurance business in or from Bermuda; to provide for the registration of insurers and other persons engaged in that business; and to provide for matters connected with, or incidental to, the matters aforesaid:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the House of Assembly of Bermuda, and by the authority of the same, as follows:

PART I**1. Interpretation**^{1 2 3}

(1) In this Act, unless the context otherwise requires -

“actuary” means a member in good standing of the Canadian Institute of Actuaries, the Casualty Actuarial Society (in the US), the Institute of Actuaries of Australia, the Institute and Faculty of Actuaries (for the UK), the Society of Actuaries (in the US); the American Academy of Actuaries; or a member in good standing of an actuarial body recognised by the Authority;⁴

“approved actuary” means an individual approved by the Authority under section 26(3);⁵

“approved auditor” means an auditor approved by the Authority under section 16(3);⁶

“association of underwriters” means an association of individual underwriters, organised according to the system known as Lloyd's whereby each underwriting member of the association becomes liable for a separate and proportionate part of the sum secured by each policy subscribed to by that association; and, in relation to such an association as aforesaid, “recognised” means recognised by the Authority;

“auditor” means either -

- (a) a person entitled to practise as a public accountant in Bermuda; or
- (b) a person who has qualified as an accountant by examination of one of the Institutes of Chartered Accountants of England and Wales, Ireland and Scotland or the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants; or
- (c) a person recognised by the Authority as an auditor;

“Authority” means the Bermuda Monetary Authority established by the Bermuda Monetary Authority Act 1969⁷;

“available statutory capital and surplus” means an amount equal to the total statutory capital and surplus including any adjustments thereto made under section 6D or by or under Rules made under section 6A;^{8 9}

- “available statutory economic capital and surplus” means an amount equal to the total statutory economic capital and surplus including any adjustments thereto made under section 6D or by or under Rules made under section 6A of this Act;¹⁰
- “bank” means an institution licensed as a bank under the Banks and Deposit Companies Act 1999;
- “capital and solvency return” means such return relating to the insurer’s or insurance group’s risk management practices and to the information used by the insurer or insurance group to calculate its enhanced capital requirement as may be prescribed by or under Rules¹¹ made under section 6A;^{12 13}
- “capital redemption contract” means a contract (which by its terms is expressed to be a capital redemption contract or a funding agreement) under which an insurer may—¹⁴
- (a) receive and accumulate sums of money; and
 - (b) pay a sum or sums of money or render money’s worth,
- on dates and in amounts that are not based on life contingencies of any person;
- “Class 1”, “Class 2”, “Class 3”, “Class 3A”, “Class IIGB”, “Class 3B”, “Class 4”, “Collateralized Insurer” and “Special Purpose Insurer”^{15 16} in relation to an insurer carrying on general business mean the class of the insurer’s registration under section 4¹⁷;
- “Class A”, “Class B”, “Class C”, “Class D” and “Class E” in relation to an insurer carrying on long-term business, mean the class of the insurer’s registration under section 4;¹⁸
- “Class IGB” means an insurer carrying on general business in an innovative and¹⁹ experimental manner;²⁰
- “Class ILT” means an insurer carrying on long-term business in an innovative and²¹ experimental manner;²²
- “code of conduct” means a code of conduct issued by the Authority pursuant to section 2BA;²³
- “Collateralized Insurer” means an insurer that carries on special purpose business, but is not a “Special Purpose Insurer”;²⁴
- “the Court” means the Supreme Court;
- “decision notice” means a notice prepared in accordance with section 44G;²⁵
- “designated insurer” means an insurer designated by the Authority under section 27B(5) in respect of an insurance group;²⁶
- “domestic business” means insurance business where, whether the contract of insurance is made in Bermuda or elsewhere, the subject-matter of the contract is either -
- (a) property that at the time of the making of the contract is in, or in transit to or from Bermuda; or
 - (b) the life, safety, fidelity or insurable interest of an individual who at the time of the making of the contract is ordinarily resident in Bermuda; or
 - (c) a risk of a company formed in Bermuda that is not an exempted company within the definition of that expression in section 127 of the Companies Act 1981;
- “eligible capital” means the available statutory capital and surplus of an insurer or an insurance group that qualifies for inclusion in any assessment of the insurer’s or insurance group’s minimum margin of solvency or enhanced capital requirement;²⁷

“enhanced capital requirement” means additional capital and surplus requirement imposed by or under Rules²⁸ made under section 6A;²⁹

“excepted long-term business” means either -³⁰

- (a) credit life business, that is to say, the business of effecting and carrying out contracts of insurance against risks of loss to persons arising from the non-payment of debts due to such persons by reason of the death of debtors of theirs, being contracts that are -
 - (i) not contracts of domestic business; and
 - (ii) expressed to be in effect for a period of five years or less; and
 - (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period; and
 - (iv) of a kind which the Authority, upon application made to it by the insurer for the purpose, has given its prior approval in writing for the insurer to effect and carry out; or
- (b) employee group business, that is to say, the business of effecting and carrying out contracts of insurance on the lives of employees of the insurer or of an affiliate (within the definition of “affiliate” in regulation 2 of the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules³¹) of the insurer, being contracts that are-
 - (i) not contracts of domestic business; and
 - (ii) expressed to be in effect for a period of five years or less; and
 - (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period; and
 - (iv) made on a group insurance basis; and
 - (v) of a kind which the Authority, upon application made to it by the insurer for the purpose, has given its prior approval in writing for the insurer to effect and carry out;

“financial year”, in relation to an insurer or insurance group, means the period not exceeding fifty-three weeks at the end of which the balance of the insurer’s or insurance group’s accounts is struck or, if no such balance is struck or if a period in excess of fifty-three weeks is employed, then calendar year;³²

“functions” includes powers and duties;

“general business” means, subject to subsection (4), insurance business that is not special purpose business or long- term business but includes the business of effecting and carrying out contracts of insurance against risks of the persons insured—

- (a) sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class, or
- (b) becoming incapacitated or dying in consequence of disease or disease of a specified class,

being contracts that are expressed to be in effect for a period of less than five years;^{33 34 35}

“group” means a group of companies—

- (a) that consist of a participating company, its subsidiaries and any entities in which the participating company or its subsidiaries hold a participation; or
- (b) that is based on the establishment, contractually or otherwise, of strong and sustainable financial relationships among those companies;³⁶

“group actuary” means an individual approved by the Authority under section 27G(3);³⁷

“IA” means an insurance agent carrying on the business of an insurance agent in an innovative and³⁸ experimental manner;³⁹

“IB” means an insurance broker carrying on the business of an insurance broker in an innovative and⁴⁰ experimental manner;⁴¹

“IM” means an insurance manager carrying on the business of an insurance manager in an innovative and⁴² experimental manner;⁴³

“IMP” means a person carrying on the business of an insurance marketplace provider in an innovative and experimental manner;⁴⁴

“innovative insurance business” means an insurance business approved by the Authority to be carried on by a registered innovative insurer in an innovative and⁴⁵ experimental manner;⁴⁶

“innovative insurer” means a Class IGB or Class ILT insurer;⁴⁷

“innovative intermediaries” means a reference to IAs, IBs, IMs and IMPs;^{48 49}

“insolvent” means, in relation to an insurer at any relevant date, that if proceedings had been taken for the winding up of the insurer the Court could, in accordance with sections 161 and 162 of the Companies Act 1981, hold or have held that the insurer was at that date unable to pay its debts;

“inspector” means a person appointed as an inspector under section 30;

“insurance accounts rules” means prudential standard rules made by the Authority in accordance with section 6A(1)(f) of the Act;⁵⁰

“Insurance Advisory Committee” means the Insurance Advisory Committee mentioned in section 2C⁵¹;

“insurance agent” means a person who with the authority of an insurer acts on its behalf in relation to any or all of the following matters, that is to say, the initiation and receipt of proposals, the issue of policies and the collection of premiums, being proposals, policies and premiums relating to insurance business;

“insurance broker” means a person who arranges or places insurance business with insurers on behalf of prospective or existing policy-holders;

“insurance business” means the business of effecting and carrying out contracts -

- (a) protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed; or
- (b) to pay a sum of money or⁵² render money’s worth upon the happening of an event,

and includes re-insurance business;

“insurance group” means a group that conducts⁵³ insurance business;⁵⁴

“insurance manager” means a person who, not being an employee of any insurer, holds himself out as a manager in relation to one or more insurers, whether or not the functions performed by him as such go beyond the keeping of insurance business accounts and records;

“insurance marketplace” means a platform, of any type, established for the purpose of buying, selling or trading contracts of insurance;⁵⁵

“insurance marketplace provider” means a person carrying on the business of an insurance marketplace;⁵⁶

“insurance salesman” means a person who otherwise than as an employee solicits applications for, or negotiates, insurance business on behalf of an insurer or an insurance broker or agent;

“insurer” means a person carrying on insurance business;

“long-term business” means,⁵⁷ subject to subsection (4), insurance business of any of the following kinds, namely, -

- (a) effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life;
- (b) effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated or dying⁵⁸ in consequence of disease or disease of a specified class,⁵⁹ but does not include excepted long-term business;
- (c) effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the persons insured in the future, not being contracts such as fall within either paragraph (a) or (b),

but does not include excepted long-term business⁶⁰ or special purpose business^{61 62 63},

“long-term insurer”; [REPEALED]^{64 65}

“loss reserve specialist” means a person approved by the Authority under section 8B(3) as an insurer’s loss reserve specialist⁶⁶;

“minimum criteria” means the minimum criteria for registration set out in the Schedule;⁶⁷

“minimum liquidity ratio” means the ratio prescribed by regulation 11 of the Insurance Returns and Solvency Regulations 1980 and in accordance with the requirements of any insurance accounts rules^{68 69};

“minimum margin of solvency” in relation to a particular class of business means the prescribed minimum amount by which the value of the assets of the insurer must exceed the value of its liabilities;⁷⁰

“Minister” means the Minister of Finance or such other Minister as may be appointed to administer this Act⁷¹;

“non-insurance business” means any business other than insurance business conducted by an insurer and includes⁷²—

- (a) carrying on investment business as defined under the Investment Business Act 2003, managing an investment fund as an operator as defined under the Investment Funds Act 2006, carrying on business as a fund administrator as defined under the Investment Funds Act 2006, carrying on banking business as defined under the Banks and Deposit Companies Act 1999;
- (b) underwriting debt or securities or otherwise engaging in investment banking;
- (c) engaging in commercial or industrial activities;
- (d) carrying on the business of management, sales or leasing of real property;⁷³

“non-resident insurance undertaking” means an insurer carrying on domestic business under a permit granted under section 3 of the Non-Resident Insurance Undertakings Act 1967;

“parent company” has the meaning given in section 1B⁷⁴;

“participating company” means a company that is a parent company, or a company that holds a participation in another company, or a company that is linked to a related company in such a manner as may be prescribed in rules made by the Authority under section 6A^{75 76};

“participation” means the holding, directly or indirectly, of 20% or more of the voting rights or capital of a company;⁷⁷

“prescribed” means prescribed by regulations or rules made by the Authority in accordance with section 6A and section 27F of the Act⁷⁸;

“prudential standards” means such standards of prudence as would, in the opinion of the Authority, ensure that the obligations of the insurer or insurance group in relation to the security of its policyholders are established at an appropriate level;^{79 80}

“to register” means to register under this Act;

“Register” means the Register for which provision is made in section 13(1);

“registered person” means a person registered under either section 4 or section 10⁸¹;

“regulations” means regulations made under section 53;

“related company”, in relation to another company, means a subsidiary company of that other company, or a company in which the other company holds a participation, or a company that is linked to the other company in such a manner as may be prescribed in regulations;⁸²

“restricted special purpose business” means special purpose business conducted between a Special Purpose Insurer and specific insureds approved by the Authority;⁸³

“solvency margin” means—^{84 85}

- (a) in relation to an insurer carrying on general business, the margin prescribed by regulation 11 of the Insurance Returns and Solvency Regulations 1980 and the requirements under any insurance accounts rules;
- (b) in relation to an insurer carrying on long-term business, the margin prescribed by regulation 13 of the Insurance Returns and Solvency Regulations 1980 and the requirements under any insurance accounts rules;

“special purpose business”⁸⁶ means insurance business under which an insurer fully collateralizes⁸⁷ its liabilities to the persons insured through —

- (a) the proceeds of any one or more of the following—
 - (i) a debt issuance where the repayment rights of the providers of such debt are subordinated to the rights of the person insured; or
 - (ii) some other financing mechanism approved by the Authority;
- (b) cash; and
- (c) time deposits;

“Special Purpose Insurer” means an insurer that carries on special purpose business;⁸⁸

“statutory economic balance sheet” means the balance sheet required to be produced in accordance with the prudential standards made under section 6A of this Act; that are applicable to any Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer or insurance group;⁸⁹

“statutory financial return” means the return provided for in section 18;

“statutory financial statements” means the accounts provided for in section 15;

“subsidiary company” has the meaning given in section 1B, and “subsidiary” has a corresponding meaning;⁹⁰

“total statutory capital” in relation to an insurer or insurance group, means the total statutory capital of the insurer or insurance group as calculated in accordance with the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules;^{91 92 93}

“total statutory capital and surplus” in relation to an insurer or insurance group, means the total statutory capital and surplus of the insurer or insurance group as calculated in accordance with the Insurance Accounts Regulations 1980 and in accordance with the requirements of any insurance accounts rules^{94 95. 96},

“total statutory economic capital and surplus” means the total statutory economic capital and surplus of a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer or insurance group; calculated in accordance with prudential standards made under section 6A of this Act;⁹⁷

“unrestricted special purpose business” means special purpose business conducted by a Special Purpose Insurer with any insured.⁹⁸

“warning notice” means a notice prepared in accordance with section 44F.⁹⁹

(2) [spent on repeal of the Companies (Winding Up) Act 1977] ¹⁰⁰

(3) In this Act - ¹⁰¹

- (a) any reference to carrying on business from within Bermuda includes reference to carrying on business outside Bermuda from a principal place of business within Bermuda;
- (b) unless the context otherwise requires, any reference to carrying on the business of effecting and carrying out contracts of any kind includes reference to carrying on one aspect, or some aspects, only of that business;
- (c) every company or body, being a company or body formed in Bermuda with power to carry on insurance business, shall, if carrying on insurance business anywhere, be deemed to be carrying on insurance business in or from within Bermuda for the purposes of section 3(1). ¹⁰²

(4) The limitations upon the meaning of “general business” and “long-term business” as defined in subsection (1) shall, in relation to any insurer, not operate to disentitle that insurer -¹⁰³

- (a) if authorized to carry on general business, from carrying on long-term business; or
- (b) if authorized to carry on long-term business, from carrying on general business, being -

- (aa) in the case set forth in paragraph (a), long-term business as to which the Authority has given a direction under section 56 on the ground that it is satisfied that that long-term business either is or will be only incidental to the insurer’s general business, or is or will be of such a limited extent that the insurer ought not to be treated in all respects as a composite within the definition of “composite” in regulation 2 of the Insurance Accounts Regulations 1980; or
- (bb) in the case set forth in paragraph (b), general business as to which the Authority has given a corresponding direction mutatis mutandis.

(5) In this Act, any reference to a “designated insurer” shall be construed as a reference to the designated insurer in relation to group supervision under this Act and in respect of the insurance group of which it is a member.¹⁰⁴

(6) For the purposes of this Act, a capital redemption contract or a funding agreement shall be deemed to be long-term business.¹⁰⁵

1A. Meaning of “director”, “controller”, “chief executive”, “officer”, “senior executive”, “associate”¹⁰⁶

(1) In this Act, “director”, “controller”, “chief executive”, “officer”, “senior executive”, and “associate” shall be construed in accordance with the provisions of this section.

(2) “Director”, in relation to a registered person, includes any person who occupies the position of director, by whatever name called.

(3) “Controller”, in relation to a registered person, means –

- (a) a managing director of the registered person or of another company of which it is a subsidiary company;
- (b) a chief executive of the registered person or of another company of which it is a subsidiary;
- (c) a person who satisfies the requirements of this paragraph; or
- (d) a person in accordance with whose directions or instructions the directors of the registered person or of another company of which it is a subsidiary or persons who are controllers of the registered person by virtue of paragraph (c) (or any of them) are accustomed to act.

(4) A person satisfies the requirements of subsection (3)(c) in relation to a registered person if, either alone or with any associate or associates –

- (a) he holds 10 per cent or more of the shares carrying rights to vote at any general meeting of the registered person or another company of which it is a subsidiary company;
- (b) he is entitled to exercise, or control the exercise of 10 per cent or more of the voting power at any general meeting of the registered person or another company of which it is such a subsidiary; or

- (c) he is able to exercise a significant influence over the management of the registered person or another company of which it is such a subsidiary by virtue of –
 - (i) a holding of shares in; or
 - (ii) an entitlement to exercise, or control the exercise of, the voting power at any general meeting of,

the registered person or, as the case may be, the other company concerned.

(5) A person who is a controller of a registered person by virtue of subsection (3)(c) is in this Act referred to as a “shareholder controller” of the registered person; and in this Act –

- (a) a “10 per cent shareholder controller” means a shareholder controller in whose case the percentage referred to in the relevant paragraph is 10 or more but less than 20;
- (b) a “20 per cent shareholder controller” means a shareholder controller in whose case that percentage is 20 or more but less than 33;
- (c) a “33 per cent shareholder controller” means a shareholder controller in whose case that percentage is 33 or more but less than 50;
- (d) a “50 per cent shareholder controller” means a shareholder controller in whose case that percentage is 50 or more;

(6) In subsection (5), “the relevant paragraph” in relation to a shareholder controller means whichever of paragraphs (a) and (b) of subsection (4) gives the greater percentage in his case.

(7) “Chief executive”, in relation to a registered person, means a person who, either alone or jointly with one or more persons, is responsible under the immediate authority of the directors for the conduct of the business of the registered person.

(8) “Officer”, in relation to a registered person, includes a director, secretary, chief executive or senior executive of the registered person by whatever name called.

(9) “Senior executive”, in relation to a registered person, means a person (other than a chief executive) who, under the immediate authority of a director or chief executive of the registered person –

- (a) exercises managerial functions; or
- (b) is responsible for maintaining accounts or other records of the registered person.

(10) “Associate” in relation to a person entitled to exercise or control the exercise of voting power in relation to, or holding shares in, a company, means –

- (a) if that person is an individual –
 - (i) the spouse, child, step-child or parent of that person;
 - (ii) the trustees of any settlement under which that person has a life interest in possession;
 - (iii) any company of which that person is a director;
 - (iv) any person who is an employee or partner of that person;
- (b) if that person is a company –
 - (i) any director of that company;
 - (ii) any subsidiary of that company;
 - (iii) any director or employee of any such subsidiary company;

- (c) if that person has with any other person an agreement or arrangement with respect to the acquisition, holding or disposal of shares or other interests in that company or under which they undertake to act together in exercising their voting power at any general meeting in relation to it, that other person.

(11) For the purposes of subsection (10), “settlement” includes any disposition or arrangement under which property is held in trust.

1B. Meaning of parent and subsidiary company¹⁰⁷

(1) The expressions “parent company” and “subsidiary company” in this Act shall be construed as follows.

- (2) A company is a parent company in relation to another company (a subsidiary company) if—¹⁰⁸
 - (a) it has a majority of the shareholders’ or members’ voting rights in the other company;
 - (b) it has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of the other company and is at the same time a shareholder or member of that company;
 - (c) it has the right to exercise a dominant influence over the other company of which it is a shareholder or member, pursuant to a contract entered into with that company or to a provision in that company’s memorandum or articles of association, where the law governing that company permits it to be party to such contracts or provisions; or
 - (d) it is a shareholder or member of the other company, and—
 - (i) a majority of the members of the administrative, management or supervisory bodies of the other company have been appointed solely as a result of the exercise by it of its voting right as a shareholder or member of the other company, or
 - (ii) it controls alone, pursuant to an agreement with other shareholders or members of the other company, a majority of shareholders’ or members’ voting rights in that company.

(2A) A subsidiary company of a parent company includes any company that is a subsidiary of that subsidiary company and any company over which, in the opinion of the Authority, the parent company exercises a dominant influence.¹⁰⁹

(3) For the purposes of subsection (2) a company shall be treated as a member of another company –

- (a) if any of its subsidiary companies is a member of that company; or
- (b) if any shares in that other company are held by a person acting on behalf of the company or any of its subsidiary companies.

(4) In subsections (2)(a) and (c) the references to the voting rights in a company are to the rights conferred on shareholders in respect of their shares, to vote at general meetings of the company on all, or substantially all, matters.

(5) In subsection (2)(b) the reference to the right to appoint or remove a majority of the board of directors is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all, or substantially all, matters.

(6) A company shall be treated as having the right to appoint to a directorship if –

- (a) a person's appointment to it follows necessarily from his appointment as director of the company; or
- (b) the directorship is held by the company itself.

PART IA - THE AUTHORITY¹¹⁰

FUNCTIONS AND DUTIES OF THE AUTHORITY

2. Functions of the Authority

- (1) The Authority shall have the functions and powers conferred on it by this Act and the duty generally to supervise persons carrying on insurance business and persons carrying on business as insurance managers, brokers, agents or salesmen, for the purpose of protecting the interests of clients and potential clients of such persons.
- (2) It shall also be the duty of the Authority to keep under review the operation of this Act and developments in the field of insurance which appear to it to be relevant to the performance of its functions, the exercise of its powers and the discharge of its duties.
- (3) The Authority shall as soon as practicable after the end of each of its financial years, make to the Minister and publish in such manner as it thinks appropriate a report on its activities under this Act in that year.

2A. Authority's statement of principles

- (1) The Authority shall as soon as practicable after the coming into force of this Act, publish in such manner as it thinks fit a statement of principles in accordance with which it is acting or proposing to act

—

- (a) in interpreting the minimum criteria¹¹¹;
- (b) in exercising its powers to register or cancel the registration of a registered person;
- (c) in exercising its power to grant or impose conditions on a registered person;¹¹²
- (d) in exercising its power to obtain information, reports and to require production of documents;
- (e) in exercising its powers to make adjustments to an insurer's enhanced capital requirement and available statutory capital and surplus under section 6D;¹¹³
- (f) in exercising its powers under section 32 or 32A¹¹⁴ to issue directions to a registered person;^{115 116}
- (g) in exercising its discretion under section 27B to determine whether to be a group supervisor; and^{117 118}
- (h) in exercising its powers—
 - (i) under section 32D to impose a civil penalty;
 - (ii) under section 32F to censure publicly;
 - (iii) under section 32H to make a prohibition order; and
 - (iv) under section 44I to publish information about any matter to which a decision notice relates.¹¹⁹

(2) If the Authority makes a material change to the principles it shall publish a statement of the change or the revised statement of principles in the same manner as it published the statement under subsection (1).

2B. Guidance

(1) The Authority may from time to time give guidance on the application of this Act and regulations made under it.¹²⁰

(2) The Authority may publish such guidance (which may be in the form of information and advice) in such manner as it thinks fit.

2BA. Codes of conduct¹²¹

(1) The Authority may issue codes of conduct on the duties, requirements and standards to be complied with by registered persons, and designated insurers,¹²² and the procedures (whether on client identification, record-keeping, internal reporting and training or otherwise) and sound principles to be observed by such persons and designated insurers.¹²³

(2) Before issuing a code of conduct, the Authority shall publish a draft of that code in such manner as it thinks fit and shall consider any representations made to it about the draft.

(3) Every registered person and designated insurer¹²⁴ shall in the conduct of its business comply with the provisions of any code of conduct applicable to it¹²⁵ issued by the Authority.

(4) A failure on the part of a registered person or designated insurer¹²⁶ to comply with the provisions of such a code shall be taken into account by the Authority in determining whether the business is being conducted in a prudent manner as required by paragraph 4 of the minimum criteria.

2C. Insurance Advisory Committee

(1) There shall continue to be a committee to be known as the Insurance Advisory Committee whose function shall be to advise the Authority on any matter relating to the development of the insurance industry in Bermuda which the Authority may refer to it.

(2) The Insurance Advisory Committee shall consist of such persons (not fewer than five in number) to be appointed by the Minister, as the Minister may think fit, but so that not fewer than three members of the Committee shall be persons appearing to the Minister to be knowledgeable about insurance business in Bermuda.

(3) The Minister shall appoint a person to be chairman of the Insurance Advisory Committee.

(4) The Insurance Advisory Committee may advise the Minister on any matter relating to the development and promotion of the insurance industry in Bermuda.

PART II - REGISTRATION

3. Insurers to be registered

(1) Subject to this Act, and notwithstanding anything in any other Act, no person shall carry on insurance business in or from within Bermuda unless he is registered by the Authority as an insurer under section 4.

(2) Any person who contravenes subsection (1) commits an offence.

4. Registration as insurer^{127 128}

(1) Subject to sections 4A to 7 and 12, on an application made to the Authority by a body corporate and on payment of the relevant fee provided for by section 14, the Authority may register that body -

- (a) as a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹²⁹ Class 3B,¹³⁰ or Class 4 insurer where it proposes to carry on general business;
- (b) as a Class A, Class B, Class C, Class D or Class E insurer where it proposes to carry on long-term business;¹³¹
- (c) as a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹³² Class 3B¹³³, or Class 4 insurer and as a Class A, Class B, Class C, Class D or Class E insurer¹³⁴ where it proposes to carry on both general business and long-term business;¹³⁵
- (d) as a Special Purpose Insurer to carry on restricted special purpose business or unrestricted special purpose business^{136, 137 138 139};
- (da) as a Collateralized Insurer where it proposes to carry on special purpose business but is not registrable as a Special Purpose Insurer; or;¹⁴⁰
- (e) as an innovative insurer.¹⁴¹

(2) Registration of a body corporate as an insurer shall be subject to its complying with the terms of its registration and with such other conditions as the Authority may impose; and different conditions may be imposed in respect of different insurers or categories of insurer.

(3) The Authority may at any time, whether or not on an application made by an insurer, add to, vary or delete any conditions imposed under subsection (2).

(4) Before the Authority exercises its power under subsection (3) in relation to an insurer¹⁴², who has not made an application under that subsection, the Authority shall give notice to the insurer and shall take into account any written representations made by the insurer within such period as may be specified in the notice.

(5) [REPEALED]¹⁴³

(6) On application made to the Authority for that purpose by an insurer, the Authority may -

- (a) register a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹⁴⁴ Class 3B,¹⁴⁵ or Class 4 insurer as a different class of insurer carrying on general business;
- (b) register an insurer carrying on long-term business as a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹⁴⁶ Class 3B,¹⁴⁷ or Class 4 insurer where it proposes to carry on general business (either instead of, or in addition to, its registration as a Class A, Class B, Class C, Class D or Class E insurer); or
- (c) register an insurer carrying on general business as a Class A, Class B, Class C, Class D or Class E insurer where it proposes to carry on long-term business (either instead of, or in addition to, its registration as a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹⁴⁸ Class 3B,¹⁴⁹ or Class 4 insurer).

(7) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

4A. Determination of class of registration for general business^{150 151}

(1) Subject to subsection (2), the Authority shall determine whether a body corporate proposing to carry on general business shall be registered as a Class 1, Class 2, Class 3, Class 3A, Class IIGB,¹⁵² Class 3B,¹⁵³ or Class 4 insurer in relation to its general business in accordance with sections 4B to 4E.

(2) But a body corporate may be registered as a particular class of insurer where it would not be so registrable under sections 4B to 4E if, after taking into account -

- (a) the nature of the intended relationship between the body corporate and its intended policy-holders, the interests of those policy-holders and of the public generally, and
 - (b) the level of regulation which is applicable to the different classes of insurer,
- the Authority considers it appropriate, whether or not on an application made to it for that purpose by the body corporate.

(3) The Authority shall not under any circumstances determine under subsection (2) that a body corporate shall be registered as a Class 4 insurer if it does not satisfy the requirement of section 4E(1)(a).

(4) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

(5) Subject to subsection (1), the Authority may also determine that an insurer may be registered to carry on run off insurance business.¹⁵⁴

(6) For the purposes of this section, an insurer carries on run off insurance business where it has been registered by the Authority to carry on general business, which involves acquiring portfolios of policyholder obligations or acquiring insurers that will not undertake new business.¹⁵⁵

4B. Class 1 insurer¹⁵⁶

A body corporate is registrable as a Class 1 insurer where that body corporate -

- (a) is wholly owned by one person and intends to carry on insurance business consisting only of insuring the risks of that person; or
- (b) is an affiliate of a group and intends to carry on insurance business consisting only of insuring the risks of any other affiliates of that group or of its own shareholders.

4C. Class 2 insurer¹⁵⁷

(1) A body corporate is registrable as a Class 2 insurer where that body corporate is wholly owned by two or more unrelated persons and intends to carry on insurance business not less than 80% of the net premiums written in respect of which will be written for the purpose of -

- (a) insuring the risks of any of those persons or of any affiliates of any of those persons; or
- (b) insuring risks which, in the opinion of the Authority, arise out of the business or operations of those persons or any affiliates of any of those persons.

(2) A body corporate is registrable as a Class 2 insurer where that body corporate would be registrable as a Class 1 insurer but for the fact that -

- (a) not all of the business which it intends to carry on, but at least 80% of the net premiums written, will consist of the business described in paragraph (a) or (b) of section 4B; or
- (b) it intends to carry on insurance business not less than 80% of the net premiums written in respect of which will, in the opinion of the Authority, arise out of the business or operations of the person by whom it is owned or any of the affiliates of that person.

4D. Class 3 insurer^{158 159}

A body corporate is registrable as a Class 3 insurer where that body corporate is not registrable as a Class 1, Class 2, Class 3A, Class II GB, Collateralized Insurer,¹⁶⁰ Class 3B, Class 4 insurer or Special Purpose Insurer.

4DA. Class 3A insurer¹⁶¹

(1) This section applies to a body corporate that intends to carry on insurance business in circumstances where -

- (a) 50% or more of the net premiums written; or
- (b) 50% or more of the loss and loss expense provisions;

represent unrelated business.

(2) A body corporate to which this section applies is registrable as a Class 3A insurer if its total net premiums written from unrelated business are less than \$50,000,000.

4DB. Class 3B insurer¹⁶²

(1) This section applies to a body corporate that intends to carry on insurance business in circumstances where -

- (a) 50% or more of the net premiums written; or
- (b) 50% or more of the loss and loss expense provisions;

represent unrelated business.

(2) A body corporate to which this section applies is registrable as a Class 3B insurer if its total net premiums written from unrelated business are \$50,000,000 or more.

4E. Class 4 insurer¹⁶³

(1) A body corporate is registrable as a Class 4 insurer where -

- (a) it has at the time of its application for registration, or will have before it carries on insurance business, a total statutory capital and surplus of not less than \$100,000,000; and
- (b) it intends to carry on insurance business including excess liability business or property catastrophe reinsurance business.

(2) Where a body corporate is registrable as a Class 4 insurer it shall not be so registered if it is also registrable as a Class 1 or Class 2 insurer.

4EA. Determination of class of registration for long-term business¹⁶⁴

(1) Subject to subsection (2), the Authority shall determine whether a body corporate proposing to carry on long-term business shall be registered as a Class A, Class B, Class C, Class D or Class E insurer in relation to its long-term business in accordance with sections 4EB to 4EF.

(2) But a body corporate may be registered as a particular class of insurer where it would not be so registrable under sections 4EB to 4EF if, after taking into account—

- (a) the nature of the intended relationship between the body corporate and its intended policyholders, the interests of those policyholders and of the public generally; and
- (b) the level of regulation which is applicable to the different classes of insurers carrying on long-term business,

the Authority considers it appropriate, whether or not an application has been made to it for that purpose by the body corporate.

(3) An application under this section shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require.

4EB. Class A insurer¹⁶⁵

A body corporate is registrable as a Class A insurer where that body corporate—

- (a) is wholly owned by one person and intends to carry on long-term business consisting only of insuring the risks of that person; or
- (b) is an affiliate of a group and intends to carry on long-term business consisting only of insuring the risks of any other affiliates of that group or of its own shareholders.

4EC. Class B insurer¹⁶⁶

(1) A body corporate is registrable as a Class B insurer where that body corporate is wholly owned by two or more unrelated persons and intends to carry on long-term business not less than 80% of the premiums and other considerations written in respect of which will be written for the purpose of—

- (a) insuring the risks of any of those persons or of any affiliates of any of those persons; or
- (b) insuring risks which, in the opinion of the Authority, arise out of the business or operations of those persons or any affiliates of any of those persons.

(2) A body corporate is registrable as a Class B insurer where that body corporate would be registrable as a Class A insurer but for the fact that—

- (a) not all of the business which it intends to carry on, but at least 80% of the premiums and other considerations written, will consist of the long-term business described in paragraph (a) or (b) of section 4EB; or
- (b) it intends to carry on long-term business not less than 80% of the premiums and other considerations written in respect of which will, in the opinion of the Authority, arise out of the business or operations of the person by whom it is owned or any of the affiliates of that person.

(3) In this section, “premiums and other considerations” shall be interpreted in accordance with the provisions of paragraph 19 of Part III of Schedule IV to the Insurance Accounts Regulations 1980.

4ED. Class C insurer¹⁶⁷

A body corporate is registrable as a Class C insurer where that body corporate has total assets of less than \$250 million and is not registrable as a Class A or Class B insurer.

4EE. Class D insurer¹⁶⁸

A body corporate is registrable as a Class D insurer where that body corporate has total assets of \$250 million or more, but less than \$500 million and is not registrable as a Class A, Class B or Class C¹⁶⁹ insurer.

4EF. Class E insurer¹⁷⁰

A body corporate is registrable as a Class C, Class D or¹⁷¹ Class E insurer where that body corporate has total assets of more than \$500 million and is not registrable as a Class A or Class B insurer.

4EG. Class IGB^{172 173}

A body corporate is registrable as a Class IGB insurer where that body corporate intends at the time of its application for registration, to carry on general business in an innovative and experimental¹⁷⁴ manner.

4EH. Class ILT^{175 176}

A body corporate is registrable as a Class ILT insurer where that body corporate intends at the time of its application for registration, to carry on long-term business in an innovative and¹⁷⁷ experimental manner.

4EI. Class IIGB¹⁷⁸

A body corporate is registrable as a Class IIGB insurer where that body corporate intends at the time of its application for registration to carry on general business in an innovative manner.

4F. Classes of insurer: interpretation^{179 180}

(1) In sections 4B to 4EH^{181 182} and this section –

“affiliate” means a body forming part of a group;

“excess liability business” means the business of effecting and carrying out contracts of insurance insuring the risk of the persons insured in the event that any such person incurs liabilities to third parties in excess of a stated sum;

“group” [REPEALED]¹⁸³

“insure” includes reinsure;

“loss and loss expense provisions” means amounts calculated in relation to a body corporate by the application of the principles set out in—^{184 185}

- (a) the Insurance Accounts Regulations 1980 in relation to Class 1, Class 2, Class 3, Class A, Class B insurers and Special Purpose Insurers for the calculation of those amounts in relation to the insurer; and
- (b) any insurance accounts rules in relation to Class 3A, Class IIGB, Collateralized Insurers,¹⁸⁶ Class 3B, Class 4, Class C, Class D and Class E insurers for the calculation of those amounts in relation to the insurer;

“net premiums written” means amounts calculated in relation to a body corporate by the application of the principles set out in—¹⁸⁷

- (a) the Insurance Accounts Regulations 1980 in relation to Class 1, Class 2, Class 3, Class A, Class B insurers and Special Purpose Insurers for the calculation of those amounts in relation to the insurer;
- (b) any insurance accounts rules in relation to Class 3A, Class IIGB, Collateralized Insurers,¹⁸⁸ Class 3B, Class 4, Class C, Class D and Class E insurers for the calculation of those amounts in relation to the insurer;

“property catastrophe reinsurance business” means the business of effecting and carrying out contracts of reinsurance indemnifying (whether or not to a specified limit) an insurer as a result of an accumulation of losses arising from a single catastrophic event or series of events;

“segregated account” has the meaning given in section 2(1) of the Segregated Accounts Companies Act 2000;¹⁸⁹

“shareholder” includes a partner of a partnership and a member of any other body or association;

“total assets” in relation to Class C, Class D and Class E insurers means the total assets reported on an insurer’s balance sheet in the relevant year less the amount held in any segregated account of such insurer in respect of long-term business;¹⁹⁰

“unrelated” means not forming part of the same group;

“unrelated business” means insurance business consisting of insuring risks of persons who are not shareholders in, or affiliates of, the insurer.¹⁹¹

(2) In determining for the purposes of sections 4B and 4C whether a body corporate is wholly owned by a person, the Authority may have regard to the beneficial as well as the legal ownership of the body corporate.

5. Factors to be considered by Authority under section 4¹⁹²

(1) In considering whether to register a body as an insurer under section 4, the Authority, without prejudice to its power under section 12 to refuse registration, must be satisfied that —

- (a) the minimum criteria are fulfilled with respect to the body corporate;
- (b) the body has, or has available, adequate knowledge and expertise; and
- (c) the premises intended to be used in the business are adequate for the conduct of the business.

(2) In considering whether to register a body as a Special Purpose Insurer, the Authority shall, in addition to the matters set out in subsection (1), have regard to the following matters —¹⁹³

- (a) whether the insurer is solely insuring or reinsuring one or more risks or group of risks with one or more policyholders; and
- (b) the sophistication of the policyholders or the sophistication of the parties to a debt issuance or other funding mechanism.

(3) In considering whether to register a body as an innovative insurer, the Authority shall, in addition to the matters set out in subsection (1), have regard to the following matters —¹⁹⁴

- (a) whether the innovative insurer has satisfactorily demonstrated to the Authority that it is able to use new or different technological or innovative measures—
 - (i) to carry on the proposed innovative insurance business; or
 - (ii) to provide products or services; and
- (b) the sophistication of the policyholders, proposed policyholders and service providers of the innovative insurer.

6. Further registration requirements¹⁹⁵

(1) The Authority shall not register a body corporate as a Class 1, Class 2, Class 3, Class 3A or Class IIIB insurer, Collateralized Insurer¹⁹⁶, Special Purpose Insurer, innovative insurer¹⁹⁷ or Class A, Class B, Class C or Class D insurer under section 4 unless the Authority is satisfied that the body corporate meets the minimum margin of solvency.¹⁹⁸

(1A) Notwithstanding subsection (1), the Authority may register a body corporate as a Class A or Class B¹⁹⁹ or Class ILT²⁰⁰ insurer if it is satisfied that the body corporate will meet its minimum margin of solvency on the date when the body corporate commences business as a Class A or Class B²⁰¹ or Class ILT²⁰² insurer.²⁰³

(2) [REPEALED]²⁰⁴

(3) The amount of the liabilities of the long-term business of a body at any time shall, for the purposes of this section, be taken to be -

- (a) an amount equal to the total amount at that time standing to the credit of the fund or funds maintained by the body in respect of its long-term business; or

- (b) the amount of those liabilities at that time as determined in accordance with any applicable regulations,

whichever is the greater.

(4) The Authority shall not register a body corporate as a Class 3A²⁰⁵, Class IIGB, Collateralized Insurer²⁰⁶, Class 3B, Class 4, Class C, Class D or Class E²⁰⁷ insurer under section 4 unless it is satisfied that the amount of the available statutory capital and surplus of the body corporate on the date of registration meets—²⁰⁸

- (a) its minimum margin of solvency; and
- (b) its enhanced capital requirement.

(5) Notwithstanding subsection (4), the Authority may register a body corporate as a Class 3A²⁰⁹, Class IIGB, Collateralized Insurer²¹⁰, Class 3B, Class 4, Class C, Class D or Class E²¹¹ insurer if it is satisfied that the amount of the available statutory capital and surplus of the body corporate will meet the requirements of subsection (4)(a) and (b) on the date when the body corporate commences business as a Class 3A²¹², Class IIGB, Collateralized Insurer²¹³, Class 3B, Class 4, Class C, Class D²¹⁴ or, as the case may be, a Class E insurer.²¹⁵

6A. Prudential and technical standards^{216 217 218 219 220}

(1) The Authority may make Rules prescribing²²¹ prudential or technical²²² standards in relation to —

- (a) enhanced capital requirement;
- (b) capital and solvency returns;
- (c) insurance technical provisions²²³; and
- (d) eligible capital;^{224 225 226}
- (e) public disclosures;²²⁷
- (f) statutory financial returns;^{228 229}
- (g) insurance manager, broker, agent or insurance marketplace provider^{230 231} reporting requirements; and²³²
- (h) innovative insurer and innovative intermediaries reporting requirements.^{233 234 235 236}

(1A) Rules made by the Authority under subsection (1) must be complied with by —²³⁷

- (a) insurance managers, brokers, agents or insurance marketplace providers^{238 239};
- (b) registered insurers;
- (c) designated insurers;
- (d) innovative insurers; and
- (e) innovative intermediaries.

(2) The Authority may in such Rules prescribe standards that impose different requirements to be complied with —

- (a) by different classes of registered insurers or designated insurers;²⁴⁰
- (aa) by different classes of innovative insurers;²⁴¹
- (b) in different situations; or

(c) in respect of different activities.

(3) Rules²⁴² may provide for the Authority to exercise powers and discretion in relation to prudential or technical²⁴³ standards, including power to approve, impose, modify²⁴⁴ or exclude specific prudential or technical²⁴⁵ standards in relation to the following—

- (a) a particular insurance manager, broker, agent or insurance marketplace provider,^{246 247 248} registered insurer, designated insurer, innovative insurer or innovative intermediaries²⁴⁹; and
- (b) a specified class of registered insurers, designated insurer, innovative insurer or innovative intermediaries.^{250 251}

(3A) Prudential or technical²⁵² standards applying to registered insurers may contain requirements which take into account, in the case of a registered insurer that is a member of an insurance group, any activity of another member of the insurance group.²⁵³

(4) [REPEALED]^{254 255}

(5) Subject to subsection (6) Rules made under this section shall not come into operation until a period of not less than 180 days has elapsed from the date of publication of draft Rules pursuant to section 6B.²⁵⁶

(6) Notwithstanding subsection (5), Rules made under this section may come into operation on such earlier date after it is made, as the Authority may determine, if the Authority considers that it is in the interests of policyholders for the Rules to come into operation at such time.

(7) Sections 6, 7 and 8 of the Statutory Instruments Act 1977 shall not apply to Rules made under this section.

(8) The Schedules to the Rules made by the Authority under this section shall be published separately in the website of the Authority: www.bma.bm, and shall be available for inspection at the offices of the Authority.²⁵⁷

6B. Consultation²⁵⁸

(1) If the Authority proposes to make Rules²⁵⁹ under section 6A, it must publish a draft of the Rules in the way appearing to it to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by —

- (a) an explanation of the purpose of the proposed Rules; and
- (b) a notice that representation about the proposals may be made to the Authority within a specified time being not less than 28 days from the date of publication.

(3) Before making the proposed Rules the Authority must have regard to any representations made to it in accordance with subsection (2).

6C. Authority may exempt insurers, insurance managers and intermediaries from or modify prudential or technical standards^{260 261 262 263}

(1) The Authority may where it has made a determination or on the application of an insurer, insurance manager, broker, agent, insurance marketplace provider^{264 265}, designated insurer or innovative insurer^{266 267}, exempt the insurer, insurance manager, broker, agent, insurance marketplace provider^{268 269}, or designated insurer or innovative insurer²⁷⁰ from the requirement to comply with any prudential or technical²⁷¹ standard applicable to it by or under the Rules made under section 6A or modify any such prudential or technical²⁷² standard applicable to it by or under the Rules made under section 6A.^{273 274 275}

(2) In granting an exemption or modification under this section the Authority may impose such conditions on the exemption or modification as it considers appropriate.²⁷⁶

(3) The Authority shall not grant an exemption or modification unless it is satisfied that it is appropriate to do so having regard to the obligations of the insurer towards its policyholders or the obligations of the designated insurer or insurance group of which the designated insurer is a member towards their policyholders^{277 278 279}.

(3A) The Authority shall not grant an exemption or modification unless it is satisfied that it is appropriate to do so having regard to the nature, scale, and complexity of the business to be conducted by the insurance manager, broker, agent or insurance marketplace provider^{280 281 282}.

(4) The Authority may revoke an exemption or vary any modification granted under this section and shall serve notice on the insurer, insurance manager, broker, agent or insurance marketplace provider^{283 284} or designated insurer²⁸⁵ of its proposal to revoke its approval and the reason for its proposal²⁸⁶.

(5) An insurer, insurance manager, broker, agent or insurance marketplace provider^{287 288}, designated insurer or innovative insurer^{289 290} served with a notice under subsection (4) may within a period of 28 days from the date of the notice make written representations to the Authority and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval²⁹¹.

(6) Where the Authority makes a determination or grants an application in relation to an exemption or modification under subsection (1) to a Class IIGB insurer or an insurance marketplace provider, it may take any action necessary or desirable to protect the public, policyholders, or potential policyholders of the insurer or the clients or potential clients of the insurance marketplace provider, where the Authority concludes that, due to the nature, scale, complexity and risk profile of the business conducted by the insurer or the insurance marketplace provider, such action is necessary.²⁹²

(7) Before taking any action under subsection (6), the Authority shall serve a notice in writing on the Class IIGB insurer or insurance marketplace provider giving its reasons therefore.²⁹³

(8) A Class IIGB insurer or an insurance marketplace provider served with a notice may, within a period of 28 days from the date of the notice, make written representations to the Authority.²⁹⁴

(9) The Authority shall take such representations into account in deciding whether to take the proposed action, and shall notify the Class IIGB insurer or the insurance marketplace provider of its decision.²⁹⁵

6D. Authority may make adjustment to enhanced capital requirement, available statutory capital and surplus, and available statutory economic capital and surplus^{296 297}

(1) Without prejudice to its powers under this Act²⁹⁸ to give directions, the Authority may in the circumstances mentioned in subsection (6) make such adjustments to an insurer's or insurance group's enhanced capital requirement, available statutory capital and surplus, total statutory capital and surplus,²⁹⁹ and available statutory economic capital and surplus³⁰⁰ as it considers appropriate, and such adjustments may require an increase in the amount of insurance reserves to the level of prudential standards prescribed under section 6A(1).³⁰¹

(2) Before making any adjustments, the Authority shall serve notice on the insurer or designated insurer³⁰² of its intention to make adjustments giving its reasons therefor.

(3) An insurer or designated insurer³⁰³ served with a notice under subsection (2) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations are made, the Authority shall take them into account in deciding whether to make the proposed adjustments.

(4) The Authority shall notify an insurer or designated insurer³⁰⁴ of any adjustments that it has made.

(5) An adjustment made by the Authority under subsection (1) shall not have effect until a period of not less than 90 days (or such longer period as the Authority may determine) has elapsed from the date of its notification to the insurer or designated insurer³⁰⁵.

(6) The circumstances referred to in subsection (1) are such circumstances as would cause the Authority to—³⁰⁶

- (a) conclude that the risk profile of the insurer or insurance group deviates significantly from—
 - (i) the assumptions underlying the enhanced capital requirement applicable to it; or
 - (ii) the insurer's or the insurance group's assessment of its risk management policies and practices in calculating the enhanced capital requirement applicable to it; or
- (b) conclude that the system of governance of the insurer or insurance group deviates significantly from the standards applicable to it, that those deviations prevent it from being able to properly identify, measure, monitor, manage and report the risks that it is or could be exposed to, and that the application of other measures is in itself unlikely to improve the deficiencies sufficiently within an appropriate time-frame.

(7) The Authority may on the application of an insurer or designated insurer make adjustments to the insurer's or insurance group's enhanced capital, available statutory capital and surplus, total statutory capital and surplus or available statutory economic capital and surplus,³⁰⁷ requirement and any adjustment so made shall take effect on such date as the Authority may determine.

6E. Authority may adjust registration requirements of innovative insurers³⁰⁸

(1) Without prejudice to its powers under this Act to give directions, the Authority may in the circumstances mentioned in subsection (5) make such adjustments to an innovative insurer's registration requirements as it considers appropriate.

(2) Before making any adjustments, the Authority shall serve notice on the innovative insurer of its intention to make adjustments giving its reasons therefor.

(3) An innovative insurer served with a notice under subsection (2) may, within a period of 14 days from the date of the notice, make written representations to the Authority; and where such representations are made, the Authority shall take them into account in deciding whether to make the proposed adjustments.

(4) The Authority shall notify the innovative insurer of the adjustments it has made.

(5) The circumstances referred to in subsection (1) are such circumstances as would cause the Authority to conclude that the requirements applicable to the innovative insurer, including but not limited to corporate governance, capital and risk management requirements, are inappropriate given the innovative insurer's risk profile.

6F. Protection of public interest, policyholders of innovative insurers and clients of innovative intermediaries³⁰⁹

(1) Without prejudice to its powers under this Act to give directions, the Authority may, where it has made a determination in that respect, take any action necessary or desirable to protect the public, policyholders or proposed potential policyholders of innovative insurers or the clients or potential clients of innovative intermediaries.

(2) Before taking any such action under subsection (1), the Authority shall serve notice in writing on the innovative insurer or innovative intermediary, as the case may be, giving its reasons therefor.

(3) An innovative insurer or innovative intermediary served with a notice under subsection (2) may, within a period of 14 days from the date of the notice, make written representations to the Authority; and where such representations are made, the Authority shall take them into account in deciding whether to take the proposed action.

7. Paid up share capital^{310 311}

(1) In relation to an insurer which has a share capital, the minimum amount paid up on the share capital where the insurer is registered -

- (a) as a Class 1, Class 2, Class 3, Class 3A, Class II GB, Collateralized Insurer³¹² or Class 3B³¹³ insurer is \$120,000;
- (b) [DELETED]³¹⁴
- (c) [DELETED]³¹⁵
- (d) as a Class 4 insurer is \$1,000,000;
- (e) [DELETED]³¹⁶
- (f) as a Special Purpose Insurer is \$1,³¹⁷
- (g) as a Class A insurer is \$120,000;³¹⁸
- (h) as a Class B insurer is \$250,000;
- (i) as a class C, D and E insurer is \$250,000³¹⁹;
- (j) in two classes, is the aggregate amount of paid up share capital required for each class for which it is registered;
- (k) as an innovative insurer is \$120,000.³²⁰

(2) Subject to subsection (3), the Authority shall not register under section 4 a body corporate which has a share capital unless it satisfies the requirements of subsection (1).

(3) The Authority may register a body corporate as a Class 4 insurer where it does not satisfy the requirement of subsection (1)(d) if it has at least \$120,000 paid up share capital, but such body corporate shall not carry on insurance business until it satisfies the requirement of subsection (1)(d)³²¹.

8. Principal office and principal representative^{322 323}

(1)³²⁵ Every insurer, insurance manager, broker, agent and insurance marketplace provider³²⁴ shall—

- (a) maintain a principal office in Bermuda; and
- (b) at the time of registration, give notice in writing to the Authority of the location of its principal office.

(1A) Every insurer shall appoint and maintain a principal representative in Bermuda who satisfies the requirements of subsection (1B).

(1B) The principal representative of an insurer shall be a person approved by the Authority as that insurer's principal representative.³²⁶

(2) An insurer at the time of registration shall give notice in writing to the Authority -

- (a) [REPEALED]³²⁷

- (b) of the prescribed particulars of its principal representative, its insurance manager (if it has one), its approved auditor and any other prescribed person to be engaged or employed in, or in connection with, its business.

(3) If any information required by subsection (1) or³²⁸ subsection (2) to be notified to the Authority is altered, the insurer shall give in writing to the Authority particulars of the alteration within fourteen³²⁹ days after the alteration is made.

(3A) Without a reason acceptable to the Authority -

- (a) an insurer shall not terminate the appointment of its principal representative; and
- (b) a principal representative shall not cease to act as such,

unless it or he gives thirty days notice in writing to the Authority of the intention to do so.

(4) An insurer shall maintain in its principal office an accurate list of all its insurance agents in Bermuda and, if required in writing at any time by the Authority so to do, shall provide it with a copy of that list.

(5) [REPEALED]³³⁰

(6) If a principal representative wilfully fails to give to the Authority notice which he is required by subsection (3A) to give, he commits an offence.

8A. Principal representative to report certain events³³¹

(1) A principal representative shall forthwith notify the Authority, in such manner as it may direct,-

- (a) on his reaching a view that there is a likelihood of the insurer for which he acts becoming insolvent; or
- (b) on its coming to his knowledge, or his having reason to believe, that an event to which this section applies has occurred.³³²

(1A) Within fourteen days of such notification, the principal representative shall furnish the Authority with a report in writing setting out all the particulars of the case that are available to him.³³³

(2) As respects any principal representative, this section applies to the following events, being events in which the insurer for which he acts as principal representative is involved, that is to say -

- (a) failure by the insurer
 - (i) to comply substantially with a condition imposed upon the insurer by the Authority relating to a solvency margin or a liquidity or other ratio;
 - (ii) to comply in any respect with any other such condition not so relating;
- (b) an offence by the insurer against section 20(8) or section 21(5) or section 22(5);
- (c) failure by the insurer to comply with a modified provision, or with a condition, being a provision or condition specified in a direction given to the insurer by the Authority in the exercise of its powers under section 56 or section 57A;
- (d) involvement of the insurer in any criminal proceedings whether in Bermuda or abroad;
- (e) the insurer's ceasing to carry on insurance business in or from within Bermuda;
- (f) a significant loss that is reasonably likely to cause the insurer to be unable to comply with the enhanced capital requirement applicable to it;³³⁴
- (g) in relation to an insurer, a material change within the meaning of section 30JA(1) and (2);^{335 336}

- (h) in relation to a Class 3A insurer, where the limit on unrelated business imposed by section 4DA (2) is exceeded;³³⁷
- (i) in relation to a Class C insurer, where the limit on total assets of less than \$250 million imposed by section 4ED is exceeded;³³⁸
- (j) in relation to a Class D insurer, where the limit on total assets of less than \$500 million imposed by section 4EE is exceeded.³³⁹

(2a) Within 45 days of notifying the Authority of an event referred to in subsection (2)(f), the principal representative shall furnish the Authority with a capital and solvency return reflecting an enhanced capital requirement prepared using post-loss data.³⁴⁰

(2b) Within 30 days of notifying the Authority of an event referred to in subsection (2)(g), the principal representative shall furnish the Authority with unaudited interim statutory financial statements in relation to such period as the Authority may require, together with a general business solvency certificate in respect of those statements.³⁴¹

(3) [REPEALED]³⁴²

8B. Appointment of approved loss reserve specialist^{343 344 345 346}

(1) Every Class 2 and Class 3 insurer, and when directed by the Authority, a Class 1 and Class IGB insurer, shall appoint an individual as that insurer's loss reserve specialist approved by the Authority under subsection (3), who shall be a person qualified to assess the adequacy of insurance loss reserves in order to provide an opinion in accordance with the requirements of the Insurance Returns and Solvency Regulations 1980.^{347 348 349 350 351 352}

(1A) Every Class 3A insurer shall appoint an individual approved by the Authority under subsection (3) who is qualified as a loss reserve specialist, to provide an opinion in accordance with the requirements of Schedule XIV "Statutory Economic Balance Sheet" of the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011.³⁵³

(1B) Every Class 3B and Class 4 insurer shall appoint an individual approved by the Authority under subsection (3) who is qualified as a loss reserve specialist, to provide an opinion in accordance with the requirements of Schedule XIV "Statutory Economic Balance Sheet" of the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008.³⁵⁴

(1C) Every Class IIGB and Collateralized Insurer shall appoint an individual approved by the Authority under subsection (3) who is a qualified loss reserve specialist, to provide an opinion in accordance with the requirements of Rules made under section 6A.³⁵⁵

(2) Before making any such appointment, an insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment, shall approve his appointment as that insurer's loss reserve specialist.

(4) Subject to subsection (5), the Authority may revoke an approval of a loss reserve specialist in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the loss reserve specialist and the insurer of its intention to do so.

(6) [REPEALED]^{356 357}

8C. Class 3A, Class IIGB, Collateralized Insurer, Class 3B, Class 4, Class C, Class D and Class E insurer to maintain head office in Bermuda^{358 359}

(1) Every Class 3A, Class IIGB, Collateralized Insurer,³⁶⁰ Class 3B, Class 4, Class C, Class D and Class E insurer that satisfies the requirements of subsection (2) shall maintain its head office in Bermuda.

(2) The insurance business of the insurer must be directed and managed from Bermuda and, in determining whether the insurer complies with this requirement, the Authority shall consider, inter alia, the factors set out in subsection (3).

(3) The factors referred to in subsection (2) are—

- (a) where the underwriting, risk management and operational decision making of the insurer occurs;
- (b) whether the presence of senior executives who are responsible for, and involved in, the decision making related to the insurance business of the insurer are located in Bermuda;
- (c) where meetings of the board of directors of the insurer occur.

(4) Notwithstanding the considerations set out in subsection (3), the Authority may also have regard to the following matters—

- (a) the location where management of the insurer meets to effect policy decisions of the insurer;
- (b) the residence of the officers, insurance managers or employees of the insurer; and
- (c) the residence of one or more directors of the insurer in Bermuda.

(5) Subsection (1) shall not apply to a Class 3A, Class IIGB, Collateralized Insurer,³⁶¹ Class 3B, Class 4, Class C, Class D or Class E insurer which has a permit under section 3 of the Non-Resident Insurance Undertakings Act 1967 or a permit under section 134 of the Companies Act 1981.

9. Insurance managers and intermediaries to be registered³⁶²

(1) Subject to this Act, and notwithstanding anything in any other Act, no person shall in or from within Bermuda carry on business³⁶³ as an insurance manager, broker, agent, insurance marketplace provider³⁶⁴ or salesman unless he is registered for the purpose by the Authority under section 10.

(2) Any person who contravenes subsection (1) commits an offence.

10. The Authority may register insurance managers and intermediaries³⁶⁵

(1) Subject to sections 11 and 12, the Authority may, on application being made to it for that purpose by any person, and on payment of the relevant fee provided for by section 14, register that person as an insurance manager, broker, agent, insurance marketplace provider³⁶⁶ or salesman, as the case may be, subject to that person complying with such conditions as the Authority may see fit to impose.

(2) Every application under subsection (1) for registration shall be made to the Authority and shall be in such form, shall contain such information and shall be accompanied by such documents as the Authority may require³⁶⁷.

11. Factors to be considered by Authority under section 10^{368 369}

In considering whether to register a person as an insurance manager, broker, agent, insurance marketplace provider³⁷⁰ or salesman, as the case may be, under section 10, the Authority, without prejudice to its power under section 12 to refuse registration, must be satisfied that –

- (a) the minimum criteria are fulfilled with respect to the applicant; and
- (b) the person has knowledge of the insurance business adequate to enable him to act in the capacity in which he has applied for registration.

12. Power of Authority in relation to registration

In deciding whether to register a person under section 4 or 10 the Authority shall act as it thinks fit in the public interest, and, if of opinion that it is not in the public interest that registration should be granted, it shall refuse to grant it.

13. Registration

- (1) Where the Authority determines to register any person under section 4 or 10, it shall cause the prescribed particulars relating to that person to be entered in a register to be maintained by it for the purpose (in this Act referred to as "the Register").³⁷¹
- (2) Subject to subsection (2A), a³⁷² person's registration shall remain in force until it is cancelled.
- (2A) Registration of an innovative insurer or innovative intermediary—³⁷³
 - (a) shall be for such period as may be determined by the Authority; and
 - (b) may be extended by the Authority for such additional period as the Authority deems appropriate—
 - (i) where the Authority so determines; or
 - (ii) on the application of the innovative insurer or innovative intermediary.
- (2B) An application under subsection (2A)(b)(ii)—³⁷⁴
 - (a) shall be in such form as the Authority may determine; and
 - (b) shall be accompanied by such information as the Authority may require.
- (3) Where a person is registered as aforesaid, the Authority shall issue to him a certificate of registration, in which shall be specified -
 - (a) the name and business address of the person registered;
 - (b) the date of registration; and
 - (c) any conditions imposed under section 4 or 10.
- (4) A certificate issued under this section shall be accepted in all courts as *prima facie* evidence of the fact that the person named therein is registered, and of the particulars set forth in the certificate.
- (5) A copy of every certificate of registration shall be kept by the Authority in its office and shall be open to inspection by the public.

14. Fees^{375 376 377 378}

- (1) Fees shall be prescribed under the Bermuda Monetary Authority Act 1969 in respect of -
 - (a) the making of any application for registration under section 4(1) or 10;³⁷⁹
 - (ab) the making of any application under any of the following provisions -
 - (i) sections 4(3) and (6), 4A(2), 10(1), 13(2A)(b)(ii)³⁸⁰, 17(4), 17A(5)³⁸¹, 18C(2), 31B(3), 31C and 56 of this Act;
 - (ii) regulation 11(4) of the Insurance Returns and Solvency Regulations 1980 for Class 1, Class 2, Class 3, Class A and Class B insurers and Special Purpose

Insurers, and the requirements applicable under any insurance accounts rules for Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers³⁸²;

- (iii) the instructions for line 14 in Part I of Schedule III to the Insurance Accounts Regulations 1980 for Class 1, Class 2, Class 3, Class A and Class B insurers and Special Purpose Insurers, and the requirements applicable under any insurance accounts rules for Class 3A, Class 3B, Class 4, Class C, Class D and Class E insurers³⁸³;
- (iv) notification of new or increased shareholder control under s. 30D; and
- (v) application for cancellation of registration under s. 41(1)(a);³⁸⁴
- (b) the registration of any person;
- (c) the issue of any certificate;
- (d) the inspection of the Register;
- (e) the furnishing by the Authority of any document or copy;³⁸⁵
- (f) application for approval of internal model made under the provisions of Rules³⁸⁶ made under section 6A^{387 388};
- (g) application for approval to exempt or modify prudential or technical³⁸⁹ standard requirements applicable to an insurer insurance manager, broker, agent or insurance marketplace provider^{390 391 392} in accordance with the provisions of section 6C(1);^{393 394}
- (h) application under section 6D (7) for an adjustment to an insurer's or insurance group's enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus, as the case may be;^{395 396}
- (i) application under section 1(1) in paragraph (a)(iv) of the definition of "excepted long-term business; and³⁹⁷
- (j) an application to modify an opinion of a loss reserve specialist approved by the Authority under section 8B(1).³⁹⁸

(2) In addition to the fees for which subsection (1) provides, there shall, subject to subsection (3), be payable by a registered insurer or insurance manager, broker, agent, insurance marketplace provider³⁹⁹ or salesman before the⁴⁰⁰ 31st day of March in every year following the year in which it or he was registered an annual fee⁴⁰¹ of such amount as shall be prescribed under the Bermuda Monetary Authority Act 1969:

Provided that -⁴⁰²

- (a) an annual fee shall not be payable by a registered insurer or insurance manager, broker, agent or insurance marketplace provider^{403 404} whose winding up is in progress in winding up proceedings in Bermuda, except where -
 - (i) the fee, being due for payment, was not paid; and
 - (ii) the time allowed by this subsection for its payment had expired, before those proceedings were commenced; and
- (b) if an annual fee that a registered insurer or insurance manager, broker, agent or insurance marketplace provider^{405 406} is excused by paragraph (a) of this proviso from paying has in fact been paid, the liquidator may recover it from the Authority.

(2A) Annual fees payable by all registered persons in accordance with this section shall apply to the twelve-month period ending on 31 December of that year.⁴⁰⁷

(3) Where a registered person fails to pay a prescribed fee, as provided in subsection (1) or (2), it shall pay in addition to such fee a late penalty fee of an amount equal to ten per cent of the fee due for every month or part thereof during which the fee remains unpaid.⁴⁰⁸

(3A) [REPEALED]^{409 410}

(4) The registration fee payable by an insurer shall be remitted—⁴¹¹

- (a) by 25% where an insurer is registered after 31 March and before 30 June in any year;
- (b) by 50% where an insurer is registered after 30 June and before 30 September in any year;
- (c) by 75% where an insurer is registered after 30 September in any year.^{412 413}

(5) The Authority, if satisfied that payment of the annual fee in whole or in part is inappropriate after taking into account the diminution in the level of insurance business, may—⁴¹⁴

- (a) defer payment of all or part of the annual fee otherwise due, to such date in the future as it considers appropriate; or
- (b) remit all part or part of the annual fee otherwise due,

on such terms and conditions as it considers appropriate.⁴¹⁵

(6) The Authority, having regard to the nature and scale of operations of an insurer and the complexity of its business may direct that the annual fee that is otherwise due and payable by or under subsection (2) be reduced by such amount as the Authority considers appropriate in relation to that insurer.⁴¹⁶

(7) The Authority shall serve notice in writing on the insurer directing that the fee otherwise payable by or under subsection (2) be payable at the reduced rate specified in the direction and the year when it is to take effect.⁴¹⁷

(8) The Authority may at any time revoke a direction given under subsection (6), where it is satisfied that there has been a material change in the nature and scale of operations of an insurer or in the complexity of its business.⁴¹⁸

(9) The Authority shall serve notice in writing on the insurer concerned notifying it of its decision to revoke the direction given under subsection (6) and the year from which the full fee becomes payable.⁴¹⁹

(10) Subject to subsection (12) and in the case where subsections (5) and (6) do not apply, the Authority may, where it has made a determination—⁴²⁰

- (a) exempt a registered person from the requirement to pay any fee under this section, as may be prescribed under the Bermuda Monetary Authority Act 1969; or
- (b) reduce any fee required to be paid by a registered person under this section by such amount as it considers appropriate, as may be prescribed under the Bermuda Monetary Authority Act 1969.

(11) In granting an exemption from, or reduction of, any fee payment under subsection (10), the Authority may impose any condition on such exemption or reduction, as it may determine appropriate.⁴²¹

(12) The Authority shall not grant an exemption from, or reduction of, any fee payment under subsection (10) unless it is satisfied that it is appropriate to do so having regard to the nature, scale and complexity of the business carried on by the registered person.⁴²²

(13) Where the Authority determines not to grant an exemption or reduction of any fee under subsection (12), it shall serve the registered person with a notice of its determination and the registered person may within a period of twenty-eight days from the date of the notice make written representations to the Authority, and where such representations have been made the Authority shall take them into account in making its final determination.⁴²³

PART III - REGULATION OF INSURERS GENERALLY

15. Statutory financial statements⁴²⁴

(1) An insurer shall prepare accounts (in this Act referred to as “statutory financial statements”) in respect of its insurance business for each financial year.

(2) Statutory financial statements shall be in such form⁴²⁵ being a form calculated to enable comparison to be made between the insurer’s business for the financial year in respect of which the statements are prepared and the insurer’s business for the financial year immediately preceding that year as prescribed for specific classes of insurer⁴²⁶, and shall contain such information, as may be prescribed.

(3) The information required to be included in statutory financial statements pursuant to subsection (2) shall be information calculated to fulfil (in addition to any other purposes for which regulations may be made) the following purposes -

- (a) to give as early warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the insurer of any margin of solvency, or in any other way) of any financial or operational difficulties into which the insurer’s business has fallen or might appear likely to fall;
- (b) to provide the basis on which the Authority or any other authority may in good time take action under this Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurer’s business.

(4) The statutory financial statements of an insurer shall be audited annually by the insurer’s approved auditor⁴²⁷.

15A Declaration of compliance^{428 429 430}

(1) Every insurer shall at the time of filing its statutory financial statements under section 17, also deliver to the Authority a declaration in such form and with such content as the Authority may require⁴³¹, declaring whether or not the insurer has, with respect to the preceding financial year—

- (a) complied with all requirements of the minimum criteria applicable to it;
- (b) complied with the minimum margin of solvency as at its financial year end;
- (c) complied with applicable enhanced capital requirements as at its financial year end;⁴³²
- (d) complied with applicable conditions, directions and restrictions imposed on, or approvals granted to, the insurer; and⁴³³
- (e) complied with the minimum liquidity ratio for general business as at its financial year end.⁴³⁴

(2) All declarations to be delivered under this section shall be signed by two directors of the insurer.

(3) Where an insurer delivers to the Authority a declaration under subsection (1), it shall at the time of such delivery, where it has failed to comply with requirements, give the Authority particulars of such failure in writing.

(4) The information required to be included in the declaration of compliance pursuant to subsection (1) shall provide for—

- (a) as early a warning as possible to be given to any person examining the declaration of compliance, relating to financial or operational difficulties into which an insurer's business has fallen or might appear to fall;
- (b) the basis on which the Authority or any other authority may in good time take action under this Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of public interest involved in or affected by an insurer's business.

(5) Where an insurer fails to comply with a duty imposed on it under subsection (1), it shall be liable to a civil penalty calculated in accordance with subsection (6).

(6) For each week or part of a week that an insurer fails to comply with a requirement imposed on it under subsection (1), it shall be liable to a civil penalty not exceeding—

- (a) \$500, in the case of a breach by a Class 1, Class 2, Class 3, Class A or Class B insurer;
- (b) \$1,000, in the case of a breach by a Class 3A, Class IIGB, Collateralized Insurer,⁴³⁵ Special Purpose Insurer, Class C or Class D insurer; or
- (c) \$5,000 in the case of a breach by a Class 3B, Class 4 or Class E insurer.

16. Appointment and approval of auditors⁴³⁶

(1) Every insurer shall appoint an auditor approved by the Authority under subsection (3), to audit its statutory financial statements.

(1A) A designated insurer shall ensure that the group of which it is a member appoints an auditor approved by the Authority under this section to audit the financial statements of the group.⁴³⁷

(1B) Subsections (2) to (6) and (8) apply to a designated insurer and the auditor of the insurance group as they apply to an insurer and its auditor.⁴³⁸

(2) Before making any such appointment, an insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment, shall approve his appointment as that insurer's auditor.

(4) Subject to subsection (5), the Authority may revoke an approval of an auditor in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the auditor and the insurer of its intention to do so.

(6) No person having an interest in any insurer otherwise than as an insured, and no officer, servant or agent of any insurer, shall be eligible for appointment as an approved auditor for that insurer; and any person appointed as an approved auditor to any insurer who subsequently acquires such interest or becomes an officer, servant or agent of that insurer shall cease to be an approved auditor.

(7) If an insurer fails to appoint an approved auditor as required by subsection (1), or at any time fails to fill a vacancy for such auditor, the Authority may appoint an approved auditor for the insurer and

shall fix the remuneration to be paid by that insurer, if not sooner agreed by the insurer and the auditor, within fourteen days.

- (8) An insurer shall forthwith give written notice to the Authority if it –
- (a) proposes to remove an approved auditor before the expiration of his term of office; or
 - (b) proposes to replace an approved auditor at the expiration of the term of his office with a different auditor.

16A. Auditor to communicate certain matters to Authority^{439 440 441}

- (1) An approved auditor of an insurer shall forthwith give written notice to the Authority if –
- (a) he resigns before the expiration of his term of office;
 - (b) he becomes aware that he will be replaced as the approved auditor of the insurer;
 - (c) he intends not to seek to be re-appointed;
 - (d) he decides to include a material modification of his report on the insurer's statutory financial statements^{442 443} and in particular, a material qualification or a denial of his opinion, or the statement of an adverse opinion; or
 - (e) he becomes aware of any fact or matter which is likely to be of material significance for the discharge, in relation to the insurer, of the Authority's functions under this Act.⁴⁴⁴

(1A) For the purposes of subsection (1)(e), material significance for the discharge of the Authority's functions shall include, but is not limited to, the following—⁴⁴⁵

- (a) identification of a material misstatement in the insurer's statutory financial statements⁴⁴⁶ resulting from fraud, error or illegal acts or the consequences of them;
- (b) conclusion that there is substantial doubt as to the ability of the insurer to continue as a going concern for a period of one year from the balance sheet date;
- (c) [REPEALED]⁴⁴⁷
- (d) identification of adjustments to the insurer's statutory financial statements⁴⁴⁸ which individually or in aggregate, indicates to him that the previous year's audited annual financial statements, were materially misstated;
- (e) identification of a material weakness in internal control or material conflicts of interest during the conduct of normal audit procedures; or
- (f) unresolved disagreements with management pertaining to the application of GAAP or statutory reporting.

(2) Where a notice has been given pursuant to subsection (1)(d), the auditor shall as soon as practicable thereafter furnish the Authority with a copy of his report.

(3) No duty to which an auditor of an insurer may be subject shall be regarded as contravened by reason of his communicating in good faith to the Authority, whether or not in response to a request made by the Authority, any information or opinion on a matter to which this section applies and which is relevant to any function of the Authority under this Act.

(4) Subsection (3) applies to any matter of which an approved auditor of an insurer becomes aware in his capacity as auditor and which relates to the business or affairs of the insurer or any affiliate of that insurer.

(5) In this section "affiliate" has the meaning given in section 4F(1).

(6) This section applies to an approved auditor of an insurance group as it applies to an approved auditor of an insurer.⁴⁴⁹

17. Keeping and filing of statutory financial statements⁴⁵⁰

(1) Every insurer shall have a copy of its statutory financial statements (together with the notes to those statements and the auditor's report thereon) available at its principal office on or before its filing date, and shall produce them to the Authority if so directed by it on or before a date specified in the direction.

(2) Every insurer shall keep the statutory financial statements, notes and auditor's report at its principal office for the period of five years beginning with its filing date.

(3) Every insurer⁴⁵¹ shall file a copy of its statutory financial statements (together with the notes to those statements and the auditor's report thereon)⁴⁵² with the Authority on or before its filing date.

(4) In this section and sections 18 and 18A, "filing date" in relation to an insurer means -

- (a) in the case of a Class 1, Class 2 or Class 3 insurer⁴⁵³ (which is not also a Class C, Class D or Class E insurer), or a Class A or Class B insurer⁴⁵⁴, six months after the end of the financial year to which the statements relate (or such longer period, not exceeding nine months, as the Authority may allow in the case of that insurer on an application made to it for that purpose); and
- (b) in the case of a ⁴⁵⁵Class 3A, Class IIGB, Collateralized Insurer,⁴⁵⁶ Class 3B, Special Purpose Insurer⁴⁵⁷, innovative insurer,⁴⁵⁸ or Class 4 insurer or a Class C, Class D or Class E insurer⁴⁵⁹, four months after the end of the financial year to which the statements relate (or such longer period, not exceeding seven months, as the Authority may allow in the case of that insurer on an application made to it for that purpose).

17A. Additional financial statements prepared in accordance with GAAP and declaration of compliance^{460 461 462 463 464 465 466 467}

(1) Every Class 3A, Class 3B, Class 4, Class C, Class D or Class E^{468 469 470 471} insurer shall, in addition to preparing statutory financial statements under section 15, prepare financial statements as required by this section ("additional GAAP financial statements") in respect of its insurance business for each financial year.

(2) Such financial statements shall be prepared in accordance with any one of the following standards or principles—

- (a) International Financial Reporting Standards ('IFRS');
- (b) generally accepted accounting principles ('GAAP') that apply in Bermuda, Canada, the United Kingdom or the United States of America; or
- (c) such other GAAP as the Authority may recognise.

(2A) Notwithstanding subsection (1), a Class 3A, Class C or Class D insurer may, where appropriate, submit condensed general purpose financial statements prepared in accordance with any insurance accounts rules instead of additional GAAP financial statements.⁴⁷²

(2B) Subsections (3)⁴⁷³ and (5) (as respects the appointment and approval of auditors and the filing of audited financial statements) shall apply mutatis mutandis in relation to condensed general purpose financial statements submitted by a Class 3A, Class C or Class D insurer in accordance with subsection (2A).⁴⁷⁴

(3) Section 16 applies to the appointment and approval of an auditor of additional GAAP financial statements as it applies to an approved auditor.

(4) [REPEALED]⁴⁷⁵

(5) Every Class 3A, Class 3B, Class 4, Class C, Class D or Class E^{476 477 478 479} insurer shall file with the Authority a copy of the audited financial statements prepared under this section (together with the notes to those statements and the auditor's report thereon) within a period of four months from the end of the financial year to which the financial statements relate or such longer period not exceeding seven months as the Authority may determine on the application of the insurer.

(6) The Authority shall cause to be published in such manner as it considers appropriate a copy of the declaration of compliance to be filed pursuant to section 15A and⁴⁸⁰ every audited financial statement filed with it under subsection (5) together with the notes to those statements and the auditor's report.

(7) Except at the instance of —

- (a) the Class 3A, Class 3B, Class 4 or Class E^{481 482} insurer who engaged the auditor to perform the audit of the financial statements; or
- (b) any other person expressly authorised by the auditor to rely on their work;

no action shall lie against an auditor in respect of any financial statements filed with the Authority and made available for inspection or otherwise published pursuant to this section.

17B. Insurance manager, broker, agent and insurance marketplace provider to file statutory financial returns^{483 484}

Every insurance manager, broker, agent and insurance marketplace provider⁴⁸⁵ shall file a statutory financial return in the prescribed form, and different forms of return may be prescribed in the rules for insurance managers, brokers and agents.

18. Insurer to make financial returns⁴⁸⁶

(1) Every insurer shall at the time of filing its statutory financial statements under section 17, also file with the Authority a statutory financial return.⁴⁸⁷

(2) A statutory financial return shall be in the prescribed form, and different forms of return may be prescribed for different categories of insurer.

18A. Failure to file statutory statements or returns^{488 489 490}

(1) Where an insurer, insurance manager, broker, agent or insurance marketplace provider^{491 492 493} fails to comply—

- (a) with a duty imposed on it under section 17(1), 17(3), 17A(5), 17B or 18(1)⁴⁹⁴; or
- (b) with a requirement to file a capital and solvency return imposed by or under Rules⁴⁹⁵ made under section 6A;

it shall be liable to a civil penalty calculated in accordance with subsection (2).^{496 497}

(2) For each week or part of a week that an insurer, insurance manager, agent, insurance marketplace provider⁴⁹⁸ or broker⁴⁹⁹ fails to comply with a requirement imposed on it by subsection (1), it shall be liable to a civil penalty not exceeding—

- (a) \$500, in the case of a breach by a Class 1, Class 2, Class 3,⁵⁰⁰ Class A⁵⁰¹, Class B insurer, insurance manager, broker, agent or insurance marketplace provider^{502 503};
- (b) \$1,000, in the case of a breach by a⁵⁰⁴ Class 3A, Class IIGB, Collateralized Insurer,⁵⁰⁵ Special Purpose Insurer, innovative insurer⁵⁰⁶, Class C, or Class D insurer; or
- (c) \$5,000, in the case of a breach by a Class 3B, Class 4 or Class E insurer,

and the civil penalty applicable to an insurer falling within more than one paragraph shall be the higher penalty.^{507 508 509 510}

(3) [REPEALED]⁵¹¹

(4) [REPEALED]⁵¹²

(5) The Authority may⁵¹³ appoint an inspector to investigate the affairs of an insurer, insurance manager, broker, agent or insurance marketplace provider^{514 515 516 517 518} under section 30, if the insurer, insurance manager, broker, agent or insurance marketplace provider^{519 520 521} where applicable⁵²² fails within three months of its filing date to file —

- (a) statutory financial statements required by section 17(3);
- (b) additional GAAP financial statements required by section 17A(5);
- (c) statutory financial returns required by section 18; or
- (d) capital and solvency returns required by or under Rules⁵²³ made under section 6A.⁵²⁴

18B. Opinion of loss reserve specialist^{525 526}

(1) This section applies in relation to a Class 2 or Class 3 insurer^{527 528}.

(2) The statutory financial return required by section 18 shall include the opinion of a loss reserve specialist in respect of the insurer's loss and loss expense provisions -

- (a) annually, in the case of a Class 3⁵²⁹ insurer; or⁵³⁰
- (b) every third year, in the case of a Class 2 insurer, beginning with the return relating to the financial year following the insurer's registration as a Class 2 insurer.

(3) The requirements of paragraph (f) of the instructions in Part II of Schedule III to the Insurance Accounts Regulations 1980 relating to line 17 of the statutory balance sheet shall not apply in relation to any financial year for which an insurer is required by this section to include the opinion of a loss reserve specialist in the statutory financial return.

18C. Requirement to keep records in Bermuda^{531 532}

(1) The Authority may direct insurers to keep in Bermuda proper records of account with respect to -

- (a) all sums of money received and expended by the insurer and the matters in respect of which the receipt and expenditure takes place;
- (b) all premiums and claims relating to the insurer; and
- (c) the assets, liabilities and equity of the insurer;

and any such directions may make different provision in relation to Class 1, Class 2, Class 3, Class 3A, Class IIIB, Collateralized Insurers,⁵³³ Class 3B, Class 4, Special Purpose Insurers, innovative insurers⁵³⁴, Class A, Class B, Class C, Class D and Class E insurers.⁵³⁵

(2) Without prejudice to section 83 of the Companies Act 1981 (keeping of books of account), on an application made to it for that purpose, the Authority may direct that an insurer be exempt from such of the requirements of subsection (1) as may be specified in the direction.

19. Prohibition of non-insurance business to be carried on by insurers⁵³⁶

(1) Subject to subsection (2), no insurer⁵³⁷ shall engage in non-insurance business.

(2) An insurer may engage in non-insurance business only where such business is ancillary to the insurance business carried on by the insurer.⁵³⁸

20. Minister may require Bermuda investment

(1) The Minister acting on the advice of the Authority⁵³⁹ may by order made under this section require that every insurer, or every insurer of a class specified in the order, being a non-resident insurance undertaking, must maintain invested in Bermuda during the currency of the order approved assets of a value fixed in the order (in this section referred to as “investment asset value”).

(2) An order under this section may fix -

- (a) an investment asset value of not more than ⁵⁴⁰60% of the value of the domestic liabilities of insurers, being liabilities outstanding on account of long-term business;
- (b) an investment asset value of not more than 40% of the premium income of insurers, being premium income arising on account of general business that is domestic business,

and such an order may either fix an investment asset value under paragraph (a) alone or paragraph (b) alone, or may fix investment asset values so as to be in force concurrently under both those paragraphs.

(3) Such an order as aforesaid may contain such transitional provision (including provision reducing temporarily a percentage otherwise fixed by the order) as the Minister may deem necessary to enable insurers affected by the order, or any class of such insurers, to re-organize investments held by them immediately before the coming into force of the order with a view to meeting the requirements of the order.

(4) Where an approved asset is a security on which a value was placed by the approved auditor in the course of the latest audit of the statutory financial statements of the insurer, that value shall, in any dispute as to the value of the security, be deemed conclusively to be the true value of the security.

(5) The Minister may include provision in such an order as aforesaid that for the purposes of the order domestic liabilities shall not include any part of such liabilities which is re-insured.

(6) For the purposes of this section -

- (a) (i) an “approved asset” is an asset approved by the Minister;
- (ii) “premium income”, in relation to an insurer, means the net amount, after deduction of any premiums paid by the insurer for re-insurance, of the premiums received by the insurer;
- (iii) a “domestic liability” is a liability arising in respect of domestic business; and
- (b) references to “premium income” and “domestic liabilities”, in relation to an insurer affected by an order, are respectively references to premium income and domestic liabilities as shown in the statutory financial statements of the insurer in respect of the financial year next preceding the date of the making of the order;
- (c) subject to any applicable regulations, in computing the amount of any liabilities all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

(7) Any order made under this section shall be subject to the affirmative resolution procedure.

(8) An insurer which at any time fails to comply with an order that is in force under this section and applies to it commits an offence.

21. Maintenance of assets in Bermuda

(1) The Minister may by order made under this section require that every insurer, or every insurer of a class specified in the order, being a non-resident insurance undertaking, must maintain in Bermuda

approved assets of the insurer of a value which at any time is equal to the whole or a specified proportion of the amount of its domestic liabilities.

(2) Such an order as aforesaid may contain provision that assets of a specified class or description shall or shall not be treated as assets maintained in Bermuda.

(3) Section 20(4), (5) and (as respects the interpretation or treatment of approved assets, liabilities and domestic liabilities) (6) shall apply *mutatis mutandis* in relation to an order made under this section as those subsections apply in relation to an order made under section 20.

(4) Any order made under this section shall be subject to the affirmative resolution procedure.

(5) An insurer which fails at any time to comply with an order that is in force under this section and applies to the insurer commits an offence.

22. Custody of assets

(1) The Authority may impose a requirement on any insurer affected by an order under section 21 that the whole or a specified proportion of the insurer's assets affected by such an order shall be held by a person approved by the Authority for the purposes of the requirement as trustee of the insurer.

(2) Assets of an insurer held by a person as trustee for an insurer shall be taken to be held by him in compliance with a requirement imposed under this section if, and only if, they are assets in whose case the insurer has given him written notice that they are to be held by him in compliance with such a requirement, or they are assets into which assets in whose case the insurer has given him a written notice as aforesaid have, by any transaction or series of transactions, been transposed by him on the instructions of the insurer.

(3) No asset held by a person as trustee of an insurer in compliance with a requirement imposed under this section shall, so long as the requirement is in force, be released except with the consent of the Authority.

(4) If a mortgage or charge is created by an insurer at a time when there is in force a requirement imposed on the insurer by virtue of this section, being a mortgage or charge conferring a security on any assets which are held by a person as trustee of the insurer in compliance with the requirement, the mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the insurer.

(5) [REPEALED]⁵⁴¹

PART IV - INSURERS CARRYING ON LONG-TERM AND GENERAL⁵⁴² BUSINESS

23. Insurers to which this Part applies

This Part shall apply to insurers carrying on long-term and general⁵⁴³ business.

24. Insurer carrying on long-term and general business to maintain separate accounts⁵⁴⁴

(1) An insurer carrying on both long-term business and general business shall keep its accounts in respect of its long-term business separate from any accounts kept in respect of any other business.

(2) The assets comprising line 15 of column A on Form 1SFS of Schedule 1 to the Insurance Accounts Rules 2016 or line 15 of Form 1A of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable, shall be carried to, and form part of, a special fund with an appropriate name, in this Act referred to as a "general business fund".

(3) The assets comprising line 15 of column C on Form 1SFS of Schedule 1 to the Insurance Accounts Rules 2016 or line 15 of Form 4 of Schedule 1 to the Insurance Accounts Regulations 1980,

as applicable, shall be carried to, and form part of, a special fund with an appropriate name, in this Act referred to as a “long-term business fund”.

(4) No payment from the insurer’s long-term business fund shall be made directly or indirectly for any purpose other than a purpose of the insurer’s long-term business, notwithstanding any arrangement for its subsequent repayment out of receipts of business other than the long-term business, except in so far as such payment can be made out of any surplus certified by the insurer’s approved actuary to be available for distribution otherwise than to policy-holders.

(5) No payment from the insurer’s general business fund shall be made directly or indirectly for any purpose other than a purpose of the insurer’s general business, notwithstanding any arrangement for its subsequent repayment out of receipts of business other than the general business, except in so far as such payment can be made out of any surplus available for distribution otherwise than to policy-holders.⁵⁴⁵

(5A) No insurer to which this section applies shall declare or pay a dividend to any person other than a policy-holder unless the value of the assets of its long-term business fund, as certified by the insurer’s approved actuary, exceeds the extent (as so certified) of the liabilities of the insurer’s long-term business; and the amount of any such dividend shall not exceed the aggregate of—

- (a) that excess; and
- (b) any other funds properly available for the payment of dividend, being funds arising out of business of the insurer other than long-term business.

(5B) No insurer to which this section applies shall transfer assets from the long-term business fund to the general business fund unless immediately following such transfer the insurer shall continue to meet its enhanced capital requirements and minimum margin of solvency requirements with respect to its long-term business.

(5C) No insurer to which this section applies shall transfer assets from the general business fund to the long-term business fund unless immediately following such transfer the insurer shall continue to meet its enhanced capital requirements, minimum margin of solvency requirements and liquidity ratios with respect to its general business.

(6)⁵⁴⁶ This section shall not apply in relation to an insurer which, immediately before 1 January 1980 -

- (a) either -
 - (i) was an exempted company within the definition in section 1 of the Exempted Companies Act 1950; or
 - (ii) had a permit under section 69 of the Bermuda Immigration and Protection Act 1956 or under section 3 of the Non-Resident Insurance Undertakings Act 1967; and
- (b) was carrying on both long-term and general business in or from within Bermuda.

24A. Certification of dividends⁵⁴⁷

No insurer carrying on long-term business shall declare or pay a dividend to any person other than a policyholder unless the value of the assets of such insurer, as certified by its approved actuary, exceeds its liabilities (as so certified) by the greater of its margin of solvency or, if applicable, its enhanced capital requirement and the amount of any such dividend shall not exceed that excess.

25. Transfer of long-term business

(1) Any scheme under which the whole or any part of the long-term business of any insurer to which this Part applies (in this section referred to as the “transferor”) is to be transferred to another insurer (in this section referred to as the “transferee”) shall be void unless it is made in accordance with this section and the Court has sanctioned the scheme thereunder.

(2) Either the transferor or the transferee may apply to the Court, by petition, for an order sanctioning the scheme, and the Court shall have power to make such an order subject to this section.

(3) The Court shall not entertain such a petition unless the petition is accompanied by a report on the scheme prepared by an approved actuary and the Court is satisfied that sufficient notice of the scheme has been served on each policy-holder affected and been published in the Gazette, and also that copies of the petition and the report have been served on the Authority.

(4) On any petition under this section -

(a) any person who alleges that he would be adversely affected by the carrying out of the scheme; and

(b) the Authority,

shall be entitled to be heard.

(5) [REPEALED]⁵⁴⁸

(6) [REPEALED]⁵⁴⁹

(7) Subsections (1) to (4) shall not have effect in relation to the transfer of long-term business that is re-insurance business.⁵⁵⁰

26. Appointment of approved actuary^{551 552}

(1) Every Class A, Class B and Class ILT,^{553 554} insurer shall appoint an individual approved by the Authority under subsection (3) as a person qualified to assess the adequacy of total long-term insurance reserves or long-term insurance technical provisions⁵⁵⁵, as that insurer’s approved actuary.

(1A) Every Class C, Class D and Class E insurer shall appoint an individual approved by the Authority under subsection (3) who is qualified as an approved actuary to provide an opinion in accordance with the requirements of Schedule XIV “Statutory Economic Balance Sheet” of the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011.⁵⁵⁶

(2) Before making any such appointment an insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority, on being satisfied that a person is fit and proper to hold such an appointment shall approve the appointment as that insurer’s approved actuary.

(4) Subject to subsection (5), the Authority may revoke an approval of an approved actuary in respect of any insurer, if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the approved actuary and the insurer of its intention to do so.

27. Actuarial certificates of long-term business liabilities^{557 558}

(1) Every Class A, Class B and Class ILT⁵⁵⁹, insurer⁵⁶⁰ shall include in the insurer’s statutory financial return called for by section 18 a certificate prepared by the insurer’s approved actuary in the

prescribed form as to the amount of the insurer's liabilities outstanding on account of its long-term business.

(1A) Every Class C, Class D and Class E insurer shall include in its statutory financial return a certificate prepared by an actuary approved by the Authority under section 26(1A), in the form prescribed under any insurance accounts rules made by the Authority as to the amount of such insurer's liabilities outstanding on account of its long-term business.⁵⁶¹

(2) Notwithstanding subsection (1) the Authority may in writing at any time direct an insurer to which this Part applies to cause to be produced to the Authority a valuation of the insurer's liabilities outstanding at the date specified in the direction on account of its long-term business, together with a certificate prepared by the insurer's approved actuary in the prescribed form relating thereto; and the insurer shall comply with any such direction.

PART IVA⁵⁶² - GROUP SUPERVISION

27A. Interpretation

In this Part, unless the context otherwise requires—

“college of supervisors” means a structure for cooperation and coordination among supervisors of competent authorities;

“competent authority” means a regulatory⁵⁶³ authority that is empowered by law to supervise insurers;

“equivalent jurisdiction” means a jurisdiction that has supervisory standards that the Authority determines to be equivalent to those established by or under this Act;

“group supervisor” in relation to an insurance group, means the Authority or, as the case may be, another competent authority that is the group supervisor for the insurance group.

27B. Group Supervisor^{564 565}

(1) The Authority may, in respect of an insurance group, determine whether it is appropriate for it to be the group supervisor of that group.

(2) Before making such a determination the Authority shall take into account the matters set out in subsection (3).

(3) Those matters are—

- (a) whether the insurance group is headed by a specified insurer;
- (b) where the insurance group is not headed by a specified insurer, whether the insurance group is headed by a parent company which is incorporated in Bermuda; and
- (c) where the insurance group is headed by a parent company which is not incorporated in Bermuda, whether the Authority is satisfied that—
 - (i) the insurance group is directed and managed from Bermuda; or
 - (ii) the insurer in the insurance group with the largest balance sheet total is a specified insurer.

(4) The Authority shall give notice in writing to the relevant designated insurer of its intention to make such a determination and shall take into account any written representation made by the designated insurer within such period as it may specify in the notice.

- (5) If the Authority makes a determination under subsection (1) in respect of an insurance group, it shall designate a specified insurer that is a member of the insurance group to be the designated insurer in respect of that insurance group for the purposes of this Act.
- (6) The Authority shall notify the designated insurer for an insurance group and other competent authorities in writing that it is the group supervisor for that insurance group.
- (7) The Authority shall establish and maintain a register containing the following particulars in respect of every insurance group of which it is the group supervisor—
- (a) the name and address of the designated insurer for the insurance group;
 - (b) the name and address of every entity⁵⁶⁶ that is a member of the insurance group falling within the scope of group supervision;
 - (c) the name and address of the principal representative of the insurance group in Bermuda;
 - (d) the name and address of other competent authorities supervising other entities⁵⁶⁷ that are members of the insurance group; and
 - (e) the name and address of the insurance group auditors.
- (8) The designated insurer for an insurance group shall immediately notify the Authority of any change of the particulars entered in the register in respect of that insurance group.
- (9) For the purposes of this section, “specified insurer” means—
- (a) a Class 3A, Class 3B, Class 4, Class C, Class D or Class E⁵⁶⁸ insurer⁵⁶⁹; or
 - (b) an insurer of another class of insurers designated by order of the Authority.
- (10) Sections 6, 7 and 8 of the Statutory Instruments Act 1977 shall not apply to orders made under subsection (9)(b).
- (11) There shall be payable by a designated insurer such annual fee, as may be prescribed under the Bermuda Monetary Authority Act 1969, in respect of every insurance group registered under this section.⁵⁷⁰
- (11A) Sections 14(5), (6), (7), (8) and (9) shall apply mutatis mutandis in relation to the payment of an annual fee by a designated insurer under subsection (11) in respect of an insurance group.⁵⁷¹
- (12) The first annual fee shall be payable within 30 days of the registration of the insurance group.⁵⁷²
- (13) The annual fee for the subsequent years shall be payable on or before 31 March in every year following the year in which the insurance group was registered.⁵⁷³
- (14) Where a designated insurer fails to pay a prescribed fee as provided under this section on behalf of an insurance group, it shall pay in addition to such fee a late penalty fee of an amount equal to ten percent of the fee due for every month or part thereof during which the fee remains unpaid.⁵⁷⁴
- (15) Annual fees payable by a designated insurer in accordance with this section shall apply for the period of the financial year.⁵⁷⁵
- (16) For the purposes of this section, “financial year” means the twelve months ending on 31 December of that year.⁵⁷⁶

27C. Authority may exclude specified entities from group supervision

- (1) The Authority may, on its own initiative or on the application of the relevant designated insurer, exclude from group supervision any company that is a member of an insurance group if it is satisfied that—

- (a) the company is situated in a country or territory where there are legal impediments to cooperation and exchange of information;
- (b) the financial operations of the company have a negligible impact on insurance group operations; or
- (c) the inclusion of the company would be inappropriate with respect to the objectives of group supervision.

(2) The Authority shall notify the relevant designated insurer and competent authority in writing of any decision to exclude a company from the scope of group supervision.

27CA. Authority may include specified entities within group supervision⁵⁷⁷

(1) The Authority may, on its own initiative or on the application of the relevant designated insurer, include within group supervision any company that is a member of the group but is not on the register maintained under section 27B(7) if it is satisfied that—

- (a) the financial operations of the company may have a material impact on the insurance group's operations; and
- (b) the inclusion of the company would be appropriate having regard to the objectives of group supervision.

(2) The Authority shall notify the relevant designated insurer and competent authority in writing of any decision to include a company within the scope of group supervision.

27D. Authority may withdraw as group supervisor

(1) The Authority may withdraw as group supervisor—

- (a) on its own initiative;
- (b) at the request of a competent authority from an equivalent jurisdiction; or
- (c) on the application of a designated insurer in respect of the insurance group of which it is a member.

(2) The Authority shall notify the relevant insurance group in writing of its intention to withdraw as group supervisor and shall take into account any written representation made by the insurance group within such period as it may specify in the notice.

(3) The Authority may withdraw as group supervisor if—

- (a) it considers that it would be appropriate to do so having regard to the structure of the insurance group and the relative importance of the insurance group's insurance business in different countries or territories;
- (b) it determines that there has been a material change in the structure or operations of the insurance group or an absence of cooperation by other competent authorities; or
- (c) for any other reason that prevents the Authority from effectively discharging its function as group supervisor for that insurance group.

(4) The Authority shall notify the designated insurer and the competent authority in writing of any decision made by it under this section.

27E. Functions of Authority as group supervisor

The Authority as group supervisor shall have the following functions with regard to group supervision—

- (a) coordination of the gathering and dissemination of relevant or essential information for going concerns and emergency situations, including the dissemination of information which is of importance for the supervisory task of other competent authorities;
- (b) supervisory review and assessment of the financial situation of insurance groups;
- (c) assessment of compliance of insurance groups with the rules on solvency and of risk concentration and intra-group transactions as may be prescribed by or under this Act;
- (d) assessment of the system of governance of insurance groups, as may be prescribed by or under this Act, and whether the members of the administrative or management body of participating companies meet the requirements set out therein;
- (e) planning and coordination, through regular meetings held at least annually or by other appropriate means, of supervisory activities in going concerns as well as in emergency situations, in cooperation with the competent authorities concerned and taking into account the nature, scale and complexity of the risks inherent in the business of all companies that are part of insurance groups;
- (f) coordination of any enforcement action that may be taken against insurance groups or any of their members; and
- (g) planning and coordinating, as required, meetings of colleges of supervisors, to be chaired by the Authority where it acts as the group supervisor, to facilitate the exercise of the functions set out in paragraphs (a) to (f) of this section.

27F. Authority to make Rules

- (1) The Authority may for the purposes of group supervision make rules applying to designated insurers which take into account, in their case, any activity of the insurance group of which they are members or of other members of the insurance group.
- (2) Without prejudice to the generality of subsection (1), such rules may make provision for—
 - (a) the assessment of the financial situation of the insurance group;
 - (b) the solvency position of the insurance group;
 - (c) intra-group transactions and risk concentration;
 - (d) the system of governance and risk management of the insurance group; and
 - (e) supervisory reporting and disclosures in respect of the insurance group.
- (3) The Authority in such rules may in relation to group financial statements require that they be prepared in the English language and that the currency of any amount shown therein be converted to a currency specified by the Authority as at a specified date.⁵⁷⁸
- (4) Sections 6A (4), (5), (6) and (7) shall apply to rules made under this section as they apply to rules⁵⁷⁹ made under that section.
- (5) Section 6B applies to proposals to make rules under this section as it applies to proposals to make rules under section 6A.
- (6) Section 6C shall apply to provisions of any rules made under this section as it applies to prudential standards prescribed by rules made under section 6A.⁵⁸⁰

27G Appointment of an approved group actuary^{581 582 583}

- (1) A designated insurer shall ensure that the insurance group of which it is a member appoints an individual approved by the Authority under subsection (3) who is qualified as a group actuary to provide

an opinion on the⁵⁸⁴ insurance group's insurance technical provisions in accordance with the requirements of Schedule XIV "Group Statutory Economic Balance Sheet" of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011⁵⁸⁵.

(2) Before making such appointment a designated insurer shall submit particulars of such person to the Authority for approval.

(3) The Authority being satisfied that the person is a fit and proper to hold such appointment shall approve the appointment as that insurer's approved group actuary.

(4) Subject to subsection (5), the Authority may revoke the approval of an approved group actuary in respect of any insurance group if it is satisfied that he is no longer a fit and proper person to hold the appointment.

(5) The Authority shall not revoke its approval unless it has first notified the approved group actuary.

PART V - INSURANCE MANAGERS, BROKERS, AGENTS, INSURANCE MARKETPLACE PROVIDERS AND SALESMEN⁵⁸⁶

28. Insurance managers, agents and insurance marketplace providers to maintain lists of insurers for which they act^{587 588}

(1) An insurance manager or agent⁵⁸⁹ shall maintain an accurate list of all insurers for which he acts as insurance manager or agent⁵⁹⁰, and shall, if required in writing at any time by the Authority so to do, provide the Authority with a copy of that list.

(2) An insurance marketplace provider shall maintain an accurate list of all clients proposing to utilize the insurance marketplace provider to buy, sell or trade contracts of insurance, and shall, if required in writing at any time by the Authority to do so, provide the Authority with a copy of that list.⁵⁹¹

29. Insurance broker, agent, salesman or insurance marketplace provider deemed agent of insurer in certain cases⁵⁹²

In relation to any contract of insurance to which an insurer is a party and in respect of which an insurance broker, agent, salesman or insurance marketplace provider⁵⁹³ having apparent authority to act for the insurer in that respect in fact receives a premium under the contract -

(a) the broker, agent, salesman or insurance marketplace provider⁵⁹⁴ shall be deemed to be the agent of the insurer; and

(b) the insurer shall be deemed to have received the premium,

notwithstanding anything to the contrary in the contract.

PART VI

29A. Power to obtain information and reports^{595 596 597}

(1) The Authority may by notice in writing served on a registered person or designated insurer—

(a) require the registered person or designated insurer to provide the Authority (or such person acting on behalf of the Authority as may be specified in the notice), at such time or times or at such intervals or in respect of such period or periods as may be so specified, with such information as the Authority may reasonably require with respect to matters that are likely to be material to the performance, in relation to the registered person or, as the case may be, the relevant insurance group, of its functions under this Act;

- (b) require the registered person or designated insurer to provide the Authority with a report, in such form as may be specified in the notice, by the registered person's or designated insurer's auditor or underwriter or by an accountant or other person with relevant professional skill in, or on any aspect of, any matter about which the Authority has required or could require the registered person or designated insurer as the case may be, to provide information under paragraph (a).⁵⁹⁸

(2) [REPEALED]⁵⁹⁹

(3) [REPEALED]⁶⁰⁰

(4) The person appointed by the registered person or the designated insurer, as the case may be, to make the report required under subsection (1)(b) ⁶⁰¹shall immediately give written notice to the Authority of any fact or matter of which he becomes aware which indicates to him—

- (a) that any term or condition of registration of the registered person is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the registered person; and
- (b) that the matters are likely to be material to the performance, in relation to the registered person or, as the case may be, the designated insurer or the relevant insurance group, of the Authority's functions under this Act.

(5) In this section and in sections 29B and 29C, "relevant insurance group" means the insurance group of which the designated insurer referred to in those sections is a member.⁶⁰²

29B. Power to require production of documents

(1) The Authority may –

- (a) by notice in writing served on a registered person or designated insurer⁶⁰³ require such person to produce, within such time and at such place as may be specified in the notice, such document or documents of such description as may be so specified;
- (b) authorise an officer, servant or agent of the Authority, on producing evidence of his authority, to require any such registered person or designated insurer⁶⁰⁴ to provide him forthwith with such information, or to produce to him forthwith such documents, as he may specify;

being such information or documents as the Authority may reasonably require for the performance of its functions under this Act.

(2) Where, by virtue of subsection (1), the Authority or any officer, servant or agent of the Authority has power to require the production of any documents from a registered person or designated insurer⁶⁰⁵, the Authority or that officer, servant or agent shall have the like power to require the production of those documents from any person who appears to be in possession of them; but where any person from whom such production is required claims a lien on documents produced by him, the production shall be without prejudice to the lien.

(3) The power under this section to require a registered person or designated insurer⁶⁰⁶ or other person to produce any documents includes power –

- (a) if the documents are produced, to take copies of them or extracts from them and to require that registered person or designated insurer⁶⁰⁷ or other person, or any other person who is a present or past director, other officer or principal representative of, the registered person or designated insurer⁶⁰⁸ in question, to provide an explanation of any of them; and

- (b) if the documents are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.
- (4) If it appears to the Authority to be desirable in the interests of the clients of a registered person or relevant insurance group⁶⁰⁹ to do so, it may also exercise the powers conferred by section 29A and this section in relation to any company which is or has at any relevant time been –
 - (a) a parent company, subsidiary company or related company of that registered person or designated insurer⁶¹⁰;
 - (b) a subsidiary company of a parent company of that registered person or designated insurer⁶¹¹;
 - (c) a parent company of a subsidiary company of that registered person or designated insurer⁶¹²; or
 - (d) a company in the case of which a shareholder controller of that registered person or designated insurer⁶¹³, either alone or with any associate or associates, holds 50 per cent or more of the shares or is entitled to exercise, or control the exercise of more than 50 per cent of the voting power at a general meeting.
- (5) Any person who without reasonable excuse fails to comply with a requirement imposed on him under this section shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for a term of six months or to both.
- (6) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege.
- (7) [REPEALED]^{614 615}

29C. Communication with Authority

- (1) No duty to which a person appointed to make a report under section 29A (1)(b)⁶¹⁶ may be subject shall be regarded as contravened by reason of his communicating in good faith to the Authority, whether or not in response to a request made by the Authority, any information on a matter to which this section applies and which is relevant to any function of the Authority under this Act.
- (2) In relation to a person appointed to make a report under section 29A (1)(b)⁶¹⁷ this section applies to any matter of which he becomes aware in his capacity as the person making the report and which –
 - (a) relates to the business or affairs of the registered person or relevant insurance group in relation to which his report is made or any associated company of that registered person or insurance group;
 - (b) if by virtue of section 29B(4) the report relates to an associated company of a registered person or designated insurer, to the business or affairs of that company.
- (3) In this section “associated company”, in relation to a registered person, means any such company as is mentioned in section 29B(4).

29D. [REPEALED]⁶¹⁸

29E. [REPEALED]⁶¹⁹

29F. [REPEALED]⁶²⁰

POWERS

30. Investigations on behalf of the Authority^{621 622 623}

(1) If it appears to the Authority desirable to do so in the interests of policyholders or potential policyholders of an insurer or an insurance group, or in the interests of the clients of an insurance manager, broker, agent or insurance marketplace provider,^{624 625 626} the Authority may appoint one or more competent persons to investigate and report to the Authority on—

- (a) the nature, conduct or state of the insurer's or insurance group's business or of the business of an insurance manager, broker, agent or insurance marketplace provider^{627 628} or any particular aspect of such businesses;⁶²⁹
- (b) the ownership or control of the insurer, insurance group or insurance manager, broker, agent or insurance marketplace provider^{630 631 632},

and the Authority shall give written notice of any such appointment to the person concerned.

(2) If a person appointed under subsection (1) thinks it necessary for the purposes of the investigation he is appointed to carry out, he may also investigate the business of a person who is or has at any relevant time been—

- (a) a member of the group of which the person under investigation is part; or
- (b) a partnership of which the person under investigation is a member.

(3) Where a person appointed under subsection (1) decides to investigate the business of any person referred to in subsection (2) he shall give that person written notice to that effect.

(4) It shall be the duty of every person who is or was a controller, officer, employee, agent, banker, auditor, accountant, barrister and attorney or insurance manager, broker, agent or insurance marketplace provider,^{633 634} as applicable, of an insurer or insurance group which is under investigation by virtue of subsection (1) or a person who is under investigation under subsection (2) or any person appointed to make a report in respect of a registered person or designated insurer under section 29A (1) (b)—

- (a) to produce to the persons appointed under subsection (1), within such time and at such place as they may require, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation, which are in his custody or power;
- (b) to attend before the persons so appointed at such time and place as they may require and answer questions relevant to the investigation as the persons appointed under subsection (1) may require; and
- (c) otherwise to give those persons all assistance in connection with the investigation which he is reasonably able to give,

and those persons may take copies of or extracts from any documents produced to them under paragraph (a).

(5) For the purpose of exercising his powers under this section, a person appointed under subsection (1) may enter any premises occupied by an insurer which is being investigated by him under this section; but he shall not do so without prior notice in writing.

(6) A person exercising powers by virtue of an appointment under this section shall, if so required, produce evidence of his authority.

(7) Unless the Authority otherwise directs, the insurer, insurance group or insurance manager, broker, agent or insurance marketplace provider^{635 636 637} under investigation shall pay to the Authority all expenses of, and incidental to, the investigation.

(8) Any person who—

- (a) without reasonable excuse fails to produce any documents which it is his duty to produce under subsection (4);
- (b) without reasonable excuse fails to attend before the persons appointed under subsection (1) when required to do so;
- (c) without reasonable excuse fails to answer any question which is put to him by persons so appointed with respect to an insurer, insurance group or insurance manager, broker, agent or insurance marketplace provider^{638 639 640} which is under investigation or a person who is being investigated by virtue of subsection (2); or
- (d) intentionally obstructs a person in the exercise of the rights conferred by subsection (5),

shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for six months or to both.

(9) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

(10) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege in proceedings in Bermuda.^{641 642 643 644}

30A. Investigations of suspected contraventions

(1) The Authority may conduct an investigation if it appears to the Authority that—

- (a) a person may have contravened section 3 or 9;
- (b) a registered person or a designated insurer may have contravened a requirement imposed by or under this Act, regulations, rules or orders made thereunder;
- (c) an individual may not be a fit and proper person to perform functions in relation to a regulated activity within the meaning of section 32H (8).

(2) The power conferred by subsection (1)(b) may be exercised in relation to a former registered person but only in relation to—

- (a) business carried on at any time when the person was a registered person; or
- (b) the ownership or control of a former registered person at any time when such person was a registered person.⁶⁴⁵

30AA. Power to require production of documents^{646 647 648 649}

(1) The Authority may by notice in writing require the person who is the subject of an investigation under section 30A (“the person under investigation”) or any person connected with the person under investigation—⁶⁵⁰

- (a) to provide, at such place as may be specified in the notice and either forthwith or at such time as may be so specified, such information as the Authority may reasonably require for the purpose of the investigation⁶⁵¹;
- (b) to produce, at such place as may be specified in the notice and either forthwith or at such time as may be so specified, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation⁶⁵²;
- (c) to attend at such place and time as may be specified in the notice and answer questions relevant to the enquiry as the Authority may require⁶⁵³.

(1A) The Authority may by notice in writing require every person who is or was a controller, officer, employee, agent, banker, auditor, accountant, barrister and attorney or insurance manager, broker, agent or insurance marketplace provider,^{654 655} as applicable, of an insurer or insurance group which is under investigation by virtue of subsection (1) or any person appointed to make a report in respect of a registered person or designated insurer under section 29A (1) (b) —

- (a) to produce to the Authority, within such time and at such place as the Authority may require, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation, which are in his custody or power;
- (b) to attend before the Authority at such time and place as the Authority may require and answer questions relevant to the investigation as the Authority may require; and
- (c) to take such actions as the Authority may direct in connection with the investigation,

and the Authority may take copies of or extracts from any documents produced to it under paragraph (a).⁶⁵⁶

(2) The Authority or a duly authorised officer, servant or agent of the Authority may take copies of or extracts from any documents produced under this section.

(3) Any officer, servant or agent of the Authority may, on producing, if required, evidence of his authority, enter any premises occupied by a person on whom a notice has been served under subsection (1) for the purpose of obtaining there the information or documents required by the notice, putting the questions referred to in paragraph (c) of that subsection or exercising the powers conferred by subsection (2).

(4) Any person who without reasonable excuse fails to comply with a requirement imposed on him under this section or intentionally obstructs a person in the exercise of the rights conferred by subsection (3) shall be guilty of an offence and liable on summary conviction to a fine of \$10,000 or to imprisonment for 6 months or to both.

(5) A statement made by a person in compliance with a requirement imposed by virtue of this section shall not be used in evidence against him in criminal proceedings.

(6) Nothing in this section shall require the disclosure or production by a person of information or documents which he would be entitled to refuse to disclose or produce on the grounds of legal professional privilege in proceedings in Bermuda.

(7) For the purposes of this section, a person is connected with the person under investigation if such person is or has at any relevant time been—

- (a) a member of the group of the person under investigation;
- (b) a controller of the person under investigation;

- (c) a partner of a partnership of which the person under investigation is a member.⁶⁵⁷

30B. Powers of entry⁶⁵⁸

(1) A magistrate may issue a warrant under this section if satisfied on information on oath that the Authority is conducting an investigation under section 30A⁶⁵⁹ and —

- (a) a person⁶⁶⁰ has failed to comply with a notice served on him under that section;
- (b) that there are reasonable grounds for suspecting the completeness of any information provided or documents produced by him in response to such a notice; or
- (c) that there are reasonable grounds for suspecting that if a notice were served on him under that section it would not be complied with or that any documents to which it would relate would be removed, tampered with or destroyed.

(2) A warrant under this section shall authorise any police officer not below the rank of inspector, together with any other person named in the warrant and any other police officers —

- (a) to enter any premises occupied by the person referred to in subsection (1)(a)⁶⁶¹ which are specified in the warrant, using such force as is reasonably necessary for the purpose;
- (b) to search the premises and take possession of any documents appearing to be such documents as are mentioned in subsection (1)(c) or to take, in relation to any such documents, any other steps which may appear to be necessary for preserving them or preventing interference with them;
- (c) to take copies of or extracts from any such documents; and
- (d) to require any person named in the warrant to answer questions relevant for determining whether that person is guilty of any such contravention as is mentioned in section 30A.

(3) A warrant under this section shall continue in force until the end of the period of one month beginning with the day on which it is issued.

(4) Any documents of which possession is taken under this section may be retained —

- (a) for a period of three months; or
- (b) if within that period proceedings to which the documents are relevant are commenced against any person for any such contravention as is mentioned in section 30A, until the conclusion of those proceedings.

(5) Any person who intentionally obstructs the exercise of any right conferred by a warrant issued under this section or fails without reasonable excuse to comply with any requirement imposed in accordance with subsection (2)(d) shall be guilty of an offence and liable—

- (a) on summary conviction, to a fine of \$25,000 or to imprisonment for six months or to both;
- (b) on conviction on indictment, to a fine of \$100,000 or to imprisonment for two years or to both.

30C. Obstruction of investigations⁶⁶²

(1) A person who knows or suspects that an investigation is being or is likely to be carried out —

- (a) into a suspected contravention of section 3 or section 9; or
- (b) under sections 30 and 30A⁶⁶³.

shall be guilty of an offence if he falsifies, conceals, destroys or otherwise disposes of, or causes or permits the falsification, concealment, destruction or disposal of, documents which he knows or suspects are or would be relevant to such an investigation unless he proves that he had no intention of concealing facts disclosed by the documents from persons carrying out such an investigation.

- (2) A person guilty of an offence under this section shall be liable —
- (a) on summary conviction, to a fine of \$50,000 or to imprisonment for two years or to both;
 - (b) on conviction on indictment, to a fine of \$200,000 or to imprisonment for five years or to both.

30CA. Notification of change of shareholder controller or officer of insurance manager, broker, agent or insurance marketplace provider^{664 665 666}

(1) An insurance manager, broker, agent or insurance marketplace provider^{667 668} shall give written notice to the Authority of the fact of any person having become or ceased to be a shareholder controller or officer of the insurance manager, broker, agent or insurance marketplace provider^{669 670}.

(2) A notice required to be given under subsection (1) shall be given before the end of the period of fourteen days beginning with the day on which the insurance manager, broker, agent or insurance marketplace provider^{671 672} becomes aware of the relevant facts.

(3) An insurance manager, broker, agent or insurance marketplace provider^{673 674} who fails to give notice required by this section shall be liable to a civil penalty calculated in accordance with subsection (4).

(4) For each week or part of a week that an insurance manager, broker, agent or insurance marketplace provider^{675 676} fails to comply with a requirement imposed under subsection (1), he shall be liable to a civil penalty not exceeding \$5,000.

30D. Notification by shareholder controllers of new or increased control – private companies⁶⁷⁷

(1) This section applies to a shareholder or a prospective shareholder of an insurer whose shares or the shares of its parent company, if any, are not traded on any stock exchange.

(2) No person to whom this section applies shall become a 10 per cent, 20 per cent, 33 per cent, or 50 per cent shareholder controller of the insurer unless—

- (a) he has served on the Authority a notice in writing stating that he intends to become such a controller of the insurer; and
- (b) either the Authority has, before the end of the period of forty-five days beginning with the date of service of that notice, notified him in writing that there is no objection to his becoming such a controller of the insurer, or that period has elapsed without the Authority having served him under section 30F with a written notice of objection to his becoming such a controller of the insurer.

(3) A notice under subsection (2)(a) shall contain such information as the Authority may direct and the Authority may after receiving such a notice from any person, by notice in writing require him to provide such additional information or documents as the Authority may reasonably require for deciding whether to serve notice of objection.

(4) Where additional information or documents are required from any person by a notice under subsection (3) the time between the giving of the notice and the receipt of the information or documents shall be added to the period mentioned in subsection (2)(b).

30E. Notification by shareholder controllers of new or increased control - public companies

(1) This section applies to a shareholder of an insurer whose shares or the shares of its parent company, if any, are traded on any stock exchange recognised by the Authority for this purpose.

(2) Not later than forty-five days after a person to whom this section applies becomes a 10 per cent, 20 per cent, 33 per cent, or 50 per cent shareholder controller of the insurer, that person shall serve on the Authority a notice in writing stating that he has become such a controller.

30EA. Notification by shareholder controllers of disposal of shares in public and private companies^{678 679}

(1) No person who is a shareholder controller in accordance with section 30D, shall reduce or dispose of his holding in a Class 3A, Class IIGB, Collateralized Insurer,⁶⁸⁰ Class 3B, Class 4, Class C, Class D or Class E insurer, where the proportion of the voting rights held by the shareholder controller in the insurer will reach or fall below 10 per cent, 20 per cent, 33 per cent or 50 per cent, as the case may be; unless that shareholder controller has served on the Authority a notice in writing stating that he intends to reduce or dispose of such holding.

(2) A person who is a shareholder controller in accordance with section 30E, shall serve on the Authority a notice in writing that he has reduced or disposed of his holding in a Class 3A, Class IIGB, Collateralized Insurer,⁶⁸¹ Class 3B, Class 4, Class C, Class D or Class E insurer, where the proportion of the voting rights in the insurer held by him will have reached or has fallen below 10 per cent, 20 per cent, 33 per cent or 50 per cent as the case may be, not later than 45 days after such disposal.

30F. Objection to new or increased control⁶⁸²

(1) The Authority may serve a notice of objection under this section on a person who has given notice under section 30D unless it is satisfied -

- (a) that the person concerned is a fit and proper person to become a controller of the description in question of the insurer;
- (b) that the interests of clients or potential clients of the insurer would not be threatened by that person becoming a controller of that description of the insurer; and
- (c) without prejudice to paragraphs (a) and (b), that, having regard to that person's likely influence on the insurer as a controller of the description in question the minimum criteria would continue to be fulfilled in the case of the insurer or, if any of those criteria is not fulfilled, that that person is likely to undertake adequate remedial action.

(2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice -

- (a) shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and
- (b) shall give particulars of the rights conferred by subsection (3).

(3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall -

- (a) specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and
 - (b) give particulars of the rights conferred by section 44A.
- (5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information the disclosure of which would be prejudicial to a third party.
- (6) Where a person required to give a notice under section 30D in relation to becoming a controller of any description becomes a controller of that description without having given the notice, the Authority may serve him with notice of objection under this section at any time within three months after becoming aware of his having done so and may, for the purpose of deciding whether to serve him with such a notice, require him by notice in writing to provide such information or documents as the Authority may reasonably require.
- (7) The period mentioned in section 30D(2)(b) (with any extension under subsection (4) of that section) and the period mentioned in subsection (6) shall not expire, if it would otherwise do so, until twenty-eight days after the end of the period within which representations can be made under subsection (3).

30G. Contraventions by controller^{683 684}

- (1) Subject to subsection (2), any person who contravenes section 30D by -
- (a) failing to give the notice required by subsection (2)(a) of that section; or
 - (b) knowingly becoming a controller of any description to which that section applies before the end of the period mentioned in subsection (2)(b) of that section in a case where the Authority has not served him with a preliminary notice under section 30F(2);

shall be guilty of an offence.

- (2) For the purposes of subsection 1(b), a person knowingly becomes a controller of any description if he knows of the acts or circumstances by virtue of which he became a controller of the relevant description.

- (3) [REPEALED]⁶⁸⁵

- (4) A person who becomes a controller without knowing of the acts or circumstances by virtue of which he became a controller of the relevant description shall not be guilty of an offence unless he subsequently becomes aware of the fact that he has become such a controller and he fails to give the Authority written notice of the fact that he has become such a controller within thirty days of becoming aware of the fact.

- (5) Any person who -
- (a) before the end of the period mentioned in section 30D (2)(b), becomes a controller of any description to which that subsection applies after being served with a preliminary notice under section 30F(2);
 - (b) contravenes section 30D by becoming a controller of any description after being served with a notice of objection to his becoming a controller of that description; or
 - (c) having become a controller of any description in contravention of that section (whether before or after being served with such notice of objection) continues to be such a controller after such a notice has been served on him;

shall be guilty of an offence.

(5A) Any person who contravenes section 30E by failing to give the notice required by subsection (2) of that section shall be guilty of an offence.

(5B) Any person who contravenes section 30EA by failing to give the notice required by subsections (1) and (2) of that section shall be guilty of an offence.⁶⁸⁶

(6) A person guilty of an offence under subsection (1), (5A) or (5B)⁶⁸⁷ shall be liable on summary conviction to a fine of \$25,000.

(7) A person guilty of an offence under subsection (5) shall be liable —

(a) on summary conviction to a fine of \$25,000 and in respect of an offence under paragraph (c) of that subsection, to an additional fine of \$500 for each day on which the offence has continued;

(b) on conviction on indictment to a fine of \$100,000 or imprisonment for 2 years or to both.

30H. Objection to existing controller⁶⁸⁸

(1) Where it appears to the Authority that a person who is a controller of any description of a registered person is not or is no longer a fit and proper person to be such a controller of the registered person it may serve him with a written notice of objection to his being such a controller of the registered person.

(2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice shall -

(a) subject to subsection (5), specify the reasons for which it appears to the Authority that the person in question is not or is no longer a fit and proper person as mentioned in subsection (1); and

(b) give particulars of the rights conferred by subsection (3).

(3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall -

(a) subject to subsection (5), specify the reasons for which it appears to the Authority that the person in question is not or is no longer a fit and proper person as mentioned in subsection (1); and

(b) give particulars of the rights conferred by section 44A.

(5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information the disclosure of which would be prejudicial to a third party.

(6) Any person who continues to be a controller of any description after being served under this section with a notice of objection to his being a controller of that description shall be guilty of an offence.

(7) A person guilty of an offence under subsection (6) shall be liable —

(a) on summary conviction to a fine of \$25,000, and to an additional fine of \$500 for each day on which the offence has continued;

(b) on conviction on indictment to a fine of \$100,000 or imprisonment for 2 years or to both.

30I. Restriction on and sale of shares ⁶⁸⁹

- (1) The powers conferred by this section shall be exercisable where a person - ⁶⁹⁰
- (a) has contravened section 30F by becoming a shareholder controller after being served with a notice of objection to his becoming a shareholder controller;
 - (b) having become a shareholder controller in contravention of that section continues to be one after such a notice has been served on him; or
 - (c) continues to be a shareholder controller after being served under section 30H with notice of objection to his being a shareholder controller.
- (2) The Authority may by notice in writing served on the person concerned direct that any specified shares to which this section applies shall, until further notice, be subject to one or more of the following restrictions —
- (a) any transfer of, or agreement to transfer, those shares or, in the case of unissued shares, any transfer of or an agreement to transfer the right to be issued with them, shall be void;
 - (b) no voting rights shall be exercisable in respect of the shares;
 - (c) no further shares shall be issued in right of them or in pursuance of any offer made to their holder; or
 - (d) except in liquidation, no payment shall be made of any sums due from the registered person on the shares, whether in respect of capital or otherwise.
- (3) The Court may, on the application of the Authority, order the sale of any specified shares to which this section applies and, if they are for the time being subject to any restrictions under subsection (2), that they shall cease to be subject to those restrictions.
- (4) No order shall be made under subsection (3) in a case where the notice of objection was served under section 30F or 30H —
- (a) until the end of the period within which an appeal can be brought against the notice of objection;
 - (b) if such an appeal is brought, until it has been determined or withdrawn.
- (5) Where an order has been made under subsection (3) the Court may, on the application of the Authority, make such further order relating to the sale or transfer of the shares as it thinks fit.
- (6) Where shares are sold in pursuance of an order under this section the proceeds of sale, less the costs of the sale, shall be paid into Court for the benefit of the persons beneficially interested in them; and any such person may apply to the Court for the whole or part of the proceeds to be paid to him.
- (7) This section applies —
- (a) to all the shares in the registered person of which the person in question is a shareholder controller⁶⁹¹ which are held by him or any associate of his and were not so held immediately before he became such a controller of the registered person; and
 - (b) where the person in question became a shareholder controller⁶⁹² as a result of the acquisition by him or any associate of his of shares in another company, to all the shares in that company which are held by him or any associate of his and were not so held before he became such a controller of that registered person.

(8) A copy of the notice served on the person concerned under subsection (2) shall be served on the registered person or company to whose shares it relates and, if it relates to shares held by an associate of that person, on that associate.

30J. Notification by registered persons and designated insurers of change of controller and officer^{693 694 695}

(1) Subject to subsection (4), an insurer shall serve on the Authority a notice in writing of the fact that any person has become or ceased to be a controller of that insurer.

(2) Subject to subsection (4), an insurer and a designated insurer in respect of the parent company of the insurance group, shall serve on the Authority a notice in writing of the fact that any person has become or ceased to be an officer of that insurer or of the parent company of the group as the case may be.

(3) A notice under subsection (1) or (2) shall be served before the end of a period of forty-five days beginning with the day on which the insurer or designated insurer as the case may be, becomes aware of the relevant facts.

(4) A Class 1, Class 2 and Class 3 insurer⁶⁹⁶ Special Purpose Insurer, Class A and Class B insurer shall, at the time of filing the annual financial statements under section 17, file with the Authority the following—

- (a) a list of every person who has become or has ceased to be a shareholder controller or director of the insurer; and
- (b) where no registered insurance manager has been appointed to manage the affairs of the insurer, a list of every person who has become or has ceased to be an officer of that insurer,

during the financial year to which the financial statements relate, specifying the dates when such person has become a shareholder controller, director or other officer and the dates when they have ceased to be such shareholder controller, director or other officer.

(5) Registered⁶⁹⁷, brokers, agents and insurance marketplace providers⁶⁹⁸ shall, on or before 31 March in each year, file with the Authority a list of every person who has become or has ceased to be an officer or shareholder controller of that person during the previous calendar year, specifying the dates when such person has become a shareholder controller or officer and the dates when such person has ceased to be such controller or officer.

(6) [REPEALED]⁶⁹⁹

(7) For the purposes of this section, “officer”—⁷⁰⁰

- (a) in relation to an insurer or the parent company of the insurance group, means a director, chief executive or senior executive performing duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters;
- (b) in relation to an insurance manager, broker or agent, means a director or chief executive;
- (c) in relation to an insurance marketplace provider, means a director, chief executive or senior executive performing the duties of compliance, information technology, information security and finance.

(8) [REPEALED]⁷⁰¹

30JA. Material change: insurer or insurance group^{702 703 704 705}

(1) For the purposes of section 30JB the following changes are material—

- (a) acquisition or transfer of insurance business being part of a scheme falling within, or any transaction relating to a scheme of arrangement under,⁷⁰⁶ section 25 of this Act or section 99 of the Companies Act 1981;
 - (b) amalgamation with or acquisition of another firm;
 - (c) [REPEALED]⁷⁰⁷
 - (d) engaging in unrelated business that is retail business.
 - (e) acquisition of controlling interest in an undertaking that is engaged in non-insurance business which offers services and products to persons who are not affiliates of the insurer;⁷⁰⁸
 - (f) outsourcing all or substantially all of the functions of actuarial, risk management, compliance or⁷⁰⁹ internal audit;⁷¹⁰
 - (g) outsourcing of all or a material part of an insurer's underwriting activity;⁷¹¹
 - (h) transfer other than by way of reinsurance of all or substantially all of a line of business;^{712 713}
 - (i) expansion into a material new line of business; and^{714 715}
 - (j) the sale of an insurer;^{716 717}
 - (k) outsourcing of an officer role.⁷¹⁸
- (2) In subsection (1) (d)—
 “unrelated business” has the meaning given in section 4F
 “retail business” means the business of selling insurance products that are designed for and bought by an individual.
- (3) in subsection (1)(e)—⁷¹⁹
 “controlling interest” means holding 50% or more of the voting shares in an undertaking;
 “officer” means in relation to an insurer, a chief executive or senior executive performing the duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters.⁷²⁰

30JB. Notification of material change: insurer or insurance group^{721 722 723}

- (1) No insurer shall effect a material change within the meaning of section 30JA(1) unless the requirements of subsection (4) have been satisfied.
- (2) A designated insurer shall notify the Authority of any material change within the meaning of section 30JA (1)(b), (c), (d), (e), (f), (g), (h) and (i), which is given effect by a member of the group, within 30 days of such material change taking effect.^{724 725}
- (3) [REPEALED]⁷²⁶
- (4) The requirements referred to in subsection (1) are that—⁷²⁷
- (a) the insurer has served on the Authority a notice in writing stating that the insurer intends to effect such a material change; and
 - (b) either the Authority has, before the end of the period of thirty⁷²⁸ days beginning with the date of service of that notice, notified the insurer in writing that there is no objection to the insurer effecting the material change, or that period has elapsed without the

Authority having served the insurer with a written notice of objection to the material change.

(5) A notice under subsection (4)(a) shall contain such information as the Authority may direct and the Authority may after receiving such a notice from any person, by notice in writing require it to provide such additional information or documents as the Authority may reasonably require for deciding whether to serve notice of objection.

(6) Where additional information or documents are required from any person by a notice under subsection (5), the time between the giving of the notice and the receipt of the information or documents shall be added to the period mentioned in subsection (4)(b).

30JC. Objection to material change: insurer or insurance group^{729 730}

(1) The Authority shall serve a notice of objection under this section on a person who has given notice under section 30JB unless it is satisfied—

- (a) that the interests of policyholders and potential policyholders of the insurer ⁷³¹would not in any manner be threatened by the material change; and
- (b) without prejudice to paragraph (a) that, having regard to the material change the requirements of this Act would continue to be complied with or, if any of those requirements are not complied with, that the insurer ⁷³²concerned is likely to undertake adequate remedial action.

(2) Before serving a notice of objection under this section the Authority shall serve the person concerned with a preliminary written notice stating that the Authority is considering service on that person of a notice of objection and that notice—

- (a) shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and subject to subsection (5), the reasons for which it is not satisfied; and
- (b) shall give particulars of the rights conferred by subsection (3).

(3) A person served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall—

- (a) specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied; and
- (b) give particulars of the rights conferred by section 44A.

(5) Subsections (2)(a) and (4)(a) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information, which would be prejudicial to a third party.

30JD. [REPEALED]^{733 734}

30JE Insurance marketplace provider to notify the Authority of certain events⁷³⁵

(1) Every insurance marketplace provider shall forthwith notify the Authority, in such manner as the Authority may direct, on it coming to its knowledge, or it having reason to believe, that an event to which this section applies has occurred.

(2) Within fourteen days of such notification, the insurance marketplace provider shall furnish the Authority with a report in writing setting out all the particulars of the case that are available to it.

- (3) For the purposes of subsection (1) events to which this section applies are as follows—
- (a) failure by the insurance marketplace provider to comply with a condition imposed upon it by the Authority;
 - (b) involvement of the insurance marketplace provider, or a shareholder controller or officer of the insurance marketplace provider, in any criminal proceedings whether in Bermuda or abroad;
 - (c) a cyber reporting event.
- (4) In this section “cyber reporting event” means any act that results in the unauthorized access to, disruption, or misuse of the electronic systems or information stored on such systems of a registered person, including breach of security leading to the loss or unlawful destruction or unauthorized disclosure of or access to such systems or information.

30JF Material change: insurance marketplace provider⁷³⁶

For the purposes of section 30JG, the following changes are material—

- (a) material changes to the most recent business plan of the insurance marketplace provider;
- (b) outsourcing of all or substantially all of the functions of compliance, information technology, and information security.

30JG Notification of material change: insurance marketplace provider⁷³⁷

- (1) No insurance marketplace provider shall effect a material change within the meaning of section 30JF unless the requirements of subsection (2) have been satisfied.
- (2) The requirements referred to in subsection (1) are that—
- (a) the insurance marketplace provider has served on the Authority a notice in writing stating that it intends to effect such a material change;
 - (b) either the Authority has, before the end of the period of 30 days beginning with the date of service of that notice, notified the insurance marketplace provider in writing that there is no objection to the insurance marketplace provider effecting the material change, or that period has elapsed without the Authority having served the insurance marketplace provider with a written preliminary notice of objection to the material change.
- (3) A notice under subsection (2)(a) shall contain such information as the Authority may direct and the Authority may after receiving such a notice from any person, by notice in writing require it to provide such additional information or documents as the Authority may reasonably require for deciding whether to serve notice of objection.
- (4) Where additional information or documents are required from any person by a notice under subsection (3), the time between the giving of the notice and the receipt of the information or documents shall be added to the period mentioned in subsection (2)(b).

30JH Objection to material change: insurance marketplace provider⁷³⁸

- (1) The Authority shall not serve a notice of objection under this section on an insurance marketplace provider which has given notice under section 30JG unless it is satisfied—
- (a) that the interests of clients of the insurance marketplace provider would not in any manner be threatened by the material change; and
 - (b) without prejudice to paragraph (a) that, having regard to the material change the requirements of this Act would continue to be complied with or, if any of those

requirements are not complied with, that the insurance marketplace provider concerned is likely to undertake adequate remedial action.

(2) Before serving a notice of objection under this section the Authority shall serve the insurance marketplace provider with a preliminary written notice stating that the Authority is considering service on that insurance marketplace provider a notice of objection and that notice—

- (a) shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and subject to subsection (5), the reasons for which it is not satisfied; and
- (b) shall give particulars of the rights conferred by subsection (3).

(3) An insurance marketplace provider served with a notice under subsection (2) may, within a period of twenty-eight days beginning with the day on which the notice is served, make written representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to serve a notice of objection.

(4) A notice of objection under this section shall specify which of the matters mentioned in subsection (1) the Authority is not satisfied about and, subject to subsection (5), the reasons for which it is not satisfied.

(5) Subsections (2)(a) and (4) shall not require the Authority to specify any reason which would in its opinion involve the disclosure of confidential information, which would be prejudicial to a third party.

31. [REPEALED]⁷³⁹

31A. Failure to meet solvency requirements⁷⁴⁰

(1) An insurer^{741 742} which at any time fails to meet its minimum margin of solvency⁷⁴³ shall after becoming aware of that failure or having reason to believe that such a failure has occurred immediately notify the Authority of such occurrence, and within 14 days of such notification furnish the Authority with⁷⁴⁴ a written report containing particulars—

- (a) of the circumstances leading to the failure, and
- (b) of a plan detailing the manner, specific actions to be taken and time frame in which the insurer intends to rectify the failure⁷⁴⁵

and, notwithstanding anything to the contrary in any other enactment, shall not declare or pay any dividends until the failure is rectified.

(2) The Authority may require an insurer to modify the plan filed in accordance with subsection (1)(b) if it is satisfied that it is appropriate to do so in order for an insurer to satisfy its policyholder obligations.^{746 747}

31AA. Failure to comply with enhanced capital requirement^{748 749}

(1) An insurer that fails to comply with the enhanced capital requirement applicable to it shall —

- (a) upon⁷⁵⁰ becoming aware of that failure, or of having reason to believe that such a failure has occurred, immediately notify the Authority in writing and within 14 days of such notification file with the Authority⁷⁵¹ a written report containing particulars —
 - (i) of the circumstances leading to the failure; and
 - (ii) a plan detailing the manner, specific actions to be taken and time within which the insurer intends to rectify the failure; and⁷⁵²
- (b) within 45 days of becoming aware of that failure, or of having reason to believe that such a failure has occurred, furnish the Authority with —

- (i) unaudited statutory economic balance sheets and unaudited interim financial statements prepared in accordance with GAAP⁷⁵³ covering such period as the Authority may require;
- (ii) the opinion of a loss reserve specialist in relation to line 19 of the statutory economic balance sheet^{754 755} where applicable⁷⁵⁶;
- (iii) a general business solvency certificate in respect of those statements where applicable^{757 758};
- (iv) a capital and solvency return reflecting an enhanced capital requirement prepared using post failure data where applicable;⁷⁵⁹
- (v) a long-term business solvency certificate in respect of those statements where applicable; and⁷⁶⁰
- (vi) the opinion of an approved actuary in relation to line 27C of the statutory economic balance sheet⁷⁶¹ where applicable.⁷⁶²

(2) Notwithstanding anything to the contrary in any other enactment, an insurer to whom subsection (1) applies shall not declare or pay any dividends until the failure is rectified.

(3) The Authority may require an insurer to modify the plan file in accordance with subsection (1)(a)(ii) if it is satisfied that it is appropriate to do so in order for an insurer to satisfy its policyholder obligations.⁷⁶³

31AB. Class 3A: exceeding net premiums written limitation⁷⁶⁴

Where a Class 3A insurer exceeds the net premiums written limitation imposed on that class by section 4DA(2), the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if —

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(h); and
- (b) the insurer makes application under section 56 for a direction that section 4DA(2) would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class 3B insurer.

31AC. Class C: exceeding total assets limitation

Where a Class C insurer exceeds its limit on total assets of less than \$250 million as imposed on that class by section 4ED, the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if—

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(i); and
- (b) the insurer makes application under section 56 for a direction that section 4ED would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class D insurer.⁷⁶⁵

31AD. Class D: exceeding total assets limitation

Where a Class D insurer exceeds its limit on total assets of less than \$500 million as imposed on that class by section 4EE, the insurer shall, notwithstanding such excess, be entitled to carry on insurance business in that class if—

- (a) its principal representative notifies the Authority of an event mentioned in section 8A(2)(j); and
- (b) the insurer makes application under section 56 for a direction that section 4EE would continue to apply to it notwithstanding the excess; and
- (c) the Authority does not require the insurer to be classified as a Class E insurer.⁷⁶⁶

31B. Restrictions as to payment of dividends^{767 768 769}

(1) No Class 3A, Class IIGB⁷⁷⁰, Class 3B, Class 4, Class C, Class D or Class E insurer shall^{771 772} in any financial year pay dividends which would exceed 25% of its total statutory capital and surplus, as shown on its statutory balance sheet in relation to the previous financial year, unless at least 7 days before payment of those dividends it files with the Authority an affidavit signed -

- (a) by at least two directors of the insurer (one of whom must be a director resident in Bermuda if the insurer has a director so resident), and
- (b) by the insurer's principal representative in Bermuda,

which states that in the opinion of those signing, declaration of those dividends has not caused the insurer to fail to meet its relevant margins.

(2) A copy of every affidavit filed under subsection (1) shall be kept by the Authority in its office and shall be open to inspection by the public.

(3) An insurer shall not declare or pay any dividends during any financial year if it would cause the insurer to fail to meet its relevant margins.

(4) An insurer which fails to meet its relevant margins on the last day of any financial year shall not, without the approval of the Authority, declare or pay any dividends during the next financial year.

(5) In this section and section 31C, "the relevant margins" means -

- (a) in relation to an insurer, its solvency margin, and
- (b) in relation to an insurer carrying on general business, its minimum liquidity ratio.

31C. Restrictions as to reduction of capital^{773 774}

(1) A Class 3A, Class IIGB⁷⁷⁵, Class 3B, Class C, Class D⁷⁷⁶, Class E, Class 4 or innovative insurer^{777 778}, before reducing by 15% or more its total statutory capital, as set out in its previous year's financial statements, shall apply to the Authority for its approval.

(2) An application by an insurer under subsection (1) shall consist of -

- (a) an affidavit signed -
 - (i) by at least two directors of the insurer (one of whom must be a director resident in Bermuda if the insurer has a director so resident), and
 - (ii) by the insurer's principal representative in Bermuda,
 which states that in the opinion of those signing, the proposed reduction of capital will not cause the insurer to fail to meet its relevant margins; and
- (b) such other information as the Authority may require.

(3) A copy of every affidavit filed under subsection (1) relating to an application which the Authority has approved shall be kept by the Authority in its office and shall be open to inspection by the public.

(4) A Class 1, Class 2, Class 3, Class A or Class B⁷⁷⁹ insurer⁷⁸⁰ before reducing by 15% or more its total statutory capital, as set out in its previous year's financial statements, shall apply to the Authority for its approval and shall provide such information as it may require.

(5) A Collateralized Insurer must notify the Authority in writing within 30 days of reducing its total statutory capital by 15% or more as set out in its previous year's financial statements and shall provide such information as the Authority may require.⁷⁸¹

32. Powers of intervention^{782 783 784 785 786}

(1) If it appears to the Authority that -

- (a) the business of a registered person which is an insurer⁷⁸⁷ is being so conducted that there is a significant risk of the registered person⁷⁸⁸ becoming insolvent;
- (aa) the business of a registered person which is an insurer is being so conducted that there is a significant risk that the insurer will be unable to meet its obligations to policyholders;⁷⁸⁹
- (b) a registered person⁷⁹⁰ is in breach of a provision of this Act or of regulations or rules,⁷⁹¹ or with a condition imposed on its registration;
- (c) the minimum criteria is not or has not been fulfilled, or may not be or⁷⁹² may not have been fulfilled, in respect of a registered person;
- (d) a person has become a controller of any description of a registered person which is an insurer in contravention of section 30D or has become or remains such a controller after being served with notice of objection pursuant to section 30F or 30H; or
- (e) a registered insurer is in breach of the enhanced capital requirement applicable to it;⁷⁹³

the Authority may give the registered person such directions as appear to it to be desirable for safeguarding the interests of clients and potential clients of the registered person, and, without prejudice to the generality of the foregoing, may in particular give any of the directions mentioned in subsection (2)⁷⁹⁴.

(2) Those directions⁷⁹⁵ are -

- (a) not to effect further contracts of insurance, or any contract of insurance of a specified description;
- (b) to limit the aggregate of the premiums to be written by it during a specified period beginning not earlier than 28 days after the direction is given;
- (c) not to vary any contract of insurance in force when the direction is given, if the effect of the variation would be to increase the liabilities of the insurer;
- (d) not to make any investment of a specified class;
- (e) before the expiration of a specified period (or such longer period as the Authority may allow) to realise any existing investment of a specified class;
- (f) not to declare or pay any dividends or any other distributions, or to restrict the making of such payments to such extent as the Authority thinks fit;
- (g) not to enter into any specified transaction with any specified person or persons of a specified class;
- (h) to provide such written particulars relating to the financial circumstances of the insurer as the Authority thinks fit;

- (i) to obtain the opinion of a loss reserve specialist with respect to general business, or an actuarial opinion with respect to long-term business, and to submit it to the Authority within a specified time; and
- (j) to remove a controller or officer;⁷⁹⁶

and in this subsection “specified” means specified in the direction.

(3) In addition, if it appears to the Authority that the business of an insurer is being so conducted that there is a significant risk of the insurer becoming insolvent it may, if it considers it appropriate, direct the insurer to maintain in, or transfer to and keep in the custody of, a specified bank, assets of the insurer of such value and description as are specified in the direction.

(4) Without restricting the generality of subsections (1) and (3), the Authority may in particular proceed under those subsections where -

- (a) an insurer has failed to meet a solvency margin or a minimum liquidity ratio which it is required by this Act or regulations to meet;
- (b) an event specified in regulation 7(3) of the Insurance Returns and Solvency Regulations 1980 occurs in relation to the audit of a Class 1, Class 2, Class 3, Class A, Class B insurer or Special Purpose Insurer⁷⁹⁷ and the approved auditor qualifies his report accordingly, expresses an adverse opinion or denies an opinion under regulation 7(2) of those Regulations;
- (ba) an event specified under any insurance accounts rules occurs in relation to the audit of a Class 3A, Class IIGB, Collateralized Insurer⁷⁹⁸, Class 3B, Class 4, Class C, Class D or Class E insurer and the approved auditor qualifies his report accordingly, expresses an adverse opinion or denies an opinion in accordance with such rules;⁷⁹⁹
- (c) the auditor’s report submitted as part of an insurer’s statutory financial return indicates that there is a significant doubt as to the insurer’s ability to continue as a going concern;
- (d) an insurer fails to retain an auditor or principal representative, or fails to retain a loss reserve specialist or actuary where required to retain one under this Act, regulations or any insurance accounts rules;⁸⁰⁰
- (e) the insurer’s total statutory capital and surplus has diminished to an extent which the Authority considers unacceptable having regard to the particular circumstances of the insurer.

(5) The Authority shall not give a direction by virtue of subsection (1)(b) if the breach in question -

- (a) is being investigated by an inspector by virtue of section 18A(5), or
- (b) requires a report to be filed under section 31A,

until the Authority has considered a preliminary report of the inspector or (as the case may be) the report filed under section 31A.

(6) No assets kept in the custody of a bank pursuant to a direction under subsection (3) shall, so long as the direction is in force, be removed from the bank except with the prior consent of the Authority in writing.

(7) [REPEALED]^{801 802 803}

(8) The powers which the Authority may exercise under this section in certain circumstances in relation to a registered person⁸⁰⁴ do not restrict the exercise of any other powers in relation to the same registered person⁸⁰⁵ on the basis of the same circumstances, nor do they restrict any other

consequences provided for under any enactment in respect of that registered person⁸⁰⁶ on the basis of those circumstances.

(9) [REPEALED]^{807 808}

32A. Contraventions by designated insurer^{809 810}

(1) If it appears to the Authority that a designated insurer is in breach of any provision of this Act or regulations or rules applicable to it, the Authority may give the designated insurer such directions as appear to the Authority to be desirable to remedy the breach or⁸¹¹ for safeguarding the interests of policyholders and potential policyholders of the insurance group.

(2) Without prejudice to the generality of subsection (1) the Authority may, in particular, give any of the directions specified in paragraphs (a) to (h) and (j) of section 32(2).

32B. Procedure for giving directions

(1) If the Authority proposes to issue directions under section 32 or 32A, it must give a warning notice to the registered person or, as the case may be, the designated insurer.

(2) If the Authority decides to give directions, it must give a decision notice to the registered person, or as the case may be, the designated insurer.⁸¹²

32C. Directions in cases of urgency

(1) No warning notice need be given under section 32B in respect of the giving of a direction to a registered person, or as the case may be, a designated insurer in any case in which the Authority considers that the direction should be given as a matter of urgency.

(2) In any such case the Authority may by notice in writing to the person concerned give a direction.

(3) Any such notice shall state the reason for which the Authority has acted and particulars of the rights conferred by subsection (4) and section 44A.

(4) Any person to whom a notice is given under this section of the giving of a direction may within the period of 14 days beginning with the day on which the notice was given make representations to the Authority.

(5) After giving a notice of direction under subsection (2) and taking into account any representations made in accordance with subsection (4) the Authority shall decide whether—

(a) to confirm or rescind its original decision; or

(b) to impose a different direction or to vary the direction in a different manner.

(6) The Authority must within the period of 28 days beginning with the day on which the notice was given under subsection (2) or, where representations have been made under subsection (4), 28 days beginning with the day on which the representations have been received, give the person concerned a decision notice.⁸¹³

PART VIA - DISCIPLINARY MEASURES⁸¹⁴

32D. Power to impose civil penalties for breach of requirements

(1) Except as provided in sections 14(3) and 18A, every person who fails to comply with any requirement or contravenes any prohibition imposed by or under this Act shall be liable to a penalty not exceeding \$500,000, as the Authority considers appropriate, for each such failure or contravention.

(2) For the purposes of subsection (1), “appropriate” means effective, proportionate and dissuasive.

(3) The Authority shall not impose a penalty under subsection (1) where it is satisfied that the person concerned took all reasonable steps and exercised all due diligence to ensure that the requirement would be complied with.

(4) The power to impose a penalty under this section shall not apply to designated insurers, except where the power is exercised in relation to non-compliance with a direction given under section 30JB or 32A.⁸¹⁵

32E. Civil penalties procedure

(1) If the Authority proposes to impose a civil penalty, it must give the person a warning notice.

(2) If the Authority decides to impose a civil penalty, it must give the person a decision notice.⁸¹⁶

32F. Public censure

(1) If the Authority considers that a registered person has contravened a requirement imposed on it by or under this Act, the Authority may publish a statement to that effect.

(2) After a statement under this section is published, the Authority shall send a copy of it to the registered person.

(3) The power to publicly censure shall not apply to registered persons that are acting in the capacity as designated insurers.⁸¹⁷

32G. Public censure procedure

(1) If the Authority proposes to publish a statement in respect of a registered person under section 32F, it shall give the registered person a warning notice.

(2) If the Authority decides to publish a statement under section 32F (whether or not in the terms proposed), it shall give the registered person a decision notice.⁸¹⁸

PROHIBITION ORDERS⁸¹⁹

32H. Prohibition orders

(1) Subsection (2) applies if it appears to the Authority that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by a person who is registered by the Authority under this Act ('a regulated person').

(2) The Authority may make a prohibition order prohibiting the individual from performing a specified function, any function falling within a specified description, or any function.

(3) A prohibition order may relate to—

- (a) a specified regulated activity, any regulated activity falling within a specified description, or all regulated activities;
- (b) regulated persons generally, or any person within a specified class of regulated persons.

(4) In exercising its discretion to make a prohibition order under subsection (2), the Authority must have regard (among other things) to such factors, including assessment criteria as the Authority may establish in a statement of principles.

(5) A registered person must ensure that no function performed in relation to the carrying on of a regulated activity, is performed by an individual who is prohibited from performing that function by a prohibition order.

(6) The Authority may, on the application of the individual named in a prohibition order, vary or revoke the order.

(7) The Authority must publish a prohibition order that is in effect, and every variation of such order, in such manner as it considers appropriate to bring the order to the attention of the public.

(8) In this section—

“regulated person” has the meaning given in subsection (1);

“regulated activity” means any activity that is carried on by way of business requiring registration or other authority by the Authority under any provision of this Act;

“specified” means specified in the prohibition order.

(9) Any person who fails to comply with the terms of a prohibition order commits an offence and is liable—

(a) on summary conviction to a fine of \$50,000 or to imprisonment for two years or to both;

(b) on conviction on indictment to a fine of \$200,000 or to imprisonment for four years or to both.⁸²⁰

32I. Prohibition orders: procedures

(1) If the Authority proposes to make a prohibition order it must give the individual concerned a warning notice.

(2) If the Authority decides to make a prohibition order it must give the individual concerned a decision notice.⁸²¹

32J. Applications relating to prohibition orders: procedures

(1) This section applies to an application for the variation or revocation of a prohibition order.

(2) If the Authority decides to grant the application, it must give the applicant written notice of its decision.

(3) If the Authority decides to refuse the application, it must give the applicant a decision notice.⁸²²

32K. Determination of applications for variation etc.

(1) The Authority may grant an application made under section 32J if it is satisfied that the applicant is a fit and proper person to perform the function to which the application relates.

(2) In deciding that question, the Authority may have regard (among other things) to whether the applicant—

(a) has obtained a qualification;

(b) has undergone, or is undergoing, training; or

(c) possesses a level of competence,

required in relation to persons performing functions of the kind to which the application relates.⁸²³

INJUNCTIONS⁸²⁴

32L. Injunctions

(1) If, on the application of the Authority, the Court is satisfied—

(a) that there is a reasonable likelihood that any person will contravene a relevant requirement; or

- (b) that any person has contravened a relevant requirement and that there is a reasonable likelihood that the contravention will continue or be repeated,

the Court may make an order restraining the contravention.

- (2) If, on the application of the Authority, the Court is satisfied—

- (a) that any person has contravened a relevant requirement; and
- (b) that there are steps which could be taken for remedying the contravention,

the Court may make an order requiring that person, and any other person who appears to have been knowingly concerned in the contravention, to take such steps as the Court may direct to remedy it.

- (3) If, on the application of the Authority, the Court is satisfied that any person may have—

- (a) contravened a relevant requirement; or
- (b) been knowingly concerned in the contravention of such a requirement,

the Court may make an order restraining such person from disposing of, or otherwise dealing with, any of his assets which it is satisfied the person is reasonably likely to dispose of or otherwise deal with.

- (4) In subsection (2), references to remedying a contravention include references to mitigating its effect.

- (5) “Relevant requirement” in relation to an application by the Authority, means a requirement which is imposed by or under this Act.⁸²⁵

PART VII - INSOLVENCY AND WINDING UP

33. Margin of solvency for general business

- (1) An insurer, being a company that may be wound up under the Companies Act 1981, carrying on general business shall be deemed for the purposes of section 161 of the Companies Act 1981 (winding up of company by the court) to be unable to pay its debts if at any time the value of its assets does not exceed the amount of its liabilities and the provisions of this Act⁸²⁶ as to winding up shall have effect accordingly.

- (2) For the purposes of this section in computing the amount of liabilities of an insurer, all contingent and prospective liabilities shall be taken into account but not liabilities in respect of share capital.

- (3) For the purposes of this section the value of any assets and the amount of any liabilities shall, subject to subsections (4) and (5), be determined in accordance with any applicable regulations making provision as to the taking into, or leaving out of, account of assets or liabilities for any purpose.

- (4) In the case of an insurer which carries on long-term business as well as general business, the amount of the liabilities of its long-term business at any time shall, for the purposes of this section, be taken to be -

- (a) an amount equal to the total amount at that time standing to the credit of the insurer's long-term business fund; or
- (b) the amount of those liabilities at any time as determined in accordance with any applicable regulations,

whichever is the greater.

(5) Regulations may require that, in every statutory financial return prepared by an insurer carrying on general business, there shall be included a certificate as to solvency (to be called a “solvency certificate”) -

- (a) in such form and signed by such persons as may be prescribed by the regulations; and
- (b) containing such a statement with respect to the assets and liabilities of the insurer as may be so prescribed,

and if any such insurer fails to comply with the regulations so made the value of its assets shall, in any proceedings under this section for the winding up of the insurer, be deemed, until the contrary is proved, not to exceed the amount of its liabilities by the amount required by subsection (1).

(6) Nothing in this section shall be taken as affecting the manner in which, on a winding up, any assets or liabilities are required to be dealt with whether by virtue of section 36 or otherwise.

34. Winding up of insurers under Companies Act 1981

The Court may order the winding up, in accordance with the Companies Act 1981, of an insurer, being a company which may be wound up under that Act, and that Act shall apply accordingly subject to the modification that the insurer may be ordered to be wound up on the petition of ten or more policyholders owning policies of an aggregate value of not less than \$50,000:

Provided that such a petition shall not be presented except by leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court and until security for costs for such amount as the Court may think reasonable has been given.

35. Winding up on petition of Authority

(1) The Authority may present a petition for the winding up, in accordance with the Companies Act 1981, of an insurer, being a company which may be wound up under that Act, on the ground -

- (a) that the insurer is unable to pay its debts within the meaning of sections 161 and 162 of the Companies Act 1981; or
- (b) that the insurer has failed to satisfy an obligation to which it is or was subject by virtue of this Act; or
- (c) that the insurer has failed to satisfy the obligation imposed upon it by section 15 as to the preparation of accounts or ⁸²⁷to produce or file statutory financial statements in accordance with section 17, and that the Authority is unable to ascertain its financial position.

(2) In any proceedings on a petition to wind up an insurer presented by the Authority under subsection (1), evidence that the insurer was insolvent -

- (a) at the close of the period to which the statutory financial statements last prepared under section 15 relate; or
- (b) at any date specified in a direction under section 27(2),

shall be evidence that the insurer continues to be unable to pay its debts, unless the contrary is proved.

(3) If, in the case of an insurer, being a company which may be wound up under the Companies Act 1981, it appears to the Authority that it is expedient in the public interest that the insurer should be wound up, it may, unless the insurer is already being wound up by the Court, ⁸²⁸present a petition for it to be so wound up if the Court thinks it just and equitable for it to be so wound up.

(4) Where a petition for the winding up of an insurer is presented by a person other than the Authority, a copy of the petition shall be served on the Authority, and it shall be entitled to be heard on the petition.

35A. Insurers carrying on long-term business⁸²⁹

An insurer which carries on long-term business shall not be wound up voluntarily.

36. Winding up of insurers carrying on long-term and general business⁸³⁰

(1) In a winding up of an insurer to which this section applies, the provisions of section 33 of the Employment Act 2000 and section 236 of the Companies Act 1981 shall not apply except as provided for in this section.

(2) Subject to rules made by virtue of section 40, subsections (4) to (8) shall apply in a winding up of composite insurers entitled to carry on long-term business and general business, other than those composite insurers under subsection (3).

(3) Subsections (4) to (8) shall not apply to a composite insurer—

- (a) that meets the requirements of section 24(6); or
- (b) where the long-term business of the composite insurer has been or is to be transferred as a going concern to another insurer in accordance with section 37.

(4) Where a winding up of a composite insurer under subsection (2) applies—

- (a) the assets of the long-term business fund must be applied in discharge of the following debts and in the following order of priority—
 - (i) Employment Act preferential debts attributable to its long-term business, to which the provisions of section 33 of the Employment Act 2000 shall apply mutatis mutandis so that references therein to—
 - (A) assets of a company are deemed to be references to such assets as are attributable to the long-term business of the insurer; and
 - (B) costs, charges and expenses of the winding up of a company are deemed to be references to such costs, charges and expenses as are attributable to the winding up of the long-term business of the insurer;
 - (ii) Companies Act preferential debts attributable to its long-term business, to which the provisions of section 236 of the Companies Act 1981 shall apply mutatis mutandis so that references therein to—
 - (A) assets, property, goods or effects of a company are deemed to be references to such assets, property, goods and effects as are attributable to the long-term business of the insurer; and
 - (B) costs and expenses of the winding up of a company are deemed to be references to such costs and expenses as are attributable to the winding up of the long-term business of the insurer;
 - (iii) insurance debts attributable to its long-term business which shall rank equally among themselves and be paid in full, unless the assets of the long-term business fund of the insurer remaining after payment of the preferential debts attributable to its long-term business are insufficient to meet them, in which case they abate in equal proportions;

- (b) the assets of the general business fund must be applied in discharge of the following debts and in the following order of priority—
 - (i) Employment Act preferential debts attributable to its general business, to which the provisions of section 33 of the Employment Act 2000 shall apply mutatis mutandis so that references therein to—
 - (A) assets of a company are deemed to be references to such assets as are attributable to the general business of the insurer; and
 - (B) costs, charges and expenses of the winding up of a company are deemed to be references to such costs, charges and expenses as are attributable to the winding up of the general business of the insurer;
 - (ii) Companies Act preferential debts attributable to its general business to which the provisions of section 236 of the Companies Act 1981 shall apply mutatis mutandis so that references therein to—
 - (A) assets, property, goods or effects of a company are deemed to be references to such assets, property, goods and effects as are attributable to the general business of the insurer; and
 - (B) costs and expenses of the winding up of a company are deemed to be references to such costs and expenses as are attributable to the winding up of the general business of the insurer;
 - (iii) insurance debts attributable to its general business which shall rank equally among themselves and be paid in full, unless the assets of the general business fund of the insurer remaining after payment of the preferential debts attributable to its general business are insufficient to meet them, in which case they abate in equal proportions.
- (5) Section 194 of the Companies Act 1981 and rule 140 of the Companies (Winding-Up) Rules 1982 shall apply separately to the long-term business assets and to the general business assets of a composite insurer.
- (6) Where, under subsection (5), any fee, cost, charge or remuneration do not apply expressly to the long-term business assets or to the general business assets of a composite insurer, the liquidator may apportion any such fee, cost, charge or remuneration amongst those assets in such manner as he may determine.
- (7) Where the value of the assets mentioned in paragraph (a) or paragraph (b) of subsection (4) exceeds the amount of the liabilities mentioned in that paragraph, so much of those assets as represents the excess must be applied in discharge of the following debts and in the following order of priority—
- (a) any preferential debts mentioned in subsection (4) the assets of which were deemed insufficient to meet liabilities shall rank equally among themselves and be paid in full, unless the excess of such assets is insufficient to meet liabilities, in which case they abate in equal proportions;
 - (b) any insurance debts mentioned in subsection (4) the assets of which were deemed insufficient to meet liabilities shall rank equally among themselves and be paid in full, unless the excess of such assets remaining after payment of such debts is insufficient to meet liabilities in which case they abate in equal proportions;
 - (c) all other debts of the insurer, which shall rank equally among themselves and be paid in full, unless the excess of assets remaining after payment of the debts referred to in

subsection (4) are insufficient to meet liabilities, in which case they abate in equal proportions.

(8) In relation to the assets falling within either paragraph (a) or (b) of subsection (4), the creditors mentioned in section 176(1) and (2) of the Companies Act 1981 shall be only those who are creditors in respect of liabilities falling within that paragraph; and any general meetings of creditors summoned for the purposes of that section shall accordingly be separate general meetings of the creditors in respect of the liabilities falling within each paragraph.

(9) Where under section 247(1) of the Companies Act 1981 (power of court to assess damages against delinquent officers) the Court orders any money or property to be repaid or restored to an insurer or any sum to be contributed to its assets, then, if and so far as the wrongful act which is the reason for the making of the order relates to assets belonging to an insurer's long-term business fund or general business fund (as the case may be), the Court shall include in the order a direction that the money, property or contribution shall be treated for the purposes of this Act as assets of that fund, and this Act shall have effect accordingly.

(10) For the purposes of this section—

- (a) a liability shall be attributable to the long-term business if it is, or would be, recorded in column C on Form 1SFS of Schedule 1 to the Insurance Account Rules 2016 or Form 4 of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable; and
- (b) a liability shall be attributable to general business if it is, or would be, recorded on column A of Form 1SFS of Schedule 1 to the Insurance Account Rules 2016 or Form 1A of Schedule 1 to the Insurance Accounts Regulations 1980, as applicable.

(11) For the purposes of this Part—

“Companies Act preferential debts” means the debts mentioned in section 236(1)(a), (b), (c), (d) and (e) of the Companies Act 1981;

“composite” has the meaning given in regulation 2 of the Insurance Accounts Regulations 1980;

“Employment Act preferential debts” means the debts mentioned in section 33(3)(a), (b) and (c) of the Employment Act 2000;

“insurance contract” means any contract of insurance, capital redemption contract or a contract that has been recorded as insurance business in the financial statements of the insurer pursuant to the Insurance Accounts 1980 or the Insurance Account Rules 2016, as applicable;

“insurance debt” means a debt to which an insurer is or may become liable pursuant to an insurance contract, excluding debts owed to an insurer under an insurance contract where the insurer is the person insured;

“preferential debts” means Companies Act preferential debts and Employment Act preferential debts.”;

“section 24(6) composite” has the meaning given in regulation 2 of the Insurance Accounts Regulations 1980.

36A. Winding up of insurers⁸³¹

(1) This section applies in the case of a winding up under the Companies Act 1981 of —

- (a) an insurer which was carrying on or entitled to carry on only long-term business;
- (b) an insurer which was carrying on or was entitled to carry on only general business;

- (c) a section 24(6) composite insurer; or
- (d) a composite insurer, where the long-term business of the composite insurer has been or is to be transferred as a going concern to another long-term insurer in accordance with section 37.

(2) Subject to subsection (3) and to rules made by virtue of section 40, and subject to the prior payment of Employment Act preferential debts and Companies Act preferential debts, the insurance debts of the insurer must be paid in priority to all other debts of the insurer.

(3) The insurance debts of an insurer shall rank equally among themselves and be paid in full unless the assets of the insurer are insufficient to meet them, in which case they abate in equal proportions.

37. Continuation of long-term business of insurer in liquidation

(1) This section shall have effect in relation to the winding up of an insurer, being an insurer carrying on long-term business.

(2) The liquidator shall, unless the Court otherwise orders, carry on the long-term business of the insurer with a view to its being transferred as a going concern to another insurer, whether an existing insurer or an insurer formed for that purpose; and, in carrying on that business as aforesaid, the liquidator may agree to the variation of any contracts of insurance in existence when the winding up order is made, but shall not effect any new contracts of insurance.

(3) If the liquidator is satisfied that the interests of the creditors in respect of liabilities of the insurer attributable to its long-term business require the appointment of a special manager of the insurer's long-term business, he may apply to the Court, and the Court may on such application appoint a special manager of that business to act during such time as the Court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the Court.

(4) Section 190(2) and (3) of the Companies Act 1981 (special manager to give security and receive remuneration) shall apply to a special manager appointed under subsection (3) of this section as they apply to a special manager appointed under that section.

(5) The Court may, if it thinks fit and subject to such provisions (if any) as it may determine, reduce the amounts of the contracts made by the insurer in the course of carrying on its long-term business.

(6) The Court may, on the application of a liquidator, a special manager appointed under subsection (3) or the Authority, appoint an independent actuary to investigate the long-term business of the insurer and to report to the liquidator, the special manager or the Authority, as the case may be, on the desirability or otherwise of that business being conducted and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.

(7) Notwithstanding section 175(1) of the Companies Act 1981 (which requires the liquidator to obtain the sanction of the Court or committee of inspection for the bringing of legal proceedings in the name of and on behalf of the company) the liquidator may without any such sanction make an application in the name of and on behalf of the insurer under section 25.

38. Subsidiary insurers

(1) Where the insurance business or any part of the insurance business of an insurer has been transferred to an insurer under an arrangement in pursuance of which the first mentioned insurer (in this section called the subsidiary insurer) or the creditors thereof has or have claims against the insurer to which the transfer was made (in this section called the principal insurer), then, if the principal insurer is being wound up by or under the supervision of the Court, the Court shall, subject to this section, order the subsidiary insurer to be wound up in conjunction with the principal insurer, and may by the same or any subsequent order appoint the same person to be liquidator for the two insurers, and make

provision for such other matters as may seem to the Court necessary, with a view to the insurers being wound up as if they were one insurer.

(2) The commencement of the winding up of the principal insurer shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary insurer.

(3) In adjusting the rights and liabilities of the members of the several insurers between themselves, the Court shall have regard to the constitution of the insurers, and to the arrangements entered into between the insurers, in the same manner as the Court would have regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single insurer, or as near thereto as circumstances admit.

(4) Where any insurer alleged to be subsidiary is not in process of being wound up at the same time as the principal insurer to which it is subsidiary, the Court shall not direct the subsidiary insurer to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the insurer against it being wound up, the Court is of the opinion that the insurer is subsidiary to the principal insurer, and that the winding up of the insurer in conjunction with the principal insurer is just and equitable.

(5) An application may be made in relation to the winding up of any subsidiary insurer in conjunction with a principal insurer by any creditor of, or person interested in, the principal insurer or the subsidiary insurer.

(6) Where an insurer stands in the relation of a principal insurer to one insurer, and the relation of a subsidiary insurer to some other insurer, or where there are several insurers standing in the relation of subsidiary insurers to one principal insurer, the Court may deal with any number of such insurers together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

39. Reduction of contracts as alternative to winding up

In the case of an insurer which has been proved to be unable to pay its debts, the Court may, if it thinks fit, reduce the amount of the contracts of the insurer on such terms and subject to such conditions as the Court thinks just instead of making a winding up order.⁸³²

40. Winding up rules

(1) The Minister acting on the advice of the Authority⁸³³ may make rules under this section for determining the amount of the liabilities of an insurer to policyholders of any class or description for the purpose of proof in a winding up and generally for carrying into effect this Act in respect to the winding up of insurers.

(2) Without prejudice to the generality of subsection (1), rules made under this section may make provision for all or any of the following matters -

- (a) the identification of the assets and liabilities falling within either paragraph of section 36(2);
- (b) [REPEALED]⁸³⁴
- (c) the determination of the amount of liabilities of any description falling within either paragraph of section 36(2) for the purpose of establishing whether or not there is any such excess in respect of that paragraph as is mentioned in section 36(3);
- (d) the application of assets within subsection (2)(a) for meeting the liabilities within that paragraph;
- (e) the application of assets representing any such excess as is mentioned in section 36(3).

(3) Rules made under this section shall be subject to the negative resolution procedure.

PART VIII - CANCELLATION OF REGISTRATION

41. Cancellation of registration of insurers^{835 836}

(1) The Authority may, subject to the provisions of this Part, by order cancel the registration of an insurer -

- (a) at the request of the insurer; or
- (b) upon any one or more of the following grounds -
 - (i) that false, misleading or inaccurate information has been supplied by the insurer or on its behalf for the purpose of any provision of this Act or the regulations;
 - (ii) that two years have elapsed since the registration of the insurer, and the insurer has not commenced to carry on business;
 - (iii) that the insurer has ceased to carry on business;
 - (iv) that the insurer has persistently failed to pay fees due under section 14;
 - (v) that the insurer has not complied with a condition attached to its registration or with a requirement made of it under this Act, the regulations or any insurance accounts rules;⁸³⁷
 - (vi) that the insurer has been convicted of an offence against a provision of this Act or the regulations;
 - (vii) that, in the opinion of the Authority⁸³⁸, the insurer has not been carrying on business in accordance with sound insurance principles;
 - (viii) that any of the minimum criteria is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the insurer.⁸³⁹

(2) If the Authority proposes to cancel the registration of an insurer under subsection (1)(b) it must give the insurer a warning notice.^{840 841}

(3) If the Authority decides to cancel the registration of an insurer under subsection (1)(b) it must give the insurer a decision notice.^{842 843}

(4) In this section “to carry on business” means to carry on insurance business in or from within Bermuda.

42. Cancellation of registration of insurance managers, agents, brokers, salesmen and insurance marketplace providers^{844 845}

(1) The Authority may, subject to this Part, by order cancel the registration of an insurance manager, broker, agent, salesman or insurance marketplace provider-⁸⁴⁶

- (a) at the request of the manager, broker, agent, salesman or insurance marketplace provider⁸⁴⁷ in question; or
- (b) upon any one or more of the following grounds -
 - (i) that false, misleading or inaccurate information has been supplied by him on his behalf for the purposes of any provision of this Act or the regulations;
 - (ii) that two years have elapsed since his registration, and he has not commenced to carry on business;
 - (iii) that he has ceased to carry on business;

- (iv) that he has persistently failed to pay fees due under section 14;
- (v) that he has not complied with a condition attached to his registration or with a requirement made of him under this Act or the regulations;
- (vi) that he has been convicted of an offence against a provision of this Act or the regulations;
- (vii) that he has been convicted by a court (whether in Bermuda or elsewhere) of an offence involving fraud or dishonesty;
- (viii) that, in the opinion of the Authority⁸⁴⁸, he has not been carrying on business in accordance with sound insurance principles;
- (ix) that any of the minimum criteria is not or has not been fulfilled, or may not be or may not have been fulfilled, in respect of any such persons.⁸⁴⁹

(2) The provisions of subsections (2) and (3) of section 41 shall apply in relation to the cancellation under this section of a registration as those provisions apply in relation to a cancellation under that section.

(3) In this section, “to carry on business” means to carry on business in or from within Bermuda as an insurance manager, broker, agent, salesman or insurance marketplace provider⁸⁵⁰, as the case may be⁸⁵¹.

43. [REPEALED]⁸⁵²

44. Cancellation of registration to be gazetted

The Authority shall publish in the Gazette notice of any cancellation of a registration under this Act.

PART VIIIA - APPEAL TRIBUNALS⁸⁵³

44A. Rights of appeal

(1) Subject to subsection (1A) and where⁸⁵⁴ applicable⁸⁵⁵, a registered person which is aggrieved by a decision of the Authority —

- (a) cancelling its registration under section 41 or 42;
- (b) giving a direction under sections 32, 32A or 32C;
- (ba) imposing a civil penalty under section 32D;
- (bb) publishing a statement in respect of it pursuant to section 32F (public censure); or⁸⁵⁶
- (c) making an adjustment to an insurer’s enhanced capital, available statutory capital and surplus, total statutory capital and surplus, and available statutory economic capital and surplus⁸⁵⁷ requirement made under section 6D;⁸⁵⁸

may appeal against the decision to a tribunal constituted in accordance with section 44B.

(1A) This Part does not apply to—⁸⁵⁹

- (a) an innovative insurer registered under section 4(1)(e); or
- (b) an innovative intermediary.

(2) Where -

- (a) the ground or a ground for a decision within subsection (1)(a) or (b)⁸⁶⁰ is that it appears to the Authority that the criterion in paragraph 1 of the minimum criteria is not or has not been fulfilled in the case of any person; or
- (b) the Authority directs the removal of a person as a controller or officer of a registered person under section 32 (2)(j);

the controller or officer to whom the ground relates or in respect of whom the direction is made may appeal to a tribunal constituted as aforesaid against the finding that there is such a ground for the decision or, as the case may be, against the direction for his removal.

(3) Any person on whom notice of objection is served under section 30F or 30H or 30JC⁸⁶¹ may appeal to a tribunal constituted as aforesaid against the decision of the Authority to serve the notice; but this subsection does not apply to a person in any case in which he has failed to give a notice or become or continued to be a controller in circumstances in which his doing so constitutes an offence under section 30G(1), (4) or (5)⁸⁶².

(3A) Any person in respect of whom a prohibition order has been made under section 32H may appeal to the tribunal.⁸⁶³

(3B) Any person in respect of whom a decision notice has been issued refusing a revocation or variation of a prohibition order may appeal to the tribunal.⁸⁶⁴

(4) The tribunal may suspend the operation of the decision appealed against pending the determination of an appeal in respect of the decision.

(5) The cancellation of a registered person's registration pursuant to a decision against which there is a right of appeal under this section shall not have effect -

- (a) until the end of the period within which the appeal can be brought; or
- (b) if such an appeal is brought, until it is determined or withdrawn.

44B. Constitution of tribunal

(1) A tribunal shall consist of a chairman, or, in his absence, a deputy chairman, and two other members.

(2) The chairman and the deputy chairman shall be appointed by the Minister for a term not exceeding three years, and shall be barristers and attorneys of at least seven years' standing.

(3) During any period of time when the chairman or deputy chairman is absent from Bermuda or is for any other reason unable to act, the Minister may appoint another person to act in his place for the period of his absence or inability to act.

(4) The Minister shall appoint a panel of not less than nine persons with experience of insurance business to serve as members of appeal tribunals.

(5) There shall be paid to the members of the tribunal such remuneration and such allowances as the Minister may determine, after consultation with the Minister of Finance when another Minister has been appointed to administer this Act.⁸⁶⁵

44C. Determination of appeals

(1) Where an appeal is brought under the provisions of this Act the chairman or as the case may be the deputy chairman shall nominate two other members from the panel of members, who together with him shall constitute the tribunal which shall determine the appeal.

(2) On an appeal under section 44A⁸⁶⁶ the question for the determination of the tribunal shall be whether, for the reasons adduced by the appellant, the decision was unlawful or not justified by the evidence on which it was based.

(3) On any such appeal the tribunal may confirm or reverse the decision which is the subject of the appeal but shall not have power to vary it except that where the decision was to cancel a registration the tribunal may direct the Authority to impose conditions or issue directions instead.

(4) Notice of a tribunal's determination, together with a statement of its reasons, shall be given to the appellant and to the Authority; and, unless the tribunal otherwise directs, the determination shall come into operation when the notice is given to the appellant and to the Authority.

44D. Costs, procedure and evidence

(1) A tribunal may give such directions as it thinks fit for the payment of costs or expenses by any party to the appeal.

(2) The Minister may make regulations with respect to appeals and those regulations may in particular make provision -

- (a) as to the period within which and the manner in which such appeals are to be brought;
- (b) as to the manner in which such appeals are to be conducted, including provision for any hearing to be held in private and as to the persons entitled to appear on behalf of the parties;
- (c) as to the procedure to be adopted where appeals are brought both by a registered person and by a person who is to be a controller or officer of a registered person, including provision for the hearing of the appeals together and for the mutual disclosure of information;
- (d) for requiring an appellant or the Authority to disclose or allow the inspection of documents in his or its custody or under his or its control;
- (e) for requiring any person, on tender of the necessary expenses of his attendance, to attend and give evidence or produce documents in his custody or under his control and for authorising the administration of oaths to witnesses;
- (f) for enabling an appellant to withdraw an appeal or the Authority to withdraw its opposition to an appeal and for the consequences of any such withdrawal;
- (g) for taxing or otherwise settling any costs or expenses which the tribunal directs to be paid and for the enforcement of any such direction;
- (h) for enabling any preliminary or incidental functions in relation to an appeal to be discharged by the chairman or, as the case may be, the deputy chairman of the tribunal; and
- (i) as to any other matter connected with such appeals.

(3) Regulations made under subsection (2) shall be subject to negative resolution procedure.

(4) A person who, having been required in accordance with regulations made under this section to attend and give evidence, fails without reasonable excuse to attend or give evidence, shall be guilty of an offence and liable on summary conviction to a fine of \$10,000.

(5) A person who without reasonable excuse alters, suppresses, conceals, destroys or refuses to produce any document which he has been required to produce in accordance with regulations under this section, or which he is liable to be so required to produce, shall be guilty of an offence and liable -

- (a) on summary conviction to a fine of \$25,000 or to imprisonment for six months or to both;
- (b) on conviction on indictment to a fine of \$50,000 or to imprisonment for two years or to both.

44E. Further appeals on a point of law

- (1) A registered person or other person who has appealed to a tribunal may appeal to the Court on any question of law arising from the decision of the appeal by the tribunal and an appeal on any such question shall also lie at the instance of the Authority; and if the Court is of the opinion that the decision was erroneous in point of law it shall remit the matter to the tribunal for re-hearing and determination by it.
- (2) No appeal to the Court of Appeal shall be brought from a decision under subsection (1) except with leave of the Court of Appeal.

PART VIIIB - NOTICES⁸⁶⁷

44F. Warning notices

- (1) A warning notice must—
 - (a) state the action which the Authority proposes to take;
 - (b) be in writing; and
 - (c) give reasons for the proposed action.
- (2) The warning notice must specify a reasonable period (which may not be less than 14 days) within which the person to whom it is given may make representations to the Authority; and where such representations are made the Authority shall take them into account in deciding whether to give a decision notice.
- (3) The Authority may extend the period specified in the notice.
- (4) A warning notice given under section 32B must specify the proposed terms of the direction.
- (5) A warning notice about a proposal to publish a statement under section 32F must set out the terms of the statement.
- (6) A warning notice given under section 32I must set out the terms of the prohibition.⁸⁶⁸

44G Decision notices⁸⁶⁹

- (1) A decision notice must—
 - (a) be in writing;
 - (b) give reasons for the Authority's decision to take the action to which the notice relates;
 - (c) give its decision; and
 - (d) give an indication of the right to appeal the decision to the appeal tribunal under section 44A.
- (2) A decision notice shall be given within 90 days beginning with the day on which a warning notice under section 44F was given; and if no decision notice under subsection (1) is given within that period, the Authority shall be treated as having at the end of that period given a notice of discontinuance under section 44H.
- (3) A decision notice about the giving of a direction under sections 32, 32A, or 32C must set out the terms of the direction;

- (4) A decision notice about the imposition of a civil penalty under section 32D must state the date or dates of payment.
- (5) A decision notice about public censure under section 32F must—
- (a) set out the terms of the statement;
 - (b) give details of the manner in which, and the date on which, the statement will be published.
- (6) A decision notice about a prohibition order made under section 32H (2) must—
- (a) name the individual to whom the prohibition order applies;
 - (b) set out the terms of the order; and
 - (c) be given to the individual named in the order.
- (7) A decision notice shall state the day on which it is to take effect.
- (8) The Authority may, before it takes the action to which a decision notice (“the original notice”) relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.
- (9) The Authority may give a further decision notice as a result of subsection (8) only if the person to whom the original notice was given consents.
- (10) If the person to whom a decision notice is given under subsection (1) had the right to refer the matter to which the original decision notice related to the tribunal, he has that right as respects the decision notice under subsection (8).

CONCLUSION OF ACTIONS⁸⁷⁰

44H Notices of discontinuance

- (1) Subject to section 44G(2), if the Authority decides not to take the action proposed in a warning notice it must give a notice of discontinuance to the person to whom the warning notice was given.
- (2) A notice of discontinuance must identify the action which is being discontinued.⁸⁷¹

PUBLICATION⁸⁷²

44I Publication

- (1) Subject to sections 32F, 32H, and 44, the Authority may publish such information about a matter to which a decision notice relates as it considers appropriate.
- (2) The Authority must not publish a decision notice under subsection (1)—
- (a) before notifying the person concerned; and
 - (b) pending an appeal under section 44A.⁸⁷³

PART IX - SUPPLEMENTARY

45. Prohibition of loans to directors, etc

- (1) Subject to subsection (2), an insurer which carries on domestic business shall not, directly or indirectly, without the previous consent of the Authority in writing -

- (a) make any loan to any director or officer of the insurer, or to the spouse⁸⁷⁴ or child of any such director or officer; or
 - (b) guarantee, or provide any security in connection with, a loan by any other person to a person referred to in paragraph (a).
- (2) Nothing in subsection (1) shall operate to prohibit the making of a loan -
- (a) to a person referred to in subsection (1)(a) where the amount of the loan is within the surrender value of a life policy issued to him by the insurer; or
 - (b) secured by a first mortgage, where the amount of the loan does not exceed three quarters of the market value of the property mortgaged.
- (3) An insurer which contravenes this section commits an offence.

46. Effect on business transactions of infringement of Act

No business transaction shall be void or voidable by reason only that at the relevant time any party to the transaction is in breach of any provision of this Act.

47. Acting on behalf of unregistered insurer

- (1) Subject to subsection (2), any person who solicits another person, or causes him to enter into, or make application to enter into, a contract of domestic business with a person who is not a registered insurer commits an offence.
- (2) Subsection (1) shall not apply in relation to -
- (a) any contract arranged by any person authorized in that behalf by the Authority in accordance with any conditions imposed by the Authority; or
 - (b) any contract of re-insurance.

48. Personal liability of intermediaries in certain cases⁸⁷⁵

- (1) Any insurance broker, agent or insurance marketplace provider⁸⁷⁶ who arranges a policy of domestic business with a person who is not a registered insurer shall be personally liable on the policy as if he were the insurer.
- (2) For the purposes of subsection (1) a member of a recognised association of underwriters shall be deemed to be a registered insurer.

49. Control of advertisements⁸⁷⁷

An insurer or an insurance broker, agent or insurance marketplace provider⁸⁷⁸ shall not publish any advertisement which misleads, or directly or by implication is likely to mislead or deceive, any prospective policy-holder with respect to an insurer's assets or financial standing, or in any other material respect.

50. Issue of false documents etc

- (1) Any person who, for any purposes of this Act, issues any document which is false or misleading in a material respect, and any person who takes part in the preparation or issue of such a document, or who signs such a document, commits an offence unless he proves -
- (a) if an individual, that he had no knowledge of the falsity or misleading character of the document and took every reasonable precaution to ensure its accuracy; and
 - (b) in any other case, that every person acting on his behalf had no such knowledge, and took every such reasonable precaution, as aforesaid.

PART X - MISCELLANEOUS

51. Notices⁸⁷⁹

- (1) This section has effect in relation to any notice, direction or other document required or authorised by or under this Act to be given to or served on any person other than the Authority.
- (2) Any such document may be given to or served on the person in question—
 - (a) by delivering it to him;
 - (b) by leaving it at his principal place of business; or
 - (c) by sending it to him at that address by facsimile or other similar means which produces a document containing the text of the communication.
- (3) Any such document may in the case of a company be given to or served—
 - (a) by delivering it to the company's principal place of business or registered office in Bermuda; or
 - (b) by sending it by registered post addressed to the company's principal place of business.⁸⁸⁰

POWERS EXERCISABLE TO ASSIST FOREIGN REGULATORY AUTHORITIES⁸⁸¹

51A. [REPEALED]⁸⁸²

51AA Service of notice on Authority⁸⁸³

- (1) No notice required by this Act to be given or served on the Authority shall be regarded as given or served until it is received.
- (2) Subject to subsection (1), such notice may be given by facsimile or other similar means which produces a document containing the text of the communication.⁸⁸⁴

51B. [REPEALED]⁸⁸⁵

51C. [REPEALED]⁸⁸⁶

51D. [REPEALED]⁸⁸⁷

RESTRICTION ON DISCLOSURE OF INFORMATION⁸⁸⁸

52. Restricted information

- (1) Except as provided by sections 52A, 52B and 52C -
 - (a) no person who under or for the purposes of this Act receives information relating to the business or other affairs of any person; and
 - (b) no person who obtains such information directly or indirectly from a person who has received it as aforesaid,

shall disclose the information without the consent of the person to whom it relates and (if different) the person from whom it was received as aforesaid.

- (2) This section does not apply to information which at the time of the disclosure is or has already been made available to the public from other sources or to information in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it.

(3) Any person who discloses information in contravention of this section commits an offence and is liable –

- (a) on summary conviction to a fine of \$50,000 or to imprisonment for two years or to both;
- (b) on conviction on indictment to a fine of \$100,000 or to imprisonment for five years or to both.

52A. Disclosure for facilitating the discharge of functions of the Authority

(1) Section 52 does not preclude the disclosure of information in any case in which disclosure is for the purpose of enabling or assisting the Authority to discharge its functions under this Act.

(2) Without prejudice to the generality of subsection (1), section 52 does not preclude the disclosure of information by the Authority to the auditor of the registered person if it appears to the Authority that disclosing the information would enable or assist the Authority to discharge its functions or would otherwise be in the interests of the policyholders.

52B. Disclosure for facilitating the discharge of functions by other authorities

(1) Section 52 does not preclude the disclosure of information to the Minister or other authority in Bermuda in any case in which the disclosure is for the purpose of enabling or assisting the Minister or other authority to discharge his regulatory functions.

(2) Section 52 does not preclude the disclosure of information for the purpose of enabling or assisting an authority in a country or territory outside Bermuda to exercise functions corresponding to the functions of the Authority under this Act.

(3) Subsection (2) does not apply in relation to disclosure to an authority other than the foreign regulatory authority which has requested the information pursuant to section 30A of the Bermuda Monetary Authority Act 1969 (“the 1969 Act”), of information obtained pursuant to the exercise of powers under section 30B of the 1969 Act unless the Authority has taken into account the matters specified in section 30A(5) of that Act.⁸⁸⁹

(4) Subsection (2) does not apply in relation to disclosure to an authority unless the Authority is satisfied that the authority is subject to restriction on further disclosure at least equivalent to those imposed by sections 52, 52A and this section.

(5) Section 52 does not preclude the disclosure of information –

- (a) for the purpose of enabling or assisting an inspector appointed under section 30 to carry out an investigation;
- (b) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings, whether under this Act or any other Act;
- (c) in connection with any other proceedings arising out of this Act.

(6) Section 52 does not preclude the disclosure by the Authority to the Director of Public Prosecutions or a police officer not below the rank of inspector of information obtained pursuant to section 30 or of information in the possession of the Authority as to any suspected contravention in relation to which the powers conferred by that section is⁸⁹⁰ exercisable.

(7) Information which is disclosed to a person in pursuance of this section shall not be used otherwise than for the purpose mentioned in this section.

52C. Information supplied to the Authority by relevant overseas authority

(1) Section 52 applies to information which has been supplied to the Authority for the purposes of any relevant functions by the relevant supervisory authority in a country or territory outside Bermuda.

(2) Information supplied to the Authority as mentioned in subsection (1) shall not be disclosed except as provided by section 52 or—

- (a) for the purpose of enabling or assisting the Authority to discharge its functions under this Act; or
- (b) with a view to the institution of, or otherwise for the purpose of, criminal proceedings, whether under this Act or any other Act.

(3) In this section –

“relevant functions” in relation to the Authority means its functions under this Act;

“relevant supervisory authority” means the authority discharging in that country or territory functions corresponding to those of the Authority under this Act.

53. Regulations by Minister⁸⁹¹

(1) The Minister acting on the advice of the Authority⁸⁹² may make regulations -

- (a) dividing insurance business into classes for the purposes of any provision of this Act;
- (b) exempting any class of insurance business from any provision of this Act;
- (c) exempting any person or class of persons from any provision of this Act;
- (d) determining the value of assets or the amount of liabilities for the purposes of any provision of this Act;
- (e) without prejudice to paragraph (d), providing that, for any specified purpose, assets or liabilities of any specified class or description shall be left out of account or shall be taken into account only to a specified extent;
- (f) prescribing the information to be contained in any statement or report required by any provision of this Act to be provided, and the manner of presentation of such information;
- (g) prescribing the information to be contained in any register under this Act which is to be made available for inspection by members of the public;
- (h) prescribing the number of copies and the manner of certification of any document required to be furnished under any provision of this Act;
- (i) prescribing anything permitted or required by this Act to be prescribed or that is not otherwise prescribed in the rules for prudential standards made by the Authority in accordance with section 6A;⁸⁹³
- (j) creating offences and prescribing penalties (including imprisonment) for breach of ⁸⁹⁴such offences.

(2) Regulations prescribing the information to be contained in any statutory financial statement or any statutory financial return may provide for enabling the information to be given in a note on, or a statement or report annexed to, the statement or return; or may require there to be given in such a note, statement or report as aforesaid such information in addition to that given in the statement or return as may be prescribed.

(3) Regulations may, as respects such matters stated in any statutory financial statement or any statutory financial return or in statements or reports annexed thereto as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the statutory financial statement or statutory financial return certificates of such matters as may be prescribed.

(4) If a form is prescribed for any statutory financial statement or as that in which information authorized or required to be given in a statement or report annexed to any statutory financial statement is to be given, or for a certificate to be so annexed, the statutory financial statement shall be prepared, the information shall be given or, as the case may be, the certificate shall be framed, in that form.

(4A) Regulations prescribing the information to be contained in any statutory financial statement or statutory financial return may apply retroactively for a period of up to 90 days before their coming into operation.⁸⁹⁵

(5) In this section “Act” includes any regulations.

(6) Regulations made under this section shall be subject to the affirmative resolution procedure.

54. Specific offences

(1) Any person who fails to comply with any duty or prohibition imposed upon him by any provision to which this section applies commits an offence.

(2) This section applies to sections 16, 16A, 17(2), 24(4), 27(2), 28, 29A⁸⁹⁶, 29B, 30(2), 31A, 31AA, 31B, 31C,⁸⁹⁷ 43(5) and 49⁸⁹⁸.

55. General provisions relating to offences

(1) Any person committing an offence against this Act or any regulation for which no penalty is specifically provided may be proceeded against either summarily or on indictment:

Punishment on summary conviction: imprisonment for 12 months or a fine of \$50,000⁸⁹⁹ or both such imprisonment and fine.

Punishment on conviction on indictment: imprisonment for 3 years or a fine of \$150,000⁹⁰⁰ or both such imprisonment and fine.

(2) Where an offence committed against this Act or any regulation by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, commits that offence and is liable⁹⁰¹ to be proceeded against and punished accordingly.

55A Civil debt and civil penalties⁹⁰²

(1) When a person is convicted of an offence under this Act, such person shall not also be liable to a civil penalty imposed by or under section 32D in relation to the same matters.

(2) A civil penalty levied pursuant to this Act may be recovered by the Authority as a civil debt.

56. The Authority may modify certain provisions⁹⁰³

(1) The Authority may, on the application, or with the consent, of any insurer,⁹⁰⁴ direct that all or any of the provisions to which this section applies shall not apply to that insurer or shall apply to it subject to such modifications as may be specified in the⁹⁰⁵ direction.

(2) A⁹⁰⁶ direction under this section may be subject to conditions.

(3) A⁹⁰⁷ direction under this section may be made with retroactive effect.

(4) A⁹⁰⁸ direction under this section may be revoked at any time by the Authority; and the Authority may also vary any such⁹⁰⁹ direction at any time, provided the variation has been applied for, or is consented to, by the insurer affected by the variation.

(5) The provisions to which this section applies are -⁹¹⁰

- (a) the limitations upon the carrying on of general business or, as the case may be, long-term business specified in section 1(4);
 - (b) the provisions of sections ⁹¹¹4 to 4F, ⁹¹²6, 15 to 18, 18B, 27⁹¹³ and 33; and
 - (c) the provisions of any regulations -
 - (i) relating to the limitations referred to in paragraph (a); or
 - (ii) made for the purposes of any of the provisions specified in paragraph (b).
- (6) A direction given under this section is not a statutory instrument having legislative effect⁹¹⁴.

57. Application

- (1) Insurance business of any of the following kinds -
- (a) insurance business carried on by a friendly society registered under the Friendly Societies Act 1868 or by a trade union registered under the Trade Union Act 1965, being business in which risks of members of the friendly society or trade union, as the case may be, are insured;
 - (b) insurance business carried on by the Health Insurance Committee pursuant to the Health Insurance Act 1970⁹¹⁵;
 - (c) the health insurance scheme conducted pursuant to the Government Employees (Health Insurance) Act 1986;
 - (d) housing loan insurance carried on by the Bermuda Housing Corporation under the Bermuda Housing Loan Insurance Act 1984,

shall be deemed not to be insurance business within the meaning of this Act.

- (2) Apart from -
- (a) section 48; and
 - (b) any provision dealt with in subsection (3) of this section,

nothing in this Act or any regulation shall apply in relation to any member of a recognised association of underwriters.

- (3) In relation to a member of a recognised association of underwriters -
- (a) section 3 shall not apply in relation to any member of a recognised association of underwriters who is registered in accordance with paragraph (b) below and carries on his business in accordance with the requirements of that paragraph and with any conditions attached to his registration;
 - (b) sections 9 to 14 and any regulations made for the purposes of those sections shall apply in relation to a member of a recognised association of underwriters as respects the carrying on of insurance business by him in or from within Bermuda as those provisions apply in relation to an insurance manager, broker, agent or salesman acting as such;
 - (c) sections 42 to 44 shall apply in relation to a member of a recognised association of underwriters in the same manner as those sections apply in relation to an insurance manager, broker, agent or salesman;
 - (d) section 54 shall apply as respects the proviso to section 43(5);
 - (e) section 55 shall apply;

- (f) section 1 shall apply to the extent necessary for the interpretation of any other section that applies.

57A. Designated Investment Contracts⁹¹⁶

- (1) For the purposes of this section-

“contract” includes investment or security, and any reference to “parties” in relation to an investment or security shall be taken to be a reference to its issuers and investors; and

“designated investment contract” means-

- (a) any contract (including, but not limited to, any option contract, futures contract, swap contract, derivative contract, contract for differences or security) the purpose of which is to secure a profit or avoid a loss-
 - (i) by reference to fluctuations in the value or price of property of any description, or in an index, or other factor, specified for that purpose in the contract, or
 - (ii) based on the happening of a particular event specified for that purpose in the contract; and
- (b) in relation to which the Authority has given a direction under subsection (2).

- (2) The Authority may direct in writing that a contract falling within paragraph (a) of the definition of designated investment contract in subsection (1), which was submitted to him in draft together with-

- (a) the fee of \$1000, or such other fee as may be prescribed under the Bermuda Monetary Authority Act 1969, and
- (b) such other documents as the Authority may require,

is a designated investment contract for the purposes of this section.

- (3) A direction under this section-

- (a) may be made with retroactive effect;
- (b) may be subject to conditions which may be varied at any time, provided-
 - (i) that the variation has been applied for, or is consented to by the parties to the contract in question; and
 - (ii) that those parties undertake to notify such other persons as the Authority considers may be affected by the variation;
- (c) is not a statutory instrument having legislative effect.

- (4) Being a party to a designated investment contract shall not constitute carrying on insurance business, and a designated investment contract shall not constitute a contract of insurance, for any purposes.

- (5) For the avoidance of doubt, a designated investment contract shall not constitute a bet for the purposes of the Betting Act 1975.

- (6) The Minister may by order amend the definition of designated investment contract in subsection (1), if, after consulting the Authority⁹¹⁷, he considers it necessary to do so; and any such order shall be subject to the negative resolution procedure.

58 Transitional

[OMITTED]

59. Amendment of Act No. 43 of 1971

[OMITTED]

60. Commencement

[OMITTED]

SCHEDULE**MINIMUM CRITERIA FOR REGISTRATION [SECTIONS 5, 11]**

1 (1) Every person who is, or is to be, a controller or officer of a registered person is a fit and proper person to perform functions in relation to any activity carried on by the registered person⁹¹⁸.

(2) In determining whether a person is a fit and proper person to hold any particular position, regard shall be had to his probity, to his competence and soundness of judgement for fulfilling the responsibilities of that position, to the diligence with which he is fulfilling or likely to fulfil those responsibilities and to whether the interests of clients or potential clients of the registered person are, or are likely to be, in any way threatened by his holding that position.

(3) Without prejudice to the generality of the foregoing provisions, regard may be had to the previous conduct and activities in business or financial matters of the person in question and, in particular, to any evidence that he has—

- (a) committed an offence involving fraud or other dishonesty or violence;
- (b) contravened any provision made by or under any enactment appearing to the Authority to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance, investment or other financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts;
- (c) engaged in any business practices appearing to the Authority to be deceitful or oppressive or otherwise improper (whether lawful or not) or which otherwise reflect discredit on his method of conducting business;
- (d) engaged in or has been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgement.

CORPORATE GOVERNANCE⁹¹⁹

1A Insurers shall implement corporate governance policies and processes as the Authority considers appropriate given the nature, size, complexity and risk profile of the insurer.⁹²⁰

BUSINESS TO BE DIRECTED BY AT LEAST TWO INDIVIDUALS

2 If a body corporate, at least two individuals shall effectively direct the business of the registered person.

COMPOSITION OF BOARD OF DIRECTORS

3. If a body corporate, the directors shall include such number (if any) of directors without executive responsibility for the management of its business as the registered person considers

appropriate having regard to the circumstances of the registered person and the nature and scale of its operations; subject to the power of the Authority to review and require the addition of non-executive directors as it may deem appropriate⁹²¹

BUSINESS TO BE CONDUCTED IN PRUDENT MANNER

4 (1) The registered person conducts, or, in the case of a registered person which is not yet carrying on business, will conduct its business in a prudent manner.

(2) In determining whether a registered person is conducting its business in a prudent manner, the Authority shall take into account any failure by the registered person to comply with the provisions of—

- (a) this Act;
- (b) any other law, including provisions of the law pertaining to anti-money laundering and anti-financing of terrorism as provided in the Proceeds of Crime Act 1997, the Anti-Terrorism (Financial and Other Measures) Act 2004 and the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008;
- (c) the code of conduct; and
- (d) international sanctions in force in Bermuda.^{922 923}

(2A) A registered person that is an insurer shall not be regarded as conducting its business in a prudent manner unless it maintains, or as the case may be, will maintain sufficient capital to enable it to meet its insurance obligations given the size, business mix, complexity and risk-profile of its business.⁹²⁴

(2B) An insurance manager, broker, agent or insurance marketplace provider^{925 926} shall not be regarded as conducting his business in a prudent manner unless he maintains or, as the case may be, will maintain sufficient indemnity insurance cover to enable him to meet his business obligations given the nature, scale and complexity of his business.⁹²⁷

(3) A registered person shall not be regarded as conducting its business in a prudent manner unless it maintains or, as the case may be, will maintain adequate accounting and other records of its business and adequate systems of control of its business and records.

(4) Those records and systems shall not be regarded as adequate unless they are such as to enable the business of the registered person to be prudently managed and the registered person to comply with the duties imposed on it by or under this Act or other provision of law; and in determining whether those systems are adequate the Authority shall have regard to the nature and scale of its operations and the functions and responsibilities in respect of them of any such directors of the registered person as are mentioned in paragraph 3.

(5) Subparagraphs (2) to (4) are without prejudice to the generality of subparagraph (1).

CONSOLIDATED SUPERVISION

5 The position of the registered person within the structure of any group to which it may belong shall be such that it will not obstruct the conduct of effective consolidated supervision.

INTEGRITY AND SKILL

6 The business of the registered person is or, in the case of a registered person which is not yet carrying on business, will be carried on with integrity and the professional skills appropriate to the nature and scale of its activities.

BERMUDA

INSURANCE ACCOUNT RULES 2016**BR 8 / 2016**

TABLE OF CONTENTS

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A of the Insurance Act 1978, makes the following Rules:

1 Citation

These Rules may be cited as the Insurance Account Rules 2016.

2 Interpretation

In these Rules—

“the Act” means the Insurance Act 1978;

“affiliate” in relation to an insurer, means a body forming part of a group with that insurer;

“association” has the meaning given in the definition of “group”;

“composite” and “section 24(6) composite” means an insurer which carried on both general business and long-term business;

“consolidated” in relation to insurer’s statutory financial statements means the statutory financial statements which record the assets, liabilities, capital and surplus, income, and expenses of the insurer and its subsidiaries as those of a single economic entity in accordance with the insurer’s adopted Generally Accepted Accounting Principles (GAAP). In determining whether an insurer has control or exercises significant influence over a subsidiary, the insurer’s GAAP shall apply;

“financial return” or “return” means statutory financial return;

“Form” means a Form in Schedule I;

“funds held by ceding reinsurers” means funds held by ceding reinsurers under the terms of contracts of insurance;

“general business statutory assets” and “general business statutory liabilities” means assets and liabilities established in conformity with the requirements of Form 1SFS Column A for the statutory balance sheet of an insurer carrying on general business;

“general purpose financial statements” refers to—

- (a) additional GAAP financial statements prepared in accordance with section 17A(2) of the Act; and
- (b) any condensed general purpose financial statements under section 17A(2A) of the Act, prepared in accordance with these Rules;

“group” means any two or more bodies, whether corporate or unincorporated, that are in association, and two bodies shall for the purposes of these Rules be deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;

“insurer” means a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer;

“non-admitted” means, in relation to an asset, an asset or portion of an asset that is not allowed by these Rules to be taken into account in preparing the statutory balance sheet;

“policy” or “policy of insurance” means any contract of insurance (including any contract to pay an annuity on human life) whether or not there is in being any instrument in writing evidencing the contract;

“policy loan” means a loan made to a policyholder by an insurer carrying on long-term business on the security of the cash surrender value of the policyholder’s policy of insurance;

“policy reserve” means the amount by which the present value of any benefits due under a policy of insurance exceeds the present value of the net premiums payable under the policy;

“quoted” means—

(a) in relation to an investment, an investment which has been granted a quotation or permission to deal on a stock exchange in Bermuda recognized by the Authority for the purposes of the Act, or on any stock exchange or over-the-counter market of repute outside Bermuda;

(b) in relation to the value of an investment, the market value of that investment, being the value listed on such an exchange or over-the-counter market as aforesaid on the last day of the relevant year,

and “unquoted” shall have a corresponding meaning, but any investment by any insurer in an affiliate shall not for any purpose of these Rules be taken to be either a quoted or an unquoted investment;

“relevant year” has the meaning assigned to it in paragraph 3(2);

“retrocessional contract” means a reinsurance contract whereby one reinsurer transfers to another insurer all or part of the reinsurance risk that it has assumed or will assume;

“unconsolidated” in regards to an insurer’s statutory financial statements means the statutory financial statements present investments in affiliates and the insurer’s share of the subsidiary’s net assets and financial results as a line item on the statutory balance sheet and statutory income statement respectively, following the valuation basis of the insurer’s adopted GAAP;

“unearned premiums” means the amount set aside as at the end of an insurer’s financial year out of premiums in respect of risks to be borne by the insurer after the end of that year, and calculated pro rata, under contracts of insurance entered into before the end of that year;

“unrelated business” means, in relation to an insurer, insurance business consisting of insuring risks of persons who are not shareholders in, or affiliates of, the insurer; and “related business”, in relation to an insurer, means insurance business which is not unrelated business.

3 Statutory financial return to relate to relevant year

(1) Every statutory financial return prepared in accordance with these Rules shall relate to the relevant year.

(2) In these Rules, “relevant year” in relation to a statutory financial return means the financial year to which the statutory financial statements relate which are required to be available or filed under section 18 of the Act.

4 Content of statutory financial return

- (1) The statutory financial return shall consist of—
- (a) an insurer information sheet;
 - (b) an auditor's report;
 - (c) a statutory balance sheet;
 - (d) a statutory statement of income;
 - (e) a statutory statement of capital and surplus;
 - (f) notes to the statutory financial statements.
- (2) Paragraphs 5 and 6 have effect as to the form and content of the insurer information sheet and the auditor's report, respectively.
- (3) Every insurer shall file, in accordance with the requirements of these Rules, the statutory financial returns in respect of its insurance business for each financial year.

5 Insurer information sheet

The insurer information sheet shall state—

- (a) the name of the insurer and the title "Statutory Financial Return";
- (b) the certificate of registration number;
- (c) the class or classes of registration;
- (d) whether or not the insurer's statutory financial statements are available at the insurer's principal office in Bermuda pursuant to section 17(1) of the Act, or have been filed pursuant to section 17(3) of the Act;
- (e) the period covered by the insurer's statutory financial statements;
- (f) the currency in which amounts are shown in the insurer's statutory financial statements and whether that currency is the currency in which those amounts are required by paragraph 13(2) to be shown;
- (g) the rate or rates of exchange used in compliance with paragraph 13(4) for the purposes of any statutory financial statement required by these Rules;
- (h) the name of the insurer's ultimate parent company;
- (i) the name of the insurer's parent company;
- (j) the industry sector of the insurer's parent;
- (k) the insurer's ownership structure (for example, mutual company, company limited by shares, limited partnership, permit company, branch insurer, trust company, owned by a government or a government agency);
- (l) the insurer's company structure;
- (m) the nature of the insurance business carried on by the insurer including—
 - (i) whether the insurer is a member of an insurance group;
 - (ii) whether the insurer has segregated accounts;
 - (iii) whether the insurer is in run-off;

- (iv) whether the general purpose financial statements of the insurer for the relevant year have been audited and an unqualified opinion issued;
- (v) the amounts prescribed by paragraph 10 as the minimum margin of solvency for general business insurers, and paragraph 12 as the minimum margin of solvency for long-term business insurers, and whether such margins were met;
- (vi) for general business insurers, whether or not the minimum liquidity ratio applicable to the insurer for the relevant year was met;
- (n) the conditions, if any, which have been imposed on the insurer's registration under section 4 of the Act;
- (o) whether or not the insurer has complied with every condition attached to its certificate of registration;
- (p) the particulars of any direction issued or any other approvals granted by the Authority;
- (q) if any question in clause (m)(v), (m)(vi) or (o) has been answered in the negative, whether or not the insurer has taken corrective action in any case and, where the insurer has taken such action, describe the action in a statement attached to the certificate.

6 Auditor's report

(1) The auditor's report shall be signed by the insurer's approved auditor, addressed to the Authority, and shall state—

- (a) whether in his own opinion the auditor has carried out a proper examination of the insurer's general purpose financial statements, and that the examination was conducted and the audit scope prepared in accordance with an audit standard recognized by the Authority; and
- (b) whether in his own opinion the statutory balance sheet, statutory income statement, and statutory capital and surplus have been prepared in accordance with the Act and these Rules.

(2) Where any event specified in subparagraph (3) occurs in relation to an audit, the auditor shall qualify his report accordingly and include in his report such observations, whether of fact or opinion, as he considers necessary for bringing the nature and effect of the qualifications to the attention of the Authority.

(3) The events referred to in subparagraph (2) are that—

- (a) there were deficiencies in the general purpose financial statement audit consisting of—
 - (i) an inability of the auditor to obtain essential information;
 - (ii) restrictions on the scope of the audit;
 - (iii) some other deficiency or deficiencies;
- (b) the auditor disagreed with any valuation made in the general purpose financial statements;
- (c) in some respect or respects the statutory financial statements do not, in his opinion, comply with the requirements of the Act or any applicable rule;
- (d) the auditor considered that there was a significant doubt as to the insurer's ability to continue as a going concern.

7 Statutory balance sheet, statement of income, statement of capital and surplus

- (1) Subject to paragraph 4, the statutory balance sheet, the statutory statement of income, and the statement of capital and surplus shall be prepared using Form 1SFS, Form 2SFS and Form 8SFS, respectively.
- (2) The insurer shall—
 - (a) consolidate the operation of affiliates in which it has control (as determined by the GAAP principles adopted by the insurer) in the consolidated statutory balance sheet and consolidated statutory statement of income; and
 - (b) prepare the statutory balance sheet and statutory statement of income on an unconsolidated basis.

8 Notes to statutory financial statements

Every insurer shall set forth in a general note to its statutory financial statements the matters required in Schedule II on an unconsolidated basis.

9 Instructions relating to statutory financial statements

- (1) Every insurer shall—
 - (a) prepare its statutory balance sheet in accordance with the instructions in Schedule IV;
 - (b) prepare its statutory statement of income in accordance with the instructions in Schedule V;
 - (c) prepare its statutory statement of capital and surplus in accordance with the instructions in Schedule VI.
- (2) If any instruction in Schedule III, IV, V or VI requires any amount to be shown or any information to be given in a line of a Form, that amount or information must be shown or given on that line notwithstanding that that line or that Form may not contain any express direction or indication where the amount or information is to be shown or given.

10 Minimum margin of solvency for general business

- (1) For the purposes of section 6 of the Act, the minimum amount by which the value of the general business statutory assets of an insurer must exceed its general business statutory liabilities is the greatest of figure A, figure B, figure C and figure D, where those letters represent values calculated, in relation to that insurer, in accordance with Schedule VII.
- (2) The minimum amount prescribed by subparagraph (1) shall not be less than that of figure D, where this letter represents a value calculated, in relation to an insurer, in accordance with Schedule VII.

11 Minimum liquidity ratio for general business

- (1) The minimum proportion that the liquid assets of an insurer carrying on general business may bear to such an insurer's liabilities (in these Rules called "the minimum liquidity ratio") shall be in accordance with this paragraph.
- (2) The value of the relevant assets of an insurer carrying on general business shall be not less than seventy-five per centum of the amount of its relevant liabilities, unless the insurer is a section 24(6) composite.
- (3) The value of the relevant assets of a section 24(6) composite shall be not less than one hundred per centum of the amount of its relevant liabilities.

(4) In this paragraph—

“relevant assets” means the assets required by these Rules in Form 1SFS Column A to be shown on lines 1, 2(f), 3(b), 5(a), 9, 10(d), 11(e) and 12—

- (a) where the insurer is not a section 24(6) composite, of the insurer’s statutory balance sheet for general business;
- (b) where the insurer is a section 24 (6) composite, of the insurer’s statutory balance sheet,

and includes any other assets which the Authority, on application in any particular case made to him with reasons, accepts for the purposes of this definition in that case;

“relevant liabilities” means the aggregate of the insurer’s liabilities required by this Rule in Part I Column A to be show on lines 19 and 38 of the statutory balance sheet less the aggregate of the insurer’s liabilities required by these Rules to be shown on Lines 31(b) and 37 thereof.

12 Minimum margin of solvency for long-term business

(1) For the purposes of section 6 of the Act, the prescribed amount by which the value of the long-term business assets of an insurer carrying on long-term business must exceed its long-term business liabilities is the amount specified in Schedule VIII in relation to the relevant class of long-term insurer.

(2) The amount prescribed in subparagraph (1) shall not be less than the MMS floor specified in Schedule VIII.

(3) In this paragraph “long-term business assets” and “long-term business liabilities” mean assets and liabilities established in conformity with the requirements of this paragraph in Form 1SFS Part II Column A for the statutory balance sheet of an insurer carrying on long-term business.

13 Requirements relating to preparation of statutory financial returns generally

(1) All statutory financial returns shall be prepared in the English language.

(2) All amounts which, for any purposes of these Rules, are to be shown in any account of any insurer shall be shown in a single currency, and that currency shall be the currency in which the books and records of the insurer are kept in the insurer’s principal office in Bermuda or, where different books and records are kept in different currencies in that office, then the currency in which the majority of those books and records are kept.

(3) Notwithstanding subparagraph (2), where the Authority pursuant to section 17(1) of the Act directs the production to it of statutory financial statements and amounts in those statements are shown in a foreign currency, those amounts must be converted into their Bermudian equivalent before the said statements are so produced.

(4) For the purposes of subparagraphs (2) and (3), the Bermudian equivalent of an amount in a foreign currency shall be the Bermudian dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda or any central bank in relation to purchases by that bank of that foreign currency on the last day of the relevant year.

(5) For all items shown in any account of any insurer (other than a statutory open year business revenue statement), there shall be shown the corresponding amounts for the immediately preceding financial year.

14 Condensed general purpose financial statements

The Condensed Financial Statements shall be prepared by completing the—

- (a) condensed consolidated balance sheet;
- (b) condensed consolidated statement of income;
- (c) condensed consolidated statement of capital and surplus; and
- (d) notes to the condensed consolidated general purpose financial statements as prescribed in Schedules IX and X,

and populating the line items therein with the corresponding equivalent values of the line items in the insurer financial statements for the corresponding financial year, taking into account applicable instructions prescribed in Schedule XI.

15 Commencement

These Rules come into operation on 15 March 2016 and apply to financial years commencing on or after 1 January 2016.

SCHEDULES

(paragraphs 2, 8, 9, 10, 12, 14)

The following Schedules, referred to in paragraphs 2, 8, 9, 10, 12 and 14, have been omitted from these Rules and published on the Authority's website www.bma.bm, in accordance with section 6A(8) of the Insurance Act 1978—

SCHEDULE I

Content of Statutory Financial Statements

SCHEDULE II

Notes to Statutory Financial Statements

SCHEDULE III

Instructions Affecting the Statutory Financial Statements

SCHEDULE IV

Instructions Affecting the Statutory Balance Sheet

SCHEDULE V

Instructions Affecting the Statutory Statement of Income

SCHEDULE VI

Instructions Affecting the Statutory Statement of Capital and Surplus

SCHEDULE VII

Minimum Margin of Solvency for General Business

SCHEDULE VIII

Minimum Margin of Solvency for Long-Term Business

SCHEDULE IX

Condensed General Purpose Financial Statements

SCHEDULE X

Notes to Condensed Consolidated General Purpose Financial Statements

SCHEDULE XI

Instructions Affecting the Condensed General Purpose Financial Statements

Made this 3rd day of March 2016

Chairman

The Bermuda Monetary Authority

BERMUDA

INSURANCE (ELIGIBLE CAPITAL) RULES 2012**BR 62 / 2012**

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A(1) of the Insurance Act 1978, makes the following Rules:

1. Citation

These Rules may be cited as the Insurance (Eligible Capital) Rules 2012.

2. Interpretation⁹²⁸

(1) In these Rules—

“the Act” means the Insurance Act 1978;

“available statutory capital and surplus” has the meaning given in section 1(1) of the Act;

“capital instrument” means a financial instrument that is—

(a) admitted for the purpose of calculating an insurer’s total statutory capital and surplus pursuant to Form 8, Line 3 of the Regulations; or

(b) approved as other fixed capital pursuant to Form 8, Line 1(c) of the Regulations;

“ECR” means the “enhanced capital requirement” as defined in section 1(1) of the Act;

“encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the insurer or other person, or any other use restriction, excluding encumbered assets for policyholder obligations of the insurer;

“encumbered assets for policyholder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurer in the event of a loss;

“Form 1A” [REVOKED]⁹²⁹

“Form 1EBS” means Form 1EBS as set out in Schedule XIV of the—⁹³⁰

(a) Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008, for Class 4 or Class 3B insurers; or

(b) Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011, for Class 3A insurers;

“Form 4” [REVOKED]⁹³¹

“Form 4EBS” means Form 4EBS as set out in Schedule XIV of the Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Rules 2011;⁹³²

“Form 6” means Form 6 of Schedule I to the Regulations;

“Form 8” means Form 8 of Schedule I to the Regulations;

“maturity” means the first contractual opportunity for the insurer to repay or redeem the capital instrument without the Authority’s approval, unless it is mandatory that the insurer repay or redeem the instrument with the issuance of an instrument of equal or higher quality;⁹³³

“minimum margin of solvency” has the meaning given in section 1(1) of the Act;

“Regulations” means the Insurance Accounts Regulations 1980;

“statutory economic surplus” means—⁹³⁴

- (a) Form 1EBS, Line 40 less Form 8, Line 1(d); or
- (b) Form 4EBS, Line 40 less Form 8, Line 1(d);

“tier 1 ancillary capital”, in relation to an insurer’s available statutory capital and surplus, is comprised of the matters set out in sub-rule (2);

“tier 1 basic capital”, in relation to an insurer’s available statutory capital and surplus, is comprised of the matters set out in sub-rule (3);

“tier 1 capital” means the aggregate sum of tier 1 basic capital and tier 1 ancillary capital;

“tier 2 ancillary capital”, in relation to an insurer’s available statutory capital and surplus, is comprised of the matters set out in sub-rule (4);

“tier 2 basic capital”, in relation to an insurer’s available statutory capital and surplus, is comprised of the matters set out in sub-rule (5);

“tier 2 capital” means the aggregate sum of tier 2 basic capital and tier 2 ancillary capital;

“tier 3 ancillary capital” is comprised of the matters set out in sub-rule (6);

“tier 3 basic capital” is comprised of the matters set out in sub-rule (7);

“tier 3 capital” means the aggregate sum of tier 3 basic capital and tier 3 ancillary capital;

“total statutory capital and surplus” means the total statutory capital and surplus of the insurer as calculated in accordance with Form 8, Line 3.

(2) Tier 1 ancillary capital is comprised of the matters set out in paragraph (a) and excludes the matters set out in paragraph (b)—

- (a) capital instruments approved by the Authority as other fixed capital pursuant to Form 8, Line 1(c) that—
 - (i) are capable of absorbing losses in a going concern⁹³⁵ either by way of write downs of the principal amount or until losses cease, or mandatory conversion to common stock when losses accumulate⁹³⁶;
 - (ii) have the highest level of subordination in a winding-up;
 - (iii) are paid-up⁹³⁷;
 - (iv) are undated or have an actual maturity⁹³⁸ of not less than 10 years from the date of issuance;
 - (v) are non-redeemable or settled only with the issuance of an instrument of equal or higher quality;
 - (vi) are free of incentives to redeem;
 - (vii) have a coupon payment on the instrument which, upon breach (or if it would cause a breach) in the ECR, is cancellable or deferrable indefinitely;
 - (viii) are unencumbered;
 - (ix) do not contain terms or conditions designed to accelerate or induce an insurer’s insolvency; and

- (x) do not give rise to a right of set off against an insurer's claims and obligations to an investor or creditor;
 - (b) the matters excluded are capital instruments that are included in tier 1 basic capital, tier 2 basic capital, tier 2 ancillary capital, tier 3 basic capital, and tier 3 ancillary capital.
- (3) Tier 1 basic capital is comprised of the matters set out in paragraphs (a), (b) and (c) and excludes the matters set out in paragraph (d)—
- (a) statutory economic surplus subject to the following—^{939 940}
 - (i) plus any adjustments to an insurer's total statutory economic capital and surplus⁹⁴¹ made by the Authority in accordance with section 6D of the Act, or under Rules made under section 6A of the Act;
 - (ii) to the extent the value of encumbered assets for policyholder obligations exceeds the sum of clauses (A), (B) and (C) and to the extent there are encumbered assets for policyholder obligations which would not be available to meet the obligations of any policyholder in a going concern, less the difference between the value of the encumbered assets for policyholder obligations and the sum of—⁹⁴²
 - (A) the value of the policyholder obligations of the insurer for which assets have been held which will be either—
 - 1 the value calculated in accordance with Form 1EBS⁹⁴³, Lines 16 and 17(a)⁹⁴⁴ for Class 3A, Class 3B and Class 4 insurers and Form 4 EBS⁹⁴⁵, Line 27 (a) for Class E, Class D and Class C insurers and Form 6, Lines 16, 17(a),⁹⁴⁶ and 27(a) for composite insurers; or
 - 2 where applicable, the value of the ceding insurer's reserves where the ceding insurer is subject to statutory reserving requirements that are in excess of the Bermuda statutory reserve requirement and the insurer has been required to post collateral to meet the ceding insurer's reserves;
 - (B) the value of the capital requirement applicable to the encumbered assets for policyholder obligations of that insurer; and
 - (C) the value of the capital requirement applicable to the policyholder obligations referred to under clause (A) above; and
 - (iii) where the value of the encumbered assets exceeds the value reflected in Form 1EBS⁹⁴⁷, Form 4 EBS⁹⁴⁸, or Form 6 arising from the relative liability or contingent liability for which the encumbered assets are held, the excess must be deducted;
 - (iv) where the insurer has pledged assets solely for the risk management purpose, such encumbered assets must not be deducted;⁹⁴⁹
 - (b) capital stock as set out in Form 8, Line 1(a)(i) and contributed surplus as set out in Form 8, Line 1(b), excluding preference shares;
 - (c) capital instruments as set out in Form 8, Line 1(a)(ii) not requiring an approval to be admitted for the purpose of calculating an insurer's total statutory economic capital and surplus⁹⁵⁰ pursuant to Form 8, Line 3 that—
 - (i) are capable of absorbing losses in a going concern^{951, 952};

- (ii) have the highest level of subordination in a winding-up;
 - (iii) are paid-up⁹⁵³;
 - (iv) are undated or have an actual maturity⁹⁵⁴ of not less than 10 years from the date of issuance;
 - (v) are non-redeemable or settled only with the issuance of an instrument of equal or higher quality;
 - (vi) are free of incentives to redeem;
 - (vii) have a coupon payment on the instrument which, upon breach (or if it would cause a breach) in the ECR, is cancellable or deferrable indefinitely;
 - (viii) are unencumbered;
 - (ix) do not contain terms or conditions designed to accelerate or induce an insurer's insolvency; and
 - (x) do not give rise to a right of set off against an insurer's claims and obligations to an investor or creditor;
- (d) the matters excluded are capital instruments and other amounts that are included in tier 1 ancillary capital, tier 2 basic capital, tier 2 ancillary capital, tier 3 basic capital, and tier 3 ancillary capital.
- (4) Tier 2 ancillary capital is comprised of the matters set out in paragraphs (a) and (b) and excludes the matters set out in paragraph (c)—
- (a) capital instruments approved by the Authority as other fixed capital pursuant to Form 8, Line 1(c) that would otherwise qualify for tier 1 ancillary capital or tier 1 basic capital instruments but are callable on demand and are unpaid;
 - (b) capital instruments approved by the Authority as other fixed capital pursuant to Form 8 Line 1(c) that—
 - (i) are subordinated to policyholder obligations in a winding-up;
 - (ii) are undated or have an actual maturity⁹⁵⁵ of not less than five years from the date of issuance;
 - (iii) are non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality;
 - (iv) are free of incentives to redeem;
 - (v) have a coupon payment which is deferrable indefinitely when the ECR is breached;
 - (vi) are unencumbered;
 - (vii) do not contain terms or conditions designed to accelerate or induce an insurer's insolvency; and
 - (viii) do not give rise to a right of set off against an insurer's claims and obligations to the investor or creditor;
 - (c) the matters excluded are capital instruments that are included in tier 1 ancillary capital, tier 1 basic capital, tier 2 basic capital, tier 3 basic capital, and tier 3 ancillary capital.

(5) Tier 2 basic capital is comprised of the matters set out in paragraphs (a) and (b) and excludes the matters set out in paragraph (c)—

- (a) capital instruments as set out in Form 8, line 1(a)(ii) not requiring an approval to be admitted for the purpose of calculating an insurer's total statutory capital and surplus pursuant to Form 8, line 3 that—
 - (i) are capable of absorbing moderate levels of losses on a going concern, including suspension of coupon payments if the ECR is breached;
 - (ii) are subordinated to policyholder obligations in a winding-up;
 - (iii) are undated or have an actual maturity⁹⁵⁶ of not less than five years from the date of issuance;
 - (iv) are non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality;
 - (v) are free of incentives to redeem;
 - (vi) have a coupon payment which is deferrable indefinitely when the ECR is breached;
 - (vii) are unencumbered;
 - (viii) do not contain terms or conditions designed to accelerate or induce an insurer's insolvency; and
 - (ix) do not give rise to a right of set off against an insurer's claims and obligations to an investor or creditor;
- (b) the value deducted pursuant to sub-rule (3)(a)(ii);
- (c) the matters excluded are capital instruments and other amounts that are included as tier 1 ancillary capital, tier 1 basic capital, tier 2 ancillary capital, tier 3 basic capital, and tier 3 ancillary capital.

(6) Tier 3 ancillary capital is comprised of the matters set out in paragraph (a) and excludes the matters set out in paragraph (b)—

- (a) capital instruments approved by the Authority as other fixed capital pursuant to Form 8 Line 1(c) that—
 - (i) are subordinated to policyholder obligations in a winding-up;
 - (ii) are unencumbered;
 - (iii) are undated or have a maturity of not less than three years from the date of issuance;
 - (iv) do not contain terms or conditions designed to accelerate or induce an insurer's insolvency;
 - (v) do not give rise to a right of set off against an insurer's claims and obligations to the investor or creditor;
 - (vi) are non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality;
 - (vii) have a coupon payment on the instrument which, upon breach (or if it would cause a breach) in the minimum margin of solvency, is cancellable or deferrable indefinitely;

- (b) the matters excluded are capital instruments that are included in tier 1 ancillary capital, tier 1 basic capital, tier 2 ancillary capital, tier 2 basic capital, and tier 3 basic capital.
- (7) Tier 3 basic capital is comprised of the matters set out in paragraph (a) and excludes the matters set out in paragraph (b)—
- (a) capital instruments as set out in Form 8, Line 1(a)(ii) not requiring an approval to be admitted in calculating an insurer's total statutory capital and surplus pursuant to Form 8 Line 3 that—
 - (i) are subordinated to policyholder obligations in a winding-up;
 - (ii) are unencumbered;
 - (iii) are undated or have a maturity of not less than three years from the date of issuance;
 - (iv) are non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality;
 - (v) do not contain terms or conditions designed to accelerate or induce an insurer's insolvency;
 - (vi) do not give rise to a right of set off against an insurer's claims and obligations to the investor or creditor; and
 - (vii) have a coupon payment on the instrument which, upon breach (or if it would cause a breach) in the minimum margin of solvency, is cancellable or deferrable indefinitely;
 - (b) the matters excluded are capital instruments and other amounts that are included in tier 1 ancillary capital, tier 1 basic capital, tier 2 ancillary capital, tier 2 basic capital, and tier 3 ancillary capital.
- (8) For the purposes of these Rules, "the capital requirement applicable to the encumbered assets for policyholder obligations and the capital requirement applicable to the policyholder obligations"⁹⁵⁷ means the following—
- (a) the capital requirement is equal to the contribution of the pledged assets and the policyholder obligations⁹⁵⁸ to the ECR, multiplied by the quotient of the minimum margin of solvency, divided by the ECR, when determining whether an insurer's available statutory capital and surplus meets its minimum margin of solvency; and
 - (b) the capital requirement is equal to the contribution of the pledged assets and the policyholder obligations⁹⁵⁹ to the ECR, when determining whether an insurer's available statutory capital and surplus meets its ECR.
- (9) For the purposes of these Rules, provided the capital instruments meet all other requirements of sub-rule (2) to (7), as applicable—
- (a) tier 1 capital and tier 2 capital may include capital instruments that do not satisfy the requirement that the coupon payment on the instrument would be cancellable or deferrable indefinitely upon breach (or if it would cause a breach) in the ECR until 1 January 2026;^{960 961}
 - (b) tier 3 capital may include capital instruments that do not satisfy the requirement that the coupon payment on the instrument would be cancellable or deferrable indefinitely upon breach (or if it would cause a breach) in the minimum margin of solvency until 1 January 2026; or^{962 963}

- (c) tier 1 capital, tier 2 capital and tier 3 capital may include capital instruments that do not satisfy the requirement that the instrument be non-redeemable or settled only with the issuance of an instrument of equal or higher quality upon breach (or if it would cause a breach) in the ECR until 1 January 2026.^{964 965}

3. Available Statutory Capital and Surplus⁹⁶⁶

- (1) Every Class 3A, Class 3B, Class 4, Class C, Class D⁹⁶⁷ and Class E insurer shall maintain available statutory capital and surplus of an amount that is equal to or exceeds the value of its minimum margin of solvency in accordance with sub-rule (2).
- (2) For the purposes of sub-rule (1), the available statutory capital and surplus is an amount equal to the sum of the following amounts—
- (a) an amount of the insurer's tier 1 capital which shall be not less than 80% of the value of the insurer's minimum margin of solvency; and
 - (b) an amount of the insurer's tier 2 capital which shall be not more than 25% of the amount of paragraph (a).
- (3) Every Class 3A, Class 3B, Class 4, Class C, Class D⁹⁶⁸ and Class E insurer shall maintain available statutory capital and surplus of an amount that is equal to or exceeds the value of its ECR in accordance with sub-rule (4) or (5).
- (4) In the case of a Class 3B and Class 4 insurer, the available statutory capital and surplus shall be equal to the sum of the following amounts—
- (a) an amount of the insurer's tier 1 capital which shall be not less than 60% of the value of the insurer's ECR;
 - (b) an amount of the insurer's tier 2 capital which shall not be more than 66.67% of the amount of paragraph (a); and
 - (c) an amount of the insurer's tier 3 capital which shall not be more than 17.65% of the aggregate sum of paragraphs (a) and (b) to the extent that the aggregate sum of paragraph (b) and this paragraph (c) do not exceed 66.67% of the amount of paragraph (a).
- (5) In the case of a Class 3A, Class C, Class D⁹⁶⁹ and Class E insurer, the available statutory capital and surplus shall be equal to the sum of the following amounts—
- (a) an amount of the insurer's tier 1 capital which shall be not less than 50% of the value of the insurer's ECR;
 - (b) an amount of the insurer's tier 2 capital which shall not be more than the amount of sub-rule (a); and
 - (c) an amount of the insurer's tier 3 capital which shall not be more than 17.65% of the aggregate of paragraphs (a) and (b) to the extent that the aggregate sum of paragraph (b) and this paragraph (c) do not exceed the amount of paragraph (a).

4. Commencement

These Rules come into operation on 1 January 2013.

Made this 4th day of June 2012

Chairman The Bermuda Monetary Authority

BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) RULES 2008

BR 83 / 2008

In exercise of the powers conferred upon the Bermuda Monetary Authority by section 6A of the Insurance Act 1978, the following Order is made—

1. Citation and commencement

These Rules may be cited as the Insurance (Prudential Standards) (Class 4 and Class 3B⁹⁷⁰ Solvency Requirement) Rules⁹⁷¹ 2008 and shall come into operation on the 31st day of December 2008.

2. Interpretation

In this Order—

“Act” means the Insurance Act 1978;

“approved internal capital model” means a model approved under paragraph 5;

“available statutory capital and surplus” [REVOKED];⁹⁷²

“available statutory economic capital and surplus” means the amount shown in Line 40 of Form 1EBS as set out in these Rules;⁹⁷³

“BSCR model” means the Bermuda Solvency Capital Requirement model established in accordance with paragraph 4 and Schedule I;

“business continuity risk” includes a risk of an event that threatens or disrupts an insurer’s continuous operations;⁹⁷⁴

“business processes risk” includes a risk of errors arising from data entry, data processing, or application design;⁹⁷⁵

“catastrophe risk” means the risk of a single catastrophic event or series of catastrophic events that lead to a significant deviation in actual claims from the total expected claims;⁹⁷⁶

“compliance risk” includes a risk of legal or regulatory breaches or both;⁹⁷⁷

“concentration risk” means the risk of exposure to losses associated with inadequate diversification of portfolios of assets or obligations;⁹⁷⁸

“credit risk” includes the risk of loss arising from an insurer’s inability to collect funds from debtors;⁹⁷⁹

“currency risk” means the risk of losses resulting from movements in foreign currency exchange risks;⁹⁸⁰

“distribution channel risk” includes a risk of disruption to an insurer’s distribution channel arising from employment of inexperienced or incapable brokers or agents.⁹⁸¹

“double or multiple gearing” means the same capital being used towards satisfying regulatory capital requirements in two or more entities;⁹⁸²

“EBS Valuation basis” means the Economic Balance Sheet valuation principles to be complied with by a relevant Class 4 or 3B insurer in accordance with the Instructions Affecting Form 1EBS under Schedule XIV;⁹⁸³

“ECR” means the enhanced capital requirement within the meaning of section 1(1) of the Act;

“encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the insurer or other person or any other use restriction, excluding encumbered assets for policyholder obligations of the insurer;⁹⁸⁴

“encumbered assets for policy holder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurer in the event of a loss;⁹⁸⁵

“Form 1A” [REVOKED]⁹⁸⁶

“Form 1EBS” means Schedule XIV Class 4 and Class 3B Statutory Economic Balance Sheet set out in these Rules;⁹⁸⁷

“fraud risk” includes a risk of misappropriation of assets, information theft, forgery or fraudulent claims;⁹⁸⁸

“group” means any two or more bodies, whether corporate or unincorporated, that are in association, and two bodies are deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;⁹⁸⁹

“group risk” means any risk of any kind, arising from membership of a group;⁹⁹⁰

“human resources (‘HR’) risk” includes a risk of employment of unethical staff, inexperienced or incapable staff, failure to train or retain experienced staff, and failure to adequately communicate with staff;⁹⁹¹

“information technology (‘IT’) risk” includes a risk of unauthorized access to systems and data, data loss, utility disruptions, software and hardware failures, and inability to access information systems;⁹⁹²

“interest rate risk” means the risk that asset values are adversely affected by changes in current interest rates;⁹⁹³

“legal risk” means the risk arising from (a) an insurer’s failure to comply with statutory or regulatory obligations; or (b) failure to comply with its bye-laws; or (c) failure to comply with any contractual agreement;⁹⁹⁴

“liquidity risk” means (a) the risk arising from an insurer’s inability to meet its obligations as they fall due or (b) an insurer’s inability to meet such obligations except at excessive cost;⁹⁹⁵

“market risk” means the risk arising from fluctuations in values of, or income from, assets or in interest rates or exchange rates;⁹⁹⁶

“material intra-group transaction”⁹⁹⁷ means-

- (a) an intra-group transaction where the total value is greater than or equal to 5% of the insurer’s available capital and surplus;
- (b) a series of linked intra-group transactions that have a cumulative value that is greater than or equal to 10% of the insurer’s available capital and surplus; or
- (c) an intra-group transaction where the qualitative risk characteristics of an intra-group transaction are assessed as high risk (including liquidity and solvency risk implications) and may adversely impact existing policyholders even though the quantitative impact remains unknown;⁹⁹⁸

“materialised” for the purposes of paragraph 6AB means transactions that have come into existence since the last financial return filed by the insurer with the Authority;⁹⁹⁹

“operational risk” means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk;¹⁰⁰⁰

“outsourcing risk” includes a risk of mis-communication of responsibilities in relation to outsourcing, breach of outsource service agreements or entering into inappropriate outsource service agreements.¹⁰⁰¹

“premium risk” means the risk that premium is insufficient to meet future obligations;¹⁰⁰²

“relevant year” in relation to an insurer, means its financial year; and

“reputational risk” includes risk of adverse publicity regarding an insurer’s business practices and associations;¹⁰⁰³

“reserve risk” means the risk that an insurer’s technical¹⁰⁰⁴ provisions would be insufficient to satisfy its obligations;¹⁰⁰⁵

“strategic risk” means the risk of an insurer’s inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;¹⁰⁰⁶

“Tail Value-at-Risk” means the conditional average potential given that the loss outcome exceeds a given threshold;¹⁰⁰⁷

“unaffiliated” means a body that is not a member of a group of which the insurer is a member.¹⁰⁰⁸

3. ECR

(1) An insurer’s ECR shall be calculated at the end of its relevant year by reference to the following—

- (a) the BSCR model; or
- (b) an approved internal capital model,

provided that the ECR shall at all times be an amount equal to, or exceeding, the margin of solvency (within the meaning of section 6 of the Act).

(2) The ECR applicable to an insurer shall be the ECR as calculated—

- (a) at the end of its most recent relevant year; or
- (b) the ECR calculated after an adjustment has been made by the Authority under section 6D and has not otherwise been suspended under section 44A (4) of the Act,¹⁰⁰⁹

whichever is later.

(3) Every Class 3B or ¹⁰¹⁰Class 4 insurer shall maintain available statutory economic¹⁰¹¹ capital and surplus to an amount that is equal to or exceeds the value of the ECR.

4. BSCR model

Schedule I (which establishes the BSCR) has effect.

5. Approved internal capital model

(1) A Class 3B or ¹⁰¹²Class 4 insurer may apply to the Authority for approval to use an internal capital model in substitution for the BSCR model (“approved internal capital model”).

(2) Where the Authority is satisfied, having regard to subparagraph (3) that it is appropriate to do so, it may approve the internal capital model and may make its approval subject to conditions.

- (3) In considering an application for approval of an internal capital model the Authority shall have regard to the following matters—
- (a) the appropriateness of the internal capital model for the determination of the insurer's capital requirement;
 - (b) the extent to which the internal capital model has been integrated into the insurer's risk management program; and
 - (c) the appropriateness of controls applicable to the creation and maintenance of the insurer's internal capital model.
- (4) The Authority shall serve notice on the insurer of the following matters—
- (a) its decision to approve its internal capital model; or
 - (b) its decision to not approve its internal capital model and the reason for its decision.
- (5) An insurer served with a notice under subparagraph (4)(b) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to confirm its decision not to approve its internal capital model.
- (6) The Authority may revoke the approval given under subparagraph (2) if satisfied that the insurer has breached a condition of the approval, or where the approved internal capital model is deemed by the Authority no longer appropriate for the determination of the ECR.¹⁰¹³
- (7) The Authority shall serve notice to the insurer of its proposal to revoke its approval of the insurer's internal capital model and the reasons for its proposal.
- (8) An insurer served with a notice under subparagraph (7) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval.

6. Capital and solvency return

- (1) Schedules II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IV, IVC, IVD, IVE, V, VI, IX, X, XI, XII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXIII and XXIV have effect.^{1014 1015 1016 1017 1018 1019 1020}
- (2) Every Class 3B or ¹⁰²¹ Class 4 insurer shall make a capital and solvency return to the Authority in accordance with Schedules I, II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IV, IVC, IVD, IVE, V, VI, IX, X, XI, XII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXIII and XXIV.^{1022 1023 1024 1025 1026 1027 1028}
- (2A) A capital and solvency return shall comprise the following —¹⁰²⁹
- (a) an electronic version of the BSCR model; and ¹⁰³⁰
 - (b) printed versions of the returns prescribed in Schedules II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IV, IVC, IVD, IVE, V, VI, IX, X, XI, XII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXIII and XXIV.^{1031 1032 1033 1034 1035 1036}, and
 - (c) [REVOKED]
- (3) An insurer shall, on or before its filing date, furnish the Authority with its capital and solvency return.
- (3A) An insurer shall, at the time of furnishing its capital and solvency return in accordance with subparagraph (3), also file with the Authority an opinion of its loss reserve specialist, which takes into account its technical provisions calculated in accordance with Line 19 of Form 1EBS and Schedule XV.¹⁰³⁷

(4) An insurer shall keep a copy of its capital and solvency return at its principal office for a period of five years beginning with its filing date, and shall produce it to the Authority if so directed by it on or before a date specified in the direction.

(5) [REVOKED]¹⁰³⁸

6A. Declaration of capital and solvency returns¹⁰³⁹

Every capital and solvency return made by an insurer under paragraph 6 shall be accompanied with a declaration signed by—¹⁰⁴⁰

- (a) two directors of the insurer, one of which may be the chief executive; and
- (b) either the chief risk officer of the insurer, or the chief financial officer of the insurer,

declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurer in all material respects.¹⁰⁴¹

6AB. Quarterly financial return^{1042 1043}

(1) Every insurer, where the insurer is not a member of a group for which the Authority is the group supervisor, shall prepare and file quarterly financial returns with the Authority on or before the last day in the months of May, August and November of every year.

(2) An insurer's quarterly financial returns shall comprise the following—

- (a) quarterly unaudited financial statements in respect of its business for each financial quarter, such statements should be the most recent produced by the insurer, and must not reflect a financial position that exceeds two months; and
- (b) intra-group transactions that the insurer is a party to and the insurer's risk concentrations which include—
 - (i) details of material intra-group transactions that have materialised since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including (where applicable)—
 - (A) exposure value (face value or market value, if the latter is available);
 - (B) counterparties involved including where they are located;
 - (C) summary details of the transactions including purpose, terms and transaction costs;
 - (D) duration of the transaction; and
 - (E) performance triggers;
 - (ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements that have materialised since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including—
 - (A) aggregated values of the exposure limits (gross and net) by counterparties broken down by counterparty rating;
 - (B) aggregated premium flows between counterparties (gross and net); and
 - (C) the proportion of the insurer's insurance business exposure covered by internal reinsurance, retrocession and other risk transfer insurance business arrangements;

- (iii) details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures exceeding 10% of the insurer's statutory capital and surplus, including—
 - (A) name of unaffiliated counterparty, including where the counterparty is located;
 - (B) exposure values (face value or market value, if the latter is available); and
 - (C) transaction type.
- (3) Quarterly unaudited financial statements shall minimally include a balance sheet and income statement.
- (4) The information required to be included in the quarterly unaudited financial statements shall be information calculated to fulfil (in addition to any other purposes for which these Rules may require) the following purposes—
 - (a) to give as early a warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the insurer of any ECR, or in any other way) of any financial or operational difficulties into which the insurer's business has fallen or might appear likely to fall; and
 - (b) to provide the basis on which the Authority or any other authority may in good time take action under the Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurer's business.
- (5) In the exercise of its powers under section 6C of the Act, and without prejudice to the generality of that section, the Authority may direct that an insurer be exempt from filing the information required to be filed or modify the requirements under subparagraph (1) where—
 - (a) the insurer is able to file with the Authority relevant information that is filed with the Group Supervisor of the group for which the insurer is a member that would satisfy the filing requirements under subparagraph (1) and with the timelines as directed under that subparagraph; or
 - (b) the Authority is able to obtain relevant information from the Group Supervisor of the group for which the insurer is a member pertaining to the information required to be filed under subparagraph (1) and within the timelines as directed under that subparagraph.

6B. Offences [REVOKED]^{1044 1045}

SCHEDULES

[The Schedules to these Rules have been omitted. They are available for inspection at the offices of the Bermuda Monetary Authority or on the website www.bma.bm.]

Made this 19th day of December, 2008

Alan Richardson

Chairman

Bermuda Monetary Authority

BERMUDA**INSURANCE (PRUDENTIAL STANDARDS) (CLASS 3A SOLVENCY REQUIREMENT) RULES 2011****BR 73 / 2011**

[Operative Date: 23 December 2011]

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules:

1. Citation

These Rules may be cited as the Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011.

2. Interpretation

In these Rules—

“Act” means the Insurance Act 1978;

“approved internal capital model” means a model approved under paragraph 5;

“available statutory capital and surplus” [REVOKED]¹⁰⁴⁶;

“available statutory economic capital and surplus” means the amount shown in Line 40 of Form 1EBS as set out in these Rules;¹⁰⁴⁷

“BSCR-SME model” means the Bermuda Solvency Capital Requirement - Small and Medium-Sized Entities model referred to in paragraph 4 and Schedule I;

“catastrophe risk” means the risk of a single catastrophic event or series of catastrophic events that lead to a significant deviation in actual claims from the total expected claims;

“concentration risk” means the risk of exposure to losses associated with inadequate diversification of portfolios of assets or obligations;

“credit risk” includes the risk of loss arising from an insurer’s inability to collect funds from debtors;

“currency risk” means the risk of losses resulting from movements in foreign currency exchange risks;¹⁰⁴⁸

“EBS valuation basis” means the Economic Balance Sheet valuation principles to be complied with by a relevant Class 3A insurer in accordance with the Instructions Affecting Form 1EBS under Schedule XIV;¹⁰⁴⁹

“ECR” means the enhanced capital requirement as defined in section 1(1) of the Act;

“encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the insurer or other person or any other use restriction, excluding encumbered assets for policyholder obligations of the insurer;

“encumbered assets for policyholder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurer in the event of a loss;

“Form 1A” [REVOKED];¹⁰⁵⁰

“Form 1EBS” means Schedule XIV Class 3A Statutory Economic Balance Sheet set out in these Rules¹⁰⁵¹;

“Form 2A” means the Statutory Statement of Income (General Business) set out in Schedule I of the Insurance Accounts Regulations 1980;

“Form 8” means the Statutory Statement of Capital and Surplus set out in Schedule I of the Insurance Accounts Regulations 1980;

“group risk” means any risk of any kind arising from membership of a group;

“insurance underwriting risk” means any or all of the following—

- (a) premium risk;
- (b) reserve risk; or
- (c) catastrophe risk;

“legal risk” means the risk arising from an insurer’s failure to comply with—

- (a) a statutory or regulatory obligation;
- (b) its bye-laws; or
- (c) its contractual agreement;

“liquidity risk” means the risk arising from an insurer’s inability to meet its obligations as they fall due, or to meet such obligations except at excessive cost;

“market risk” means the risk arising from fluctuations in—

- (a) the value of assets or interest rates or exchange rates; or
- (b) income from assets or interest rates or exchange rates;

“operational risk” means the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risk;

“policyholder obligations” for the purposes of these Rules, mean the obligations set out in the aggregate Lines of 16(a), 17(a) and 18 of Form 1EBS under Schedule XIV as set out in these Rules;^{1052 1053}

“premium risk” means the risk that premium is insufficient to meet future obligations;

“relevant year” in relation to an insurer, means its financial year;

“reputational risk” includes risk of adverse publicity regarding an insurer’s business practices and associations;

“reserve risk” means the risk that an insurer’s technical provisions¹⁰⁵⁴ may be insufficient to satisfy its obligations;

“strategic risk” means the risk of an insurer’s inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;

“tail value-at-risk” (or “TVaR”) means the conditional average potential given that the loss outcome exceeds a given threshold.

3. ECR

- (1) An insurer’s ECR shall be calculated at the end of its relevant year by reference to—

- (a) the BSCR-SME model; or
- (b) an approved internal capital model,

provided that the ECR shall at all times be an amount equal to or exceeding the minimum margin of solvency, as prescribed by section 6 of the Act.

(2) The ECR applicable to an insurer shall be—

- (a) the ECR calculated at the end of its most recent relevant year; or
- (b) the ECR calculated after an adjustment has been made by the Authority under section 6D of the Act and has not otherwise been suspended under section 44A(4) of the Act,

whichever is later.

(3) Every insurer shall maintain available statutory economic¹⁰⁵⁵ capital and surplus to an amount that is equal to or exceeds the value of the ECR.

(4) Notwithstanding subparagraph (3), the ECR shall be phased in over a period of three years as follows—

- (a) the applicable ECR for the financial year ending 2011 shall be 50% of the amount determined by Schedule I or an approved internal capital model;
- (b) the applicable ECR for the financial year ending 2012 shall be 75% of the amount determined by Schedule I or an approved internal capital model; and
- (c) the applicable ECR for the financial year ending 2013 and beyond shall be the full amount determined by Schedule I or an approved internal capital model.

4. BSCR-SME model

The BSCR-SME model, set out in Schedule I, has effect.

5. Approved internal capital model

(1) An insurer may apply to the Authority for approval of an internal capital model to be used in substitution of the BSCR-SME model.

(2) Where the Authority is satisfied, having regard to subparagraph (3) that it is appropriate to do so, it may approve the internal capital model and may make its approval subject to conditions.

(3) In considering an application for approval of an internal capital model the Authority shall have regard to the following matters—

- (a) the appropriateness of the internal capital model for the determination of the insurer's capital requirement;
- (b) the extent to which the internal capital model has been integrated into the insurer's risk management program; and
- (c) the appropriateness of controls applicable to the creation and maintenance of the insurer's internal capital model.

(4) The Authority shall serve notice on an insurer of the following matters—

- (a) its decision to approve the internal capital model; or
- (b) its decision to not approve the internal capital model and the reason for its decision.

(5) An insurer served with a notice under subparagraph (4)(b) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations

have been made, the Authority shall take them into account in deciding whether to confirm its decision not to approve the insurer's internal capital model.

(6) The Authority may revoke the approval given under subparagraph (2) if satisfied that the insurer has breached a condition of the approval, or where the approved internal capital model is deemed by the Authority as no longer appropriate for determining the ECR.

(7) The Authority shall serve notice on the insurer of its proposal to revoke its approval of the insurer's internal capital model and the reason for its proposal.

(8) An insurer served with a notice under subparagraph (7) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval.

6. Capital and solvency return

(1) Schedules I, II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IV, IVC, IVD, IVE, V, VI, IX, X, XII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXIII and XXIV to these Rules have effect. ^{1056 1057 1058 1059}

(2) Every insurer shall make a capital and solvency return to the Authority which shall comprise the following documents—

- (a) an electronic version of the BSCR-SME model and the returns prescribed under Schedules II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IV, IVC, IVD, IVE, V, VI, IX, X, XII, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXIII and XXIV; and ^{1060 1061 1062 1063}
- (b) where applicable, a printed copy of an approved internal capital model.

(3) An insurer shall, on or before its filing date, furnish the Authority with its capital and solvency return.

(3A) An insurer shall, at the time of furnishing its capital and solvency return in accordance with subparagraph (3), also file with the Authority an opinion of its loss reserve specialist, which takes into account its technical provisions calculated in accordance with Line 19 of Form 1EBS and Schedule XV. ¹⁰⁶⁴

(4) An insurer shall keep a copy of its capital and solvency return at its principal office for a period of five years beginning with its filing date, and shall produce a copy of the return to the Authority, if so directed by the Authority, on or before a date specified in the direction.

(5) In this paragraph, "filing date" has the meaning given in section 17(4) of the Act.

6A. Declaration of capital and solvency returns¹⁰⁶⁵

Every capital and solvency return made by an insurer under paragraph 6 shall be accompanied with a declaration signed by two directors of the insurer and by the insurer's principal representative declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurer in all material respects.

7. Commencement

These Rules come into operation on 31 December 2011.

SCHEDULES

[The Schedules to these Rules have been omitted. They are available for inspection at the offices of the Bermuda Monetary Authority or on the website www.bma.bm.]

Made this 23rd day of December 2011

Chairman

The Bermuda Monetary Authority

BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (CLASS C, CLASS D AND CLASS E SOLVENCY REQUIREMENT) RULES 2011¹⁰⁶⁶

BR 72 / 2011

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules—

1. Citation

These Rules may be cited as the Insurance (Prudential Standards) (Class C, Class D and¹⁰⁶⁷ Class E Solvency Requirement) Rules 2011.

2. Interpretation

In these Rules—

“Act” means the Insurance Act 1978;

“accident and health insurance” means an insurance that pays a benefit or benefits in the event of the person insured incurring an insured injury, illness or infirmity;

“annuity” means insurance that provides savings or income benefits during the lifetime of the person insured or some limited period thereafter;

“approved internal capital model” means an internal capital model approved under paragraph 5;

“available statutory capital and surplus” [REVOKED]¹⁰⁶⁸

“available statutory economic capital and surplus” means the amount shown in Line 40 of Form 4EBS as set out in these Rules;¹⁰⁶⁹

“business continuity risk” includes a risk of an event that threatens or disrupts an insurer’s continuous operations;

“business processes risk” includes a risk of errors arising from data entry, data processing, or application design;

“Class E BSCR model” means the Bermuda Solvency Capital Requirement model established in accordance with paragraph 4 and Schedule I which is applicable to all Class E insurers;

“compliance risk” includes a risk of legal or regulatory breaches or both;

“credit risk” includes the risk of loss arising from an insurer’s inability to collect funds from debtors;

“critical illness insurance” means a form of accident and health insurance that pays a benefit if the person insured incurs a predefined major illness or injury;

“currency risk” means the risk of losses resulting from movements in foreign currency exchange risks;¹⁰⁷⁰

“disability income insurance” means a form of accident and health insurance that pays a benefit for a fixed period of time during disability;

“distribution channel risk” includes a risk of disruption to an insurer’s distribution channel arising from employment of inexperienced or incapable brokers or agents;

“EBS Valuation basis” means—¹⁰⁷¹

- (a) in relation to a Class D or E insurer, the Economic Balance Sheet valuation principles to be complied with by a relevant Class D or E insurer in accordance with the Instructions Affecting Form 4EBS under Schedule XIV;
- (b) in relation to a Class C insurer, the Economic Balance Sheet valuation principles to be complied with in accordance with the Instructions Affecting Form 4EBS under Part XIV of Schedule XIII;

“ECR” means the enhanced capital requirement as defined in section 1(1) of the Act;

“encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the insurer or other person or any other use restriction, excluding encumbered assets for policyholder obligations of the insurer;

“encumbered assets for policyholder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurer in the event of a loss;

“Form 4” [REVOKED]¹⁰⁷²;

“Form 4EBS” means Schedule XIV Class C, Class D and Class E Statutory Economic Balance Sheet set out in these Rules;¹⁰⁷³

“fraud risk” includes a risk of misappropriation of assets, information theft, forgery or fraudulent claims;

“group life, health and disability insurance” means insurance that is issued to insureds through a group arrangement such as through an employer or association;

“group risk” means any risk of any kind, arising from membership of a group;

“human resources (or “HR”) risk” includes a risk of employment of unethical staff, inexperienced or incapable staff, failure to train or retain experienced staff, and failure to adequately communicate with staff;

“information technology (or “IT”) risk” includes a risk of unauthorized access to systems and data, data loss, utility disruptions, software and hardware failures, and inability to access information systems;

“insurance rate risk” means the risk of fluctuations or deterioration in the experience affecting the cost of benefits payable to policyholders or impacting upon the amounts held to provide for policyholder obligations;

“interest risk” means the risk that relates to asset values being adversely affected by changes in current interest rates;

“legal risk” means the risk arising from an insurer’s failure to—

- (a) comply with statutory or regulatory obligations;
- (b) comply with its bye-laws; or
- (c) comply with any contractual agreement;

“life insurance” means insurance of risks on the mortality (risk of death) of the life insured; and term insurance, whole life insurance, and universal life insurance are construed accordingly;

“liquidity risk” means—

- (a) the risk that may arise when the realizable value of assets may be insufficient to meet an insurer’s obligations to policyholders at a point in time; or
- (b) an insurer’s inability to meet such obligations except at excessive cost;

“longevity risk” means the risk of fluctuations or improvements in mortality that cause benefits to be paid for longer than expected;

“market risk” means the risk arising from fluctuations in values of, or income from, assets or in interest rates or exchange rates;

“morbidity risk” means the risk of fluctuations or deterioration of morbidity experience causing increased claims on accident and health insurance coverages;

“mortality risk” means the risk of fluctuations or deterioration of mortality experience causing increased claims on life insurance coverages;

“operational risk” means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk;

“outsourcing risk” includes a risk of miscommunication of responsibilities in relation to outsourcing, breach of outsource service agreements, or entering into inappropriate outsource service agreements;

“relevant year” in relation to an insurer, means its financial year;

“reputational risk” includes risk of adverse publicity regarding an insurer’s business practices and associations;

“stop loss insurance risk” means the risk that arises when total claims experience deteriorates or is more volatile than expected, thereby increasing the likelihood and amount by which actual claims experience exceeds a predefined level;

“strategic risk” means the risk of an insurer’s inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;

“Tail Value-at-Risk (or “TVaR”)” means the conditional average potential given that the loss outcome exceeds a given threshold;

“variable annuity guarantees” means insurance that provides a minimum investment performance guarantee on variable annuities.

3. ECR

(1) An insurer’s ECR shall be calculated at the end of its relevant year by reference to the following—

- (a) the Class C, Class D or¹⁰⁷⁴ Class E BSCR model; or
- (b) an approved internal capital model,

provided that the ECR shall at all times be an amount equal to, or exceeding, the minimum margin of solvency (as provided in section 6 of the Act).

(2) The ECR applicable to an insurer shall be—

- (a) the ECR as calculated at the end of its most recent relevant year; or
- (b) the ECR calculated after an adjustment has been made by the Authority under section 6D of the Act and has not been otherwise suspended under section 44A(4) of the Act,

whichever is later.

(3) Every insurer shall maintain available statutory economic¹⁰⁷⁵ capital and surplus to an amount that is equal to or exceeds the value of the ECR.

(4) Available statutory economic capital and surplus is determined by calculating the total statutory capital and surplus reported on Form 4EBS, Line 40.¹⁰⁷⁶

(5) Notwithstanding subparagraph (4), the ECR shall be phased in over a period of three years as follows—

- (a) the applicable ECR for the financial year ending 2013¹⁰⁷⁷ shall be 50% of the amount determined by Schedule I or an approved internal capital model;
- (b) the applicable ECR for the financial year ending 2014¹⁰⁷⁸ shall be 75% of the amount determined by Schedule I or an approved internal capital model; and
- (c) the applicable ECR for the financial year ending 2015¹⁰⁷⁹ and beyond shall be the full amount determined by Schedule I or an approved internal capital model.

4. BSCR models¹⁰⁸⁰

The Class C, Class D and Class E BSCR models, set out in Schedule I, have effect.

5. Approved internal capital model

(1) An insurer may apply to the Authority for approval of an internal capital model to be used in substitution of the Class C, Class D or Class E BSCR model¹⁰⁸¹.

(2) Where the Authority is satisfied, having regard to subparagraph (3) that it is appropriate to do so, it may approve the internal capital model and may make its approval subject to conditions.

(3) In considering an application for approval of an internal capital model the Authority shall have regard to the following matters—

- (a) the appropriateness of the internal capital model for the determination of the insurer's capital requirement;
- (b) the extent to which the internal capital model has been integrated into the insurer's risk management program; and
- (c) the appropriateness of controls applicable to the creation and maintenance of the insurer's internal capital model.

(4) The Authority shall serve notice on an insurer of the following matters—

- (a) its decision to approve the internal capital model; or
- (b) its decision to not approve the internal capital model and the reason for its decision.

(5) An insurer served with a notice under subparagraph (4)(b) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to confirm its decision not to approve the insurer's internal capital model.

(6) The Authority may revoke the approval given under subparagraph (2) if satisfied that the insurer has breached a condition of the approval, or where the approved internal capital model is deemed by the Authority no longer appropriate for the determination of the ECR.

(7) The Authority shall serve notice on the insurer of its proposal to revoke its approval of the insurer's internal capital model and the reason for its proposal.

(8) An insurer served with a notice under subparagraph (7) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval.

6. Capital and solvency return

(1) Schedules II, IIA, IIB, IIC, IID, IIE, IIF, IV(A), V, VI, VII, VIII, VIIIA, IX, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXII, XXIII and XXIV have effect.^{1082 1083 1084 1085 1086 1087 1088 1089}

(2) Every Class D and Class E insurer shall make a capital and solvency return to the Authority in accordance with Schedules I, II, IIA, IIB, IIC, IID, IIE, IIF, IV(A), V, VI, VII, VIII, VIIIA, IX, XII, XIV, XV, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXII, XXIII and XXIV.^{1090 1091 1092 1093 1094 1095 1096}

(2A) Every Class C insurer shall make a capital and solvency return in accordance with Schedules XIII, XIV and XV.^{1097 1098}

(3) A capital and solvency return shall comprise the following—

- (a) an electronic version of the Class C, Class D and Class E BSCR models¹⁰⁹⁹; and¹¹⁰⁰
- (b) printed versions of the returns prescribed in Schedules II, IIA, IIB, IIC, IID, IIE, IIF, IV(A), V, VI, VII, VIII, VIIIA, IX, XII, XIII, XVI, XVII, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA, XXII, XXIII and XXIV.^{1101 1102 1103 1104 1105 1106 1107}; and
- (c) [REVOKED]

(3A) A Class C, Class D and a Class E insurer shall, at the time of furnishing its capital and solvency return in accordance with subparagraph (3), also file with the Authority an opinion of its approved actuary, which takes into account its technical provisions calculated in accordance with Line 27C of Form 4EBS and —¹¹⁰⁸

- (a) in accordance with Schedule XV, for a Class D and E Insurer;
- (b) in accordance with Part XV of Schedule XIII, for a Class C insurer.

(4) An insurer shall, on or before its filing date, furnish the Authority with its capital and solvency return.

(5) An insurer shall keep a copy of its capital and solvency return at its principal office for a period of five years, beginning with its filing date, and shall produce it to the Authority if so directed by the Authority on or before a date specified in the direction.

(6) In this paragraph, “filing date” has the meaning given in section 17(4) of the Act.

7. Declaration of capital and solvency returns

Every capital and solvency return made by an insurer under paragraph 6 shall be accompanied with a declaration signed by two directors of the insurer and by the insurer's principal representative declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurer in all material respects.

8. Offences

Every person who knowingly or recklessly makes a false or misleading statement or return is guilty of an offence and is liable on summary conviction to a fine up to \$50,000.

9. Commencement¹¹⁰⁹

- (1) These Rules come into operation on 31 December 2011.
- (2) Notwithstanding subparagraph (1), no person is required to comply with paragraph 3 of these Rules until 1 January 2014.

SCHEDULES

[The Schedules to these Rules have been omitted. They are available for inspection at the offices of the Bermuda Monetary Authority or on the website www.bma.bm.]

Made this 23rd day of December 2011

Chairman

The Bermuda Monetary Authority

BERMUDA**INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) RULES 2011****BR 77 / 2011**

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules-

1. Citation

These Rules may be cited as the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011.

2. Interpretation

In these Rules-

"accident and health insurance" means an insurance that pays a benefit or benefits in the event of the person insured incurring an insured injury, illness or infirmity;

"Act" means the Insurance Act 1978;

"annuity" means an insurance that provides savings or income benefits during the lifetime of the person insured or some limited period thereafter;

"approved group internal capital model" means an internal model approved under paragraph 5;

"available statutory capital and surplus" [REVOKED]¹¹¹⁰

"available statutory economic capital and surplus" means the amount shown in Line 40 of Form 1EBS as set out in these Rules;¹¹¹¹

"business continuity risk" includes a risk of an event that threatens or disrupts an insurance group's continuous operations;

"business processes risk" includes a risk of errors arising from data entry, data processing, or application design;

"catastrophe risk" means the risk of a single catastrophic event or series of catastrophic events that lead to a significant deviation in actual claims from the total expected claims;

"compliance risk" includes a risk of legal or regulatory breaches or both;

"concentration risk" means the risk of exposure to losses associated with inadequate diversification of portfolios of assets or obligations;

"credit risk" includes the risk of loss arising from an insurance group's inability to collect funds from debtors;

"critical illness insurance" means a form of accident and health insurance that pays a benefit if the person insured incurs a predefined major illness or injury;

"currency risk" means the risk of losses resulting from movements in foreign currency exchange risks;¹¹¹²

"deferred annuity" means an insurance that provides benefits at a future date which may be fixed deferred annuities where specified amounts are payable or variable annuities where the benefits are dependent on the performance of an investment fund or funds;

- “disability income insurance” means an accident and health insurance that pays a benefit for a fixed period of time during disability;
- “distribution channels risk” includes a risk of disruption to an insurance group’s distribution channel arising from employment of inexperienced or incapable brokers or agents;
- “double or multiple gearing” means the same capital being used towards satisfying regulatory capital requirements in two or more entities within an insurance group;
- “ECR” means the enhanced capital requirement as defined in section 1(1) of the Act;
- “encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the insurance group or other person or any other use restriction, excluding encumbered assets for the insurance group’s policyholder obligations;
- “encumbered assets for policyholder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the insurance group in the event of a loss;
- “Form 1” [REVOKED] ¹¹¹³
- “Form 1EBS” means Schedule XIV Group Statutory Economic Balance Sheet set out in these Rules; ¹¹¹⁴
- “fraud risk” includes a risk of misappropriation of assets, information theft, forgery or fraudulent claims;
- “Group BSCR model” means the Bermuda Solvency Capital Requirement model established in accordance with paragraph 4 and Schedule I;
- “group life, health and disability insurance” means insurance that is issued to persons insured through a group arrangement such as through an employer or association;
- “group risk” means any risk of any kind, arising from membership of a group;
- “Group Rules” means the Insurance (Group Supervision) Rules 2011;
- “human resources (or “HR”) risk” includes a risk of employment of unethical staff, inexperienced or incapable staff, failure to train or retain experienced staff, and failure to adequately communicate with staff;
- “information technology (or “IT”) risk” includes a risk of unauthorized access to systems and data, data loss, utility disruptions, software and hardware failures, and inability to access information systems;
- “insurance” includes reinsurance;
- “insurance underwriting risk” means the risk of fluctuations or deterioration in the experience factors affecting the cost of benefits payable to policyholders or impacting upon the amounts held to provide for policyholder obligations including premium risk, catastrophe risk and reserve risk;
- “interest rate risk” means the risk that asset values are adversely affected by changes in current interest rates;
- “investment risk” means the risk that the actual return from an asset deviates from the expected return;
- “legal risk” means the risk arising from the failure of a parent or any member of the insurance group to—

- (a) comply with statutory or regulatory obligations;
- (b) comply with its bye-laws; or
- (c) comply with any contractual agreement;

“life insurance” means insurance of risks on the mortality (risk of death) of the life insured; and term insurance, whole life insurance, and universal life insurance are construed accordingly;

“liquidity risk” means—

- (a) the risk arising from an insurance group’s inability to meet its obligations as they fall due; or
- (b) an insurance group’s inability to meet such obligations except at excessive cost;

“longevity risk” means the risk of fluctuations or improvements in mortality that cause benefits on payout annuities to be paid for longer than expected;

“market risk” means the risk arising from fluctuations in values of, or income from, assets or interest rates or exchange rates, and includes investment risk;

“material intra-group transaction” means—

- (a) an intra-group transaction where the total value is greater than or equal to 5% of the insurance group’s available capital and surplus;
- (b) a series of linked intra-group transactions that have a cumulative value that is greater than or equal to 10% of the insurance group’s available capital and surplus; or
- (c) an intra-group transaction where the qualitative risk characteristics of an intra-group transaction are assessed as high risk (including liquidity and solvency risk implications) and may adversely impact existing policyholders even though the quantitative impact remains unknown;

“morbidity risk” means the risk of fluctuations or deterioration of morbidity experience causing increased claims on accident and health insurance coverages;

“mortality risk” means the risk of fluctuations or deterioration of mortality experience causing increased claims on life insurance coverages;

“non-proportional insurance” means coverage of risk that is not shared at a given layer or that attach above an insured layer;

“operational risk” means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk;

“outsourcing risk” includes a risk of miscommunication of responsibilities in relation to outsourcing, breach of outsource service agreements, or entering into inappropriate outsource service agreements;

“parent company” or “parent” has the meaning given to it in paragraph 2 of the Group Rules;

“payout annuity” including “contingent annuity” and “pension block” means an insurance that provides a series of payments to annuitants during their lifetime and/or for a fixed benefit period;

“premium risk” means the risk that premium is insufficient to meet future obligations;

“relevant year” in relation to an insurance group, means its financial year;

“reputational risk” includes risk of adverse publicity regarding an insurance group’s business practices and associations;

“reserve risk” means the risk that an insurance group’s technical provisions would be insufficient to satisfy its obligations;¹¹¹⁵

“stop loss insurance risk” means the risk that total claims experience deteriorates or is more volatile than expected, thereby increasing the likelihood and amount by which actual claims experience exceeds a predefined level;

“strategic risk” means the risk of a parent company’s inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;

“Tail Value-at-Risk (or “TVaR”)” means the conditional average potential given that the loss outcome exceeds a given threshold;

“variable annuity guarantees” means insurance that provides a minimum investment guarantee on variable annuities.

3. ECR

(1) An insurance group’s ECR shall be calculated at the end of its relevant year by reference to the following—

- (a) the Group BSCR model; or
- (b) an approved group internal capital model,

provided that the ECR shall at all times be an amount equal to, or exceeding, the minimum margin of solvency within the meaning of paragraph 19 of the Group Rules.

(2) The ECR applicable to an insurance group shall be—

- (a) the ECR as calculated at the end of its most recent relevant year; or
- (b) the ECR calculated after an adjustment has been made by the Authority under section 6D of the Act and has not otherwise been suspended under section 44A(4) of the Act,

whichever is later.

(3) Every insurance group shall maintain available statutory economic¹¹¹⁶ capital and surplus to an amount that is equal to or exceeds the value of the ECR.

(4) Available statutory economic¹¹¹⁷ capital and surplus is determined by calculating the total capital and surplus reported on Form 1EBS¹¹¹⁸, Line 40 and—

- (a) adding the capital contribution as applicable and entered by the insurance group; and¹¹¹⁹
- (b) deducting capital reduction for entities with insufficient data as reported on Schedule XI(D).
- (c) [REVOKED]¹¹²⁰

(5) [REVOKED]^{1121 1122}

4. Group BSCR model

The Group BSCR model, set out in Schedule I, has effect.

5. Approved group internal capital model

- (1) A designated insurer may apply to the Authority on behalf of the group of which it is a member for approval of a group internal capital model to be used in substitution of the Group BSCR model.
- (2) Where the Authority is satisfied, having regard to subparagraph (3) that it is appropriate to do so, it may approve the group internal capital model and may make its approval subject to conditions.
- (3) In considering an application for approval of a group internal capital model the Authority shall have regard to the following matters—
- (a) the appropriateness of the group internal capital model for the determination of the insurance group's capital requirement;
 - (b) the extent to which the internal capital model has been integrated into the insurance group's risk management program; and
 - (c) the appropriateness of controls applicable to the creation and maintenance of the insurance group's internal capital model.
- (4) The Authority shall serve notice on the designated insurer of the following matters—
- (a) its decision to approve the group internal capital model; or
 - (b) its decision to not approve the group internal capital model and the reason for its decision.
- (5) A designated insurer served with a notice under subparagraph (4)(b) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to confirm its decision not to approve the group internal capital model.
- (6) The Authority may revoke the approval given under subparagraph (2) if it is satisfied that the insurance group has breached a condition of the approval or where the approved group internal capital model is deemed by the Authority no longer appropriate for the determination of the group's ECR.
- (7) The Authority shall serve notice on the designated insurer of its proposal to revoke its approval of the insurance group's internal capital model and the reason for its proposal.
- (8) A designated insurer served with a notice under subparagraph (7) may, within a period of 28 days from the date of the notice, make written representations to the Authority; and where such representations have been made, the Authority shall take them into account in deciding whether to revoke its approval.

6. Insurance group capital and solvency return

- (1) Schedules II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IVA, IVB, IVC, IVD, IVE, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XIV, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII have effect.^{1123 1124 1125 1126 1127}
- (2) Every insurance group must prepare a group capital and solvency return in accordance with Schedules I, II, IIA, IIB, IIC, IID, IIE, IIF, III, IIIA, IVA, IVB, IVC, IVD, IVE, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XIV, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII.^{1128 1129 1130 1131 1132}
- (3) An insurance group capital and solvency return shall comprise the following—
- (a) both an electronic version and a printed version of the Group BSCR model;

- (b) both an electronic version and a printed version of the returns prescribed in Schedules I, II, IIA, III, IIIA, IVA, IVB, IVC, V, VI, VII, VIII, VIIIA, IX, X, XIA, XIB, XIC, XID, XII, XIII, XV, XVIII, XIX, XIXA, XX, XXA, XXI, XXIA and XXIII^{1133 1134 1135 1136 1137}; and
- (c) where applicable, a printed copy of an approved group internal capital model.
- (3A) Where the group maintains its accounts in foreign currency all amounts reported in a group capital and solvency return must be shown in the Bermuda equivalent.¹¹³⁸
- (3B) For the purposes of subparagraph (3A)—¹¹³⁹
 - (a) the Bermuda equivalent of an amount in foreign currency is the Bermuda dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that bank of that foreign currency on the last day of the group's financial year;
 - (b) notwithstanding clause (a), the Bermuda dollar equivalent of one U.S. dollar will be deemed to be one Bermuda dollar.
- (4) A designated insurer must furnish to the Authority an insurance group capital and solvency return in respect of the insurance group of which it is a member, on or before its filing date.
- (5) A designated insurer shall keep a copy of the insurance group's capital and solvency return at its principal office for a period of five years beginning with its filing date, and shall produce it to the Authority, if so directed by it, on or before a date specified in the direction.
- (6) In this paragraph, "filing date" has the meaning given in paragraph 25 of the Group Rules.

7. Declaration of insurance group capital and solvency return¹¹⁴⁰

Every group capital and solvency return submitted by a designated insurer on behalf of the group of which it is a member shall be accompanied with a declaration signed by—

- (a) two directors of the parent company¹¹⁴¹, one of which may be the chief executive; and
- (b) either the chief risk officer of the parent company, or the chief financial officer of the parent company,

declaring that to the best of their knowledge and belief, the return fairly represents the financial condition of the insurance group in all material respects.

8. Quarterly financial return

- (1) Every insurance group shall prepare and file annually, quarterly financial returns no later than the end of the months of—
 - (a) May for the first quarter;
 - (b) August for the second quarter; and
 - (c) November for the third quarter.
- (2) A quarterly financial return shall comprise the following—
 - (a) quarterly unaudited (consolidated) group financial statements in respect of its business for each financial quarter, where such statements are the most recent produced by the group, and must not reflect a financial position that exceeds two months;
 - (b) intra-group transactions and risk concentrations which will include—¹¹⁴²

- (i) details of material intra-group transactions that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including (where applicable)—
 - (A) exposure value (face value or market value, if the latter is available);
 - (B) counterparties involved including where they are located;
 - (C) summary details of the transactions including purpose, terms and transaction costs;
 - (D) duration of the transaction; and
 - (E) performance triggers;
 - (ii) details surrounding all intra-group reinsurance and retrocession arrangements, and other intra-group risk transfer insurance business arrangements that have materialized since the most recent quarterly or annual financial returns prepared and filed as the case may be, with the Authority by the insurer including—
 - (A) aggregated values of the exposure limits (gross and net) by counterparties broken down by counterparty rating;
 - (B) aggregated premium flows between counterparties (gross and net); and
 - (C) the proportion of the insurer's insurance business exposure covered by internal reinsurance, retrocession and other risk transfer insurance business arrangements;
 - (iii) details of the ten largest exposures to unaffiliated counterparties and any other unaffiliated counterparty exposures or series of linked unaffiliated counterparty exposures exceeding 10% of the insurer's statutory capital and surplus, including—
 - (A) name of unaffiliated counterparty, including where the counterparty is located;
 - (B) exposure values (face value or market value, if the latter is available); and
 - (C) transaction type.
- (3) Quarterly unaudited group financial statements shall minimally include a Balance Sheet and Income Statement.
- (4) The information required to be included in the quarterly unaudited group financial statements shall be information calculated to fulfil (in addition to any other purposes for which Group Rules may require) the following purposes—
- (a) to give as early warning as possible to any person examining the said statements (whether by way of notice of the observance or non-observance by the group of any ECR, or in any other way) of any financial or operational difficulties into which the insurance group's business has fallen or might appear likely to fall;
 - (b) to provide the basis on which the Authority or any other authority may in good time take action under the Act or any other statutory provision to exercise any statutory power available to it for the safeguarding of any element of the public interest involved in or affected by the insurance group's business.

9. Offences

Every person who knowingly or recklessly makes a false or misleading statement or return shall be guilty of an offence and is liable on summary conviction to a fine up to \$50,000.

10. Commencement

- (1) Except for paragraph 3, these Rules come into operation on 16 January 2012.
- (2) Paragraph 3 comes into operation on 1 January 2013.

SCHEDULES

The Schedules to these Rules have been omitted. They are available for inspection at the offices of the Bermuda Monetary Authority or on the website www.bma.bm

Made this 30th day of December 2011

Chairman

The Bermuda Monetary Authority

BERMUDA**INSURANCE (PUBLIC DISCLOSURE) RULES 2015¹¹⁴³****BR 56 / 2015**

The Bermuda Monetary Authority, in exercise of the powers conferred by section 6A of the Insurance Act 1978, makes the following Rules—

1 Citation

These Rules may be cited as the Insurance (Public Disclosure) Rules 2015.

2. Interpretation

In these Rules, unless the context requires otherwise—

“Act” means the Insurance Act 1978;

“Code” means the Insurance Code of Conduct;

“Eligible Capital Rules” means the Insurance (Eligible Capital) Rules 2012;

“filing date” has the meaning given in section 17(4)(b) of the Act;

“financial condition report” means any financial condition report prepared in accordance with rule 3;

“insurer” means a Class 3A, Class 3B, Class 4, Class C, Class D or Class E insurer;

“relevant overseas authority” means an authority, discharging in another jurisdiction or territory, functions corresponding to those of the Authority under the Act;

“significant event” means an event, in the opinion of the Board of Directors of an insurer, which has occurred—

(a) after year-end but before the filing date of the financial condition report;

(b) after the filing date and publication of the financial condition report,

that has or will have a material impact on the information contained in the financial condition report regarding an insurer’s operations; including but not limited to, acquisitions, divestitures or new lines of business entered into.

3 Financial condition report

(1) Schedule I has effect.

(2) Every insurer shall prepare a financial condition report in accordance with Schedule I.

(3) A financial condition report shall be comprised of an electronic version and a printed version, and shall be filed with the Authority on or before the filing date.

(4) Every insurer with a website shall publish on its website a copy of the financial condition report within 14 days of the date the report was filed with the Authority.

(5) Every insurer that does not have a website must furnish to the public a copy of a financial condition report within 10 days of receipt of a request made in writing.

(6) Every insurer shall keep copies of the financial condition report at its head office for a period of five years beginning with its filing date.

(7) In considering an application made in accordance with section 6C of the Act to modify or exempt an insurer from the requirements under these Rules, the Authority may take into account the following situations—

- (a) where the Authority is satisfied that the disclosure of certain information will result in a competitive disadvantage for an insurer;
- (b) where there are contractual obligations between an insurer and policyholders or counterparties to keep certain information confidential;
- (c) where such disclosures may be prohibited by a jurisdiction's law or may breach a direction issued by the Authority or any other relevant overseas authority;
- (d) where the Authority is satisfied that the disclosure of information by the insurer will be made directly to all policy holders, beneficiaries and counterparties and the disclosures are equivalent to the information required for the financial condition report;
- (e) where an insurer is a member of an insurance group and the Authority is the Group Supervisor of the insurance group; and is satisfied that the filing of the insurance group's financial condition report provides information that is appropriate and specific to the insurer's business;
- (f) where there are other statutory public disclosure requirements imposed on an insurer under the Act; and the Authority is satisfied that references may be made to the requirements under this Rule where such disclosures provide similar information to that required in the financial condition report.

(7A) When considering situations for an exemption under paragraph (7)(a) or (b), the Authority shall not grant an application of an insurer for an exemption from the requirement to provide particulars relating to paragraph (e) (capital management) of the financial condition report of the insurer required in accordance with Schedule 1.¹¹⁴⁴

(8) Where approval has been granted by the Authority for a modification or exemption in accordance with the Act, the insurer may state in its financial condition report that the Authority has provided such approval.

4 Subsequent event

(1) Where a significant event occurs on or before an insurer's filing date, such insurer shall submit to the Authority a report on the event at the time of filing its financial condition report under rule 3 as part of the financial condition report under the Schedule I, heading "Subsequent Event".

(2) Where a significant event occurs after an insurer's filing date, such insurer shall submit to the Authority a report on the event within 14 days of the occurrence of such event.

(3) Every insurer with a website shall publish on such website, a report on a significant event occurring after the filing date within 30 days of the date submission of the report to the Authority, or by such other date agreed by the Authority.

(4) Every insurer that does not have a website must furnish to the public a copy of any report on a significant event occurring after the filing date within 30 days of receipt of a request made in writing.

(5) Every insurer shall keep copies of reports on any significant event at its head office for a period of five years beginning after the date such report was filed with the Authority.

5 Declaration on financial condition report or significant event

Every financial condition report or report on a significant event submitted by an insurer shall be signed by—

- (a) the chief executive of the insurer; and
- (b) any senior executive responsible for actuarial or risk management or internal audit or compliance function,

declaring that to the best of their knowledge and belief, the financial condition report or the report on a significant event fairly represents the financial condition of the insurer in all material respects.

6 Failure to file a financial condition report or significant event

(1) Where an insurer fails to file a financial condition report or a report on a significant event as the case may be, it shall be liable to a civil penalty calculated in accordance with sub-rule (2).

(2) For each week or part of a week that an insurer fails to comply with a requirement imposed on it under rules 3 and 4 of these Rules, it shall be liable to a civil penalty not exceeding—

- (a) \$1,000 in the case of a Class 3A or Class C insurer;
- (b) \$5,000 in the case of a Class 3B, Class 4, Class D or Class E insurer,

and the civil penalty applicable to an insurer falling within more than one paragraph shall be the higher penalty.

7 Commencement

These Rules come into operation on 1 January 2016 and apply to financial years commencing on or after 1 January 2016.

SCHEDULE

In accordance with section 6A(8) of the Insurance Act 1978, the Schedule referred to in rule 3 of these Rules is published separately on the website of the Authority: www.bma.bm.

Made this 13th day of July 2015

Chairman

The Bermuda Monetary Authority

BERMUDA**INSURANCE (GROUP SUPERVISION) RULES 2011****BR 76/2011**

The Bermuda Monetary Authority, in exercise of the powers conferred on by section 27F of the Insurance Act 1978 (the “Act”), makes the following Rules—

1. Citation and commencement

These Rules may be cited as the Insurance (Group Supervision) Rules 2011 and shall come into operation—

- (a) on 16 January 2012, in respect of rules 1, 2, 23 to 28, inclusive, and Schedules 1 and 2;¹¹⁴⁵
- (b) on 1 January 2013, in respect of rules 3 to 19, inclusive, and paragraphs 21, 22 and 29; and¹¹⁴⁶
- (c) on 1 January 2014, in respect of rules 20.¹¹⁴⁷

PART 1**GROUP RESPONSIBILITIES AND GOVERNANCE****2. Interpretation**

- (1) In these Rules—

“Act” means the Insurance Act 1978;¹¹⁴⁸

“compliance risk,” “investment risk,” “market risk,” “liquidity risk,” “concentration risk,” “credit risk,” “operational risk” and “insurance underwriting risk” have the meanings given in Paragraph 2 of the Insurance (Prudential Standards) (Insurance Group Solvency Requirements) Rules 2011;

“ECR” means enhanced capital requirement and has the same meaning as in section 1(1) of the Act;

“filing date” has the meaning given in rule 25(2) of these Rules;¹¹⁴⁹

“financial condition report” means any financial condition report prepared in accordance with paragraph 30 of these Rules;¹¹⁵⁰

“fit and proper” has the meaning given in paragraph 1(2) of the Schedule to the Act;

“GAAP” means Generally Accepted Accounting Principles;

“IFRS” means International Financial Reporting Standards;

“insurance reserves” means the aggregate comprising the amounts shown on line 17(d) and line 27(d) of Form 1 of Schedule 1.¹¹⁵¹

“insurance technical provisions” means the aggregate of amounts shown on Lines 19 and 27C of the Group Statutory Economic Balance Sheet set out in Schedule XIV of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011;¹¹⁵²

“significant event” means an event which in the opinion of the parent board occurred—¹¹⁵³

- (a) after year-end but before the filing date of the financial condition report; and
- (b) after the filing date and publication of the financial condition report;

and has or will have a material impact on the information contained in the financial condition report regarding the insurance group's operations; including but not limited to, acquisitions, divestitures, or new lines of business entered into.

- (2) References in these Rules to the "parent" are references to the parent company of the group (such as the ultimate parent) that is not a subsidiary company of any other member of the group;

3. General principles

- (1) These Rules apply to insurance groups of which the Authority is the group supervisor.
- (2) An insurance group shall establish and maintain¹¹⁵⁴ organizational, governance and communications structures at the group level that facilitate the fulfilment of the duties of the designated insurer.
- (3) A designated insurer shall facilitate and maintain compliance by the group with the Act and these Rules.
- (4) Where obligations are imposed on¹¹⁵⁵ the group, or in the event of breaches of the Act or these Rules, or otherwise to safeguard the interests of policyholders or potential policyholders of the group, the Authority may issue a direction to the designated insurer to require the group to perform the obligations or to remediate the breach.
- (5) The Authority may acknowledge the existence of a variety of group structures, taking into consideration that some group structures are more or less centralized and some are managed on a business line, as opposed to being managed on the basis of a legal entity.
- (6) To the extent that reference is made to responsibilities performed by the parent board under these Rules, such responsibilities may be delegated to and performed by an appropriately constituted committee of the parent board or the board of a subsidiary or affiliate of the parent company, provided that the parent board exercises oversight over and ratifies key decisions that impact materially on group operations.
- (7) Responsibilities assigned to senior executives of the parent company may be delegated to and performed by appropriate senior executives of a subsidiary or affiliate of the parent company, subject to the parent company oversight and the ratification by parent company executives of key decisions that materially impact group operations.

4. Corporate governance: general

- (1) An insurance group must establish a group risk tolerance and appetite and group operational objectives and strategies that reflect an understanding of the structure of the group, the material risks that the structure may pose to the group and the key drivers of those risks.
- (2) An insurance group must have adequate capital resources and sources of funding liquidity in light of its risk profile and operational strategy and planned changes to that strategy.
- (3) An insurance group must establish and maintain¹¹⁵⁶ a reliable and transparent group-wide financial reporting process for regulatory reporting and public disclosure and for selecting (or proposing to shareholders) an independent and objective external auditor.
- (4) An insurance group must establish and maintain¹¹⁵⁷ a group internal audit function that is independent of other group functions, the lines of business for which it has audit responsibilities and underwriting and financial operations¹¹⁵⁸.

(4A) The compensation of persons responsible for the group internal audit function must not compromise their independence, and at a minimum, the parent board or an appropriate committee thereof must establish and periodically review the compensation of the head of internal audit and establish guidelines for the compensation of other internal audit staff.¹¹⁵⁹

(5) An insurance group must establish and maintain¹¹⁶⁰ group internal audit, risk management, compliance and actuarial functions that are fit for the purpose, given the nature, scale and complexity of the group.

(6) In each insurance group—

- (a) senior executives, persons responsible for the internal audit, risk management, compliance and actuarial functions and the approved group statutory function holders (such as an approved actuary, loss reserve specialist) shall have the ability to communicate directly with the parent board without the need for management review or approval; and
- (b) the parent board shall have direct access to senior executives, persons responsible for the internal audit, risk management, compliance and actuarial functions and the approved group statutory function holders.

(7) The insurance group must establish and maintain¹¹⁶¹ an adequate business continuity plan aimed at ensuring, in the case of a business interruption event, the preservation or timely recovery of group functions, data and business activities.

5. Corporate governance: responsibilities of the parent board

(1) A parent board must establish and maintain appropriate governance procedures and practices to facilitate its work in a manner that supports objective and independent judgment and decision-making.

(2) A parent board must include such number of independent directors without executive responsibility for the management of the business of the group as the board considers appropriate, subject to the power of the Authority to review and require the addition of independent directors as it may deem appropriate.

(3) The independence of a director shall be determined by reference to the rules of an appointed stock exchange as defined in the Companies Act 1981.

(4) A parent board must establish and maintain¹¹⁶², annually, policies and procedures that address adequately actual or potential conflicts of interest.

(5) A parent board must establish and maintain sufficient committees¹¹⁶³ to allow for the effective discharge of the parent board's responsibilities.

(6) The members of a parent board must review the membership of the board and its committees and the composition of the chief and senior executives of the group no less frequently than every three years and upon a material change in the business activities or risk profile of the group to ensure that—

- (a) the members of the board and the executives continue to be fit and proper;
- (b) the members of the board and each of its committees and the members of the executive individually and collectively have the requisite knowledge, skills, expertise and resources given the nature, scale and complexity of the group's operations; and
- (c) the members of the board and its committees and the members of the executive individually and collectively remain effective in discharging the respective roles and responsibilities assigned to them.

- (7) A parent board is responsible for—
- (a) overseeing the implementation by the senior executives of group operational objectives and strategies in light of the group's stated risk tolerance and appetite, group structure and material risks;
 - (b) overseeing the effective management of the group's business in a sound and prudent manner with integrity and the professional skills appropriate to the nature and scale of its activities;
 - (ba) reviewing annually the group's solvency self-assessment and any changes;¹¹⁶⁴
 - (c) confirming that the organizational, governance and communications structures of the group facilitate the effective execution of the group's operational objectives and strategies, the effective exercise of the role of the designated insurer and compliance with the Act and these Rules;
 - (d) confirming that the communications structure of the group facilitates the effective communication of the statutory obligations of the group and its members under Bermuda law; and
 - (e) selecting a competent chief executive who is fit and proper and has the requisite knowledge, skills, expertise and resources given the nature, scale and complexity of the group's operations, and, with respect to that person, establishing roles and responsibilities, giving due regard to the potential for conflicts of interest, reviewing and approving cash, non-cash and incentive compensation, evaluating at least annually performance and addressing in a timely manner any deficiencies in performance¹¹⁶⁵.

6. Corporate governance: responsibilities of the chief and senior executives of the parent company

- (1) The chief executive of a parent company is responsible for selecting competent senior executives, who are fit and proper and have the requisite knowledge and skills, given the nature, scale and complexity of the group's operations, establishing their roles and responsibilities, giving due regard to the potential for conflicts of interest, reviewing and approving their cash, non-cash and incentive compensation, evaluating at least annually their performance and addressing in a timely manner any deficiencies¹¹⁶⁶.
- (2) Senior executives of a parent company (senior executives) are responsible for staffing the internal audit, risk management, compliance and actuarial functions¹¹⁶⁷ in a manner that provides for appropriate segregation of duties, clear reporting lines and the avoidance or management of conflicts of interest by fit and proper persons who are competent and properly trained to perform the assigned functions, and able and willing to perform those functions in an effective manner.
- (3) Senior executives of a parent company are responsible for establishing systems and controls¹¹⁶⁸ that produce complete, reliable, clear, consistent, timely and relevant reporting and management information concerning the business activities and risks to which the group is exposed.
- (4) Senior executives of a parent company are responsible for—
- (a) providing the parent board with timely, accurate and comprehensive reports that highlight current and prospective changes in business activities, profitability, capital and funding liquidity positions, risk profile or risk drivers;
 - (b) reporting promptly to the parent board any material deficiencies in the effectiveness of group functions or any decisions taken that deviate materially from the group risk tolerance, risk appetite or operational strategy;

- (c) reviewing and approving all material outsourcing arrangements and for the effective performance and oversight of outsourced functions or tasks; and
- (d) filing all required returns and financial statements in an accurate, complete and timely manner;¹¹⁶⁹

7. Internal audit function

- (1) The group internal audit function is responsible for—
 - (a) providing an independent and objective evaluation of the robustness of the group's corporate governance framework, and the reliability, integrity and completeness of the design and effectiveness of the risk management function and internal controls framework, and the compliance and actuarial functions;
 - (b) developing minimum standards for internal audit and a risk-based internal audit plan, which is reviewed, amended as appropriate and approved by the parent board or an appropriate committee thereof at least annually; and
 - (c) developing recommendations for the remediation of internal or external audit deficiencies or for improvement of corporate governance, the risk management, compliance and actuarial functions and business operations and monitoring the implementation of those recommendations.
- (2) The internal audit function must be headed by an appropriately qualified and experienced senior executive with direct reporting lines to the parent board or an appropriate committee thereof.
- (3) The internal audit function must be staffed by persons independent of any other function, the lines of business over which the function has audit responsibilities, and underwriting and financial operations.
- (4) Staff of the internal audit function shall not report to the chief financial officer or the chief actuary or persons performing equivalent roles over which the internal audit function has audit responsibility,¹¹⁷⁰ and must have unrestricted access to all group, legal entity and business line records, including those held at third party service providers, subject to legal requirements.

8. Risk management function

- (1) The risk management function is responsible for developing and maintaining appropriate enterprise-wide strategies and policies for identifying, measuring, monitoring, controlling and reporting in a timely manner the group's reasonably foreseeable material risks, including those arising from off-balance sheet and contingent exposures and relating to, at a minimum: investment/market, liquidity, concentration, credit, operational and insurance risks, taking into consideration both regulated and unregulated entities and material intra-group transactions, and reflecting the structure and interdependencies within the group.
- (2) The size, scope and sophistication of the risk management function shall reflect the nature, scale and complexity of the group's operations and the risk tolerance, risk appetite and operational strategies established by the parent board.
- (3) Persons responsible for the risk management function shall assess the adequacy of group capital and liquidity in light of the risk profile associated with the group's activities and make recommendations to the parent board regarding appropriate levels of capital and liquidity.
- (4) The risk management function must be supported by a risk management and internal controls framework that specifies and implements appropriate written procedures and processes to execute effectively the risk management framework and identifies the persons responsible for the implementation of the framework.

(5) The risk management function must be supported by management information and reporting systems that capture data that reflect the group's risk exposures and provide timely, accurate and meaningful reports to the parent board, other appropriate boards and committees and appropriate executives.

9. Compliance function

(1) The compliance function is responsible for identifying, measuring, monitoring, and reporting compliance risk across the insurance group and developing and implementing strategies for mitigating material compliance risks.¹¹⁷¹

(2) Persons responsible for the compliance function must—

- (a) establish a compliance risk management framework that is documented in the form of policies, procedures and processes, including those related to legal and ethical conduct and compliance with applicable laws, rules and standards, including contract certainty standards;
- (b) establish a system of compliance monitoring and testing that is risk-based and a program for remediating any deficiencies or non-compliance with policies or procedures revealed through the compliance monitoring and testing system;
- (c) have direct access to and report to the parent board on matters including—
 - (i) the compliance risk management framework and the resources it has available to implement that program;
 - (ii) key compliance risks and the strategy for mitigating those risks;
 - (iii) the results of compliance monitoring and testing; and
 - (iv) compliance deficiencies or violations and actions taken or recommended to be taken to address those deficiencies or breaches; and
- (d) hold regular training for staff on the compliance risk management framework and provide a mechanism for staff to report confidentially concerns regarding compliance deficiencies or breaches.

10. Actuarial function

(1) The actuarial function is responsible for—¹¹⁷²

- (a) assessing the appropriateness and reasonableness of methodologies and assumptions relating to obligations to policyholders;
- (b) providing independent support to the risk management function in the modeling and estimation of current and potential obligations to policyholders and appropriate levels of reserves against those obligations;
- (c) providing independent support to the risk management function by providing input into pricing, reserves and risk mitigation techniques including ceding reinsurance and the purchase of protection;
- (d) evaluating and providing independent advice on insurance technical provisions¹¹⁷³ and a comparison of estimated policyholder obligations to actual policyholder payments; and
- (e) providing a written report to the parent board and other appropriate boards and committees at least annually.

(2) In evaluating insurance technical provisions¹¹⁷⁴, the actuarial function shall apply methodologies and procedures to assess their sufficiency, taking into consideration uncertainties of estimation and data limitations.¹¹⁷⁵

11. Risk management and internal controls framework

(1) The risk management and internal controls framework of an insurance group must be well integrated into the group's overall system of governance and must contain policies, procedures and processes for implementing the strategies and policies developed by the risk management function to identify, measure, monitor and control in a timely manner the material risks of the insurance group.¹¹⁷⁶

(2) The risk management and internal controls framework must employ robust risk-based methodologies for identifying, measuring and monitoring material risks, taking into account the probability, potential impact and time duration of risks, as well as risks that are not readily quantifiable.

(3) The measurement of material risks shall include stress and scenario analysis using extreme but plausible internal scenarios, including those prescribed by the Authority.

(4) The risk management and internal controls framework must utilize comprehensive systems for identifying and reporting the potential impact of material risks to the parent board, and other appropriate boards and committees, and the chief and senior executives.

12. Risk management and internal controls framework: investment/market risk component

(1) The investment/market risk component of the group's risk management and internal controls framework must, amongst other things—

- (a) give effect to the 'prudent person' principle in relation to the investment of assets;
- (b) reflect investment objectives, strategies, policies and practices that align with the risk tolerance, risk appetite and overall group strategies and provide—
 - (i) clear standards for the selection and composition of the investment portfolio, expected returns, desired holding periods, exit strategies and dispositions, diversification parameters and allocation limits;
 - (ii) clear standards for investments in more complex or less transparent assets, markets or instruments;
 - (iii) procedures for conducting due diligence and approving investments;
 - (iv) methodologies to assess the effectiveness of asset/liability management and the management of asset-liability mismatch risk and funding and cash flow gaps;
 - (v) a clear statement of objectives and strategy for their use and standards governing the employment and valuation of such instruments, where hedging and derivatives instruments are used;
 - (vi) methodologies for the valuation of the investment portfolio in accordance with generally accepted accounting standards and policies for the review of those methodologies for consistent application;
 - (vii) controls to prevent the inappropriate use of the investment portfolio to manage earnings or otherwise to conceal the true financial performance of the group;
 - (viii) techniques, including benchmarking and stress and scenario testing, to analyse performance results, confirm whether the investment strategy would continue to meet the group's risk tolerance and operational strategy in a stressed market, and identify current and contingent exposures arising from the execution of a planned strategy or market developments;

- (ix) standards for data management of the investment portfolio and the reporting of timely, accurate and meaningful information and results to the parent board and the chief and senior executives; and
 - (x) techniques for assessing and monitoring regularly the adequacy of capital to support current and planned objectives and strategies.
- (c) establish lines of authority and responsibility of senior executives for making and monitoring investments and managing risk; and
 - (d) establish standards for the selection, compensation and oversight of service providers including those providing custodian and investment management services.
- (2) For the purposes of sub rule (1)(a), under the 'prudent person' principle, the group only assumes investment risks that it can properly identify, measure, monitor and control, taking into consideration its capital needs and resources, short-term and long- term sources and uses of funding liquidity, policyholder obligations and the protection of the interests of policyholders and beneficiaries.

13. Risk management and internal controls framework: Liquidity risk component

The liquidity risk component of the group's risk management and internal controls framework must include—

- (a) sound liquidity management policies, procedures and practices covering short, medium and long-term objectives that reflect the risk tolerance and operational strategy of the group, including investment, underwriting and claims strategies;
- (b) policies and procedures to manage short-term liquidity requirements, including access to sufficient funds to meet its day-to-day obligations and any intra-group funding needs;
- (c) policies and procedures to manage group-wide liquidity risk exposures on a consolidated basis, where necessary recognizing legal distinctions and possible obstacles, including legal and regulatory restrictions, to the movement of cash and other liquid assets among group members;
- (d) policies, procedures and practices to manage the collateral positions of members of the group and any intra-group positions or exposures;
- (e) benchmarking and stress and scenario testing to assist in the identification and determination of unexpected adverse developments in the medium and long-term; and
- (f) timely, accurate and meaningful reporting of the group's liquidity position and risk exposure to the parent board and the chief and senior executives.

14. Risk management and internal controls framework: Concentration risk component

- (1) The concentration risk component of the group's risk management and internal controls framework must include policies, procedures and methodologies to identify, measure, monitor and manage concentrations of risk within or among risk types (such as credit, investment/market, underwriting or liquidity risks) or arising from concentrations of exposures to a particular geography, market segment (catastrophe risk) or type of counterparty.
- (2) Sound and robust reporting and accounting procedures must be in place to manage intra-group transactions and risk concentrations.
- (3) Concentrations that pose material risks to group solvency or liquidity must be reported in a timely, accurate and meaningful manner to the parent board, other appropriate boards and committees and the senior executives.

15. Risk management and internal controls framework: Credit risk component

The credit risk component of the group's risk management and internal controls framework must include—

- (a) a credit risk policy that is aligned with the group's risk tolerance, risk appetite and short-term and long-term strategies, reflects the group's key business lines and activities, and takes into consideration plans for new business lines or activities or growth in existing business lines or activities;
- (b) detailed exposure limits relating to—
 - (i) individual counterparty or concentrations of counterparties;
 - (ii) material intra-group transactions;
 - (iii) assets or sectors;
 - (iv) off-balance sheet exposures, including guarantees and letters of credit;
 - (v) exposures to issuer-specific countries or regions that may be exposed to country-specific or regional economic or market factors, including but not limited to sovereign exposures;
- (c) qualitative and quantitative assessments of both on- and off-balance sheet exposures and potential future exposures;
- (d) qualitative and quantitative standards for the use of credit risk mitigation tools and techniques, including collateral and other credit enhancements;
- (e) measurement techniques to assess the risk exposures and effectiveness of the credit risk mitigation tools and techniques used, including stress and scenario testing; and
- (f) timely, accurate and meaningful reporting of the group's credit risk exposure to the parent board and the chief and senior executives.

16. Risk management and internal controls framework: Operational risk component

(1) The operational risk component of the group's risk management and internal controls framework must include procedures and processes for identifying, measuring and assessing—

- (a) the operational risk of the group and establishing appropriate tolerance limits within the group's overall risk tolerance, taking into consideration: business process risk, business continuity risk, compliance risk, information systems risk, distribution channels risk, fraud risk, human resources risk and outsourcing risk;
- (b) the operational risk of each material product, activity, process and system and for incorporating the consideration of potential sources of operational risk in new product or business line approval reviews;
- (c) the extent to which operational risk may be transferred from one member of the group to others, including but not limited to risk transfer through guarantees or the purchase or sale of protection or derivatives instruments; and
- (d) systems and operations exposures and for capturing and tracking systems and operations near-miss data.

(2) Operational risk must be managed and controlled through—

- (a) a system of effective internal reporting and operating controls (including IT infrastructure);

- (b) measurement techniques, including stress and scenario testing, to assess the vulnerability of the group to operational risk; and
- (c) annual reviews to ensure that mitigation strategies, including business resiliency and contingency plans and an early warning system, have been deployed

17. Risk management and internal controls framework: Insurance underwriting risk component

(1) The insurance underwriting component of the risk management and internal controls framework must include—

- (a) underwriting strategies that reflect the risk tolerance and overall group strategy and reflect appropriate risk mitigation techniques;
- (b) appropriately detailed underwriting policies that reflect those underwriting strategies and facilitate the accurate pricing of underwriting contracts and manage the risk of loss from inadequate pricing or provisioning assumptions;
- (c) monitoring and measurement of exposures to policyholders and risks arising from those exposures, and stress testing and scenario analysis of those exposures and risks, to ensure that they remain within established risk tolerance levels;
- (d) procedures for managing and processing policyholder claims and resolving disputes;
- (e) policies and procedures for establishing appropriate reserves against claims to reflect current and contingent obligations to policyholders; and
- (f) systems to capture, maintain and analyze underwriting and claims data.

(2) The insurance underwriting component of the risk management function must encompass risk mitigation techniques that are embedded into the underwriting policies and processes and are reflective of the group's risk tolerance and overall strategy.

18. Group Solvency Self-Assessment

(1) An insurance group must ensure that senior management establishes written group solvency self-assessment procedures that reflect all reasonably foreseeable material risks arising from both on and off balance sheet exposures of the group and material intra- group exposures.

(2) The procedures must—

- (a) be an integral part of the group's risk management framework, forward- looking, reflect the group's risk tolerance and overall business strategy, and link the group's risk tolerance to exposure limits and set forth the process through which breaches of exposure limits are addressed;
- (b) be documented, readily available for supervisory review, and maintained by the parent company or the designated insurer in a form readily accessible to the Authority for a period of five years; and
- (c) be conducted annually or after a significant change in the business activities or risk profile of the group self-assessments on the quantity and quality of capital required to adequately cover all reasonably foreseeable material risks to which the group is exposed and to support the group's current and planned activities.

(3) The interlinkages among the procedures and the risk management framework, risk tolerance, business strategy, and new product approval or business line process must be documented and demonstrate consideration of the relationships among risk management, the quantity and quality of

capital resources, the impact of risk mitigation techniques and correlations or interdependencies among material risks.

(4) The procedures must be subject to annual review, evaluation and updating by the parent board¹¹⁷⁷ to reflect changes in the risk management framework, risk tolerance, business strategy and lines of business or activities of the group, as well as changes in market conditions.

(5) The procedures must include appropriate stress and scenario testing measures to determine the group's ability to manage its business with appropriate levels of capital under conditions of severe but plausible stress and contingency plans to restore capital to adequate levels after an adverse event.

(6) The self-assessment procedures must contain a clear process and timeline for addressing any deficiencies in the quantity or quality of capital.

19. Minimum margin of solvency

(1) An insurance group must ensure that the value of the insurance group's ¹¹⁷⁸total statutory economic capital and surplus, calculated in accordance with Schedule XIV of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011, exceeds the aggregate of —¹¹⁷⁹

(a) the aggregate minimum margin of solvency (MSM) of each qualifying member of the group controlled by the parent company; and

(b) the parent company's percentage shareholding in the member multiplied by the member's MSM, where the parent company exercises significant influence over a member of the group but does not control the member.

(2) [REVOKED]¹¹⁸⁰

(3) A member is a qualifying member of a group if it is subject to solvency requirements in the jurisdiction in which it is registered.

(4) In determining whether the parent company controls or exercises significant influence over a member of the group, GAAP as applied in the United States of America, the United Kingdom or Canada or IFRS,¹¹⁸¹ as applicable, shall apply.

20. Group Enhanced Capital Requirement

(1) The insurance group must ensure that the group holds eligible capital equal to or exceeding the greater of the MSM calculated under rule 19 of these Rules and the group enhanced capital requirement (group ECR) calculated according to the requirements of this rule and the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 (or any subsequent amendments to or restatements of such Rules).

(2) In determining whether an insurance group is holding eligible capital in accordance with sub-rule (1), the insurance group shall apply the following requirements¹¹⁸² —

(a) non-admitted assets are deducted;

(b) the discounted expected value of contingent and off-balance sheet obligations are reflected as a liability;

(c) amounts that reflect the double or multiple gearing of capital or the intra- group creation of capital through reciprocal financing are deducted;

(d) holdings in regulated non-insurance financial entities are reflected by including in the group ECR the proportionate share of regulatory capital calculated using the solvency rules applicable to those entities and without regard to any diversification benefit.

(3) The Authority may require additional capital to mitigate the risks arising from intra-group transactions and the lack of transferability of capital within the group.

(4) A group may apply to the Authority for approval to use an internal model to calculate the group ECR based on a robustly modeled assessment of the risks posed by such exposures or based on a modified aggregation approach under which the capital requirements for each company in an approved jurisdiction would be aggregated in determining the group ECR, and in accordance with the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011.

PART 2

ELIGIBLE CAPITAL

21. Interpretation

(1) In this part—

“capital instruments” means a financial instrument that qualifies to be admitted for the purposes of determining a group’s total statutory capital and surplus calculated in accordance with Schedule 1 or is otherwise approved by the Authority as other fixed capital for the purpose of determining a group’s statutory capital and surplus in accordance with Schedule 1;

“encumbered assets” means assets held for security or as collateral against a liability or contingent liability of the group or other person or any other use restriction, excluding encumbered assets for policyholder obligations of the group;

“encumbered assets for policyholder obligations” means the total assets held for security or as collateral or otherwise restricted to meet the liabilities to the policyholders of the group in the event of a loss ;

“maturity” means the first contractual opportunity for the insurer to repay or redeem the capital instrument without the Authority’s approval, unless it is mandatory that the insurer repay or redeem the instrument with the issuance of an instrument of equal or higher quality;¹¹⁸³

“minimum margin of solvency” has the meaning given in rule 19;

“Tier 1-ancillary capital”, in relation to an insurer’s available statutory capital and surplus, has the meaning given in sub-rule (2);

“Tier 1-basic capital”, in relation to a group’s available statutory capital and surplus, has the meaning given in sub-rule (3);

“Tier 2-ancillary capital”, in relation to a group’s available statutory capital and surplus, has the meaning given in sub-rule (4);

“Tier 2-basic capital”, in relation to a group’s available statutory capital and surplus, has the meaning given in sub-rule (5);

“Tier 1-capital” means the aggregate sum of “Tier 1–basic capital” and “Tier 1–ancillary capital”;

“Tier 2-capital” means the aggregate sum of “Tier 2–basic capital” and “Tier 2–ancillary capital”;

“Tier 3-capital” means the aggregate sum of “Tier 3–basic capital” and “Tier 3–ancillary capital”;

“Tier 3-ancillary capital” has the meaning given in subparagraph (6);

“Tier 3-basic capital” has the meaning given in sub-rule (7);

“Total statutory capital and surplus” means the total statutory capital and surplus of the group as calculated in accordance with Schedule 1.

(2) “Tier 1-ancillary capital” shall comprise the following—

- (a) capital instruments approved by the Authority as other fixed capital pursuant to Line 1(c) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1 that satisfy the following—
 - (i) capable of absorbing losses in a going concern either by way of—^{1184 1185}
 - (A) write downs of the principal amount or until losses cease; or¹¹⁸⁶
 - (B) mandatory conversion to common stock when losses accumulate;
and^{1187 1188}
 - (ii) highest level of subordination in a winding-up; and
 - (iii) paid-up¹¹⁸⁹; and
 - (iv) undated or actual maturity¹¹⁹⁰ of not less than 10 years from the date of issuance; and
 - (v) non-redeemable or settled only with the issuance of an instrument of equal or higher quality; and
 - (vi) free of incentives to redeem; and
 - (vii) the coupon payment on the instrument, upon breach (or if it would cause a breach) in the ECR, is—
 - (A) cancellable; or
 - (B) deferrable indefinitely; and
 - (viii) unencumbered; and
 - (ix) do not contain terms or conditions designed to accelerate or induce a member of the group’s insolvency; and
 - (x) do not give rise to a right of set off against a group’s claims and obligations to an investor or creditor; and
- (b) excludes capital instruments that are included in Tier 1 – basic capital, Tier 2 – basic capital, Tier 2–ancillary capital, Tier 3–basic capital, and Tier 3–ancillary capital.

(3) “Tier 1-basic capital” shall comprise the following—

- (a) statutory economic surplus as set out under Line 40 of the Group Economic Balance Sheet of Schedule XIV of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011, less Line 1(d) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1¹¹⁹¹ subject to the following—
 - (i) plus any adjustments to a group’s total statutory capital and surplus made by the Authority in accordance with the provisions of section 6D of the Act, or in accordance with Rules made under section 6A of the Act¹¹⁹²;
 - (ii) where the value of encumbered assets for policyholder obligations exceeds the sum¹¹⁹³ of (A), (B) and (C)¹¹⁹⁴, and to the extent to which there are encumbered assets for policyholder obligations which would not be available to meet the obligations of any policyholder in a going concern, less the aggregate difference

between the value of the encumbered assets for policyholder obligations of each insurer that is a member of the group and the sum¹¹⁹⁵ of—

- (A) the value of the policyholder obligations of that insurer for which the assets have been held which will be either—¹¹⁹⁶
 - 1 the value calculated in accordance with the sum total of Lines 16(a), 17(a),¹¹⁹⁷ and 27(a), of the Group Statutory Economic Balance Sheet as set out in Schedule XIV of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011¹¹⁹⁸ in relation to that insurer; or
 - 2 where applicable, the value of the ceding insurer's reserves if the ceding insurer is subject to statutory reserving requirements that are in excess of the Bermuda statutory reserve requirement and the group has been required to post collateral to meet the ceding insurer's reserves and;
- (B) the value of the capital requirement applicable to the encumbered assets for policyholder obligations of that insurer; and
- (C) the value of the capital requirement applicable to the policyholder obligations referred to under clause (A) above; and¹¹⁹⁹
- (iii) where the value of the encumbered assets exceeds the value reflected in¹²⁰⁰ Group Statutory Economic Balance Sheet set out under Schedule XIV of the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011¹²⁰¹ arising from the relative liability or contingent liability for which the encumbered assets are held, the excess must be deducted; and
- (iv) where assets are not transferable among members of the group, less the aggregate amount of such assets in excess of the capital requirement applicable to each member owning those assets provided such amount has not already been deducted in subparagraphs (ii) and (iii);
- (v) where the group has pledged assets solely for risk management purposes such encumbered assets must not be deducted;¹²⁰²
- (b) capital stock and contributed surplus prepared in accordance with instructions set out for Lines 1(a)(i) and 1(b) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1 excluding preference shares;
- (c) capital instruments not requiring an approval from the Authority to be admitted for the purposes of determining a group's total statutory capital and surplus calculated pursuant to Line 1(a)(ii) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1 that satisfy the following—
 - (i) capable of absorbing losses in a going concern¹²⁰³; and
 - (A) [REVOKED]^{1204 1205}
 - (B) [REVOKED]^{1206 1207}
 - (ii) highest level of subordination in a winding-up; and
 - (iii) paid-up¹²⁰⁸; and
 - (iv) undated or actual maturity¹²⁰⁹ of not less than 10 years from the date of issuance; and

- (v) non-redeemable or settled only with the issuance of an instrument of equal or higher quality; and
 - (vi) free of incentives to redeem; and
 - (vii) the coupon payment on the instrument, upon breach (or if it would cause a breach) in the ECR, is—
 - (A) cancellable; or
 - (B) deferrable indefinitely; and
 - (viii) unencumbered; and
 - (ix) do not contain terms or conditions designed to accelerate or induce a member of the group's insolvency; and
 - (x) do not give rise to a right of set off against a group's claims and obligations to an investor or creditor; and
- (d) excludes capital instruments and other amounts that are included in Tier 1—ancillary capital, Tier 2—basic capital, Tier 2—ancillary capital, Tier 3—basic capital, and Tier 3—ancillary capital.
- (4) “Tier 2—ancillary capital” shall comprise the following—
- (a) capital instruments approved by the Authority as other fixed capital pursuant to Line 1(c) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1 that would otherwise qualify for Tier 1—ancillary capital or Tier 1—basic capital instruments but are callable on demand and are unpaid;
 - (b) capital instruments approved by the Authority as other fixed capital pursuant to Schedule 1 that satisfy the following—
 - (i) [REVOKED]¹²¹⁰
 - (ii) subordinated to policyholder obligations in a winding-up; and
 - (iii) undated or actual maturity¹²¹¹ of not less than five years from the date of issuance; and
 - (iv) non-redeemable if ECR is breached or settled only with the issuance of an instrument of equal or higher quality; and
 - (v) free of incentives to redeem; and
 - (vi) the coupon payment is deferrable indefinitely when ECR is breached; and
 - (vii) unencumbered; and
 - (viii) do not contain terms or conditions designed to accelerate or induce a member of the group's insolvency; and
 - (ix) do not give rise to a right of set off against a group's claims and obligations to an investor or creditor; and
 - (c) excludes capital instruments that are included in Tier 1—ancillary capital, Tier 1—basic capital, Tier 2—basic capital, Tier 3—basic capital, and Tier 3—ancillary capital.
- (5) “Tier 2—basic capital” shall comprise the following—
- (a) capital instruments not requiring an approval from the Authority to be admitted for the purposes of determining a group's total statutory capital and surplus calculated pursuant

to Line 1(a)(ii) of Form 8, Group Statutory Statement of Capital and Surplus of Schedule 1 that satisfy the following—

- (i) capable of absorbing moderate level of losses on a going concern, including suspending coupon payments if the ECR is breached; and
 - (ii) subordinated to policyholder obligations in a winding-up; and
 - (iii) undated or actual maturity¹²¹² of not less than five years from the date of issuance; and
 - (iv) non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality; and
 - (v) free of incentives to redeem; and
 - (vi) the coupon payment is deferrable indefinitely when ECR is breached; and
 - (vii) unencumbered; and
 - (viii) do not contain terms or conditions designed to accelerate or induce a member of the group's insolvency; and
 - (ix) do not give rise to a right of set-off against a group's claims and obligations to an investor or creditor;
- (b) the value deducted pursuant to sub-rule (3)(a)(ii);¹²¹³
- (c) excludes capital instruments and other amounts that are included as Tier 1- ancillary capital, Tier 1 - basic capital, Tier 2 – ancillary capital, Tier 3 – basic capital, and Tier 3 – ancillary capital.

(6) “Tier 3-ancillary capital” shall comprise the following—

- (a) capital instruments approved by the Authority as other fixed capital pursuant to Line 1(c) of Form 8, Group Statutory Statement of Capital and Surplus of schedule 1 that satisfy the following—
 - (i) subordinated to policyholder obligations in a winding-up; and
 - (ii) unencumbered; and
 - (iii) undated or maturity of not less than 3 years from the date of issuance; and
 - (iv) do not contain terms or conditions designed to accelerate or induce a member of the group's insolvency; and
 - (v) do not give rise to a right of set off against a group's claims and obligations to the investor or creditor; and
 - (vi) non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality; and
 - (vii) [REVOKED]¹²¹⁴
- (b) excludes capital instruments that are included in Tier 1- ancillary capital, Tier 1-basic capital, Tier 2–ancillary capital, Tier 2–basic capital, and Tier 3–basic capital.

(7) “Tier 3 - basic capital” shall comprise the following—

- (a) capital instruments not requiring an approval to be admitted in determining a group's total statutory capital and surplus calculated pursuant to Line 1(a)(ii) of Form 8, Group Statutory Statement of Capital and Surplus of schedule 1 that satisfy the following—

- (i) subordinated to policyholder obligations in a winding-up; and
 - (ii) unencumbered; and
 - (iii) undated or maturity of not less than 3 years from the date of issuance ; and
 - (iv) non-redeemable if the ECR is breached or settled only with the issuance of an instrument of equal or higher quality; and
 - (v) do not contain terms or conditions designed to accelerate or induce a member of the group's insolvency; and
 - (vi) do not give rise to a right of set off against a group's claims and obligations to the investor or creditor; and
 - (vii) [REVOKED]¹²¹⁵
- (b) excludes capital instruments and other amounts that are included in Tier 1-ancillary capital, Tier 1-basic capital, Tier 2-ancillary capital, Tier 2- basic capital, and Tier 3-ancillary capital.

(8) For the purposes of these Rules, “the capital requirement applicable to the encumbered assets for policyholder obligations and the capital requirement applicable to the policyholder obligations”¹²¹⁶ means the following—

- (a) when determining whether a group's available statutory capital and surplus meets its minimum margin of solvency, such capital requirement is equal to the contribution of the pledged assets and the policyholder obligations¹²¹⁷ to the ECR multiplied by the quotient of the minimum margin of solvency divided by the ECR; and
- (b) when determining whether a group's available statutory capital and surplus meets its ECR, such capital requirement is the contribution of the pledged assets and the policyholder obligations¹²¹⁸ to the ECR.

(9) For the purposes of these Rules, Tier 1-capital, Tier 2-capital and Tier 3-capital that meet the requirements of sub-rules (2) through (7), as applicable, but for the requirement that the instrument be non-redeemable or settled only with the issuance of an instrument of equal or higher quality upon breach (or if it would cause a breach) in the ECR, may continue to be included in Tier 1-capital, Tier 2-capital or Tier 3-capital, as applicable, until January 1, 2026^{1219 1220}.

(10) For the purposes of these Rules, Tier-1 capital and Tier-2 capital that meet the requirements of sub-rules (2) through (7), as applicable, but for the requirement that the coupon payment on the instrument would be cancellable or deferrable indefinitely upon breach (or if it would cause a breach) in the ECR, may continue to be included in Tier-1 capital or Tier-2 capital, as applicable, until January 1, 2026^{1221 1222}.

22. Available Statutory Capital and Surplus

(1) Every insurance group shall, in accordance with sub-rule (2), maintain available statutory economic capital and surplus¹²²³ of an amount that is equal to or exceeds the value of its minimum margin of solvency.

(2) For the purposes of sub-rule (1), the available statutory economic capital and surplus¹²²⁴ is an amount equal to the sum of the following amounts—

- (a) an amount of the group's Tier 1-capital which must not be less than 80% of the value of the group's minimum margin of solvency; and
- (b) an amount of the group's Tier 2-capital which must not be more than 25% of the amount of paragraph (a).

(3) Every group shall maintain available statutory economic capital and surplus¹²²⁵ of an amount that is equal to or exceeds the value of its ECR in accordance with sub-rule (4).

(4) In the case of a group, the available statutory economic capital and surplus¹²²⁶ shall be equal to the sum of the following amounts—

- (a) an amount of the group's Tier 1-capital which shall be not less than 60% of the value of the group's ECR;
- (b) an amount of the group's Tier 2-capital which shall not be more than 66.67% of the amount of paragraph (a); and
- (c) an amount of the group's Tier 3-capital which shall not be more than 17.65% of the aggregate sum of paragraph (a) and (b) to the extent that the aggregate sum of paragraph (b) and (c) do not exceed 66.67% of the amount of paragraph (a).

ASSESSMENT OF THE FINANCIAL SITUATION OF THE INSURANCE GROUP

23. Group financial statements

(1) Every insurance group must prepare in each financial year consolidated financial statements (including notes to the financial statements) of the parent company of the group in accordance with sub-rule (3) ("group financial statements").

(2) Such financial statements must be prepared in accordance with any one of the following standards or principles—

- (a) International Financial Reporting Standards ("IFRS");
- (b) Generally Accepted Accounting Principles ("GAAP") that apply in¹²²⁷ Canada, the United Kingdom or the United States of America; or
- (c) Such other GAAP or international standards as the Authority may recognise.

(3) The group financial statements of an insurance group must be audited annually by the group's approved auditor and an auditor's report prepared by the group's approved auditor in accordance with generally accepted auditing standards ("GAAS") for Canada, the United Kingdom, the United States of America or such GAAS as the Authority may recognise.

(4) Group financial statements must be prepared in the English language.

(5) All amounts shown in a group financial statement must be shown in a single currency, and that currency must be the currency in which the books and records of the group are kept in the designated insurer's principal office in Bermuda or, where different books and records are kept in different currencies in that office, then the currency in which the majority of those books and records are kept.

(6) Where the Authority, pursuant to the power provided by this rule, directs the production of group financial statements, and the amounts in those statements are shown in a foreign currency, then those amounts must be converted into their Bermuda equivalent before the statements are so produced.

(7) For the purposes of sub-rule (6), the Bermuda equivalent of an amount in a foreign currency is the Bermuda dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that bank of that foreign currency on the last day of the group's financial year, provided that the rate of exchange of one U.S. dollar will be deemed to be one Bermuda dollar.

(8) For all items shown in any account of any group there must be shown the corresponding amounts for the immediately preceding financial year.

(9) A designated insurer must within five months after the end of the financial year or such longer period, not exceeding eight months, as the Authority may allow after the end of each financial year, file with the Authority audited group financial statements in respect of the business of the group of which it is a member and the auditor's report¹²²⁸.

(10) The Authority must publish in such manner as it considers appropriate a copy of every audited financial statement filed with it under sub-rule (9) together with the notes to those statements and the auditor's report.

(11) Group financial statements shall be accompanied by an unaudited statement for public disclosure with respect to the group's compliance with the MSM and ECR.¹²²⁹

SUPERVISORY REPORTING AND DISCLOSURES

24. Statutory financial statements

(1) Every insurance group must prepare in each year financial statements (including notes to the financial statements) of the parent company of the group in accordance with sub-rule (2) ("statutory financial statements").

(2) The statutory financial statements must be prepared by completing forms 1, 2 and 8 of Schedule 1 and populating the line items therein with the corresponding Bermuda- equivalent values of the line items in the group financial statements for the corresponding financial year taking into account the applicable instructions in forms 1, 2 and 8.

(3) For the purposes of sub-rule (2), the Bermuda equivalent of an amount in a foreign currency is the Bermuda dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that bank of that foreign currency on the last day of the group's financial year, provided that the rate of exchange of one U.S. dollar will be deemed to be one Bermuda dollar.

(4) A designated insurer must file with the Authority statutory financial statements prepared in accordance with subparagraph (2) in every financial year within five months after the end of the financial year or such longer period, not exceeding eight months as the Authority may allow.

25. Group Statutory financial return

(1) An insurance group must prepare an annual financial return in accordance with this rule ("statutory financial return").

(2) A designated insurer must submit a group statutory financial return in respect of the insurance group of which it is a member for each financial year within five months after the end of the financial year or such longer period not exceeding eight months as the Authority may allow ("filing date").

(3) The group statutory financial return must consist of the following documents—

- (a) a cover sheet as prescribed in schedule 2;
- (b) an insurance group business solvency certificate as prescribed in schedule 2;
- (c) [DELETED]¹²³⁰;
- (d) particulars of ceded reinsurance comprising of the top ten unaffiliated reinsurers for which the group has the highest recoverable balances and any reinsurer with recoverable balances exceeding 15% of the insurance group's statutory capital and surplus as prescribed in schedule 2;

- (e) any adjustments applied to the group financial statements by the group to produce the statutory financial statements in the form of a reconciliation of amounts reported as total assets, total liabilities, net income and total statutory capital and surplus; and
 - (f) a list of non-insurance financial regulated entities owned by the group;
 - (g) particulars of qualifying members within the meaning of rule 19(3) as set out in sub-rule (4).
- (4) The particulars of qualifying members within the meaning of rule 19(3) are—
- (a) the name of the registered entity;
 - (b) the name of the jurisdiction in which the entity is registered;
 - (c) the minimum margin of solvency for each registered entity;
 - (d) the group's participation interest (percentage) of each registered entity; and
 - (e) the member's minimum margin of solvency that is taken into account in calculating the group's minimum margin of solvency pursuant to rule 19.
- (5) Schedule 2 which prescribes the form and content of the cover sheet, ¹²³¹the insurance group business solvency certificate, ¹²³²the schedule of ceded reinsurance to unaffiliated reinsurers, has effect.

26. Requirements relating to preparation of returns generally

- (1) Every statutory financial return and any document annexed to such a return must be prepared in the English language.
- (2) All amounts which are shown in any such return or document must be shown in the currency in which, pursuant to rule 23(6), amounts in any account of a group are to be shown; but the Bermuda equivalent of every such amount must be stated next to that amount in every case where that amount is an amount expressed in a foreign currency (in this rule called a "foreign currency amount").
- (3) For the purposes of sub-rule (2), the Bermuda equivalent of a foreign currency amount shall be the Bermuda dollar equivalent of that foreign currency amount as converted into Bermuda dollars at the rate of exchange used by any licensed bank in Bermuda in relation to purchases by that bank of that foreign currency on the last day of the relevant year, provided that the rate of exchange of one U.S. dollar will be deemed to be one Bermuda dollar; and the person preparing the return or document in question shall state that rate either in the return or document itself or in some other document made available to the Authority.

27. Opinion of group actuary

The capital and solvency return required in accordance with the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 shall include an annual opinion of the group actuary in accordance with the requirements of Schedule XV of those Rules. ¹²³³ ¹²³⁴

28. Requirement to keep records in Bermuda

Every designated insurer must keep a copy of the insurance group's financial statements (together with the notes to those statements and the auditor's report thereon), statutory financial statements and the statutory financial return at its principal office for a period of five years.

GENERAL PROVISIONS TO ENSURE COMPLIANCE

29. Designated insurer to report certain events

- (1) A designated insurer must forthwith notify the Authority, in such manner as it may direct—
 - (a) on the designated insurer reaching a view that there is a likelihood of the insurance group or any member of the group of which it is a member becoming insolvent (i.e. breaching a regulatory capital requirement applicable to the insurance group or any member); or
 - (b) if it knows or has reason to believe, that an event to which this rule applies (as provided in sub-rule (3)) has occurred.
- (2) Within 30 days of such notification, the designated insurer must furnish the Authority with a report in writing setting out all the particulars of the case that are available to it.
- (3) This rule applies to the following events—
 - (a) failure by the insurance group or any member of the group to comply substantially with a requirement imposed upon it by or under these Rules or the Act or any rules or regulations made thereunder, including requirements relating to its solvency position, governance and risk management, or supervisory reporting and disclosures;
 - (b) failure by the designated insurer, to comply or to facilitate compliance by the group to enable the designated insurer to comply with a direction given to the designated insurer in respect of the group or any of its members under Sections 6C and 32A of the Act or under rule 3(4) of these Rules¹²³⁵;
 - (c) conviction of a criminal offence by any member of the group whether in Bermuda or abroad;
 - (d) material breaches of any statutory requirements by any member of the group located outside of Bermuda that could lead to supervisory or enforcement action by a competent authority;
 - (e) a significant loss that is reasonably likely to cause the insurance group to be unable to comply with the enhanced capital requirement applicable to it.
- (4) Within 45 days of notifying the Authority of an event referred to in sub-rule (3)(e), the designated insurer must furnish the Authority with—
 - (a) a capital and solvency return that reflects an enhanced capital requirement that has been prepared using post-loss data;
 - (b) unaudited interim statutory financial statements in relation to such period as the Authority may require, together with a declaration of solvency in respect of those statements.
- (5) A designated insurer must notify the Authority in writing within 14 days of becoming aware that a requirement of these Rules conflicts with the laws of another jurisdiction where a member of the insurance group operates.

30 Financial Condition Report¹²³⁶

- (1) Schedule 3 has effect.
- (2) An insurance group shall prepare a financial condition report in accordance with Schedule 3, in connection with public disclosure requirements under rule 4(3).

- (3) A financial condition report shall be comprised of an electronic version and a printed version of the financial condition report and shall be filed by the designated insurer of the insurance group with the Authority on or before the filing date.
- (4) An insurance group with a website shall publish on its website a copy of the financial condition report within 14 days of the date the report was filed with the Authority.
- (5) An insurance group that does not have a website must furnish to the public a copy of a financial condition report within 10 days of receipt of a request made in writing.
- (6) The designated insurer of an insurance group shall keep copies of the financial condition report at its head office for a period of five years beginning with the filing date.
- (7) In considering an application under section 27F of the Act to modify, or exempt an insurance group from, any requirements of these Rules, the Authority may take into account whether—
- (a) the Authority is satisfied that the disclosure of certain information will result in a competitive disadvantage for an insurance group;
 - (b) there are contractual obligations between the insurance group and any policyholder or counterparty to keep certain information confidential;
 - (c) such disclosures may be prohibited by a jurisdiction's law or may breach a direction issued by the Authority or any other relevant overseas authority; and
 - (d) there are other statutory public disclosure requirements imposed on an insurance group under the Act and the Authority is satisfied that references may be made to the requirements under this rule, where such disclosures provide similar information to that required in the financial condition report.
- (7A) When considering situations for an exemption under paragraph (7)(a) or (b), the Authority shall not grant an application of a designated insurer for an exemption from the requirement to provide particulars relating to paragraph (7)(e) (capital management) of the financial condition report of an insurance group required in accordance with Schedule 3.¹²³⁷
- (8) Where approval has been granted by the Authority for a modification or exemption in accordance with the Act; the financial condition report may state that the Authority has provided such approval.

31 Subsequent Event¹²³⁸

- (1) Where a significant event occurs on or before an insurance group's filing date, the insurance group shall prepare a report on the event at the time of filing its financial condition report under rule 30 as part of the financial condition report under Schedule 3, heading "Subsequent Event".
- (2) Where a significant event occurs after an insurance group's filing date, an insurance group shall prepare for the Authority a report on the event within 14 days of the occurrence of such event; which shall be filed with the Authority by the designated insurer of the insurance group.
- (3) An insurance group with a website shall publish on such website, a report on a significant event occurring after the filing date within 30 days of the date of submission of the report to the Authority, or by such other date agreed by the Authority.
- (4) An insurance group that does not have a website must furnish to the public a copy of any report prepared on a significant event occurring after the filing date within 30 days of receipt of a request made in writing.
- (5) The designated insurer of the insurance group shall keep copies of reports on any significant event at its head office for a period of five years beginning with the filing date.

32 Declaration on Financial Condition Report or Significant Event¹²³⁹

Every financial condition report or report on a significant event filed by a designated insurer of an insurance group shall be signed by-

- (a) the chief executive of the parent company; and
- (b) any chief risk officer or chief financial officer of the parent company;

declaring that to the best of their knowledge and belief, the financial condition report or the report on a significant event fairly represents the financial condition of the insurance group in all material respects.

SCHEDULES

[The Schedules to these Rules have been omitted. They are available for inspection at the offices of the Bermuda Monetary Authority or on the website: www.bma.bm.]

Made this 30th day of December 2011

Chairman

The Bermuda Monetary Authority

BERMUDA MONETARY AUTHORITY ACT 1969 (FOURTH SCHEDULE FEES - INSURANCE ACT 1978)

FOURTH SCHEDULE - INSURANCE ACT 1978^{1240 1241 1242 1243 1244 1245 1246}

PART B - 2020^{1247 1248 1249 1250 1251 1252 1253}

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
1	Applying for registration as:	
	(a) an insurer under section 4(1)	\$730
	(b) an insurance manager, broker, agent or insurance marketplace provider under section 10 ¹²⁵⁶	\$380
	(c) an insurance salesman under section 10	\$150
2	Applying:	
	(a) to vary or delete any conditions imposed on the Certificate of Registration under section 4(3)	\$650
	(b) to register as a different class of insurer under section 4(6)	\$650
	(c) to be granted an extension to the filing deadline under section 17(4) for:	
	Note: Where applications are also made for extensions pursuant to section 6C under paragraphs (x) and (z) only one application fee is payable. ¹²⁵⁷	
	(i) Class 3A, C and D insurers:	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(ii) Class 3B, 4 and E insurers:	
	(A) First month past filing deadline	\$2,500
	(B) Second month past filing deadline	\$2,500
	(C) Third month past filing deadline	\$2,500
	(iii) Class 1, 2, 3, A, B insurers, innovative insurers and Special Purpose Insurers:	
	(A) First month past filing deadline	\$750
	(B) Second month past filing deadline	\$750
	(C) Third month past filing deadline	\$750
	(d) to be exempted from the record keeping requirements of section 18C(2)	\$750
	(e) To be granted an extension of the period of registration under section 13 (2A) (b) (ii)	\$2,266
	(f) to notify new or increased shareholder control under section 30D	\$750
	(g) to file an affidavit prior to the payment of dividends exceeding 25% of a Class 3A, 3B, 4, C, D and E insurer's statutory capital and surplus under section 31B	\$550
	(h) to obtain approval for an insurer to reduce statutory capital by 15% or more under section 31C	\$1,250
	(i) to be granted direction under section 56 other than those mentioned in paragraph (ia) ¹²⁵⁸	\$800
	(ia) to be granted a direction under section 56 in respect of:	
	(i) exemption from requirement of section 18B to include opinion of Loss Reserve Specialist or section 27 to include actuarial certificate of long- term business liabilities	\$800

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(ii) modifying of accounting provisions under sections 15 to 18 and Regulations	\$800
	(iii) modifying margin of solvency for general business under section 33 and Regulations	\$800
	(iv) modifying statutory financial returns under sections 15 to 18 and Regulations	\$800
	(j) to be granted a direction under section 57A	\$2,500
	(k) to obtain approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by Insurance Accounts Regulations 1980 or Insurance Accounts Rules 2016, to be treated as "relevant assets"	\$800
	(l) to obtain approval of letters of credit, guarantees and any other instruments to be treated as other fixed capital for :	
	(i) Class A, B, 1, 2, and 3 insurers	\$800
	(ii) Class 3A, 3B, 4, C, D and E insurers	\$3,500
	Note: Where applications are made by an insurer for approval of instruments to be treated as other fixed capital and eligible capital then only the higher of the two application fees shall be payable.	
	(m) application for cancellation of registration under section 41(1)(a)	\$800
	(n) application for approval of an internal capital model made under the provisions of a Rule made under section 6A: Note: this paragraph is intended to refer to the pre-application process.	\$50,000
	(o) application for review and approval of an internal capital model made under the provision of a Rule made under section 6A. ¹²⁵⁹ Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to (1) the structural complexity of the internal model, (2) the scale and complexity of risks covered by the internal model, (3) the complexity of the insurance group organization structure.	Assessed on a case- by-case, subject to minimum of \$200,000 and maximum of \$2,000,000

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(p) annual fee for monitoring of an approved internal capital model made under the provision of a Rule made under section 6A	\$25,000
	(q) application for post-approval of an internal capital model made under the provision of a Rule made under section 6A: Note: this charge shall apply to each major change that is being considered	\$25,000
	(r) application for exemption from or modification to, information required pursuant to a CISSA filing under a prudential rule (where a CISSA filing includes such information and the insurance group confirms risk management is centralised within the insurance group); ¹²⁶⁰	\$800
	(s) application for exemption from an applicable prudential standard requirement under section 6C	\$800
	(t) application for exemption from filing a capital and solvency return under section 6C	\$800
	(u) application for modifications to an applicable prudential standard requirements under section 6C	\$800
	(v) application for approval of an eligible capital instrument under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case- by-case, subject to minimum of \$10,000 and maximum of \$130,000
	(w) Application under section 6D to adjust enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus in accordance with prudential rules made under section 6A: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case- by-case, subject to minimum of \$10,000 and maximum of \$200,000
	(wa) subsequent renewal of adjustment to the enhanced capital requirement or available statutory capital and surplus or available	\$800

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	statutory economic capital and surplus (where there are no major changes from the initial application) by changing certain capital factor charges in the BSCR under Section 6D	
	(x) application for BSCR filing extensions, under section 6C made by— Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable.	
	Class 3A, C and D insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	Class 3B, 4 and E insurers:	\$1,500
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(y) application for exemption or modification of quarterly financial returns under section 6C: ¹²⁶¹	\$2,500
	(z) application for CISSA, GAAP or Financial Condition Report extensions under section 6C made by—	
	Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable. Class 3A, C and D insurers:	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	Class 3B, 4 and E insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(aa) in depth reviews of matters relating to a modification of a prudential rule under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application. This fee is to be applied for applications under section 6C not set out in this Schedule.	Assessed on a case by case, subject to minimum of \$10,000 and maximum of \$130,000
	(ab) application for excepted long term business approval under section 14 (1) (i)	\$800
	(ac) application to modify LRSO for Class 3A, 3B, 4 under section 6(C) ¹²⁶²	\$800
3	Registering as an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non- Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	\$7,500
	(ii) Class 1 insurer carrying on general business	\$2,000
	(iii) Class 2 insurer carrying on general business	\$3,750 ¹²⁶³
	(iv) Class 3 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$15,000
	(B) exceed \$5 million but not exceed \$20 million	\$17,500

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(C) exceed \$20 million but not exceed \$35 million	\$20,000
	(D) exceed \$35 million but not exceed \$100 million	\$23,500
	(E) exceed \$100 million	\$25,000
	(iva) Class 3A insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$23,000
	(B) exceed \$5 million but not exceed \$20 million	\$27,500
	(C) exceed \$20 million but not exceed \$35 million	\$31,500
	(D) exceed \$35 million but not exceed \$100 million	\$35,500
	(E) exceed \$100 million	\$40,000
	(F) or the insurer qualifies as a Class 3A affiliated reinsurer	\$23,000
	(ivb) Class 3B insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$234,200
	(B) exceed \$150 million but not exceed \$350 million	\$260,300
	(C) exceed \$350 million but not exceed \$2 billion	\$291,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$338,300
	(E) exceed \$5 billion	\$413,700
	(v) Class 4 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$234,200
	(B) exceed \$150 million but not exceed \$350 million	\$260,300

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(C) exceed \$350 million but not exceed \$2 billion	\$291,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$338,300
	(E) exceed \$5 billion	\$413,700
	(vi) Special Purpose Insurers:	
	(A) Conducting restricted special purpose business	\$8,500
	(B) Conducting unrestricted special purpose business	\$8,500
	(vii) Class A insurer	\$12,500
	(viii) Class B insurer	\$12,500
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$23,500
	(B) exceed \$150 million but not exceed \$350 million	\$25,000
	(C) exceed \$350 million but not exceed \$2 billion	\$27,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$45,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$48,500 ¹²⁶⁴
	(F) exceed \$10 billion	\$59,000
	(x) Class D insurer where total assets are expected to:	
	(A) not exceed \$750 million	\$65,000
	(B) exceed \$750 million	\$67,000
	(xi) Class E insurer where total assets are expected to:	
	(A) not exceed \$1 billion	\$85,000

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(B) exceed \$1 billion but not exceed \$5 billion	\$90,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$125,000
	(D) exceed \$10 billion	\$150,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT ¹²⁶⁵	\$6,180
	(xiv) Class IIGB ¹²⁶⁶	\$6,180
	(xv) Class 3A insurer carrying on run-off general business where: ¹²⁶⁷	
	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$23,000
	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$27,500
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$31,500
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$35,500
	(E) gross reserves are exceeding \$100 million and assets are exceeding \$200 million	\$40,000
	(xv) Class 3B insurer carrying on run-off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$234,200
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$260,300
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$291,500
	(D) gross reserves are less than \$9 billion and assets are less	\$338,300

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	than \$18 billion	
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$413,700
	(xvi) Class 4 insurer carrying on run-off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$234,200
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$260,300
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$291,500
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$338,300
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$413,700
	(b) insurance manager:	
	(i) for each Class 1 insurer managed	\$100
	(ii) for each Class 2 insurer managed	\$150
	(iii) for each Class 3 insurer managed	\$200
	(iv) for each Class 3A insurer managed	\$300
	(v) for each Class 3B insurer managed	\$400
	(vi) for each Class 4 insurer managed	\$400
	(vii) for each Class A insurer managed	\$100
	(viii) for each Class B insurer managed	\$150
	(ix) for each Class C insurer managed	\$300

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(x) for each Class D insurer managed	\$350
	(xi) for each Class E insurer managed	\$400
	(xii) for each Special Purpose insurer managed	\$150 ¹²⁶⁸
	(xiii) for each Class II GB insurer managed	\$200 ¹²⁶⁹
	(xiv) for each Collateralized insurer managed	\$200 ¹²⁷⁰
	Where an insurance manager's fees are less than \$3,000, it shall pay the minimum of \$3,000. Where an insurance manager's fees are \$15,000 or more, it shall pay the maximum of \$15,000.	
	(c) an insurance broker or agent under section 10	\$3,000
	(d) an insurance salesman under section 10	\$300
	(e) an insurance marketplace provider where gross premiums are expected to: ^{1271 1272}	
	(A) not exceed \$5 million	\$3,000
	(B) exceed \$5 million but not exceed \$20 million	\$4,500
	(C) exceed \$20 million but not exceed \$35 million	\$6,000
	(D) exceed \$35 million but not exceed \$100 million	\$7,500
	(E) exceed \$100 million	\$9,000
	(f) a Collateralized Insurer under section 14 where total collateral held for the benefit of policyholders is expected to: ^{1273 1274}	
	(A) not exceed \$150 million	\$12,000
	(B) exceed \$150 million but not exceed \$350 million	\$15,000
	(C) exceed \$350 million but not exceed \$2 billion	\$20,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$25,000

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(E) exceed \$5 billion but not exceed \$10 billion	\$35,000
	(F) exceed \$10 billion	\$45,000
	(g) a Class II GB Insurer where gross premiums are expected to: ¹²⁷⁵	
	(A) not exceed \$5 million	\$17,000
	(B) exceed \$5 million but not exceed \$20 million	\$22,500
	(C) exceed \$20 million but not exceed \$35 million	\$26,000
	(D) exceed \$35 million but not exceed \$100 million	\$30,500
	(E) exceed \$100 million	\$35,000
4	Issuing any certificate under section 14(1)(c)	\$800
5	Inspecting the register under section 14(1)(d)	\$26
6	The furnishing by the Authority of any document or copy of a document under section 14(1)(e):	
	(a) For the first three pages or part thereof	\$26
	(b) For each additional three pages or part thereof	\$6
	Fees in respect of the above are due upon application.	
7	Annual fee under section 14(2) payable by an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	17,500
	(ii) Class 1 insurer carrying on general business	\$2,000
	(iii) Class 2 insurer carrying on general business	\$3,750

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(iv) Class 3 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$15,000
	(B) exceed \$5 million but not exceed \$20 million	\$17,500
	(C) exceed \$20 million but not exceed \$35 million	\$20,000
	(D) exceed \$35 million but not exceed \$100 million	\$23,500
	(E) exceed \$100 million	\$24,000
	(iva) Class 3A insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$23,000
	(B) exceed \$5 million but not exceed \$20 million	\$27,500
	(C) exceed \$20 million but not exceed \$35 million	\$31,500
	(D) exceed \$35 million but not exceed \$100 million	\$35,500
	(E) exceed \$100 million	\$40,000
	(F) or where the insurer qualifies as a Class 3A affiliated reinsurer	\$23,000
	(ivb) Class 3B insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$234,200
	(B) exceed \$150 million but not exceed \$350 million	\$260,300
	(C) exceed \$350 million but not exceed \$2 billion	\$291,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$338,300

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(E) exceed \$5 billion	\$413,700
	(v) Class 4 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$234,200
	(B) exceed \$150 million but not exceed \$350 million	\$260,300
	(C) exceed \$350 million but not exceed \$2 billion	\$291,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$338,300
	(E) exceed \$5 billion	\$413,700
	(vi) Special Purpose insurers	
	(A) Conducting restricted special purpose business	\$8,500
	(B) Conducting unrestricted special purpose business	\$8,500
	(vii) Class A insurer	\$12,500
	(viii) Class B insurer	\$12,500
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$23,500
	(B) exceed \$150 million but not exceed \$350 million	\$25,000 ¹²⁷⁶
	(C) exceed \$350 million but not exceed \$2 billion	\$27,500
	(D) exceed \$2 billion but not exceed \$5 billion	\$45,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$48,500
	(F) exceed \$10 billion ¹²⁷⁷	\$59,000
	(x) Class D insurer where total assets are expected to:	

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(A) not exceed \$750 million	\$65,000
	(B) exceed \$750 million	\$67,000
	(xi) Class E insurer where total assets are expected to:	
	(A) not exceed \$1 billion	\$85,000
	(B) exceed \$1 billion but not exceed \$5 billion	\$90,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$125,000
	(D) exceed \$10 billion	\$150,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT	\$6,180
	(b) insurance manager:	
	(A) for each Class 1 insurer managed	\$100
	(B) for each Class 2 insurer managed	\$150
	(C) for each Class 3 insurer managed	\$200
	(D) for each Class 3A insurer managed	\$300
	(E) for each Class 3B insurer managed	\$400
	(F) for each Class 4 insurer managed	\$400
	(G) for each Class A insurer managed	\$100
	(H) for each Class B insurer managed	\$150
	(I) for each Class C insurer managed	\$300
	(J) for each Class D insurer managed	\$350

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(K) for each Class E insurer managed	\$400
	(L) for each Special Purpose insurer managed	\$150 ¹²⁷⁸
	(M) for each Class IIGB insurer managed	\$200 ¹²⁷⁹
	(N) for each Collateralized insurer managed	\$200 ¹²⁸⁰
	Note: The total sum payable by an insurance manager pursuant to the above fees is subject to a minimum of \$3,000 and a maximum of \$15,000	
	(c) An insurance broker or agent under section 10	\$3,000
	(d) An insurance salesman under section 10	\$300
	(e) An insurer registered to carry on run-off general business as a:	
	(i) Class 3A insurer where:	
	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$23,000
	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$27,500
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$31,500
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$35,500
	(E) gross reserves are exceeding \$100 million and assets are exceeding \$200 million	\$40,000
	(ii) Class 3B insurer where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$234,200
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$260,300

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$291,500
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$338,300
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$413,700
	(iii) Class 4 insurer where:	
	(A) gross reserves less than \$200 million and assets less than \$400 million	\$234,200
	(B) gross reserves less than \$500 million and assets less than \$1 billion	\$260,300
	(C) gross reserves less than \$3billion and assets less than \$6 billion	\$291,500
	(D) gross reserves less than \$9 billion and assets less than \$18 billion	\$338,300
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$413,700
	(f) an insurance marketplace provider where gross premiums are expected to: ^{1281 1282}	
	(A) not exceed \$5 million	\$3,000
	(B) exceed \$5 million but not exceed \$20 million	\$4,500
	(C) exceed \$20 million but not exceed \$35 million	\$6,000
	(D) exceed \$35 million but not exceed \$100 million	\$7,500
	(E) exceed \$100 million	\$9,000
	(g) a Collateralized Insurer under section 14, where total collateral held for the benefit of policyholders is expected to: ^{1283 1284}	

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(A) not exceed \$150 million	\$12,000
	(B) exceed \$150 million but not exceed \$350 million	\$15,000
	(C) exceed \$350 million but not exceed \$2 billion	\$20,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$25,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$35,000
	(F) exceed \$10 billion	\$45,000
	(h) a Class II GB Insurer where gross premiums are expected to: ¹²⁸⁵	
	(A) not exceed \$5 million	\$17,000
	(B) exceed \$5 million but not exceed \$20 million	\$22,500
	(C) exceed \$20 million but not exceed \$35 million	\$26,000
	(D) exceed \$35 million but not exceed \$100 million	\$30,500
	(E) exceed \$100 million	\$35,000
(7A)	Supplementary fee to be paid by an insurer whose business includes domestic insurance business in addition to the fee payable for its class of business under paragraph (7)(a)	\$25,750
8	(a) Annual fee under section 27B payable by a Class 3A, 3B or 4 designated insurer on behalf of an insurance for group where gross premium written in the year preceding the year of assessment:	
	(i) did not exceed \$5 billion	\$196,100
	(ii) exceeded \$5 billion but did not exceed \$10 billion	\$258,400
	(iii) exceeded \$10 billion	\$505,500
	(b) Annual fee under section 27B payable by a Class C, D or E designated insurer on behalf of an insurance group where total assets at the preceding year-end to the year of assessment:	

PART B - 2020		
INSURANCE ACT 1978 ^{1254 1255}		
	(i) did not exceed \$10 billion	\$196,100
	(ii) exceeded \$10 billion but did not exceed \$20 billion	\$258,400
	(iii) exceeded \$20 billion	\$505,500
	(c) Annual fee under section 27B payable by a designated insurer registered to carrying on run off general business on behalf of an insurance group where:	
	(i) gross reserves of the insurance group are less than \$9 billion and assets of the insurance group are less than \$18 billion	\$196,100
	(ii) gross reserves of the insurance group are less than \$15 billion and assets of the insurance group are less than \$30 billion	\$258,400
	(iii) gross reserve of the insurance group exceeds \$15 billion and assets of the insurance group are less than \$30 billion	\$505,500
<i>Annual fees in respect of the above are due on or before 31 March 2020.</i>		

PART C - 2021¹²⁸⁶

PART C - 2021		
INSURANCE ACT 1978¹²⁸⁷		
1	Applying for registration as:	
	(a) an insurer under section 4(1)	\$800
	(b) an insurance manager, broker, agent or insurance marketplace provider under section 10 ¹²⁸⁸	\$400
	(c) an insurance salesman under section 10	\$200
2	Applying:	
	(a) to vary or delete any conditions imposed on the Certificate of Registration under section 4(3)	\$800
	(b) to register as a different class of insurer under section 4(6)	\$800
	(c) to be granted an extension to the filing deadline under section 17(4) for:	
	[Note: Where applications are also made for extensions pursuant to section 6C under paragraphs (x) and (z) only one application fee is payable.] ¹²⁸⁹	
	(i) Class 3A, C and D insurers:	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500
	(ii) Class 3B, 4 and E insurers:	
	(A) First month past filing deadline	\$2,500
	(B) Second month past filing deadline	\$2,500
	(C) Third month past filing deadline	\$2,500
	(iii) Class 1, 2, 3, A, B insurers, innovative insurers and Special Purpose Insurers:	

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(A) First month past filing deadline	\$750
	(B) Second month past filing deadline	\$750
	(C) Third month past filing deadline	\$750
	(d) to be exempted from the record keeping requirements of section 18C(2)	\$750
	(e) To be granted an extension of the period of registration under section 13 (2A) (b) (ii)	\$2,266
	(f) to notify new or increased shareholder control under section 30D	\$750
	(g) to file an affidavit prior to the payment of dividends exceeding 25% of a Class 3A, 3B, 4, C, D and E insurer's statutory capital and surplus under section 31B	\$550
	(h) to obtain approval for an insurer to reduce statutory capital by 15% or more under section 31C	\$1,550
	(i) to be granted direction under section 56 other than those mentioned in paragraph (ia) ¹²⁹⁰	\$1,000
	(ia) to be granted a direction under section 56 in respect of:	
	(i) exemption from requirement of section 18B to include opinion of Loss Reserve Specialist or section 27 to include actuarial certificate of long- term business liabilities	\$1,000
	(ii) modifying of accounting provisions under sections 15 to 18 and Regulations	\$1,000
	(iii) modifying margin of solvency for general business under section 33 and Regulations	\$1,000
	(iv) modifying statutory financial returns under sections 15 to 18 and Regulations	\$1,000
	(j) to be granted a direction under section 57A	\$2,500
	(k) to obtain approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by Insurance Accounts Regulations 1980 or Insurance Accounts Rules 2016, to be	\$1,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	treated as "relevant assets"	
	(l) to obtain approval of letters of credit, guarantees and any other instruments to be treated as other fixed capital for :	
	(i) Class A, B, 1, 2, and 3 insurers	\$1,000
	(ii) Class 3A, 3B, 4, C, D and E insurers	\$5,500
	Note: Where applications are made by an insurer for both approval of instruments to be treated as other fixed capital and eligible capital then only the higher of the two application fees shall be payable.	
	(m) application for cancellation of registration under section 41(1)(a)	\$1,000
	(n) application for approval of an internal capital model made under the provisions of a Rule made under section 6A:	\$55,000
	Note: this paragraph is intended to refer to the pre-application process.	
	(o) application for review and approval of an internal capital model made under the provision of a Rule made under section 6A; ¹²⁹¹ Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to (1) the structural complexity of the internal model, (2) the scale and complexity of risks covered by the internal model, (3) the complexity of the insurance group organization structure.	Assessed on a case-by-case, subject to minimum of \$200,000 and maximum of \$2,000,000
	(p) annual fee for monitoring of an approved internal capital model made under the provision of a Rule made under section 6A	\$30,000
	(q) application for post-approval of an internal capital model made under the provision of a Rule made under section 6A: Note: this charge shall apply to each major change that is being considered	\$30,000
	(r) application for exemption from or modification to, information required pursuant to a CISSA filing under a prudential rule (where a CISSA filing includes such information and the insurance group confirms risk management is centralised within the insurance group ¹²⁹²	\$10,000
	(s) application for exemption from an applicable prudential standard requirement under section 6C	\$1,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(t) application for exemption from filing a capital and solvency return under section 6C	\$1,000
	(u) application for modifications to an applicable prudential standard requirements under section 6C	\$1,000
	(v) application for approval of an eligible capital instrument under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case- by- case, subject to minimum of \$10,000 and maximum of \$130,000
	(w) Application under section 6D to adjust enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus in accordance with prudential rules made under section 6A: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application.	Assessed on a case by case, subject to minimum of \$10,000 and maximum of \$200,000
	(wa) subsequent renewal of adjustment to the enhanced capital requirement or available statutory capital and surplus or available statutory economic capital and surplus (where there are no major changes from the initial application) by changing certain capital factor charges in the BSCR under Section 6D	\$1,000
	(x) application for BSCR filing extensions, under section 6C made by— Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable.	
	Class 3A, C and D insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	Class 3B, 4 and E insurers:	\$1,500
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(y) application for exemption or modification of quarterly financial returns under section 6C ¹²⁹³	\$2,500
	(z) application for CISSA, GAAP or Financial Condition Report extensions under section 6C made by—	
	Class 3A, C and D insurers:	
	Note: Where applications are also made for filing deadline extensions pursuant to section 17(4) under paragraph (c) only one application fee is payable.	
	(A) First month past filing deadline	\$1,500
	(B) Second month past filing deadline	\$1,500
	(C) Third month past filing deadline	\$1,500
	Class 3B, 4 and E insurers:	
	(A) First month past the filing date	\$1,500
	(B) Second month past the filing date	\$1,500
	(C) Third month past the filing date	\$1,500
	(aa) in depth reviews of matters relating to a modification of a prudential rule under section 6C: Note: Applications made hereunder shall be subject to a sliding scale fee payment as determined by the Authority having regard to the scope and complexity of the review and the expected solvency impact of the application. This fee is to be applied for applications under section 6C not set out in this Schedule.	Assessed on a case by case, subject to minimum of \$10,000 and maximum of \$130,000
	(ab) application for excepted long term business approval under section 14 (1) (i)	\$1,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(ac) application to modify LRSO for Class 3A, 3B, 4 under section 6(C) ¹²⁹⁴	\$1,000
3	Registering as an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	\$10,000
	(ii) Class 1 insurer carrying on general business	\$2,500
	(iii) Class 2 insurer carrying on general business	\$4,000
	(iv) Class 3 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$15,000
	(B) exceed \$5 million but not exceed \$20 million	\$17,500
	(C) exceed \$20 million but not exceed \$35 million	\$20,000
	(D) exceed \$35 million but not exceed \$100 million	\$25,000
	(E) exceed \$100 million	\$30,000
	(iva) Class 3A insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$5 million	\$25,000
	(B) exceed \$5 million but not exceed \$20 million	\$30,000
	(C) exceed \$20 million but not exceed \$35 million	\$35,000
	(D) exceed \$35 million but not exceed \$100 million	\$40,000
	(E) exceed \$100 million	\$45,000
	(F) or the insurer qualifies as a Class 3A affiliated reinsurer	\$25,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(ivb) Class 3B insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$253,000
	(B) exceed \$150 million but not exceed \$350 million	\$281,100
	(C) exceed \$350 million but not exceed \$2 billion	\$314,800
	(D) exceed \$2 billion but not exceed \$5 billion	\$365,400
	(E) exceed \$5 billion	\$446,800
	(v) Class 4 insurer carrying on general business where gross premium is expected to:	
	(A) not exceed \$150 million	\$253,000
	(B) exceed \$150 million but not exceed \$350 million	\$281,100
	(C) exceed \$350 million but not exceed \$2 billion	\$314,800
	(D) exceed \$2 billion but not exceed \$5 billion	\$365,400
	(E) exceed \$5 billion	\$446,800
	(vi) Special Purpose Insurers:	
	(A) Conducting restricted special purpose business	\$10,000
	(B) Conducting unrestricted special purpose business	\$15,000
	(vii) Class A insurer	\$13,570
	(viii) Class B insurer	\$13,570
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$25,000
	(B) exceed \$150 million but not exceed \$350 million	\$28,000
	(C) exceed \$350 million but not exceed \$2 billion	\$31,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(D) exceed \$2 billion but not exceed \$5 billion	\$61,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$65,000
	(F) exceed \$10 billion	\$100,000
	(x) Class D insurer where total assets are expected to:	
	(A) not exceed \$750 million	\$75,000
	(B) exceed \$750 million	\$80,000
	(xi) Class E insurer where total assets are expected to:	
	(A) not exceed \$1 billion	\$95,000
	(B) exceed \$1 billion but not exceed \$5 billion	\$114,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$152,000
	(D) exceed \$10 billion	\$190,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT ¹²⁹⁵	\$6,180
	(xiv) Class IIGB ¹²⁹⁶	\$6,180
	(xv) Class A insurer carrying on run-off general business where: ¹²⁹⁷	
	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$25,000
	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$23,000
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$35,000
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$40,000
	(E) gross reserves are exceeding \$100 million and	\$45,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	assets are exceeding \$200 million	
	(xv) Class 3B insurer carrying on run- off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$253,000
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$281,100
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$314,800
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$365,400
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$446,800
	(xvi) Class 4 insurer carrying on run-off general business where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$253,000
	(B) gross reserves less than \$500 million and assets less than \$1 billion	\$281,100
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$314,800
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$365,400
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$446,800
	(b) insurance manager:	
	(i) for each Class 1 insurer managed	\$100
	(ii) for each Class 2 insurer managed	\$150

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(iii) for each Class 3 insurer managed	\$200
	(iv) for each Class 3A insurer managed	\$300
	(v) for each Class 3B insurer managed	\$400
	(vi) for each Class 4 insurer managed	\$400
	(vii) for each Class A insurer managed	\$100
	(viii) for each Class B insurer managed	\$150
	(ix) for each Class C insurer managed	\$300
	(x) for each Class D insurer managed	\$350
	(xi) for each Class E insurer managed	\$400
	Note: Where an insurance manager's fees are less than \$3,000, it shall pay the minimum of \$3,000. Where an insurance manager's fees are \$15,000 or more, it shall pay the maximum of \$15,000.	
	(c) an insurance broker or agent under section 10	\$3,000
	(d) an insurance salesman under section 10	\$300
	(e) an insurance marketplace provider where gross premiums are expected to: ^{1298 1299}	
	(A) not exceed \$5 million	\$4,500
	(B) exceed \$5 million but not exceed \$20 million	\$6,000
	(C) exceed \$20 million but not exceed \$35 million	\$7,500
	(D) exceed \$35 million but not exceed \$100 million	\$9,000
	(E) exceed \$100 million	\$11,500
	(f) a Collateralized Insurer under section 14 where total collateral held for the benefit of policyholders is expected to: ^{1300 1301}	
	(A) not exceed \$150 million	\$15,000
	(B) exceed \$150 million but not exceed \$350 million	\$17,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(C) exceed \$350 million but not exceed \$2 billion	\$22,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$30,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$40,000
	(F) exceed \$10 billion	\$50,000
	(g) a Class IIGB Insurer where gross premiums are expected to: ¹³⁰²	
	(A) not exceed \$5 million	\$20,000
	(B) exceed \$5 million but not exceed \$20 million	\$25,500
	(C) exceed \$20 million but not exceed \$35 million	\$30,000
	(D) exceed \$35 million but not exceed \$100 million	\$35,000
	(E) exceed \$100 million	\$40,000
4	Issuing any certificate under section 14(1)(c)	\$800
5	Inspecting the register under section 14(1)(d)	\$26
6	The furnishing by the Authority of any document or copy of a document under section 14(1)(e):	
	(a) For the first three pages or part thereof	\$26
	(b) For each additional three pages or part thereof	\$6
	Fees in respect of the above are due upon application.	
7	Annual fee under section 14(2) payable by an:	
	(a) insurer:	
	(i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	25,750
	(ii) Class 1 insurer carrying on general business	\$2,250

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(iii) Class 2 insurer carrying on general business	\$4,375
	(iv) Class 3 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$17,800
	(B) exceed \$5 million but not exceed \$20 million	\$19,800
	(C) exceed \$20 million but not exceed \$35 million	\$22,550
	(D) exceed \$35 million but not exceed \$100 million	\$25,920
	(E) exceed \$100 million	\$29,520
	(iva) Class 3A insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$5 million	\$24,550
	(B) exceed \$5 million but not exceed \$20 million	\$29,100
	(C) exceed \$20 million but not exceed \$35 million	\$33,600
	(D) exceed \$35 million but not exceed \$100 million	\$38,760
	(E) exceed \$100 million	\$44,500
	(F) or where the insurer qualifies as a Class 3A affiliated reinsurer	\$24,550
	(ivb) Class 3B insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$253,000
	(B) exceed \$150 million but not exceed \$350 million	\$281,100
	(C) exceed \$350 million but not exceed \$2 billion	\$314,800
	(D) exceed \$2 billion but not exceed \$5 billion	\$365,400
	(E) exceed \$5 billion	\$446,800

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(v) Class 4 insurer carrying on general business where gross premium written is expected to:	
	(A) not exceed \$150 million	\$253,000
	(B) exceed \$150 million but not exceed \$350 million	\$281,100
	(C) exceed \$350 million but not exceed \$2 billion	\$314,800
	(D) exceed \$2 billion but not exceed \$5 billion	\$365,400
	(E) exceed \$5 billion	\$446,800
	(vi) Special Purpose insurers	
	(A) Conducting restricted special purpose business	\$10,000
	(B) Conducting unrestricted special purpose business	\$15,000
	(vii) Class A insurer	\$13,570
	(viii) Class B insurer	\$13,570
	(ix) Class C insurer where total assets are expected to:	
	(A) not exceed \$150 million	\$25,000
	(B) exceed \$150 million but not exceed \$350 million	\$28,000
	(C) exceed \$350 million but not exceed \$2 billion	\$31,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$61,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$65,000
	(F) exceed \$10 billion	\$100,000
	(x) Class D insurer where total assets are expected to:	
	(A) not exceed \$750 million	\$75,000
	(B) exceed \$750 million	\$80,000
	(xi) Class E insurer where total assets are expected to:	

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(A) not exceed \$1 billion	\$95,000
	(B) exceed \$1 billion but not exceed \$5 billion	\$114,000
	(C) exceed \$5 billion but not exceed \$10 billion	\$152,000
	(D) exceed \$10 billion	\$190,000
	(xii) Class IGB	\$6,180
	(xiii) Class ILT	\$6,180
	(b) insurance manager:	
	(A) for each Class 1 insurer managed	\$100
	(B) for each Class 2 insurer managed	\$150
	(C) for each Class 3 insurer managed	\$200
	(D) for each Class 3A insurer managed	\$300
	(E) for each Class 3B insurer managed	\$400
	(F) for each Class 4 insurer managed	\$400
	(G) for each Class A insurer managed	\$100
	(H) for each Class B insurer managed	\$150
	(I) for each Class C insurer managed	\$300
	(J) for each Class D insurer managed	\$350
	(K) for each Class E insurer managed	\$400
	Note: The total sum payable by an insurance manager pursuant to the above fees is subject to a minimum of \$3,000 and a maximum of \$15,000	
	(c) An insurance broker or agent under section 10	\$3,000
	(d) An insurance salesman under section 10	\$300
	(e) An insurer registered to carry on run-off general business as a:	

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(i) Class 3A insurer where:	
	(A) gross reserves are less than \$7.5 million and assets are less than \$15 million	\$24,550
	(B) gross reserves are less than \$25 million and assets are less than \$50 million	\$29,100
	(C) gross reserves are less than \$35 million and assets are less than \$70 million	\$33,600
	(D) gross reserves are less than \$100 million and assets are less than \$200 million	\$38,760
	(E) gross reserves are exceeding \$100 million and assets are exceeding \$200 million	\$44,500
	(ii) Class 3B insurer where:	
	(A) gross reserves are less than \$200 million and assets are less than \$400 million	\$253,000
	(B) gross reserves are less than \$500 million and assets are less than \$1 billion	\$281,100
	(C) gross reserves are less than \$3 billion and assets are less than \$6 billion	\$314,800
	(D) gross reserves are less than \$9 billion and assets are less than \$18 billion	\$365,400
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$446,800
	(iii) Class 4 insurer where:	
	(A) gross reserves less than \$200 million and assets less than \$400 million	\$253,000
	(B) gross reserves less than \$500 million and assets less than \$1 billion	\$281,100
	(C) gross reserves less than \$3billion and assets less than \$6 billion	\$314,800

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(D) gross reserves less than \$9 billion and assets less than \$18 billion	\$365,400
	(E) gross reserves are exceeding \$9 billion and assets are exceeding \$18 billion	\$446,800
	(f) an insurance marketplace provider where gross premiums are expected to: ^{1303 1304}	
	(A) not exceed \$5 million	\$4,500
	(B) exceed \$5 million but not exceed \$20 million	\$6,000
	(C) exceed \$20 million but not exceed \$35 million	\$7,500
	(D) exceed \$35 million but not exceed \$100 million	\$9,000
	(E) exceed \$100 million	\$11,500
	(g) a Collateralized Insurer under section 14, where total collateral held for the benefit of policyholders is expected to: ^{1305 1306}	
	(A) not exceed \$150 million	\$15,000
	(B) exceed \$150 million but not exceed \$350 million	\$17,000
	(C) exceed \$350 million but not exceed \$2 billion	\$22,000
	(D) exceed \$2 billion but not exceed \$5 billion	\$30,000
	(E) exceed \$5 billion but not exceed \$10 billion	\$40,000
	(F) exceed \$10 billion	\$50,000
	(h) a Class IIIGB Insurer where gross premiums are expected to: ¹³⁰⁷	
	(A) not exceed \$5 million	\$20,000
	(B) exceed \$5 million but not exceed \$20 million	\$25,000
	(C) exceed \$20 million but not exceed \$35 million	\$30,000
	(D) exceed \$35 million but not exceed \$100 million	\$35,000

PART C - 2021		
INSURANCE ACT 1978 ¹²⁸⁷		
	(E) exceed \$100 million	\$40,000
(7A)	Supplementary fee to be paid by an insurer whose business includes domestic insurance business in addition to the fee payable for its class of business under paragraph (7)(a)	\$25,750
8	(a) Annual fee under section 27B payable by a Class 3A, 3B or 4 designated insurer on behalf of an insurance for group where gross premium written in the year preceding the year of assessment:	
	(i) did not exceed \$5 billion	\$211,700
	(ii) exceeded \$5 billion but did not exceed \$10 billion	\$279,000
	(iii) exceeded \$10 billion	\$545,900
	(b) Annual fee under section 27B payable by a Class C, D or E designated insurer on behalf of an insurance group where total assets at the preceding year-end to the year of assessment.	
	(i) did not exceed \$10 billion	\$211,700
	(ii) exceeded \$10 billion but did not exceed \$20 billion	\$279,000
	(iii) exceeded \$20 billion	\$545,900
	(c) Annual fee under section 27B payable by a designated insurer registered to carrying on run off general business on behalf of an insurance group where:	
	(i) gross reserves of the insurance group are less than \$9 billion and assets of the insurance group are less than \$18 billion	\$211,700
	(ii) gross reserves of the insurance group are less than \$15 billion and assets of the insurance group are less than \$30 billion	\$279,000
	(iii) gross reserve of the insurance group exceeds \$15 billion and assets of the insurance group are less than \$30 billion	\$545,900
	Annual fees in respect of the above are due on or before 31st March 2021.	

Endnotes

- 1 Insurance Amendment (No. 3) Act 2015
- 2 Insurance Amendment (No. 2) Act 2015
- 3 Insurance Amendment Act 2019
- 4 Insurance Amendment (No. 2) Act 2012
- 5 Insurance Amendment (No. 2) Act 2012
- 6 Insurance Amendment Act 2004
- 7 All references in the Insurance Act 1978 to “the Authority” result from the Insurance Amendment (No 2) Act 2001
- 8 Insurance Amendment Act 2008
- 9 Insurance Amendment (No. 3) Act 2010
- 10 Insurance Amendment (No. 2) Act 2015
- 11 Insurance Amendment (No. 3) Act 2010
- 12 Insurance Amendment Act 2008
- 13 Insurance Amendment (No. 2) Act 2010
- 14 Insurance Amendment (No. 3) Act 2015
- 15 Insurance Amendment Act 2019
- 16 Insurance Amendment Act 2008
- 17 Insurance Amendment Act 1995
- 18 Insurance Amendment (No. 3) Act 2010
- 19 Insurance Amendment Act 2019
- 20 Insurance Amendment Act 2018
- 21 Insurance Amendment Act 2019
- 22 Insurance Amendment Act 2018
- 23 Insurance Amendment (No. 2) Act 2006
- 24 Insurance Amendment Act 2019
- 25 Insurance Amendment Act 2012
- 26 Insurance Amendment (No. 2) Act 2010
- 27 Insurance Amendment (No. 3) Act 2010
- 28 Insurance Amendment (No. 3) Act 2010
- 29 Insurance Amendment Act 2008
- 30 Insurance Amendment Act 1983
- 31 Insurance Amendment (No. 3) Act 2015
- 32 Insurance Amendment (No. 2) Act 2010
- 33 Insurance Amendment (No. 2) Act 2012
- 34 Insurance Amendment Act 1983
- 35 Insurance Amendment Act 2008
- 36 Insurance Amendment (No. 2) Act 2010
- 37 Insurance Amendment (No. 2) Act 2012
- 38 Insurance Amendment Act 2019
- 39 Insurance Amendment Act 2018
- 40 Insurance Amendment Act 2019
- 41 Insurance Amendment Act 2018
- 42 Insurance Amendment Act 2019
- 43 Insurance Amendment Act 2018
- 44 Insurance Amendment Act 2019
- 45 Insurance Amendment Act 2019
- 46 Insurance Amendment Act 2018
- 47 Insurance Amendment Act 2018
- 48 Insurance Amendment Act 2019
- 49 Insurance Amendment Act 2018
- 50 Insurance Amendment (No. 3) Act 2015
- 51 Insurance Amendment Act 2006
- 52 Insurance Amendment Act 1983
- 53 Insurance Amendment Act 2011
- 54 Insurance Amendment (No. 2) Act 2010
- 55 Insurance Amendment Act 2019
- 56 Insurance Amendment Act 2019

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- 57 Insurance Amendment Act 1983
58 Insurance Amendment Act 1981
59 Insurance Amendment (No. 2) Act 2012
60 Insurance Amendment Act 1983
61 Insurance Amendment Act 2008
62. Insurance Amendment Act 1981
63 Insurance Amendment Act 1983
64 Insurance Amendment Act 1995
65 Insurance Amendment (No. 3) Act 2010
66 Insurance Amendment Act 2004
67 Insurance Amendment Act 2006
68 Insurance Amendment (No. 3) Act 2015
69 Insurance Amendment Act 1995
70 Insurance Amendment (No. 3) Act 2010
71 Ministers (Change of Responsibilities and Style) Order 2011
72 Insurance Amendment (No. 2) Act 2012
73 Insurance Amendment (No. 2) Act 2012
74 Insurance Amendment Act 2006
75 Insurance Amendment Act 2011
76 Insurance Amendment (No. 2) Act 2010
77 Insurance Amendment (No. 2) Act 2010
78 Insurance Amendment (No. 3) Act 2015
79 Insurance Amendment Act 2008
80 Insurance Amendment (No. 2) Act 2010
81 Insurance Amendment Act 2006
82 Insurance Amendment (No. 2) Act 2010
83 Insurance Amendment (No. 3) Act 2018
84 Insurance Amendment (No. 3) Act 2015
85 Insurance Amendment Act 1995
86 Insurance Amendment Act 2008
87 Insurance Amendment Act 2019
88 Insurance Amendment Act 2008
89 Insurance Amendment (No. 2) Act 2015
90 Insurance Amendment Act 2006
91 Insurance Amendment (No. 3) Act 2015
92 Insurance Amendment Act 1995
93 Insurance Amendment (No. 2) Act 2010
94 Insurance Amendment (No. 3) Act 2015
95. Insurance Amendment Act 1995
96 Insurance Amendment (No. 2) Act 2010
97 Insurance Amendment (No. 2) Act 2015
98 Insurance Amendment (No. 3) Act 2018
99 Insurance Amendment Act 2012
100 Spent on repeal of the Companies (Winding Up) Act 1977
101. Insurance Amendment Act 1981
102. Insurance Amendment Act 1983
103. Insurance Amendment Act 1983
104 Insurance Amendment (No. 2) Act 2010
105 Insurance Amendment (No. 3) Act 2015
106 Insurance Amendment Act 2006
107 Insurance Amendment Act 2006
108 Section 1B(2) repealed and replaced by section 4 of Insurance Amendment (No. 2) Act 2010
109 Inserted by Insurance Amendment (No. 2) Act 2010
110 Insurance Amendment Act 2006
111 Insurance Amendment Act 2008
112 Insurance Amendment Act 2008
113 Insurance Amendment Act 2008
114 Insurance Amendment (No. 3) Act 2010
115 Insurance Amendment Act 2008

116 Insurance Amendment Act 2012
117 Insurance Amendment (No. 2) Act 2010
118 Insurance Amendment Act 2012
119 Insurance Amendment Act 2012
120 Insurance Amendment (No. 2) Act 2006
121 Insurance Amendment (No. 2) Act 2006
122 Insurance Amendment (No. 2) Act 2010
123 Insurance Amendment (No. 2) Act 2010
124 Insurance Amendment (No. 2) Act 2010
125 Insurance Amendment (No. 2) Act 2010
126 Insurance Amendment (No. 2) Act 2010
127 Insurance Amendment Act 1995
128 Insurance Amendment Act 2019
129 Insurance Amendment Act 2019
130 Insurance Amendment Act 2008
131 Insurance Amendment (No. 3) Act 2010
132 Insurance Amendment Act 2019
133 Insurance Amendment Act 2008
134 Insurance Amendment (No. 3) Act 2010
135 Insurance Amendment Act 2018
136 Insurance Amendment (No. 3) Act 2018
137 Insurance Amendment Act 2019
138 Insurance Amendment Act 2008 (Punctuation errors original to the legislation)
139 Insurance Amendment Act 2018
140 Insurance Amendment Act 2019
141 Insurance Amendment Act 2018
142 Insurance Amendment Act 2004
143 Insurance Amendment Act 2004
144 Insurance Amendment Act 2019
145 Insurance Amendment Act 2008
146 Insurance Amendment Act 2019
147 Insurance Amendment Act 2008
148 Insurance Amendment Act 2019
149 Insurance Amendment Act 2008
150 Insurance Amendment Act 1995
151 Insurance Amendment Act 2019
152 Insurance Amendment Act 2019
153 Insurance Amendment Act 2008
154 Insurance Amendment (No. 3) Act 2018
155 Insurance Amendment (No. 3) Act 2018
156 Insurance Amendment Act 1995
157 Insurance Amendment Act 1995
158 Insurance Amendment Act 1995
159 Insurance Amendment Act 2019
160 Insurance Amendment Act 2019
161 Insurance Amendment Act 2008
162 Insurance Amendment Act 2008
163 Insurance Amendment Act 1995
164 Insurance Amendment (No. 3) Act 2010
165 Insurance Amendment (No. 3) Act 2010
166 Insurance Amendment (No. 3) Act 2010
167 Insurance Amendment (No. 3) Act 2010
168 Insurance Amendment (No. 3) Act 2010
169 Insurance Amendment (No. 2) Act 2012
170 Insurance Amendment (No. 3) Act 2010
171 Insurance Amendment (No. 2) Act 2012
172 Insurance Amendment Act 2018
173 Insurance Amendment Act 2019
174 Insurance Amendment Act 2019

175 Insurance Amendment Act 2018
176 Insurance Amendment Act 2019
177 Insurance Amendment Act 2019
178 Insurance Amendment Act 2019
179 Insurance Amendment Act 1995
180 Insurance Amendment Act 2019
181 Insurance Amendment (No. 2) Act 2012
182 Insurance Amendment Act 2018
183 Insurance Amendment (No. 2) Act 2010
184 Insurance Amendment (No. 3) Act 2015
185 Insurance Amendment Act 2008
186 Insurance Amendment Act 2019
187 Insurance Amendment (No. 3) Act 2015
188 Insurance Amendment Act 2019
189 Insurance Amendment (No. 3) Act 2010
190 Insurance Amendment (No. 3) Act 2010
191 Insurance Amendment Act 2008
192 Insurance Amendment Act 2006
193 Insurance Amendment Act 2008
194 Insurance Amendment Act 2018
195 Insurance Amendment Act 2019
196 Insurance Amendment Act 2019
197 Insurance Amendment Act 2018
198 Insurance Amendment (No. 3) Act 2010
199 Insurance Amendment (No. 2) Act 2012
200 Insurance Amendment Act 2018
201 Insurance Amendment (No. 2) Act 2012
202 Insurance Amendment Act 2018
203 Insurance Amendment (No. 3) Act 2010
204 Insurance Amendment (No. 3) Act 2010
205 Insurance Amendment Act 2011
206 Insurance Amendment Act 2019
207 Insurance Amendment (No. 2) Act 2012
208 Insurance Amendment (No. 3) Act 2010
209 Insurance Amendment Act 2011
210 Insurance Amendment Act 2019
211 Insurance Amendment (No. 2) Act 2012
212 Insurance Amendment Act 2011
213 Insurance Amendment Act 2019
214 Insurance Amendment (No. 2) Act 2013
215 Insurance Amendment (No. 3) Act 2010
216 Insurance Amendment Act 2016
217 Insurance Amendment (No. 3) Act 2015
218 Insurance Amendment Act 2008
219 Insurance Amendment (No. 2) Act 2015
220 Insurance Amendment Act 2019
221 Insurance Amendment (No. 3) Act 2010
222 Insurance Amendment Act 2019
223 Insurance Amendment (No. 2) Act 2015
224 Insurance Amendment (No. 3) Act 2015
225 Insurance Amendment (No. 3) Act 2010
226 Insurance Amendment (No. 2) Act 2015
227 Insurance Amendment (No. 2) Act 2015
228 Insurance Amendment Act 2016
229 Insurance Amendment (No. 3) Act 2015
230 Insurance Amendment Act 2019
231 Insurance Amendment (No. 3) Act 2018
232 Insurance Amendment Act 2016
233 Insurance Amendment Act 2018

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- 234 Insurance Amendment Act 2016
 - 235 Insurance Amendment (No. 3) Act 2015
 - 236 Insurance Amendment (No. 2) Act 2010
 - 237 Insurance Amendment Act 2018
 - 238 Insurance Amendment Act 2019
 - 239 Insurance Amendment (No. 3) Act 2018
 - 240 Insurance Amendment (No. 2) Act 2010
 - 241 Insurance Amendment Act 2018
 - 242 Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
 - 243 Insurance Amendment Act 2019
 - 244 Insurance Amendment (No. 2) Act 2012
 - 245 Insurance Amendment Act 2019
 - 246 Insurance Amendment Act 2019
 - 247 Insurance Amendment (No. 3) Act 2018
 - 248 Insurance Amendment Act 2016
 - 249 Insurance Amendment Act 2018
 - 250 Insurance Amendment (No. 2) Act 2010
 - 251 Insurance Amendment Act 2018
 - 252 Insurance Amendment Act 2019
 - 253 Insurance Amendment (No. 2) Act 2010
 - 254 Insurance Amendment (No. 3) Act 2010
 - 255 Section 6A(4) repealed by section 4 and section 23(1)(a) of the Insurance Amendment Act 2012
 - 256 Insurance Amendment (No. 2) Act 2012
 - 257 Section 6A(8) inserted by section 4(b) of the Insurance Amendment Act 2012
 - 258 Insurance Amendment Act 2008
 - 259 Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
 - 260 Insurance Amendment Act 2016
 - 261 Insurance Amendment (No. 2) Act 2012
 - 262 Insurance Amendment Act 2008
 - 263 Insurance Amendment Act 2019
 - 264 Insurance Amendment Act 2019
 - 265 Insurance Amendment (No. 3) Act 2018
 - 266 Insurance Amendment Act 2018
 - 267 Insurance Amendment Act 2016
 - 268 Insurance Amendment Act 2019
 - 269 Insurance Amendment (No. 3) Act 2018
 - 270 Insurance Amendment Act 2016
 - 271 Insurance Amendment Act 2019
 - 272 Insurance Amendment Act 2019
 - 273 Insurance Amendment (No. 2) Act 2012
 - 274 Insurance Amendment (No. 3) Act 2010, s. 9 amends section 6A, 6B and 6C by deleting the words “Order”, “Orders” and “an Order” wherever they appear and substitutes the word “Rules”.
 - 275 Repealed and replaced by section 4 of the Insurance Amendment Act 2011
 - 276 Insurance Amendment (No. 2) Act 2012
 - 277 Insurance Amendment (No. 2) Act 2012
 - 278 Insurance Amendment Act 2011
 - 279 Insurance Amendment (No. 2) Act 2010
 - 280 Insurance Amendment Act 2019
 - 281 Insurance Amendment (No. 3) Act 2018
 - 282 Insurance Amendment Act 2016
 - 283 Insurance Amendment Act 2019
 - 284 Insurance Amendment (No. 3) Act 2018
 - 285 Insurance Amendment Act 2016
 - 286 Insurance Amendment (No. 2) Act 2012
 - 287 Insurance Amendment Act 2019
 - 288 Insurance Amendment (No. 3) Act 2018
 - 289 Insurance Amendment Act 2018

290 Insurance Amendment Act 2016
291 Insurance Amendment (No. 2) Act 2012
292 Insurance Amendment Act 2019
293 Insurance Amendment Act 2019
294 Insurance Amendment Act 2019
295 Insurance Amendment Act 2019
296 Insurance Amendment Act 2008
297 Insurance Amendment (No. 2) Act 2015
298 Insurance Amendment (No. 2) Act 2010
299 Insurance (No. 2) Amendment Act 2019
300 Insurance Amendment (No. 2) Act 2015
301 Insurance Amendment (No. 2) Act 2010
302 Insurance Amendment (No. 2) Act 2010
303 Insurance Amendment (No. 2) Act 2010
304 Insurance Amendment (No. 2) Act 2010
305 Insurance Amendment (No. 2) Act 2010
306 Section 6 repealed and replaced by section 10 of Insurance Amendment (No. 2) Act 2010
307 Insurance (No. 2) Amendment Act 2019
308 Insurance Amendment Act 2018
309 Insurance Amendment Act 2018
310 Insurance Amendment Act 1995
311 Insurance Amendment Act 2019
312 Insurance Amendment Act 2019
313 Insurance Amendment Act 2008
314 Insurance Amendment (No. 3) Act 2010
315 Insurance Amendment (No. 3) Act 2010
316 Insurance Amendment (No. 3) Act 2010
317 Insurance Amendment Act 2008
318 Insurance Amendment (No. 3) Act 2010
319 Insurance Amendment Act 2011
320 Insurance Amendment Act 2018
321 Insurance Amendment (No. 2) Act 2012
322 Insurance Amendment Act 1985
323 Insurance Amendment Act 2019
324 Insurance Amendment Act 2019
325 Insurance Amendment (No. 3) Act 2018
326 Insurance Amendment Act 1995
327 Insurance Amendment (No. 3) Act 2018
328 Insurance Amendment (No. 3) Act 2018
329 Insurance Amendment Act 2004
330 Section 8(5) repealed by section 23(1)(b) of the Insurance Amendment Act 2012
331 Insurance Amendment Act 1985
332 Insurance Amendment Act 2004
333 Insurance Amendment Act 2004
334 Insurance Amendment Act 2008
335 Insurance Amendment Act 2008
336 Insurance Amendment (No. 3) Act 2010
337 Insurance Amendment Act 2008
338 Insurance Amendment Act 2011
339 Insurance Amendment Act 2011
340 Insurance Amendment Act 2008
341 Insurance Amendment Act 2008
342 Section 8A(3) repealed by section 23(1)(c) of the Insurance Amendment Act 2012
343 Insurance Amendment (No. 3) Act 2015
344 Insurance Amendment Act 2004
345 Insurance Amendment (No. 2) Act 2015
346 Insurance Amendment Act 2019
347 Insurance Amendment (No. 3) Act 2018
348 Insurance Amendment (No. 3) Act 2015

349 Insurance Amendment Act 2008
350 Insurance Amendment Act 2018
351 Insurance Amendment (No. 3) Act 2015
352 Insurance Amendment (No. 2) Act 2015
353 Insurance Amendment (No. 3) Act 2015
354 Insurance Amendment (No. 3) Act 2015
355 Insurance Amendment Act 2019
356 Section 8B(6) repealed by section 10 of the Insurance Amendment (No. 2) Act 2012
357 Insurance Amendment (No. 3) Act 2010
358 Insurance Amendment (No. 2) Act 2015
359 Insurance Amendment Act 2019
360 Insurance Amendment Act 2019
361 Insurance Amendment Act 2019
362 Insurance Amendment Act 2019
363 Insurance Amendment Act 2006
364 Insurance Amendment Act 2019
365 Insurance Amendment Act 2019
366 Insurance Amendment Act 2019
367 Insurance Amendment Act 1995
368 Insurance Amendment Act 2006
369 Insurance Amendment Act 2019
370 Insurance Amendment Act 2019
371 Insurance Amendment Act 2001
372 Insurance Amendment Act 2018
373 Insurance Amendment Act 2018
374 Insurance Amendment Act 2018
375 Insurance Amendment Act 2016
376 Insurance Amendment (No. 3) Act 2015
377 Insurance Amendment (No. 2) Act 2015
378 Insurance Amendment Act 2019
379 Insurance Amendment Act 1995
380 Insurance Amendment Act 2018
381 Insurance Amendment (No. 3) Act 2018
382 Insurance Amendment (No. 3) Act 2015
383 Insurance Amendment (No. 3) Act 2015
384 Bermuda Monetary Authority Amendment (No. 2) Act 2008
385 Insurance Amendment (No. 2) Act 2015
386 Insurance Amendment (No. 3) Act 2010
387 Bermuda Monetary Authority Amendment (No. 2) Act 2008
388 Insurance Amendment (No. 2) Act 2015
389 Insurance Amendment Act 2019
390 Insurance Amendment Act 2019
391 Insurance Amendment (No. 3) Act 2018
392 Insurance Amendment Act 2016
393 Insurance Amendment (No. 3) Act 2018
394 Insurance Amendment (No. 2) Act 2015
395 Insurance Amendment (No. 3) Act 2018
396 Insurance Amendment (No. 2) Act 2015
397 Insurance Amendment (No. 3) Act 2018
398 Insurance Amendment (No. 3) Act 2018
399 Insurance Amendment Act 2019
400 Insurance Amendment Act 1981
401 Bermuda Monetary Authority Amendment (No. 2) Act 2008
402 Insurance Amendment Act 1985
403 Insurance Amendment Act 2019
404 Insurance Amendment (No. 2) Act 2012
405 Insurance Amendment Act 2019
406 Insurance Amendment (No. 2) Act 2012
407 Insurance Amendment Act 2016

408 Section 3 and 3A inserted by Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
409 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
410 Section 14(3A) repealed and replaced by section 5 of the Insurance Amendment Act 2012
411 Bermuda Monetary Authority Amendment (No. 2) Act 2008
412 Repealed and replaced by section 7(a) of the Insurance Amendment Act 2011
413 Insurance Amendment (No. 3) Act 2010
414 Bermuda Monetary Authority Amendment (No. 2) Act 2008
415 Repealed and replaced by section 7(b) of the Insurance Amendment Act 2011
416 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
417 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
418 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
419 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
420 Insurance Amendment (No. 3) Act 2018
421 Insurance Amendment (No. 3) Act 2018
422 Insurance Amendment (No. 3) Act 2018
423 Insurance Amendment (No. 3) Act 2018
424 Insurance Amendment Act 2016
425 Insurance Amendment Act 2016
426 Insurance Amendment Act 2016
427 Insurance Amendment Act 2004
428 Insurance Amendment Act 2016
429 Insurance Amendment Act 2015
430 Insurance Amendment Act 2019
431 Insurance Amendment Act 2016
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433 Insurance Amendment Act 2016
434 Insurance Amendment Act 2016
435 Insurance Amendment Act 2019
436 Insurance Amendment Act 2004
437 Insurance Amendment (No. 3) Act 2010
438 Insurance Amendment (No. 3) Act 2010
439 Insurance Amendment Act 2016
440 Insurance Amendment (No. 3) Act 2015
441 Insurance Amendment Act 2004
442 Insurance Amendment Act 2016
443 Insurance Amendment (No. 3) Act 2015
444 Section 16a(1)(e) inserted by section 11 of Insurance Amendment (No. 2) Act 2010
445 Insurance Amendment (No. 3) Act 2015
446 Insurance Amendment Act 2016
447 Insurance Amendment Act 2016
448 Insurance Amendment Act 2016
449 Insurance Amendment (No. 3) Act 2010
450 Insurance Amendment Act 2019
451 Insurance Amendment Act 2004
452 Insurance Amendment Act 2008
453 Insurance Amendment (No. 2) Act 2013
454 Insurance Amendment (No. 3) Act 2010
455 Insurance Amendment (No. 2) Act 2013
456 Insurance Amendment Act 2019
457 Insurance Amendment Act 2008
458 Insurance Amendment Act 2018
459 Insurance Amendment (No. 3) Act 2010
460 Insurance Amendment Act 2016
461 Insurance Amendment (No. 3) Act 2015
462 Insurance Amendment (No. 2) Act 2012
463 Insurance Amendment (No. 2) Act 2012
464 Insurance Amendment Act 2015
465 Insurance Amendment Act 2011
466 Insurance Amendment Act 2011

467 Insurance Amendment Act 2008
468 Insurance Amendment (No. 2) Act 2012
469 Insurance Amendment (No. 2) Act 2012
470 Insurance Amendment Act 2011
471 Insurance Amendment (No. 3) Act 2010
472 Insurance Amendment (No. 3) Act 2015
473 Insurance Amendment Act 2016
474 Insurance Amendment (No. 3) Act 2015
475 Insurance Amendment Act 2016
476 Insurance Amendment (No. 2) Act 2012
477 Insurance Amendment (No. 2) Act 2012
478 Insurance Amendment Act 2011
479 Insurance Amendment (No. 3) Act 2010
480 Insurance Amendment Act 2015
481 Insurance Amendment Act 2011
482 Insurance Amendment (No. 3) Act 2010
483 Insurance Amendment (No. 3) Act 2018
484 Insurance Amendment Act 2019
485 Insurance Amendment Act 2019
486 Insurance Amendment Act 1995
487 Insurance Amendment Act 2004
488 Insurance Amendment Act 2016
489 Insurance Amendment Act 1995
490 Insurance Amendment Act 2019
491 Insurance Amendment Act 2019
492 Insurance Amendment (No. 3) Act 2018
493 Insurance Amendment Act 2016
494 Insurance Amendment (No. 3) Act 2018
495 Insurance Amendment (No. 3) Act 2010
496 Section 18A(1) amended by section 6(a) of the Insurance Amendment Act 2012
497 Insurance Amendment Act 2008
498 Insurance Amendment Act 2019
499 Insurance Amendment (No. 3) Act 2018
500 Insurance Amendment (No. 2) Act 2013
501 Insurance Amendment Act 2016
502 Insurance Amendment Act 2019
503 Insurance Amendment (No. 3) Act 2018
504 Insurance Amendment (No. 2) Act 2013
505 Insurance Amendment Act 2019
506 Insurance Amendment Act 2018
507 Section 18A(2) repealed and replaced by section 6(b) of the Insurance Amendment Act 2012
508 Insurance Amendment (No. 3) Act 2010
509 Insurance Amendment Act 2008
510 Insurance Amendment (No. 3) Act 2010
511 Section 18A(3) repealed by section 6(c) of the Insurance Amendment Act 2012
512 Section 18A(4) repealed by section 6(c) of the Insurance Amendment Act 2012
513 Insurance Amendment Act 2011
514 Insurance Amendment Act 2019
515 Insurance Amendment (No. 3) Act 2018
516 Insurance Amendment Act 2016
517 Insurance Amendment Act 2011
518 Insurance Amendment (No. 3) Act 2010
519 Insurance Amendment Act 2019
520 Insurance Amendment (No. 3) Act 2018
521 Insurance Amendment Act 2016
522 Insurance Amendment Act 2011
523 Insurance Amendment (No. 3) Act 2010
524 Insurance Amendment Act 2008
525 Insurance Amendment Act 1995

526 Insurance Amendment (No. 2) Act 2015
527 Insurance Amendment (No. 2) Act 2015
528 Insurance Amendment Act 2008
529 Insurance Amendment Act 2008
530 Insurance Amendment (No. 2) Act 2015
531 Insurance Amendment Act 1995
532 Insurance Amendment Act 2019
533 Insurance Amendment Act 2019
534 Insurance Amendment Act 2018
535 Insurance Amendment (No. 3) Act 2010
536 Section 19 repealed and replaced by section 13 of the Insurance Amendment (No. 2) Act 2012
537 Section 6 Proceeds of Crime (Miscellaneous) (No. 2) Act 2018
538 Section 19 Transitional and savings added by section 22(1) and (2) of the Insurance Amendment (No. 2) Act 2012
539 Insurance Amendment Act 2001
540 Insurance Amendment Act 1983
541 Section 22(5) repealed by section 23(1)(d) of the Insurance Amendment Act 2012
542 Insurance Amendment (No. 2) Act 2018
543 Insurance Amendment (No. 2) Act 2018
544 Insurance Amendment (No. 2) Act 2018
545 Insurance Amendment Act 1981
546 Insurance Amendment Act 1981
547 Insurance Amendment (No. 2) Act 2018
548 Insurance Amendment Act 1983
549 Insurance Amendment Act 1985
550 Insurance Amendment Act 1983
551 Insurance Amendment (No. 3) Act 2015
552 Insurance Amendment (No. 2) Act 2015
553 Insurance Amendment Act 2018
554 Insurance Amendment (No. 3) Act 2015
555 Insurance Amendment (No. 2) Act 2015
556 Insurance Amendment (No. 3) Act 2015
557 Insurance Amendment (No. 3) Act 2015
558 Insurance Amendment (No. 2) Act 2015
559 Insurance Amendment Act 2018
560 Insurance Amendment (No. 2) Act 2015
561 Insurance Amendment (No. 3) Act 2015
562 Part IV inserted by section 12 of the Insurance Amendment (No. 2) Act 2010
563 Insurance Amendment Act 2013
564 Insurance Amendment Act 2016
565 Insurance Amendment (No. 2) Act 2015
566 Insurance Amendment Act 2016
567 Insurance Amendment Act 2016
568 Insurance Amendment (No. 2) Act 2012
569 Insurance Amendment Act 2011
570 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
571 Insurance Amendment (No. 2) Act 2015
572 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
573 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
574 Insurance Amendment Act 2016
575 Insurance Amendment Act 2016
576 Insurance Amendment Act 2016
577 Insurance Amendment (No. 3) Act 2010
578 Insurance Amendment (No. 3) Act 2010
579 Insurance Amendment (No. 3) Act 2010
580 Insurance Amendment (No. 3) Act 2010
581 Insurance Amendment (No. 3) Act 2015
582 Insurance Amendment (No. 2) Act 2012
583 Insurance Amendment (No. 2) Act 2015
584 Insurance Amendment (No. 3) Act 2015

585 Insurance Amendment (No. 2) Act 2015
586 Insurance Amendment Act 2019
587 Insurance Amendment (No. 3) Act 2018
588 Insurance Amendment Act 2019
589 Insurance Amendment (No. 3) Act 2018
590 Insurance Amendment (No. 3) Act 2018
591 Insurance Amendment Act 2019
592 Insurance Amendment Act 2019
593 Insurance Amendment Act 2019
594 Insurance Amendment Act 2019
595 Insurance Amendment Act 2002
596 Insurance Amendment Act 2002
597 Section 29A repealed and replaced by section 13 of Insurance Amendment (No. 2) Act 2010
598 Section 29A(1)(b) repealed and replaced by section 7 of the Insurance Amendment Act 2012
599 Section 29A(2) repealed and replaced by section 7 of the Insurance Amendment Act 2012
600 Section 29A(3) repealed and replaced by section 7 of the Insurance Amendment Act 2012
601 Section 29A(4) amended by section 7 of the Insurance Amendment Act 2012
602 Repealed by section 9 of the Insurance Amendment Act 2006
603 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
604 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
605 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
606 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
607 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
608 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
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610 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
611 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
612 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
613 Section 29B amended by section 14 of Insurance Amendment (No. 2) Act 2010
614 Insurance Amendment Act 2006
615 Section 29B(7) repealed by section 14 of Insurance Amendment (No. 2) Act 2010
616 Section 29C(1) amended by section 8 of the Insurance Amendment Act 2012
617 Section 29C(2) amended by section 8 of the Insurance Amendment Act 2012
618 Section 29D Repealed by section 16 of the Insurance Amendment (No. 2) Act 2010
619 Insurance Amendment Act 2006
620 Insurance Amendment Act 2006
621 Insurance Amendment Act 2016
622 Section 30 repealed and replaced by section 9 of the Insurance Amendment Act 2012
623 Insurance Amendment Act 2019
624 Insurance Amendment Act 2019
625 Insurance Amendment (No. 3) Act 2018
626 Insurance Amendment Act 2016
627 Insurance Amendment Act 2019
628 Insurance Amendment (No. 3) Act 2018
629 Insurance Amendment Act 2016
630 Insurance Amendment Act 2019
631 Insurance Amendment (No. 3) Act 2018
632 Insurance Amendment Act 2016
633 Insurance Amendment Act 2019
634 Insurance Amendment (No. 3) Act 2018
635 Insurance Amendment Act 2019
636 Insurance Amendment (No. 3) Act 2018
637 Insurance Amendment Act 2016
638 Insurance Amendment Act 2019
639 Insurance Amendment (No. 3) Act 2018
640 Insurance Amendment Act 2016
641 Section 30 repealed and replaced by section 9 of the Insurance Amendment Act 2012
642 Insurance Amendment Act 2004
643 Insurance Amendment Act 2004

644 Insurance Amendment Act 2004
645 Section 30A(1) and (2) inserted by section 11 of the Insurance Amendment Act 2012
646 Section 30A heading renumbered by section 10(b) of the Insurance Amendment Act 2012
647 Section 30A heading deleted and replaced by section 10(a) of the Insurance Amendment Act 2012
648 Insurance Amendment Act 2006
649 Insurance Amendment Act 2019
650 Renamed section 30AA(1) amended by section 10(c) of the Insurance Amendment Act 2012
651 Renamed section 30AA(1)(a) amended by section 10(d) of the Insurance Amendment Act 2012
652 Renamed section 30AA(1)(b) amended by section 10(e) of the Insurance Amendment Act 2012
653 Renamed section 30AA(1)(c) amended by section 10(f) of the Insurance Amendment Act 2012
654 Insurance Amendment Act 2019
655 Insurance Amendment (No. 3) Act 2018
656 Renamed section 30AA(1A) inserted by section 10(g) of the Insurance Amendment Act 2012
657 Renamed section 30AA(1A)(7) inserted by section 10(h) of the Insurance Amendment Act 2012
658 Insurance Amendment Act 2006
659 Section 30B(1) amended by section 12(a) of the Insurance Amendment Act 2012
660 Section 30B(1)(a) amended by section 12(b) of the Insurance Amendment Act 2012
661 Section 30B(2)(a) amended by section 12(c) of the Insurance Amendment Act 2012
662 Insurance Amendment Act 2006
663 Section 30C(1)(b) amended by section 13 of the Insurance Amendment Act 2012
664 Insurance Amendment (No. 3) Act 2018
665 Insurance Amendment Act 2016
666 Insurance Amendment Act 2019
667 Insurance Amendment Act 2019
668 Insurance Amendment (No. 3) Act 2018
669 Insurance Amendment Act 2019
670 Insurance Amendment (No. 3) Act 2018
671 Insurance Amendment Act 2019
672 Insurance Amendment (No. 3) Act 2018
673 Insurance Amendment Act 2019
674 Insurance Amendment (No. 3) Act 2018
675 Insurance Amendment Act 2019
676 Insurance Amendment (No. 3) Act 2018
677 Insurance Amendment (No. 3) Act 2010
678 Insurance Amendment (No. 2) Act 2015
679 Insurance Amendment Act 2019
680 Insurance Amendment Act 2019
681 Insurance Amendment Act 2019
682 Insurance Amendment Act 2006
683 Insurance Amendment Act 2006
684 Insurance Amendment (No. 2) Act 2015
685 Section 30G(3) Repealed by section 19 of the Insurance Amendment (No. 2) Act 2010
686 Insurance Amendment (No. 2) Act 2015
687 Insurance Amendment (No. 2) Act 2015
688 Insurance Amendment Act 2006
689 Insurance Amendment Act 2006
690 Section 30I amended by section 20 of the Insurance Amendment (No. 2) Act 2010
691 Section 30I(7) amended by section 20 of the Insurance Amendment (No. 2) Act 2010
692 Section 30I(7) amended by section 20 of the Insurance Amendment (No. 2) Act 2010
693 Insurance Amendment Act 2016
694 Insurance Amendment (No. 3) Act 2010
695 Insurance Amendment Act 2019
696 Insurance Amendment (No. 2) Act 2013
697 Insurance Amendment Act 2016
698 Insurance Amendment Act 2019
699 Section 30J(6) repealed by section 14 of the Insurance Amendment Act 2012
700 Insurance Amendment Act 2019
701 Section 30J(8) repealed by section 14 of the Insurance Amendment Act 2012
702 Insurance Amendment (No. 3) Act 2010

703 Insurance Amendment Act 2015
704 Insurance Amendment (No. 2) 2015
705 Insurance Amendment Act 2019
706 Insurance Amendment Act 2015
707 Section 30JA(1)(c) repealed by section 17(a)(i) of the Insurance Amendment (No. 2) Act 2012
708 Insurance Amendment (No. 2) Act 2012
709 Insurance Amendment Act 2015
710 Insurance Amendment (No. 2) Act 2012
711 Insurance Amendment (No. 2) Act 2012
712 Insurance Amendment Act 2015
713 Insurance Amendment (No. 2) Act 2012
714 Insurance Amendment Act 2015
715 Insurance Amendment (No. 2) Act 2012
716 Insurance Amendment Act 2015
717 Insurance Amendment (No. 2) Act 2015
718 Insurance Amendment (No. 2) Act 2015
719 Insurance Amendment (No. 2) Act 2012
720 Insurance Amendment (No. 2) Act 2015
721 Insurance Amendment Act 2015
722 Insurance Amendment (No. 3) Act 2010
723 Insurance Amendment Act 2019
724 Insurance Amendment Act 2013
725 Insurance Amendment (No. 2) Act 2012
726 Insurance Amendment Act 2013
727 Insurance Amendment Act 2013
728 Insurance Amendment Act 2015
729 Insurance Amendment (No. 3) Act 2010
730 Insurance Amendment Act 2019
731 Insurance Amendment Act 2013
732 Insurance Amendment Act 2013
733 Section 30JD repealed by section 23(1)(e) of the Insurance Amendment Act 2012
734 Insurance Amendment (No. 3) Act 2010
735 Insurance Amendment Act 2019
736 Insurance Amendment Act 2019
737 Insurance Amendment Act 2019
738 Insurance Amendment Act 2019
739 Insurance Amendment Act 2002
740 Insurance Amendment Act 1995
741 Insurance Amendment Act 2011
742 Insurance Amendment Act 2008
743 Insurance Amendment (No. 3) Act 2010
744 Insurance Amendment (No. 2) Act 2012
745 Insurance Amendment (No. 2) Act 2012
746 Insurance Amendment (No. 2) Act 2012
747 Insurance Amendment Act 2008
748 Insurance Amendment Act 2008
749 Insurance Amendment (No. 2) Act 2015
750 Insurance Amendment (No. 2) Act 2012
751 Insurance Amendment (No. 2) Act 2012
752 Insurance Amendment (No. 2) Act 2012
753 Insurance Amendment (No. 2) Act 2015
754 Insurance Amendment (No. 2) Act 2015
755 Insurance Amendment (No. 2) Act 2012
756 Insurance Amendment (No. 2) Act 2012
757 Insurance Amendment (No. 2) Act 2012
758 Insurance Amendment (No. 2) Act 2012
759 Insurance Amendment (No. 2) Act 2012
760 Insurance Amendment (No. 2) Act 2012
761 Insurance Amendment (No. 2) Act 2015

762 Insurance Amendment (No. 2) Act 2012
763 Insurance Amendment (No. 2) Act 2012
764 Insurance Amendment Act 2008
765 Insurance Amendment Act 2011
766 Insurance Amendment Act 2011
767 Insurance Amendment Act 2015
768 Insurance Amendment Act 1995
769 Insurance Amendment Act 2019
770 Insurance Amendment Act 2019
771 Insurance Amendment Act 2015
772 Insurance Amendment Act 2008
773 Insurance Amendment Act 1995
774 Insurance Amendment Act 2019
775 Insurance Amendment Act 2019
776 Insurance Amendment Act 2011
777 Insurance Amendment Act 2018
778 Insurance Amendment (No. 3) Act 2010
779 Insurance Amendment Act 2011
780 Insurance Amendment (No. 3) Act 2010
781 Insurance Amendment Act 2019
782 Insurance Amendment Act 2016
783 Insurance Amendment (No. 3) Act 2015
784 Insurance Amendment Act 2015
785 Insurance Amendment Act 1995
786 Insurance Amendment Act 2019
787 Insurance Amendment Act 2006
788 Insurance Amendment Act 2006
789 Insurance Amendment Act 2015
790 Insurance Amendment Act 2006
791 Insurance Amendment Act 2016
792 Insurance Amendment Act 2008
793 Insurance Amendment Act 2008
794 Insurance Amendment Act 2006
795 Insurance Amendment Act 2006
796 Insurance Amendment Act 2006
797 Insurance Amendment (No. 3) Act 2015
798 Insurance Amendment Act 2019
799 Insurance Amendment (No. 3) Act 2015
800 Insurance Amendment (No. 3) Act 2015
801 Section 32(7) repealed by section 15 of the Insurance Amendment Act 2012
802 Insurance Amendment Act 2006
803 Insurance Amendment Act 2006
804 Insurance Amendment Act 2006
805 Insurance Amendment Act 2006
806 Insurance Amendment Act 2006
807 Section 32(9) repealed by section 15 of the Insurance Amendment Act 2012
808 Insurance Amendment Act 2006
809 Insurance Amendment Act 2016
810 Insurance Amendment (No. 3) Act 2010
811 Insurance Amendment Act 2016
812 Section 32B inserted by section 16 of the Insurance Amendment Act 2012
813 Section 32C inserted by section 16 of the Insurance Amendment Act 2012
814 Insurance Amendment Act 2012
815 Section 32D inserted by section 16 of the Insurance Amendment Act 2012
816 Section 32E inserted by section 16 of the Insurance Amendment Act 2012
817 Section 32F inserted by section 16 of the Insurance Amendment Act 2012
818 Section 32G inserted by section 16 of the Insurance Amendment Act 2012
819 Insurance Amendment Act 2012
820 Section 32H inserted by section 16 of the Insurance Amendment Act 2012

821 Section 32I inserted by section 16 of the Insurance Amendment Act 2012
 822 Section 32J inserted by section 16 of the Insurance Amendment Act 2012
 823 Section 32K inserted by section 16 of the Insurance Amendment Act 2012
 824 Insurance Amendment Act 2012
 825 Section 32L inserted by section 16 of the Insurance Amendment Act 2012
 826 Insurance Amendment Act 1995
 827 Insurance Amendment Act 1995
 828 Insurance Amendment Act 2001
 829 Insurance Amendment (No. 2) Act 2018
 830 Insurance Amendment (No. 2) Act 2018
 831 Insurance Amendment (No. 2) Act 2018
 832 Insurance Amendment Act 1981
 833 Insurance Amendment Act 2001
 834 Insurance Amendment (No. 2) Act 2018
 835 Insurance Amendment (No. 3) Act 2015
 836 Insurance Amendment Act 1981
 837 Insurance Amendment (No. 3) Act 2015
 838 Insurance Amendment (No 2) Act 2001
 839 Insurance Amendment Act 2006
 840 Section 41(2) repealed and replaced by section 17 of the Insurance Amendment Act 2012
 841 Insurance Amendment Act 2006
 842 Section 41(3) repealed and replaced by section 17 of the Insurance Amendment Act 2012
 843 Insurance Amendment Act 2006
 844 Insurance Amendment Act 1981
 845 Insurance Amendment Act 2019
 846 Insurance Amendment Act 2019
 847 Insurance Amendment Act 2019
 848 Insurance Amendment (No 2) Act 2001
 849 Insurance Amendment Act 2006
 850 Insurance Amendment Act 2019
 851 Insurance Amendment Act 2006
 852 Insurance Amendment Act 2006
 853 Insurance Amendment Act 2006
 854 Insurance Amendment Act 2018
 855 Insurance Amendment Act 2011
 856 Section 44A(1)(b) repealed and replaced by section 18(a) of the Insurance Amendment Act 2012
 857 Insurance (No. 2) Amendment Act 2019
 858 Insurance Amendment Act 2008
 859 Insurance Amendment Act 2018
 860 Section 44A(2)(a) amended by section 18(b) of the Insurance Amendment Act 2012
 861 Insurance Amendment (No. 3) Act 2010
 862 Section 44A amended by section 22 of the Insurance Amendment (No. 2) Act 2010
 863 Section 44A(3A) inserted by section 18(c) of the Insurance Amendment Act 2012
 864 Section 44A(3B) inserted by section 18(c) of the Insurance Amendment Act 2012
 865 Appeal Tribunals (Miscellaneous) Act 2017
 866 Bermuda Monetary Authority (Determination of Appeals) Act 2016
 867 Insurance Amendment Act 2012
 868 Section 44F inserted by section 19 of the Insurance Amendment Act 2012
 869 Section 44G inserted by section 19 of the Insurance Amendment Act 2012
 870 Insurance Amendment Act 2012
 871 Section 44H inserted by section 19 of the Insurance Amendment Act 2012
 872 Insurance Amendment Act 2012
 873 Section 44I inserted by section 19 of the Insurance Amendment Act 2012
 874 Insurance Amendment Act 2004
 875 Insurance Amendment Act 2019
 876 Insurance Amendment Act 2019
 877 Insurance Amendment Act 2019
 878 Insurance Amendment Act 2019
 879 Section 51 repealed and replaced by section 20 of the Insurance Amendment Act 2012

880 Section 52 repealed and replaced by section 20 of the Insurance Amendment Act 2012
 881 Insurance Amendment Act 2001, Bermuda Monetary Authority Amendment Act 2008
 882 Section 51A repealed by section 10 of the Bermuda Monetary Authority Amendment Act 2008
 883 Section 51AA(1) and (2) inserted by section 20 of the Insurance Amendment Act 2012
 884 Section 51 repealed and replaced by section 20 of the Insurance Amendment Act 2012
 885 Section 51B repealed by section 10 of the Bermuda Monetary Authority Amendment Act 2008
 886 Section 51C repealed by section 10 of the Bermuda Monetary Authority Amendment Act 2008
 887 Section 51D repealed by section 10 of the Bermuda Monetary Authority Amendment Act 2008
 888 Insurance Amendment Act 2001
 889 Bermuda Monetary Authority Amendment Act 2008
 890 [sic]
 891 Insurance Amendment (No. 3) Act 2015
 892 Insurance Amendment Act 2001
 893 Insurance Amendment (No. 3) Act 2015
 894 Insurance Amendment Act 1983
 895 Insurance Amendment Act 2010
 896 Section 54 amended by section 23 of the Insurance Amendment (No. 2) Act 2010
 897 Insurance Amendment Act 2008
 898 Insurance Amendment Act 2004
 899 Section 55(1) amended by section 21 of the Insurance Amendment Act 2012
 900 Section 55(1) amended by section 21 of the Insurance Amendment Act 2012
 901 Insurance Amendment Act 1995
 902 Section 55A inserted by section 22 of the Insurance Amendment Act 2012
 903 Insurance Amendment Act 2015
 904 Insurance Amendment Act 1981
 905 Insurance Amendment Act 1981
 906 Insurance Amendment Act 1981
 907 Insurance Amendment Act 1981
 908 Insurance Amendment Act 1981
 909 Insurance Amendment Act 1981
 910 Insurance Amendment Act 1983
 911 Insurance Amendment Act 1995
 912 Insurance Amendment Act 1981
 913 Insurance Amendment Act 2015
 914 Insurance Amendment Act 1981
 915 Insurance Amendment Act 2006
 916 Insurance Amendment Act 1998
 917 Insurance Amendment Act 2001
 918 Schedule section 1(1) amended by section 23(2)(a) of the Insurance Amendment Act 2012
 919 Insurance Amendment Act 2015
 920 Insurance Amendment Act 2015
 921 Insurance Amendment Act 2015
 922 Schedule section 4(2) repealed and replaced by section 23(2)(b) of the Insurance Amendment Act 2012
 923 The Insurance Amendment (No. 2) Act 2006
 924 The Insurance Amendment Act 2008
 925 Insurance Amendment Act 2019
 926 Insurance Amendment (No. 3) Act 2018
 927 Insurance Amendment Act 2016
 928 Insurance (Eligible Capital) Amendment Rules 2015
 929 Insurance (Eligible Capital) Amendment Rules 2015
 930 Insurance (Eligible Capital) Amendment Rules 2015
 931 Insurance (Eligible Capital) Amendment Rules 2015
 932 Insurance (Eligible Capital) Amendment Rules 2015
 933 Insurance (Eligible Capital) Amendment Rules 2015
 934 Insurance (Eligible Capital) Amendment Rules 2015
 935 Insurance (Eligible Capital) Amendment Rules 2015
 936 Insurance (Eligible Capital) Amendment Rules 2016
 937 Insurance (Eligible Capital) Amendment Rules 2015
 938 Insurance (Eligible Capital) Amendment Rules 2015

[illegible]

- 1234 Insurance (Group Supervision) Amendment Rules 2012
 1235 Insurance (Group Supervision) Amendment Rules 2012
 1236 Insurance (Group Supervision) Amendment Rules 2015
 1237 Insurance (Group Supervision) Amendment Rules 2016
 1238 Insurance (Group Supervision) Amendment Rules 2015
 1239 Insurance (Group Supervision) Amendment Rules 2015
 1240 Bermuda Monetary Authority Amendment (No. 3) Act 2018
 1241 Bermuda Monetary Authority Amendment Act 2015
 1242 Bermuda Monetary Authority Amendment (No. 2) Act 2008
 1243 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
 1244 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
 1245 Bermuda Monetary Authority Amendment Act 2012
 1246 Bermuda Monetary Authority Amendment Act 2014
 1247 Bermuda Monetary Authority Amendment (No. 3) Act 2018
 1248 Bermuda Monetary Authority Amendment Act 2015
 1249 Bermuda Monetary Authority Amendment (No. 2) Act 2008
 1250 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010
 1251 Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2011
 1252 Bermuda Monetary Authority Amendment Act 2012
 1253 Bermuda Monetary Authority Amendment Act 2014
 1254 Insurance Amendment Act 2019
 1255 Bermuda Monetary Authority Amendment Act 2019
 1256 Insurance Amendment Act 2019
 1257 Bermuda Monetary Authority Amendment Act 2019
 1258 Bermuda Monetary Authority Amendment Act 2019
 1259 Bermuda Monetary Authority Amendment Act 2019
 1260 Bermuda Monetary Authority Amendment Act 2019
 1261 Bermuda Monetary Authority Amendment Act 2019
 1262 Bermuda Monetary Authority Amendment Act 2019
 1263 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.
 1264 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.
 1265 Bermuda Monetary Authority Amendment Act 2019
 1266 Bermuda Monetary Authority Amendment Act 2019
 1267 Bermuda Monetary Authority Amendment Act 2019
 1268 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.
 1269 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.
 1270 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due

course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.

1271 Insurance Amendment Act 2019

1272 Bermuda Monetary Authority Amendment Act 2019

1273 Insurance Amendment Act 2019

1274 Bermuda Monetary Authority Amendment Act 2019

1275 Insurance Amendment Act 2019

1276 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.

1277 Bermuda Monetary Authority Amendment Act 2019

1278 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.

1279 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.

1280 *The BMA published a fee schedule on 4 February 2020 a comparison of that fee schedule and relevant amending legislation showed some discrepancies including instances of errors and omissions in the amending legislation. The BMA advised that the fee scheduled as published is correct and showed be followed; the legislation will be corrected in due course. The affected fees are the Digital Assets Business Act 2018, paragraph 2(c)(ii); (f) and (g) Insurance Act 1978, paragraph 3(a)(iii); 3(a)(ix)(E); 3(b)(xii), (xiii), (xiv); 7(a)(iv)(E); 7(b)(L), (M), (N); Investment Funds Act 2006 paragraph 10 and 11.

1281 Insurance Amendment Act 2019

1282 Bermuda Monetary Authority Amendment Act 2019

1283 Insurance Amendment Act 2019

1284 Bermuda Monetary Authority Amendment Act 2019

1285 Insurance Amendment Act 2019

1286 Bermuda Monetary Authority Amendment (No. 3) Act 2018

1287 Bermuda Monetary Authority Amendment Act 2019

1288 Insurance Amendment Act 2019

1289 Bermuda Monetary Authority Amendment Act 2019

1290 Bermuda Monetary Authority Amendment Act 2019

1291 Bermuda Monetary Authority Amendment Act 2019

1292 Bermuda Monetary Authority Amendment Act 2019

1293 Bermuda Monetary Authority Amendment Act 2019

1294 Bermuda Monetary Authority Amendment Act 2019

1295 Bermuda Monetary Authority Amendment Act 2019

1296 Bermuda Monetary Authority Amendment Act 2019

1297 Bermuda Monetary Authority Amendment Act 2019

1298 Insurance Amendment Act 2019

1299 Bermuda Monetary Authority Amendment Act 2019

1300 Insurance Amendment Act 2019

1301 Bermuda Monetary Authority Amendment Act 2019

1302 Insurance Amendment Act 2019

1303 Insurance Amendment Act 2019

1304 Bermuda Monetary Authority Amendment Act 2019

1305 Insurance Amendment Act 2019

1306 Bermuda Monetary Authority Amendment Act 2019

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