

Insurance (Amendment) Bill

Bill No. 5/2013.

Read the first time on 4th February 2013.

A BILL

i n t i t u l e d

An Act to amend the Insurance Act (Chapter 142 of the 2002 Revised Edition) and to make consequential and related amendments to certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Insurance (Amendment) Act 2013 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of long title

2. The long title to the Insurance Act is amended by deleting the words “and insurance intermediaries in Singapore,” and substituting the words “in Singapore, insurers, insurance intermediaries and related institutions,”.

10 Amendment of section 1A

3. Section 1A of the Insurance Act is amended —

(a) by deleting the words “section 130A” in the definition of “advocate and solicitor” and substituting the words “section 2(1)”;

15 (b) by deleting the definition of “authorised reinsurer” and substituting the following definition:

“ “authorised reinsurer” means a reinsurer which is for the time being authorised under section 34;”;

(c) by deleting the definition of “captive insurer” and substituting the following definitions:

20 “ “captive insurer” means an insurer whose licence is restricted to the carrying on of insurance business which consists principally of risks of its related corporations;

25 “chief executive” —

(a) in relation to a licensed insurer which is established or incorporated in Singapore, means any person, by whatever name described, who is in the direct employment of, or acting for or by arrangement with, the insurer, and is principally responsible for the

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management and conduct of the business of the insurer, including the business that its subsidiaries and overseas branches (if any) engage in; or

(b) in relation to a licensed insurer which is incorporated outside Singapore, means any person, by whatever name described, who is in the direct employment of, or acting for or by arrangement with, the insurer, and is principally responsible for the management and conduct of the business of the insurer in Singapore;”;

(d) by inserting, immediately after the definition of “company”, the following definition:

“ “co-operative society” means a co-operative society registered under the Co-operative Societies Act (Cap. 62);”;

(e) by deleting the definition of “director” and substituting the following definition:

“ “director” —

(a) in relation to a corporation, has the same meaning as in section 4(1) of the Companies Act (Cap. 50); or

(b) in relation to any other entity, means a person holding a position in that entity analogous to that of director of a corporation, and includes a person who acts in such capacity in relation to that entity;”;

(f) by deleting the definition of “executive officer” and substituting the following definition:

“ “executive officer”, in relation to a licensed insurer, means any person, by whatever name described, who —

(a) is in the direct employment of, or acting for or by arrangement with, the insurer; and

(b) is concerned with or takes part in the management of the insurer on a day-to-day basis;”;

(g) by inserting, immediately after the definition of “financial year”, the following definitions:

“ “foreign country” means a country or territory other than Singapore;

“foreign insurer” means an insurer which —

(a) is authorised under the laws of a foreign country to carry on insurance business in that foreign country; but

(b) is not licensed as an insurer under section 8 or authorised as a reinsurer under section 34;

“foreign insurer scheme” means any foreign insurer scheme established under section 35B;”;

(h) by deleting the definitions of “insurance agent”, “insurance broker” and “insurance intermediary” and substituting the following definitions:

“ “insurance agent” means —

(a) a person who, as an agent for one or more insurers (which may include a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme), is or has been carrying on the business of —

(i) receiving proposals for, or issuing, policies in Singapore;

(ii) collecting or receiving premiums on policies in Singapore; or

(iii) arranging contracts of insurance in Singapore; or

(b) a person who acts for, or by arrangement with, a person referred to in paragraph (a) in the performance of all or any of the activities carried out by the person referred to in paragraph (a), 5

but does not include such persons or class of persons as the Authority may prescribe;

“insurance broker” means — 10

(a) a person who is or has been carrying on the business of —

(i) receiving proposals for, or issuing, policies in Singapore;

(ii) collecting or receiving premiums on policies in Singapore; or 15

(iii) arranging contracts of insurance in Singapore,

as an agent for insureds or intending insureds in respect of — 20

(A) policies relating to general business and long-term accident and health policies, other than policies relating to reinsurance business; or

(B) reinsurance of liabilities under policies relating to life business or general business; or 25

(b) a person who acts for, or by arrangement with, a person referred to in paragraph (a) in the performance of all or any of the activities carried out by the person referred to in paragraph (a), 30

but does not include such persons or class of persons as the Authority may prescribe;

“insurance business in Singapore” means the business of assuming risk or undertaking liability in Singapore under policies, and of —

(a) receiving proposals for policies in Singapore;

(b) issuing policies in Singapore; or

(c) collecting or receiving premiums on policies in Singapore,

but does not include such businesses or activities, such class of businesses or activities, or such businesses or activities carried on by such persons or class of persons, as the Authority may prescribe;

“insurance intermediary” means a person who, as an agent for one or more insurers or as an agent for insureds or intending insureds, arranges contracts of insurance in Singapore, and includes an insurance agent or an insurance broker;”;

(i) by inserting, immediately after the definition of “licensed financial adviser”, the following definition:

“ “licensed insurer” means an insurer which is for the time being licensed under section 8;”;

(j) by inserting, immediately after the definition of “limited liability partnership”, the following definitions:

“ “marine mutual insurance business” means the business of providing the insurance of liabilities under insurance policies on the basis of mutual insurance (within the meaning of section 85 of the Marine Insurance Act (Cap. 387)) on such risk or risks as may be prescribed;

“marine mutual insurer” means an insurer that is a direct insurer licensed to carry on general business and that is permitted under the licence to carry on marine mutual insurance business only;”;

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(k) by deleting the definition of “principal officer”;

(l) by deleting the word “registration” in the definition of “reinsurer” and substituting the word “licence”;

(m) by deleting the definition of “registered insurer”;

(n) by deleting the words “section 36(1)” in the definitions of “ “statutory balance-sheet” and “statutory valuation” ” and substituting the words “section 36”; and

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(o) by deleting the definition of “substantial shareholder” and substituting the following definitions:

“ “subsidiary” has the same meaning as in section 5 of the Companies Act;

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“substantial shareholder” has the same meaning as in section 81 of the Companies Act;

“voting share” has the same meaning as in section 4(1) of the Companies Act.”.

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Amendment of section 2

4. Section 2 of the Insurance Act is amended —

(a) by inserting, immediately after the word “licensed” in subsection (1)(b), the words “, approved, designated or otherwise regulated”;

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(b) by deleting subsection (2) and substituting the following subsection:

“(2) For the purposes of this Act, the reinsurance of liabilities under insurance policies by a licensed insurer or an authorised reinsurer shall be treated as insurance business of the class and type to which the nature of the

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risk assumed or liabilities undertaken by that licensed insurer or authorised reinsurer relates.”;

- (c) by deleting the words “, or as agent; but “insurer” does not include an insurance agent as such nor, in the case of a person who is both insurer and insurance agent, have reference to business done as an insurance agent” in subsection (4);
- (d) by deleting the words “as an insurer; and references to carrying on insurance business, or any class of insurance business, in Singapore mean the receipt of proposals for, or issuing of, policies in Singapore or the collection or receipt in Singapore of premiums on insurance policies” in subsection (5);
- (e) by deleting the words “as an insurer” in subsection (5A); and
- (f) by deleting the words “the prescribed form of balance-sheet or valuation balance-sheet and to the rules to be followed under this Act and the regulations in preparing it” in subsection (8)(b) and substituting the words “the form of balance-sheet or valuation balance-sheet as the Authority may prescribe or specify in directions, and to the rules to be followed under this Act and any such directions in preparing it”.

Amendment of section 3

5. Section 3 of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsections (1), (1B) and (1C) and in the section heading and substituting in each case the word “licensed”;
- (b) by deleting subsection (1A) and substituting the following subsection:
 - “(1A) Except for a licensed insurer or a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme, no person carrying on reinsurance business outside Singapore shall carry on the business of providing the reinsurance of liabilities

under insurance policies, as a principal and as an insurer, to persons in Singapore unless —

- (a) he is authorised by the Authority under section 34 to do so; or
- (b) he is providing the reinsurance of liabilities under insurance policies pursuant to an arrangement which was not solicited by him but was initiated by —
 - (i) a licensed insurer;
 - (ii) a registered insurance broker; or
 - (iii) a person exempt from registration as an insurance broker under section 35ZN(1)(a), (b), (c), (d), (e) or (ea) who has notified the Authority, in such manner as may be prescribed under section 64(1), of his commencement of insurance broking business.”; and
- (c) by deleting subsections (2) and (3) and substituting the following subsection:
 - “(2) Any person who contravenes subsection (1) or (1A) shall be guilty of an offence and shall be liable on conviction —
 - (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or
 - (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

Amendment of section 4

6. Section 4 of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsection (1) and in the section heading and substituting in each case the word “licensed”; and
- (b) by deleting subsection (2) and substituting the following subsection:

“(2) Any person who is guilty of an offence under subsection (1) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

Amendment of section 5

7. Section 5 of the Insurance Act is amended —

- (a) by deleting the words “No person, other than a registered insurer, an authorised reinsurer or a foreign insurer carrying on insurance business under a foreign insurer scheme established under section 35B,” in subsection (1) and substituting the words “Subject to subsection (1AA) and except with the written consent of the Authority, no person, other than a licensed insurer, an authorised reinsurer or a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme,”;
- (b) by deleting the words “Subject to subsection (1B),” in subsection (1A) and substituting the words “Subject to

subsections (1B) and (1C) and except with the written consent of the Authority,”;

- (c) by inserting, immediately after subsection (1A), the following subsection:

“(1AA) Subsection (1) shall not apply to any registered person as defined in section 6A(9).”;

- (d) by deleting the words “under a foreign insurer scheme established under section 35B” in subsection (1B)(f) and substituting the words “in Singapore under a foreign insurer scheme”;

- (e) by inserting, immediately after subsection (1B), the following subsection:

“(1C) Any person allowed under subsection (1A) to use any word referred to in that subsection in the name, description or title under which the person carries on business in Singapore shall, when using that word in that name, description or title, indicate that the person carries on business as an insurance intermediary.”; and

- (f) by deleting subsection (3) and substituting the following subsection:

“(3) Any person who contravenes subsection (1), (1A) or (1C) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction; or

- (b) in any other case, to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every

day or part thereof during which the offence continues after conviction.”.

New section 5A

8. The Insurance Act is amended by inserting, immediately after
5 section 5, the following section:

“Restrictions on co-branding

10 **5A.**—(1) Except with the prior written consent of the Authority, no licensed insurer, authorised reinsurer or foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme shall use, together with its name, logo or trade mark in the course of the business it carries on in Singapore, the name, logo or trade mark of any person who —

15 (a) carries on the business of assuming risk or undertaking liability under policies, whether in Singapore or elsewhere; but

(b) is not a licensed insurer, an authorised reinsurer or a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme.

20 (2) Any insurer which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”.

Repeal and re-enactment of section 6 and new section 6A

25 **9.** Section 6 of the Insurance Act is repealed and the following sections substituted therefor:

“Prohibition relating to solicitation of insurance business

6.—(1) Subject to subsection (5), no person shall solicit any insurance business for any insurer other than —

30 (a) a licensed insurer;

(b) an authorised reinsurer;

- (c) a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme; or
- (d) any other insurer entitled to carry on insurance business in Singapore.

(2) Subject to subsection (5), a person who solicits any insurance business for a licensed insurer or an insurer referred to in subsection (1)(d) — 5

(a) shall only solicit in respect of the insurance business in Singapore of that insurer; and

(b) shall not solicit in respect of the insurance business of — 10

(i) any branch located outside Singapore of that insurer; or

(ii) where that insurer is incorporated, formed or established outside Singapore, its head office.

(3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction — 15

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or 20

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction. 25

(4) A person whose business it is to publish or to arrange for the publication of advertisements shall not be guilty of an offence under subsection (3) if he proves that —

(a) he received the advertisement for publication in the ordinary course of his business; 30

(b) the matters contained in the advertisement were not, wholly or in part, devised or selected by him or by any person under his direction or control; and

(c) he did not know and had no reason for believing that the publication of the advertisement would constitute an offence.

(5) Subsections (1) and (2) shall not apply to such persons or class of persons as the Authority may prescribe, subject to such terms or conditions as the Authority may prescribe.

(6) In this section, unless the context otherwise requires —

“advertisement” means the dissemination or conveyance of information, or invitation or solicitation by any means or in any form, including by means of —

(a) publication in a newspaper, magazine, journal or other periodical;

(b) display of posters or notices;

(c) circulars, handbills, brochures, pamphlets, books or other documents;

(d) letters addressed to individuals, bodies corporate or bodies unincorporate;

(e) photographs or cinematograph films; or

(f) sound broadcasting, television, the Internet or other media,

but does not include an advertisement issued outside Singapore that is made available —

(i) in a newspaper, magazine, journal or other periodical published and circulating principally outside Singapore;

(ii) in a sound or television broadcast transmitted principally for reception outside Singapore; or

- (iii) by any other means of broadcasting or communication principally for circulation or reception outside Singapore;

“solicit”, in relation to insurance business —

- (a) means, whether in Singapore or elsewhere, offering to, inviting, or issuing any advertisement containing any offer or invitation to, the public or any section of the public in Singapore to enter into a contract of insurance; and 5
- (b) the reference to an advertisement in paragraph (a) includes an advertisement containing information which is, or might reasonably be presumed to be, intended to lead, directly or indirectly, to the entering into of a contract of insurance. 10

(7) For the purposes of this section, in determining whether an offer, invitation or advertisement is made or issued to the public or any section of the public in Singapore, regard shall be had to such considerations as the Authority may prescribe. 15

Registration of representative office

6A.—(1) No person shall establish or operate a representative office unless the representative office is registered with the Authority. 20

(2) Any person who desires to establish and operate a representative office shall —

- (a) apply in writing to the Authority for registration under this section; and 25
- (b) furnish such information or documents as the Authority may require.

(3) The Authority shall refuse to register a representative office unless — 30

- (a) the applicant is a company, or a company incorporated outside Singapore; and

(b) the applicant satisfies such criteria as may be determined by the Authority.

(4) The Authority may register a representative office subject to such conditions as it considers necessary, and the registered person shall comply with the conditions of registration imposed by the Authority under this section.

(5) The Authority may at any time add to, vary or revoke any condition of registration, or impose a condition of registration.

(6) Every registered person shall furnish such information or documents as the Authority may require from time to time.

(7) The Authority may cancel the registration of a representative office if the registered person contravenes —

(a) any condition of registration imposed by the Authority;
or

(b) any provision of this Act.

(8) Any person who contravenes subsection (1) or (6), fails to comply with any condition of registration imposed by the Authority under subsection (4) or (5), or operates a representative office which has had its registration cancelled by the Authority under subsection (7), shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

(9) In this section, unless the context otherwise requires —

“registered person” means a person whose representative office is registered with the Authority under this section;

“representative office” means an office in Singapore established —

(a) by a person who —

(i) intends to carry on insurance business in Singapore; and

(ii) is not an authorised reinsurer, and does not carry on any insurance business or any other business in Singapore; and

(b) to carry out liaison work, market research or feasibility studies for the use of that person.”.

Amendment of section 7

10. Section 7 of the Insurance Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) Any person who wilfully refuses to submit such books, accounts and records or to allow the inspection thereof shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”.

Repeal of sections 8 to 10 and re-enactment of section 8

11. Sections 8 to 10 of the Insurance Act are repealed and the following section substituted therefor:

“Licensing of insurers

8.—(1) A person who desires to carry on insurance business in Singapore as an insurer shall —

(a) apply in writing to the Authority for a licence under this section; and

(b) furnish such information as the Authority may require.

5 (2) Upon receiving an application under subsection (1), the Authority shall consider the application and may grant a licence to the applicant with or without conditions or refuse to grant a licence.

(3) The Authority shall not grant a licence to any person unless —

10 (a) the applicant is a company, a company incorporated outside Singapore which has an established place of business in Singapore, or a co-operative society; and

(b) the applicant satisfies such financial requirements as may be prescribed.

15 (4) For the purposes of this section, the Authority may prescribe financial requirements of different forms or amounts for different classes of insurance business and for different types of insurers.

20 (5) The Authority may license an insurer as a direct insurer, reinsurer or captive insurer.

(6) The Authority shall cause notice of the grant of any licence or change of name of a licensed insurer to be published in the *Gazette*.

25 (7) Any applicant which is aggrieved by the refusal of the Authority to grant it a licence under this section may, within 30 days after being informed of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

30 (8) The Authority may at any time add to, vary or revoke any of the existing conditions of the licence of an insurer or impose any condition thereto.

(9) A licensed insurer shall, at all times during the currency of its licence, satisfy such financial requirements as may be prescribed under subsection (3)(b).

(10) Any licensed insurer which fails to comply with any condition imposed by the Authority under subsection (2) or (8) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction. 5

(11) Any licensed insurer which contravenes subsection (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”. 10

Amendment of section 11

12. Section 11 of the Insurance Act is amended —

(a) by deleting the words “registered insurer and authorised reinsurer” in subsection (1) and substituting the words “licensed insurer”; 15

(b) by deleting the words “registered insurers or authorised reinsurers” in subsection (2) and substituting the words “licensed insurers”; 20

(c) by deleting subsection (3) and substituting the following subsection:

“(3) The Authority may, where it considers appropriate in a particular case, waive, refund or remit the whole or any part of any annual fee paid or payable under subsection (1).”; and 25

(d) by inserting, immediately after the word “fees” in the section heading, the words “of licensed insurers”.

Repeal of sections 12 to 15 and re-enactment of sections 12 and 13

13. Sections 12 to 15 (including the sub-heading immediately above section 14A) of the Insurance Act are repealed and the following sections substituted therefor: 30

“Cancellation of licence

5 **12.—**(1) The Authority may by order cancel the licence of any insurer, either wholly or in respect of a class of business, at the request of the insurer or on any of the grounds set out in subsection (3).

10 (2) The Authority may impose such conditions as it thinks fit before cancelling the licence of an insurer at the request of the insurer under subsection (1), and the Authority may refuse to cancel the licence if the insurer does not comply with the conditions.

(3) The grounds referred to in subsection (1) are as follows:

15 (a) the insurer has not commenced business within 12 months after being licensed;

(b) the insurer has ceased to carry on insurance business whether wholly or in respect of any class of business;

(c) it appears to the Authority that the insurer has failed to satisfy an obligation to which the insurer is subject by virtue of this Act;

20 (d) there exists a ground on which the Authority would have been prohibited under section 8(3) from licensing the insurer;

25 (e) the insurer proposes to make or has made any composition or arrangement with its creditors, has gone into liquidation or has been wound up or otherwise dissolved;

30 (f) a receiver, a receiver and manager, or any other person having the powers and duties of a receiver, or a receiver and manager, has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of any property of, the insurer or any of the shareholders of the insurer having control of the insurer;

(g) there is a change of a person having control of the insurer, and —

- (i) the new person having control of the insurer is not a fit and proper person; or
 - (ii) the Authority is not satisfied as to the financial standing of the insurer after the change;
- (h) the insurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners; 5
- (i) the insurer is unable to meet its obligations;
- (j) the insurer has failed to effect satisfactory reinsurance arrangements;
- (k) the insurer has contravened or is contravening — 10
 - (i) any condition of its licence;
 - (ii) any direction given by the Authority under this Act; or
 - (iii) any provision of this Act;
- (l) any of the officers of the insurer holding a managerial or executive position has been convicted of any offence under this Act committed before, on or after the date of commencement of section 13 of the Insurance (Amendment) Act 2013; 15
- (m) the insurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts, in its application for a licence; 20
- (n) the insurer, if incorporated outside Singapore, has had its licence or authority to operate withdrawn by the supervisory authority which is responsible, under the laws of the foreign country where the insurer is incorporated, for supervising the insurer; 25
- (o) the insurer has contravened or is contravening any provision of the Deposit Insurance and Policy Owners' Protection Schemes Act (Cap. 77B) or any Rules issued by the deposit insurance and policy owners' protection fund agency under that Act; 30
- (p) it is in the public interest to cancel the licence.

(4) Before cancelling the licence of an insurer under subsection (1) other than at the request of the insurer, the Authority shall —

(a) give the insurer notice in writing of the Authority's intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the insurer to show cause, within such time as may be specified in the notice, as to why the licence should not be cancelled.

(5) If the insurer referred to in subsection (4) —

(a) fails to show cause within the time specified under subsection (4)(b) or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the cancellation of the licence is to take effect.

(6) An order to cancel the licence of any insurer made under subsection (1) other than at the request of the insurer shall not take effect until the expiration of a period of 30 days after the Authority has informed the insurer of the cancellation under subsection (5).

(7) Any insurer which is aggrieved by a decision of the Authority under subsection (1) to cancel the insurer's licence other than at the insurer's request may, within 30 days after the Authority has informed the insurer of the cancellation under subsection (5), appeal to the Minister in writing in accordance with Part IIIB.

(8) If, within the period referred to in subsection (7), the insurer concerned gives due notice of appeal to the Minister, the order by the Authority to cancel the licence of the insurer shall not take effect unless the order is confirmed by the Minister or the appeal is for any reason dismissed by the Minister.

(9) Notwithstanding the cancellation of the licence of an insurer under subsection (1), so long as the insurer remains under

any liability in respect of insurance policies belonging to the class of insurance business to which the licence relates, the insurer shall take such action as it considers necessary or as may be required by the Authority to ensure that —

- (a) reasonable provision has been or will be made for that liability; and 5
- (b) adequate arrangements exist or will exist for payment of premiums and claims on those policies.

(10) For the purposes of this section —

- (a) a person shall be regarded as having control of an insurer if the person alone or together with any associate or associates — 10
 - (i) holds 20% or more of the total number of issued shares in the insurer; or
 - (ii) is in a position to control 20% or more of the voting power in the insurer; 15
- (b) a reference to voting power in an insurer is a reference to the total number of votes that might be cast in a general meeting of the insurer;
- (c) a person, *A*, is an associate of another person, *B*, if — 20
 - (i) *A* is the spouse, or a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, step-son or step-daughter, or a brother or sister of *B*;
 - (ii) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*; 25
 - (iii) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*; 30

(iv) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;

5 (v) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A*;

(vi) *A* is a related corporation of *B*;

10 (vii) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *A*;

15 (viii) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *B*; or

20 (ix) *A* is a person with whom *B* has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their voting power in relation to, the insurer; and

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(d) a person holds a share if —

30 (i) he is deemed to have an interest in that share under section 7(6) of the Companies Act (Cap. 50); or

(ii) he otherwise has a legal or an equitable interest in that share, except for such interest as is to be disregarded under section 7(7), (8) and (9) of the Companies Act.

Effects of cancellation of licence

13.—(1) Where an order of cancellation of the licence of an insurer under section 12 becomes effective —

(a) the Authority shall publish a notice of the cancellation in the *Gazette*; and 5

(b) the insurer shall, as from the date of cancellation, cease to carry on insurance business in Singapore wholly or of the class in respect of which its licence has been cancelled, as the case may be.

(2) Subsection (1)(b) shall not prejudice — 10

(a) the enforcement by any policy owner or person of any right or claim against the insurer, or by the insurer of any right or claim against any policy owner or person; and

(b) the collection or receipt of premiums on insurance policies effected before the date of cancellation of the licence and belonging to the class of insurance business in respect of which the licence has been cancelled, 15

and section 3 shall not apply to the insurer in respect of the collection or receipt of the premiums referred to in paragraph (b).

(3) Notwithstanding the cancellation of the licence of an insurer, sections 36 and 37 shall, unless the Authority otherwise directs, continue to apply in relation to the insurer in respect of matters that occurred before the cancellation as if the licence had not been cancelled.”. 20

Amendment of section 17 25

14. Section 17 of the Insurance Act is amended —

(a) by deleting the word “registered” in subsections (1), (1A), (2), (3) and (6) and substituting in each case the word “licensed”;

(b) by deleting the words “may be prescribed” in subsection (6)(a) and substituting the words “the Authority may prescribe or specify in directions”; and 30

(c) by deleting subsections (14) and (15).

Amendment of section 18

15. Section 18 of the Insurance Act is amended —

- (a) by deleting the word “registered” in subsections (1), (4) and (5) and substituting in each case the word “licensed”;
- 5 (b) by inserting, immediately after the word “prescribe” in subsection (2), the words “or specify in directions”;
- (c) by inserting, immediately after the words “under this Act” in subsection (3), the words “, or directions made under subsection (1) or (2),”;
- 10 (d) by deleting the words “in any case in which the value or amount is required by this section to be determined in accordance with valuation regulations” in subsection (3)(a);
- (e) by deleting the words “subsection (1) or (4)” in subsection (5) and substituting the words “subsection (1) or any direction of
- 15 the Authority under subsection (4)”;
- and
- (f) by inserting, immediately after subsection (5), the following subsection:

“(6) Any licensed insurer which contravenes subsection (1) or fails to comply with a direction of the Authority under subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

Repeal and re-enactment of section 19

16. Section 19 of the Insurance Act is repealed and the following section substituted therefor:

“Form, investment and situation of assets

19. The Authority may prescribe or specify in directions, either generally or in such circumstances and to such extent as may be prescribed or specified —

- (a) the manner in which the assets of any insurance fund of a licensed insurer are to be invested and the places in which such assets are to be maintained; and
- (b) the nature of the assets that is appropriate in relation to the currency in which the liabilities of the insurer are or may be required to be met.”.

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Amendment of section 20

17. Section 20 of the Insurance Act is amended by deleting subsection (4) and substituting the following subsection:

“(4) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction.”.

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Repeal and re-enactment of section 21

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18. Section 21 of the Insurance Act is repealed and the following section substituted therefor:

“Maintenance of assets by licensed insurers

21.—(1) The Authority may, from time to time, by notice in writing to any licensed insurer, or any class of licensed insurers, direct the insurer or class of insurers, as the case may be, each to maintain and hold such minimum amount or amounts of assets in Singapore as may be specified in the notice for the purpose of meeting its liabilities.

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(2) Without prejudice to the generality of subsection (1), the Authority may, in a notice issued under that subsection, specify —

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- (a) the types of liabilities in respect of which assets are to be maintained and held in Singapore;
- (b) the types of assets that are to be treated as assets maintained and held in Singapore, and the minimum amount or amounts in respect of each asset for the

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purpose of any requirement of the Authority under that subsection; and

- (c) the method for the valuation of assets maintained and held in Singapore, including any deduction to be made in respect of the assets.

(3) Where the Authority issues a notice under subsection (1) to a class of licensed insurers, the Authority may direct different insurers within the class of insurers to maintain and hold different minimum amounts of assets in Singapore, having regard to the financial soundness of each insurer, the risk profile of each insurer and such other factors as the Authority may consider relevant.

(4) Any licensed insurer which fails to comply with any direction of the Authority under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

Amendment of section 22

19. Section 22 of the Insurance Act is amended —

- (a) by deleting the words “registered insurer or an authorised reinsurer” in subsections (1), (3), (4) and (5) and substituting in each case the words “licensed insurer”;
- (b) by deleting subsection (2);
- (c) by deleting the words “in whose case the insurer has given him written notice that they” in subsection (3)(a) and substituting the words “which the insurer has given him notice”;
- (d) by deleting the words “in whose case” in subsection (3)(b) and substituting the word “which”;
- (e) by deleting the word “consent” in subsection (4) and substituting the words “written consent”; and

- (f) by inserting, immediately after the word “assets” in the section heading, the words “of licensed insurers”.

Repeal of section 23

- 20.** Section 23 of the Insurance Act is repealed.

Amendment of section 24

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- 21.** Section 24 of the Insurance Act is amended —

- (a) by deleting the word “registered” in subsections (1) and (2) and substituting in each case the word “licensed”; and
- (b) by deleting “\$12,500” in subsection (4) and substituting “\$25,000”.

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Amendment of section 25

- 22.** Section 25(6) of the Insurance Act is amended by deleting “\$12,500” and substituting the words “\$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction”.

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Repeal of section 26

- 23.** Section 26 of the Insurance Act is repealed.

Repeal and re-enactment of sections 27, 28 and 29 and new sections 29A to 29D

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- 24.** Sections 27, 28 and 29 of the Insurance Act are repealed and the following sections substituted therefor:

“Application and interpretation of sections 28 to 30

- 27.—**(1) This section and sections 28 to 30 shall apply to, and in relation to, all individuals, whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated, formed, established or carrying on business in Singapore or not.

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(2) For the purposes of sections 28 to 30 —

(a) a reference to the control of a percentage of the voting power in an insurer is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting of the insurer; and

(b) any reference to “arrangement” includes a reference to any formal or informal scheme, arrangement or understanding, and any trust whether express or implied.

Control of take-overs of licensed insurers incorporated in Singapore

28.—(1) No person shall, on or after the date of commencement of section 24 of the Insurance (Amendment) Act 2013, obtain effective control of a licensed insurer incorporated in Singapore without the prior written approval of the Authority.

(2) The Authority may approve an application made by any person under subsection (1) if the Authority is satisfied that —

(a) the person is a fit and proper person; and

(b) having regard to the likely influence of the person, the licensed insurer concerned will or will continue to conduct its business prudently and comply with the provisions of this Act.

(3) Any approval under this section may be granted to any person subject to such conditions as the Authority may determine, including but not limited to any condition —

(a) restricting the person’s disposal or further acquisition of shares or voting power in the licensed insurer concerned; or

(b) restricting the person’s exercise of voting power in the insurer.

(4) The Authority may at any time add to, vary or revoke any condition imposed under subsection (3).

(5) Any condition imposed under subsection (3) or (4) shall have effect notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the licensed insurer concerned.

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(6) Any person who contravenes subsection (1), or fails to comply with any condition imposed under subsection (3) or (4), shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

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(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

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(7) For the purposes of this section —

(a) a person shall, subject to paragraph (b), be regarded as obtaining effective control of a licensed insurer if —

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(i) the person, whether alone or together with his associates —

(A) holds 20% or more of the total number of issued shares in the insurer; or

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(B) is in a position to control 20% or more of the voting power in the insurer;

(ii) the directors of the insurer are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the person (whether acting alone or together with any other person, and whether with or without holding shares or controlling voting power in the insurer); or

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- (iii) the person (whether acting alone or together with any other person, and whether with or without holding shares or controlling voting power in the insurer) is in a position to determine the policy of the insurer;

(b) a person shall not be regarded as obtaining effective control of a licensed insurer if —

- (i) the person is a director or any other officer of the insurer whose appointment has been approved by the Authority; or
- (ii) the directors of the insurer are accustomed to act in accordance with the directions, instructions or wishes of the person by reason only that the directors act on advice given by the person in his professional capacity;

(c) a person, *A*, is an associate of another person, *B*, if —

- (i) *A* is the spouse, or a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, step-son or step-daughter, or a brother or sister of *B*;
- (ii) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (iii) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (iv) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;

- (v) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A*;
 - (vi) *A* is a related corporation of *B*; 5
 - (vii) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *A*; 10
 - (viii) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *B*; or 15
 - (ix) *A* is a person with whom *B* has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their voting power in relation to, an insurer; and 20
- (d) a person holds a share if —
- (i) he is deemed to have an interest in that share under section 7(6) of the Companies Act (Cap. 50); or 25
 - (ii) he otherwise has a legal or an equitable interest in that share, except for such interest as is to be disregarded under section 7(7), (8) and (9) of the Companies Act. 30

Control of substantial shareholdings of licensed insurers incorporated in Singapore

29.—(1) No person shall, on or after the date of commencement of section 24 of the Insurance (Amendment)

Act 2013, become a substantial shareholder of a licensed insurer incorporated in Singapore without the prior written approval of the Authority.

5 (2) No person shall, on or after the date of commencement of section 24 of the Insurance (Amendment) Act 2013, enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition or holding of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of 5% or more of the total votes attached to all voting shares in a licensed insurer which is incorporated in Singapore, without the prior written approval of the Authority.

15 (3) The Authority may approve an application made by any person under subsection (1) or (2) if the Authority is satisfied that —

(a) the person is a fit and proper person; and

20 (b) having regard to the likely influence of the person, the licensed insurer concerned will or will continue to conduct its business prudently and comply with the provisions of this Act.

(4) Any approval under this section may be granted to any person subject to such conditions as the Authority may determine, including but not limited to any condition —

25 (a) restricting the person's further acquisition of shares or voting power in the licensed insurer concerned; or

(b) restricting the person's exercise of voting power in the insurer.

(5) The Authority may at any time add to, vary or revoke any condition imposed under subsection (4).

30 (6) Any condition imposed under subsection (4) or (5) shall have effect notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the licensed insurer concerned.

(7) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or 5
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction. 10

(8) Any person who fails to comply with any condition imposed under subsection (4) or (5) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or 15 20
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

(9) For the purposes of this section, a person holds, or has an interest in, a share if — 25

- (a) he is deemed to have an interest in that share under section 7 of the Companies Act; or
- (b) he otherwise has a legal or an equitable interest in that share except for such interest as is to be disregarded under section 7 of the Companies Act. 30

**Objection to existing control of licensed insurers
incorporated in Singapore**

5 **29A.**—(1) The Authority may serve a written notice of objection on any person referred to in section 28 or 29 if the Authority is satisfied that —

- (a) any condition of approval imposed on the person under section 28(3) or (4) or 29(4) or (5) has not been complied with;
- 10 (b) the person has furnished any false or misleading information or document in connection with an application under section 28 or 29;
- 15 (c) the Authority would not have granted its approval under section 28 or 29 had it been aware, at that time, of circumstances relevant to the person's application for such approval;
- 20 (d) the person has ceased to be a fit and proper person; or
- 25 (e) having regard to the likely influence of the person, the licensed insurer concerned is no longer likely to conduct its business prudently or to comply with the provisions of this Act.

25 (2) Before the service of a written notice of objection, the Authority shall, unless the Authority decides that it is not practicable or desirable to do so, cause to be given to the person concerned a notice in writing of the Authority's intention to serve the written notice of objection, specifying a date by which the person may make written representations with regard to the proposed written notice of objection.

30 (3) Upon receipt of any written representations, the Authority shall consider them for the purpose of determining whether to issue a written notice of objection.

 (4) The Authority shall, in any written notice of objection, specify a reasonable period within which the person to be served the written notice of objection shall —

- (a) take such steps as are necessary to ensure that the person ceases to be in effective control as defined in section 28, or ceases to be a substantial shareholder or a party to the agreement or arrangement described in section 29(2), as the case may be; or

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- (b) comply with such direction or directions as the Authority may make under section 29B.

(5) Any person served with a written notice of objection under this section shall comply with the notice.

(6) Any person who contravenes subsection (5) shall be guilty of an offence and shall be liable on conviction —

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- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

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- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

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Power to make directions

29B.—(1) Without prejudice to section 29A, if the Authority is satisfied that any person has contravened section 28, 29 or 29A(5) or has failed to comply with any condition imposed under section 28(3) or (4) or 29(4) or (5), or if the Authority has served a written notice of objection under section 29A, the Authority may, by notice in writing —

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- (a) direct the transfer or disposal of all or any of the shares in the licensed insurer concerned held by the person or any of his associates (referred to in this section as the specified shares) within such time or subject to such conditions as the Authority considers appropriate;

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- (b) restrict the transfer or disposal of the specified shares; or

(c) make such other direction as the Authority considers appropriate.

(2) Any person to whom a notice is given under subsection (1) shall comply with such direction or directions as may be specified in the notice.

(3) In the case of any direction made under subsection (1)(a) or (b), until a transfer or disposal is effected in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be, notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the licensed insurer concerned —

(a) no voting rights shall be exercisable in respect of the specified shares unless the Authority expressly permits such rights to be exercised;

(b) no shares of the insurer shall be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares unless the Authority expressly permits such issue or offer; and

(c) except in a liquidation of the insurer, no payment shall be made by the insurer of any amount (whether by way of dividends or otherwise) in respect of the specified shares unless the Authority expressly authorises such payment.

(4) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

Defences

29C.—(1) Where a person is charged with an offence in respect of a contravention of section 28 or 29, it shall be a defence for the person to prove that —

(a) he was not aware that he had contravened section 28 or 29, as the case may be; and 5

(b) he has, within 14 days after becoming aware that he had contravened section 28 or 29, as the case may be, notified the Authority of the contravention and, within such time as determined by the Authority, taken such actions in relation to his control of the voting power or his shareholding in the licensed insurer concerned as the Authority may direct. 10

(2) Where a person is charged with an offence in respect of a contravention of section 28, it shall also be a defence for the person to prove that, even though he was aware of the contravention — 15

(a) the contravention occurred as a result of an increase in the shareholding as described in section 28(7)(d) of, or in the voting power controlled by, any of his associates described in section 28(7)(c)(i); 20

(b) he has no agreement or arrangement, whether oral or in writing and whether express or implied, with that associate with respect to the acquisition, holding or disposal of shares or other interests in, or under which they act together in exercising their voting power in relation to, the licensed insurer concerned; and 25

(c) he has, within 14 days after the date of the contravention, notified the Authority of the contravention and, within such time as may be determined by the Authority, taken such action in relation to his control of the voting power or his shareholding in the licensed insurer concerned as the Authority may direct. 30

(3) Except as provided in subsections (1) and (2), it shall not be a defence for a person charged with an offence in respect of a 35

contravention of section 28 or 29 to prove that he did not intend to or did not knowingly contravene section 28 or 29, as the case may be.

Appeals

29D. Any person who is aggrieved by a decision of the Authority under section 28, 29, 29A or 29B may, within 30 days after being informed of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.”.

Repeal and re-enactment of section 30 and new sections 30A and 30B

25. Section 30 of the Insurance Act is repealed and the following sections substituted therefor:

“Power of Authority to obtain information from licensed insurer, shareholder or other relevant persons

30.—(1) The Authority may, by notice in writing, direct a licensed insurer that is incorporated in Singapore to obtain from any shareholder of the insurer, and to transmit to the Authority, information —

(a) as to whether that shareholder holds any voting shares in the insurer as beneficial owner or as trustee; and

(b) if that shareholder holds those shares as trustee, indicating as far as that shareholder is able to provide the person or persons for whom that shareholder holds those shares (either by name or by other particulars sufficient to enable the person or persons to be identified) and the nature of the interests of the person or persons,

and the insurer shall comply with that direction within such time as is specified in the notice.

(2) The Authority may, by notice in writing, require any shareholder of a licensed insurer which is incorporated in Singapore, or any person (referred to in this subsection as the relevant person) who appears from information provided to the

Authority under subsection (1) or this subsection to have an interest in any share in a licensed insurer which is incorporated in Singapore, to provide to the Authority, within such time as may be specified in the notice or within such extended period of time as the Authority may allow, any information relating to the shareholder or the relevant person, as the case may be, which the Authority may require for the purpose of ascertaining or investigating into the control of shareholding or voting power in the insurer, or exercising any power or function under sections 28 to 29C, including any information —

(a) as to whether the shareholder holds any share, or the relevant person holds that interest, as beneficial owner or as trustee, and if he holds that share or interest as trustee, indicating as far as he can the person for whom he holds that share or interest (either by name or by other particulars sufficient to enable that person to be identified) and the nature of that person's interest; or

(b) as to whether any share or any voting right attached to the share is the subject of an agreement or arrangement described in section 28(7)(c)(ix) or 29(2), and if so, giving particulars of the agreement or arrangement and the parties to it,

and the shareholder or the relevant person, as the case may be, shall comply with that notice within such time as may be specified therein.

(3) Any person who —

(a) fails to comply with a notice under this section; or

(b) in purported compliance with the notice, knowingly or recklessly furnishes any information or document that is false or misleading in a material particular,

shall be guilty of an offence.

(4) Any person convicted of an offence under subsection (3) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

(5) Where a person claims, before furnishing the Authority with any information or documents that he is required to furnish under subsection (2), that the information or documents might tend to incriminate him, the information or documents shall not be admissible in evidence against him in criminal proceedings other than proceedings under sections 28, 29, 29A and 29B.

Application of sections 27 to 30 to licensed insurer that is co-operative society

30A. Sections 27 to 30 shall apply, with the necessary modifications, to a licensed insurer that is a co-operative society as if it were a licensed insurer incorporated in Singapore.

Investment in corporations

30B.—(1) No licensed insurer which is established or incorporated in Singapore shall acquire or hold, directly or indirectly, a major stake in any corporation without the prior approval of the Authority.

(2) No licensed insurer which is incorporated outside Singapore shall, without the prior approval of the Authority —

(a) acquire, directly or indirectly, a major stake in any corporation using any of the assets of any insurance fund established and maintained by the licensed insurer under this Act; or

- (b) hold, directly or indirectly, a major stake in any corporation as assets of any insurance fund established and maintained by the licensed insurer under this Act.

(3) Notwithstanding subsections (1) and (2) —

- (a) a licensed insurer who is a licensed insurer by virtue of section 68 of the Insurance (Amendment) Act 2013 may, during a period of 6 months after the date of commencement of section 25 of that Act or such longer period as the Authority may allow in any particular case, without the prior written approval of the Authority — 5
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- (i) if the insurer is one referred to in subsection (1), hold, directly or indirectly, a major stake in any corporation; or

- (ii) if the insurer is one referred to in subsection (2), hold, directly or indirectly, a major stake in any corporation using any of the assets, or as assets, as the case may be, of any insurance fund established and maintained by the licensed insurer under this Act, 15
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if the acquisition of the major stake was made before the date of commencement of section 25 of the Insurance (Amendment) Act 2013 and the insurer was not required by a condition of its registration under this Act in force immediately before that date to obtain the Authority's approval to such acquisition or the holding of the major stake; but 25

- (b) the licensed insurer shall not continue to hold any major stake referred to in paragraph (a) after the period referred to in that paragraph unless it has obtained the approval of the Authority. 30

(4) Any approval granted by the Authority under this section for a licensed insurer to acquire or hold, directly or indirectly, a major stake in a corporation may be subject to such conditions as

the Authority may determine, including any condition relating to the operations or activities of the corporation.

(5) The Authority may at any time add to, vary or revoke any condition imposed under subsection (4).

5 (6) This section shall not apply to —

(a) any interest held by way of security for the purposes of a transaction entered into in the ordinary course of business of an insurer;

10 (b) any shareholding or interest acquired or held by an insurer in the course of satisfaction of debts due to it which is disposed of at the earliest suitable opportunity; and

(c) such other interest as may be prescribed.

(7) The Authority may, by regulations —

15 (a) exclude the operation of this section in respect of any corporation or class of corporations, subject to such conditions as may be prescribed;

(b) provide for the manner of computation of major stakes; and

20 (c) provide that any interest or control referred to in the definition of “major stake” in subsection (9) that is acquired or held, directly or indirectly, by a corporation in which a licensed insurer has, directly or indirectly, a major stake, shall be deemed to be acquired or held by the insurer.

25 (8) Any licensed insurer which contravenes subsection (1) or (2), or fails to comply with any condition imposed or prescribed under this section, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

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(9) In this section, unless the context otherwise requires —

(a) “major stake” means —

- (i) any beneficial interest exceeding 10% of the total number of issued shares or such other measure corresponding to shares in a corporation as may be prescribed; 5
- (ii) control over more than 10% of the voting power or such other measure corresponding to voting power in a corporation as may be prescribed; or
- (iii) any interest in a corporation, where the directors of the company are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the licensed insurer concerned, or where the insurer is in a position to determine the policy of the corporation; and 10 15

(b) a reference to voting power in a corporation is a reference to the total number of votes that might be cast in a general meeting of the corporation.

(10) Any approval to acquire or hold a major stake in a corporation that was granted by the Authority before the date of commencement of section 25 of the Insurance (Amendment) Act 2013 to an insurer pursuant to a condition of the insurer’s registration under this Act in force before that date shall, if such approval remains in force immediately before that date, be deemed to be an approval granted under this section.”. 20 25

Repeal and re-enactment of section 31 and new section 31A

26. Section 31 of the Insurance Act is repealed and the following sections substituted therefor:

“Approval or removal of key executive person, chairman or director of licensed insurer 30

31.—(1) Subject to this section, a licensed insurer shall have —

- (a) a chief executive;
- (b) an appointed actuary, if the insurer is a direct insurer licensed to carry on life business;
- 5 (c) a certifying actuary, if the insurer is a direct insurer licensed to carry on general business, or a reinsurer licensed to carry on life or general business; and
- (d) such other person holding an appointment, or persons holding appointments, in the licensed insurer as may be prescribed.

10 (2) Subject to this section, a licensed insurer which is established or incorporated in Singapore shall have a chairman appointed from among its directors.

(3) Subject to this section, a licensed insurer may appoint a person as its deputy chief executive.

15 (4) No licensed insurer shall appoint a person as its key executive person unless —

- (a) the insurer has satisfied the Authority that the person is a fit and proper person to be so appointed; and
- (b) the insurer has obtained the approval of the Authority to so appoint the person.

20 (5) No licensed insurer which is established or incorporated in Singapore shall appoint a person as its chairman or director unless —

- 25 (a) the insurer has satisfied the Authority that the person is a fit and proper person to be so appointed; and
- (b) the insurer has obtained the approval of the Authority to so appoint the person.

(6) The Authority may —

(a) grant its approval, with or without conditions —

- 30 (i) to a licensed insurer to appoint a key executive person under subsection (4); or

- (ii) to a licensed insurer which is established or incorporated in Singapore to appoint a person as its chairman or director, as the case may be, under subsection (5); and

- (b) at any time add to, vary or revoke any condition of approval referred to in paragraph (a) or impose any conditions thereto. 5

(7) Without prejudice to the generality of section 64, the Authority may prescribe the duties of the key executive persons of a licensed insurer, and the duties of the chairman and directors of a licensed insurer which is established or incorporated in Singapore. 10

(8) Where a licensed insurer has obtained the approval of the Authority to appoint a person as its key executive person under subsection (4), the person may be re-appointed in that office or appointment immediately upon the expiry of the earlier term without the approval of the Authority. 15

(9) Where a licensed insurer which is established or incorporated in Singapore has obtained the approval of the Authority to appoint a person as its chairman or director under subsection (5), the licensed insurer shall only appoint the person to hold such office or appointment for a term not exceeding such period as may be prescribed. 20

(10) If at any time it appears to the Authority that —

- (a) a key executive person of a licensed insurer, or the chairman or a director of a licensed insurer which is established or incorporated in Singapore, has failed to perform his functions or is no longer a fit and proper person to be so appointed; and 25

- (b) it is necessary in the public interest or for the protection of policy owners of a licensed insurer, 30

the Authority may direct the licensed insurer to remove the key executive person, chairman or director, as the case may be, from his office, appointment or employment.

(11) When determining, for the purpose of determining whether to grant its approval under subsection (4) or (5), or for the purposes of subsection (10)(a), whether a key executive person, chairman or director has failed to perform his functions, the Authority shall, without prejudice to any other matter it may consider relevant, have regard to such criteria as may be prescribed.

(12) Before directing a licensed insurer to remove a person from his office, appointment or employment under subsection (10), the Authority shall —

(a) give the insurer and the person notice in writing of the Authority's intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the licensed insurer and the person to show cause within such time as may be specified in the notice why that person should not be removed.

(13) If the licensed insurer and the person referred to in subsection (12) —

(a) fails to show cause within the time specified under subsection (12)(b) or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the insurer of the date on which the direction to remove the chairman, director or key executive person, as the case may be, is to take effect.

(14) Any person who is aggrieved by a direction of the Authority under subsection (10) may, within 30 days after receiving the direction, appeal to the Minister in writing in accordance with Part IIIB.

(15) Notwithstanding the lodging of an appeal under subsection (14), a direction to remove a licensed insurer's key executive person, chairman or director under subsection (10) shall continue to have effect pending the decision of the Minister.

(16) Any licensed insurer which contravenes subsection (1), (2), (4), (5) or (9), or fails to comply with any condition imposed by the Authority under subsection (6), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction. 5

(17) Any licensed insurer which fails to comply with any direction of the Authority under subsection (10) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000. 10

(18) Nothing in the Co-operative Societies Act (Cap. 62) or section 152 of the Companies Act (Cap. 50) shall prevent the Authority from exercising any power under subsection (10).

(19) No criminal or civil liability shall be incurred by a licensed insurer, or any person acting on behalf of the insurer, in respect of anything done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of the obligations of the insurer under this section. 15

(20) In this section, unless the context otherwise requires — 20

“chairman”, in relation to a licensed insurer, means the chairman of the board of directors of the insurer;

“key executive person” means a person holding any appointment referred to in subsection (1)(a) to (d) or (3).

Disqualification of director or executive officer of licensed insurer 25

31A.—(1) Notwithstanding section 31 or the provisions of any other written law —

(a) a licensed insurer shall not, without the prior written consent of the Authority, permit a person to act as its executive officer; and 30

(b) a licensed insurer which is established or incorporated in Singapore shall not, without the prior written consent of the Authority, permit a person to act as its director,

if the person —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 26 of the Insurance (Amendment) Act 2013, being an offence —

(A) involving fraud or dishonesty;

(B) the conviction for which involved a finding that he had acted fraudulently or dishonestly; or

(C) specified in the Third Schedule to the Registration of Criminals Act (Cap. 268);

(ii) is an undischarged bankrupt, whether in Singapore or elsewhere;

(iii) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;

(iv) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;

(v) has had a prohibition order under section 35V, or under section 59 of the Financial Advisers Act (Cap. 110) or section 101A of the Securities and Futures Act (Cap. 289), made against him that remains in force; or

(vi) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

(A) which is being or has been, wound up by a court; or

(B) the licence of which has been revoked by the Authority or, in the case of a regulated financial institution in a foreign country, by the regulatory authority in that foreign country.

(2) Any licensed insurer which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a

fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

(3) In this section, unless the context otherwise requires —

“regulated financial institution” means a person who carries on a business, the conduct of which is regulated or authorised by the Authority or, if carried on in Singapore, would be regulated or authorised by the Authority;

“regulatory authority” has the same meaning as in section 49A.”.

Amendment of section 33

27. Section 33 of the Insurance Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

“(1) The Authority may, by notice in writing, require any Singapore insurer to furnish it with information about any matter related to any business carried on by the insurer in Singapore or elsewhere if, in the opinion of the Authority, it requires that information for the discharge of its functions under this Act.”;

(b) by deleting the word “registered” in subsection (2) and substituting the word “licensed”; and

(c) by deleting the word “registration” in subsection (3) and substituting the word “licence”.

New Division 3 of Part II

28. Part II of the Insurance Act is amended by inserting, immediately after section 33, the following Division:

“Division 3 — Authorised reinsurers

Authorisation of reinsurers

34.—(1) A person carrying on reinsurance business outside Singapore may apply to the Authority to be authorised for the

purposes of this Act in such form and manner as the Authority may prescribe.

(2) The Authority may require the applicant to furnish it with such information or documents as the Authority considers necessary in relation to the application.

(3) The Authority may authorise the applicant with or without conditions, or refuse to authorise the applicant on any prescribed ground or on such other ground as the Authority thinks fit.

(4) The Authority may authorise the applicant as a general reinsurer or life reinsurer or both.

(5) The Authority shall cause notice of any authorisation or change of name of a reinsurer authorised under this section to be published in the *Gazette*.

(6) Any applicant which is aggrieved by the refusal of the Authority to authorise it under this section may, within 30 days after being informed of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.

(7) The Authority may at any time add to, vary or revoke any of the existing conditions of authorisation of a reinsurer or impose any conditions thereto.

(8) Any authorised reinsurer which fails to comply with any condition imposed by the Authority under subsection (3) or (7) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

Annual fees of authorised reinsurers

34A.—(1) Every authorised reinsurer shall pay to the Authority such annual fees as may be prescribed.

(2) The Authority may prescribe different annual fees for different classes of reinsurance business or for different types of authorised reinsurers.

(3) The Authority may, where it considers appropriate in a particular case, waive, refund or remit the whole or any part of any annual fee paid or payable under subsection (1).

Withdrawal of authorisation

34B.—(1) The Authority may by order withdraw the authorisation of any reinsurer, either wholly or in respect of a class of business, at the request of the reinsurer or on any of the grounds set out in subsection (2).

(2) The grounds referred to in subsection (1) are as follows:

- (a) the reinsurer has not commenced the business of providing reinsurance of liabilities under insurance policies to persons in Singapore within 12 months after being authorised; 10
- (b) the reinsurer has ceased to carry on the business of providing reinsurance of liabilities under insurance policies to persons in Singapore whether wholly or in respect of any class of business; 15
- (c) it appears to the Authority that the reinsurer has failed to satisfy an obligation to which the reinsurer is subject by virtue of this Act; 20
- (d) the reinsurer proposes to make or has made, whether in Singapore or elsewhere, any composition or arrangement with its creditors, has gone into liquidation or has been wound up or otherwise dissolved; 25
- (e) a receiver, a receiver and manager, a judicial manager, or any other person having the powers and duties of a receiver, a receiver and manager or a judicial manager, has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of any property of, the reinsurer or any of the shareholders of the reinsurer having control of the reinsurer; 30
- (f) there is a change of a person having control of the reinsurer, and —

- (i) the new person having control of the reinsurer is not a fit and proper person; or
- (ii) the Authority is not satisfied as to the financial standing of the reinsurer after the change;
- 5 (g) the reinsurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners, whether in Singapore or elsewhere;
- (h) the reinsurer is unable to meet its obligations, whether in Singapore or elsewhere;
- 10 (i) the reinsurer has contravened or is contravening —
 - (i) any condition of its authorisation;
 - (ii) any direction given by the Authority under this Act; or
 - (iii) any provision of this Act;
- 15 (j) any of the officers of the reinsurer holding a managerial or executive position has been convicted of any offence under this Act committed before, on or after the date of commencement of section 28 of the Insurance (Amendment) Act 2013;
- 20 (k) the reinsurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts, in its application for authorisation;
- 25 (l) the reinsurer has had its licence or authority to operate withdrawn by the supervisory authority which is responsible, under the laws of the foreign country where the reinsurer is incorporated, formed or established, for supervising the reinsurer; or
- (m) it is in the public interest to withdraw the authorisation.
- 30 (3) Before withdrawing the authorisation of a reinsurer under subsection (1) other than at the request of the reinsurer, the Authority shall —

(a) give the reinsurer notice in writing of the Authority's intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the reinsurer to show cause, within such time as may be specified in the notice, as to why the authorisation should not be withdrawn.

(4) If the reinsurer referred to in subsection (3) —

(a) fails to show cause within the time specified under subsection (3)(b) or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the reinsurer of the date on which the withdrawal of authorisation is to take effect.

(5) An order to withdraw the authorisation of any reinsurer made under subsection (1) other than at the request of the reinsurer shall not take effect until the expiration of a period of 30 days after the Authority has informed the reinsurer of the withdrawal under subsection (4).

(6) Any reinsurer which is aggrieved by a decision of the Authority under subsection (1) to withdraw the reinsurer's authorisation other than at the reinsurer's request may, within 30 days after the Authority has informed the reinsurer of the withdrawal under subsection (4), appeal to the Minister in writing in accordance with Part IIIB.

(7) If, within the period referred to in subsection (6), the reinsurer concerned gives notice of appeal to the Minister, the order by the Authority to withdraw the authorisation of the reinsurer shall not take effect unless the order is confirmed by the Minister or the appeal is for any reason dismissed by the Minister.

(8) Notwithstanding the withdrawal of the authorisation of a reinsurer under subsection (1), so long as the reinsurer remains under any liability in respect of insurance policies belonging to the class of insurance business to which the authorisation relates,

the reinsurer shall take such action as it considers necessary or as may be required by the Authority to ensure that —

(a) reasonable provision has been or will be made for that liability; and

(b) adequate arrangements exist or will exist for the payment of premiums and claims on those policies.

(9) For the purposes of this section —

(a) a person shall be regarded as having control of a reinsurer if the person alone or together with any associate or associates —

(i) holds 50% or more of the issued share capital (if any) of the reinsurer; or

(ii) is in a position to control 50% or more of the voting power in the reinsurer;

(b) a reference to voting power in a reinsurer is a reference to the total number of votes that might be cast in a general meeting of the reinsurer; and

(c) a person, *A*, is an associate of another person, *B*, if —

(i) *A* is the spouse, or a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, step-son or step-daughter, or a brother or sister, of *B*;

(ii) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;

(iii) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;

- (iv) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;
- (v) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A*; 5
- (vi) *A* is a related corporation of *B*;
- (vii) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *A*; 10
- (viii) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in sub-paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *B*; or 15
- (ix) *A* is a person with whom *B* has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their voting power in relation to, the reinsurer. 20 25

Effects of withdrawal of authorisation

34C.—(1) Where an order of withdrawal of the authorisation of a reinsurer under section 34B becomes effective —

- (a) the Authority shall publish a notice of the withdrawal in the *Gazette*; and 30
- (b) the reinsurer shall, as from the date of withdrawal, cease to carry on the business of providing reinsurance of liabilities under insurance policies to persons in

Singapore wholly or of the class in respect of which its authorisation has been withdrawn, as the case may be.

(2) Subsection (1)(b) shall not prejudice —

(a) the enforcement by any policy owner or person of any right or claim against the reinsurer or by the reinsurer of any right or claim against any policy owner or person; and

(b) the collection or receipt of premiums on insurance policies effected before the date of withdrawal of the authorisation and belonging to the class of insurance business in respect of which the authorisation has been withdrawn,

and section 3 shall not apply to the reinsurer in respect of the collection or receipt of the premiums referred to in paragraph (b).

Deposits by authorised reinsurers

34D.—(1) Every authorised reinsurer shall maintain a reinsurance deposit of a value of such amount as the Authority may prescribe for the purposes of this section in respect of each class of business for which it is authorised.

(2) A deposit under subsection (1) shall be made in such form and manner, and in assets of such nature, as may be prescribed or specified in directions by the Authority for the purposes of this section.

(3) All income accruing in respect of a deposit under subsection (1) shall be payable to the authorised reinsurer making the deposit.

(4) The Authority may, in relation to a deposit under subsection (1), prescribe —

(a) the rights and obligations of any party in relation to the deposit; and

(b) any other matter which the Authority considers to be incidental to or necessary for this section.

Bank covenants in lieu of deposits

34E.—(1) If, in the case of any authorised reinsurer, a bank licensed under any written law for the time being in force relating to banking makes with the Authority an agreement in a form approved by the Authority whereby —

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(a) the bank covenants to deposit with the Authority a specified sum in cash on account of the reinsurer's deposit under section 34D(1); and

(b) the covenant complies with any requirement the Authority sees fit to impose as to the circumstances in which that sum is to be deposited,

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then, for the purposes of this Act, the reinsurer shall be treated as having made the deposit under that section and the sum so covenanted for shall be recoverable notwithstanding that no consideration is furnished on the agreement.

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(2) Any sum deposited by a bank in pursuance of an agreement made under subsection (1) shall be dealt with under or for the purposes of this Act as if it were a sum deposited by the authorised reinsurer under section 34D.

Maintenance of assets by authorised reinsurers

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34F.—(1) The Authority may, from time to time, by notice in writing to any authorised reinsurer, or any class of authorised reinsurers, direct the reinsurer or class of reinsurers, as the case may be, each to maintain and hold such minimum amount or amounts of assets in Singapore as may be specified in the notice for the purpose of meeting its liabilities.

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(2) Without prejudice to the generality of subsection (1), the Authority may, in a notice issued under that subsection, specify —

(a) the types of liabilities in respect of which assets are to be maintained and held in Singapore;

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(b) the types of assets that are to be treated as assets maintained and held in Singapore, and the minimum amount or amounts in respect of each asset for the

purpose of any requirement of the Authority under that subsection; and

- (c) the method for the valuation of assets maintained and held in Singapore, including any deduction to be made in respect of the assets.

(3) Where the Authority issues a notice under subsection (1) to a class of authorised reinsurers, the Authority may direct different reinsurers within the class of reinsurers to maintain and hold different minimum amounts of assets in Singapore, having regard to the financial soundness of each reinsurer, the risk profile of each reinsurer and such other factors as the Authority may consider relevant.

(4) Any authorised reinsurer which fails to comply with any direction of the Authority under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

Custody of assets of authorised reinsurers

34G.—(1) The Authority may, in the case of an authorised reinsurer on which a requirement has been imposed under section 34F, impose an additional requirement that the whole or a specified proportion of the assets to which the requirement under that section applies shall be held by a person approved by the Authority for the purposes of the requirement under this section as trustee for the reinsurer.

(2) Assets of an authorised reinsurer held by a person as trustee for the reinsurer shall be taken to be held by him in compliance with a requirement imposed under this section if, and only if —

- (a) they are assets which the reinsurer has given him written notice are to be held by him in compliance with such a requirement; or
- (b) they are assets into which assets which the reinsurer has given him such written notice have, by any transaction or

series of transactions, been transposed by him on the instructions of the reinsurer.

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

(4) If a mortgage or charge is created by an authorised reinsurer at a time when there is in force a requirement imposed on the reinsurer by virtue of this section, being a mortgage or charge conferring a security on any assets which are held by a person as trustee for the reinsurer 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 reinsurer.

General obligation of authorised reinsurers to furnish information

34H. The Authority may, by notice in writing, require any authorised reinsurer to furnish it with information about any matter related to any insurance business in respect of which the reinsurer is authorised if the Authority is of the opinion that it requires that information for the discharge of its functions under this Act.”.

Amendment of section 35A

29. Section 35A of the Insurance Act is amended —

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

“ “chief executive officer”, in relation to an administrator or an agent for any foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme, means any person, by whatever name described, who is employed by the administrator or the agent, as the case may be,

to be principally responsible for the management and conduct of its business.”; and

- (b) by deleting the definitions of “foreign insurer” and “foreign insurer scheme”.

5 **Amendment of section 35C**

30. Section 35C of the Insurance Act is amended —

- (a) by inserting, immediately after subsection (5), the following subsections:

10 “(6) If at any time it appears to the Authority that the chief executive officer or a director of an administrator appointed under subsection (1) has failed to perform his functions or is no longer a fit and proper person to be so appointed, the Authority may direct the administrator to remove the chief executive officer or director, as the case may be, from his office, appointment or employment.

15 (7) When determining, for the purposes of subsection (6), whether the chief executive officer or a director of an administrator appointed under subsection (1) has failed to perform his functions, the Authority shall, without prejudice to any other matter it may consider relevant, have regard to such criteria as may be prescribed.

20 (8) Before directing an administrator to remove its chief executive officer or director from his office, appointment or employment under subsection (6), the Authority shall —

- 25 (a) give the administrator and the chief executive officer or director, as the case may be, notice in writing of the Authority’s intention to do so; and

- 30 (b) in the notice referred to in paragraph (a), call upon the administrator and the chief executive officer or director, as the case may be, to show cause within such time as may be specified in the notice why the chief executive officer or

director, as the case may be, should not be removed.

(9) If the administrator and the chief executive officer or director, as the case may be, referred to in subsection (8) —

(a) fails to show cause within the time specified under subsection (8)(b) or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the administrator of the date on which the direction to remove the chief executive officer or director, as the case may be, is to take effect.

(10) Any administrator who fails to comply with any direction of the Authority under subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

(11) No criminal or civil liability shall be incurred by an administrator, or any person acting on behalf of the administrator, in respect of anything done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of the obligations of the administrator under subsection (6).”; and

(b) by inserting, immediately after the words “foreign insurer scheme” in the section heading, the words “, and removal of chief executive officer or director of administrator in certain circumstances”.

Amendment of section 35G

31. Section 35G of the Insurance Act is amended —

(a) by inserting, immediately after subsection (2), the following subsections:

“(3) If at any time it appears to the Authority that the chief executive officer or a director of an agent for any

foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme has failed to perform his functions or is no longer a fit and proper person to be so appointed, the Authority may direct the agent to remove the chief executive officer or director, as the case may be, from his office, appointment or employment.

(4) When determining, for the purposes of subsection (3), whether the chief executive officer or a director of an agent for any foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme has failed to perform his functions, the Authority shall, without prejudice to any other matter it may consider relevant, have regard to such criteria as may be prescribed.

(5) Before directing an agent for any foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme to remove its chief executive officer or director from his office, appointment or employment under subsection (3), the Authority shall —

(a) give the agent and the chief executive officer or director, as the case may be, notice in writing of the Authority's intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the agent and the chief executive officer or director, as the case may be, to show cause within such time as may be specified in the notice why the chief executive officer or director, as the case may be, should not be removed.

(6) If the agent and the chief executive officer or director, as the case may be, referred to in subsection (5) —

(a) fails to show cause within the time specified under subsection (5)(b) or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority shall give notice in writing to the agent of the date on which the direction to remove the chief executive officer or director, as the case may be, is to take effect.

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(7) Any agent, for any foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme, which fails to comply with any direction of the Authority under subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

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(8) No criminal or civil liability shall be incurred by an agent for any foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme, or any person acting on behalf of the agent, in respect of anything done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of the obligations of the agent under subsection (3).”; and

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(b) by inserting, immediately after the words “foreign insurer scheme” in the section heading, the words “, and removal of chief executive officer or director of agent in certain circumstances”.

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Amendment of section 35H

32. Section 35H of the Insurance Act is amended —

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(a) by inserting, immediately after subsection (2), the following subsection:

“(2A) A decision of the Authority to revoke any appointment of an administrator under section 35C(5) or to prohibit any foreign insurer from carrying on insurance business in Singapore under section 35F shall not take effect until the expiration of a period of 30 days after the Authority has informed the administrator of the revocation of appointment or the

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foreign insurer of the prohibition, as the case may be, under subsection (2).”;

- (b) by deleting the words “of the decision of the Authority” in subsection (3) and substituting the words “after the Authority has informed the person of the revocation of appointment or the prohibition, as the case may be, under subsection (2)”; and
- (c) by inserting, immediately after subsection (3), the following subsection:

“(4) If, within the period referred to in subsection (3), the person concerned gives due notice of appeal to the Minister, the revocation of appointment or the prohibition, as the case may be, by the Authority shall not take effect unless the decision is confirmed by the Minister or the appeal is for any reason dismissed by the Minister.”.

Amendment of section 35K

33. Section 35K of the Insurance Act is amended —

- (a) by deleting the words “and shall be liable on conviction to a fine not exceeding \$30,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$3,000 for every day or part thereof during which the offence continues after conviction”; and
- (b) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

“(2) Any person who is guilty of an offence under subsection (1) shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof

during which the offence continues after conviction; or

- (b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”.

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Amendment of section 35L

34. Section 35L of the Insurance Act is amended —

- (a) by deleting paragraph (h) and substituting the following paragraph:

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“(h) require the appointment, and provide for the duties, of such officers of the administrator of any foreign insurer scheme as may be prescribed;”;

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- (b) by renumbering that section as subsection (1), and by inserting immediately thereafter the following subsection:

“(2) The Authority may, from time to time and in such form or manner as it considers appropriate, publish any information obtained or received by the Authority under regulations made under subsection (1).”.

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Amendment of section 35X

35. Section 35X of the Insurance Act is amended by inserting, immediately after subsection (5), the following subsection:

“(6) Any applicant who is aggrieved by the refusal of the Authority to register it under this section may, within 30 days after being informed of the decision of the Authority, appeal to the Minister in writing in accordance with Part IIIB.”.

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Amendment of section 36

36. Section 36 of the Insurance Act is amended —

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- (a) by deleting the words “registered insurer, an authorised reinsurer or a” in subsection (1);

- (b) by deleting the words “registered insurer” in subsection (2) and substituting the words “licensed insurer”;
- (c) by deleting subsection (3) and substituting the following subsections:

5 “(3) A licensed insurer or an authorised reinsurer shall prepare and lodge with the Authority such statements of accounts and other statements relating to its business and in such form and manner as may be prescribed or specified in directions by the Authority.

10 (3A) For the purposes of subsection (3) —

 (a) a licensed insurer shall have such statements of accounts or part thereof audited by an auditor who satisfies subsection (6), in such form and manner as the Authority may prescribe or specify in directions; and

15 (b) notwithstanding the provisions of the Companies Act (Cap. 50) or the Co-operative Societies Act (Cap. 62), as the case may be, every licensed insurer, other than a captive insurer and a marine mutual insurer, shall appoint an auditor annually.”;

20 (d) by deleting the words “registered insurer” where it first appears in subsection (6) and substituting the words “licensed insurer”;

25 (e) by deleting the words “section 9” in subsection (6)(b) and substituting the words “section 10”;

 (f) by deleting paragraph (c) of subsection (6) and substituting the following paragraph:

30 “(c) in the case of a licensed insurer, the licensed insurer has obtained the approval of the Authority to appoint that person as an auditor.”;

 (g) by deleting the words “registered insurers” in subsection (7) and substituting the words “a licensed insurer”;

- (h) by deleting the words “registered insurer” wherever they appear in subsections (8), (9) and (11) and substituting in each case the words “licensed insurer”;
- (i) by deleting the words “subsection (1)” in subsection (10) and substituting the words “subsection (3)”;
- (j) by deleting the words “subsection (3)” in subsection (12) and substituting the words “subsection (3A)”;
- (k) by deleting subsections (13), (14) and (15) and substituting the following subsection:
 - “(13) The Authority may, from time to time and in such form or manner as it considers appropriate, publish any information obtained or received by the Authority under this section or section 37.”; and
- (l) by inserting, immediately after the words “and audit” in the section heading, the word “, etc.”.

Amendment of section 37

37. Section 37 of the Insurance Act is amended —

- (a) by deleting subsections (1) to (6) and substituting the following subsection:
 - “(1) A licensed insurer shall, for each accounting period —
 - (a) have an investigation made, by an actuary appointed with the approval of the Authority under section 31, into the financial condition of each class of business that it carries on; and
 - (b) lodge with the Authority such reports of the investigation referred to in paragraph (a), in such form and manner as may be prescribed or specified in directions by the Authority.”; and
- (b) by deleting the word “registered” in subsections (9) and (11) and substituting in each case the word “licensed”.

Amendment of section 38

38. Section 38(4) of the Insurance Act is amended by deleting the words “under section 36(1)” and substituting the words “or directions issued under section 36(3)”.

Amendment of section 39

39. Section 39 of the Insurance Act is amended —

- (a) by deleting the words “under section 36(1)” in subsections (2) and (4) and substituting in each case the words “or directions issued under section 36(3)”;
- (b) by deleting the words “sections 36(13) and 37(9)” in subsection (3) and substituting the words “that section”; and
- (c) by deleting “\$25,000” and “\$2,500” in subsection (6) and substituting “\$100,000” and “\$10,000”, respectively.

Amendment of section 40

40. Section 40 of the Insurance Act is amended —

- (a) by deleting subsection (1) and substituting the following subsection:

“(1) The Authority may, from time to time, inspect under conditions of secrecy, the books, accounts, records and other documents, whether in electronic, print or other form, of —

- (a) a licensed insurer;
- (b) any branch or subsidiary outside Singapore of a licensed insurer established or incorporated in Singapore; or
- (c) an insurance intermediary.”;
- (b) by deleting the word “registered” in subsections (2) and (3) and substituting in each case the word “licensed”;
- (c) by deleting subsection (4); and
- (d) by deleting subsection (5) and substituting the following subsection:

“(5) Any person who fails, without reasonable excuse, to produce any book, account, record or other document or furnish any information or facilities in accordance with subsection (2) shall be guilty of an offence and shall be liable on conviction —

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(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction; or

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(b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”.

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Amendment of section 40A

41. Section 40A of the Insurance Act is amended —

(a) by inserting, immediately after the words “advocate and solicitor” in subsections (3)(a) and (4), the words “, or a legal counsel referred to in section 128A of the Evidence Act (Cap. 97),”;

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(b) by deleting subsection (5) and substituting the following subsection:

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“(5) Any person who fails, without reasonable excuse, to comply with subsection (2) or (4) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof

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during which the offence continues after conviction; or

- (b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”.

New sections 40B and 40C

42. The Insurance Act is amended by inserting, immediately after section 40A, the following sections:

“Inspection in Singapore by parent supervisory authority

40B.—(1) In relation to a licensed insurer incorporated outside Singapore or a foreign-owned licensed insurer incorporated in Singapore, a parent supervisory authority may, with the prior written approval of the Authority and under conditions of secrecy, conduct an inspection in Singapore of the books of the licensed insurer in Singapore in accordance with this section, if the following conditions are satisfied:

- (a) the inspection is required by the parent supervisory authority for the sole purpose of carrying out its supervisory functions;
- (b) the parent supervisory authority —
 - (i) is prohibited by the laws applicable to the parent supervisory authority from disclosing information obtained by it in the course of the inspection to any other person; or
 - (ii) has given to the Authority such written undertaking as to the confidentiality of the information obtained, as the Authority may determine; and
- (c) the parent supervisory authority has given a written undertaking to the Authority to comply with the provisions of this Act and such conditions as the Authority may impose under subsection (2).

(2) The Authority may at any time, whether before, on or after giving written approval for an inspection under this section, require the parent supervisory authority to comply with conditions relating to —

- (a) the classes of information to which the parent supervisory authority shall or shall not have access in the course of the inspection; 5
- (b) the conduct of the inspection;
- (c) the use or disclosure of any information obtained in the course of the inspection; and 10
- (d) such other matters as the Authority may determine.

(3) Subject to compliance by a parent supervisory authority with such conditions as the Authority may impose under subsection (2), a licensed insurer under inspection —

- (a) shall afford the parent supervisory authority access to such books of the licensed insurer under inspection, and provide such information (including information relating to the licensed insurer's internal control systems) and facilities as may be required to conduct the inspection; and 15 20
- (b) shall not be required to afford the parent supervisory authority access to its books or to provide information or facilities at such times or at such places as would unduly interfere with the proper conduct of the normal daily business of the licensed insurer under inspection. 25

(4) A parent supervisory authority may, with the prior written approval of the Authority, appoint any person to conduct the inspection under subsection (1), and in such event, this section (other than this subsection) shall apply to the person as if a reference to the parent supervisory authority or any official of the parent supervisory authority in this section includes a reference to the person. 30

(5) Any licensed insurer which refuses or neglects, without reasonable excuse, to afford access to any book or provide any

information or facility as may be required by this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

(6) In this section and section 40C, unless the context otherwise requires —

“foreign-owned”, in relation to a licensed insurer incorporated in Singapore, means a licensed insurer whose parent is incorporated, formed or established in a foreign country;

“parent”, in relation to a licensed insurer, means a financial institution which is able to exercise a significant influence over the direction and management of the licensed insurer or which has a controlling interest in the licensed insurer;

“parent supervisory authority” —

(a) in relation to a licensed insurer incorporated outside Singapore, means the supervisory authority which is responsible, under the laws of the country or territory where the licensed insurer or its parent is incorporated, formed or established, for supervising the licensed insurer or its parent, as the case may be; or

(b) in relation to a foreign-owned licensed insurer incorporated in Singapore, means the supervisory authority which has consolidated supervision authority over the licensed insurer.

Confidentiality of inspection and investigation reports produced in respect of licensed insurer

40C.—(1) Where a written report or any part thereof (referred to in this section as the report) has been produced in respect of any licensed insurer in Singapore —

- (a) by the Authority upon an inspection under section 40 or an investigation under section 40A; or
- (b) by a parent supervisory authority upon an inspection under section 40B,

the report shall not be disclosed by the licensed insurer, or any officer or auditor of the licensed insurer, to any other person except in the circumstances provided under subsection (2).

(2) Disclosure of the report referred to in subsection (1) may be made —

- (a) by the licensed insurer in Singapore to any officer or auditor of that licensed insurer, solely in connection with the performance of the duties of the officer or auditor, as the case may be, in that licensed insurer;
- (b) by any officer or auditor of the licensed insurer in Singapore to any other officer or auditor of that licensed insurer, solely in connection with the performance of their duties in that licensed insurer;
- (c) to the Authority, if requested by the Authority, where the report has been produced by a parent supervisory authority; or
- (d) to such other person as the Authority may approve in writing.

(3) In granting written approval for any disclosure under subsection (2)(d), the Authority may impose such conditions as it considers appropriate.

(4) The obligation on an officer or auditor of a licensed insurer referred to in subsection (1) shall continue after the termination or cessation of his employment or appointment at the licensed insurer.

(5) Any person who contravenes subsection (1) or fails to comply with any condition imposed by the Authority under subsection (3) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

(b) in any other case, to a fine not exceeding \$250,000.

5 (6) Any person to whom the report is disclosed and who knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to him in contravention of subsection (1) shall be guilty of an offence, unless he proves that —

10 (a) the disclosure was made contrary to his desire;

(b) where the disclosure was made in any written form, he has as soon as practicable surrendered or taken all reasonable steps to surrender the report and all copies thereof to the Authority; and

15 (c) where the disclosure was made in an electronic form, he has as soon as practicable taken all reasonable steps to ensure that all electronic copies of the report have been deleted, and that the report and all copies thereof in other forms have been surrendered to the Authority.

20 (7) In this section, unless the context otherwise requires, “officer”, in relation to a licensed insurer, includes —

(a) a director, a secretary or an employee of the insurer;

25 (b) a receiver or manager of any part of the undertaking of the insurer appointed under a power contained in any instrument; and

(c) the liquidator of the insurer appointed in a voluntary winding up.”.

Amendment of section 41

43. Section 41 of the Insurance Act is amended —

30 (a) by inserting, immediately after the word “registration” in subsection (1)(a)(iv), the words “(if any), or licence, as the case may be”;

- (b) by deleting the word “registered” wherever it appears in subsections (2)(a)(v) and (b), (3) and (4) and substituting in each case the word “licensed”; and
- (c) by inserting, immediately after subsection (6), the following subsection:

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“(7) Any relevant person who fails to comply with any direction of the Authority under this section shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

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(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

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Amendment of section 41A

44. Section 41A of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsections (1) to (9) and (11) and substituting in each case the word “licensed”;
- (b) by deleting the words “principal officer” wherever they appear in subsections (4) to (9) and substituting in each case the words “chief executive”; and
- (c) by deleting subsection (10) and substituting the following subsection:

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“(10) Any person who is guilty of an offence under subsection (7) or (8) shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a

continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction.”.

Amendment of section 41C

5 **45.** Section 41C of the Insurance Act is amended —

(a) by deleting the word “registered” wherever it appears in subsection (1) and substituting in each case the word “licensed”;

10 (b) by deleting the words “principal officer” wherever they appear in subsection (1) and substituting in each case the words “chief executive”;

15 (c) by deleting the words “\$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000” in subsection (2) and substituting the words “\$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500”; and

20 (d) by deleting the word “registered” in the section heading and substituting the word “licensed”.

Amendment of section 49A

46. Section 49A of the Insurance Act is amended by deleting the definition of “foreign country”.

Amendment of section 49E

25 **47.** Section 49E of the Insurance Act is amended by deleting subsection (2) and substituting the following subsections:

“(2) Any person who is guilty of an offence under subsection (1)(a) shall be liable on conviction —

30 (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every

day or part thereof during which the offence continues after conviction; or

- (b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

(3) Any person who is guilty of an offence under subsection (1)(b) or (c) shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both; or

- (b) in any other case, to a fine not exceeding \$100,000.”.

Amendment of section 49FB

48. Section 49FB of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsections (2) and (5) to (9) and substituting in each case the word “licensed”;

- (b) by deleting subsection (4) and substituting the following subsections:

“(4) Subsection (1) shall not apply to the transfer of the whole or part of any insurance business of a company established or incorporated outside Singapore, except in so far as it relates to Singapore policies or offshore policies.

(4A) Subject to subsection (6), subsection (1)(a) shall not apply to the transfer of the whole or part of any insurance business of —

- (a) a licensed insurer where it relates to the reinsurance business of that insurer; or

- (b) a captive insurer.”;

- (c) by deleting the words “subsection (4)(b)” in subsection (5) and substituting the words “subsection (4A)(a)”;

(*d*) by deleting the words “subsection (4)(*b*) or (*c*)” in subsection (6) and substituting the words “subsection (4A)(*a*) or (*b*)”; and

(*e*) by deleting the words “scheme for” in the section heading.

5 **Amendment of section 49FD**

49. Section 49FD of the Insurance Act is amended —

(*a*) by inserting, immediately after the word “statement” in subsection (1)(*d*), the words “, in such form and manner as the Authority may specify in writing,”;

10 (*b*) by deleting the words “principal officer in Singapore” in subsection (1)(*e*) and substituting the words “chief executive”;

(*c*) by inserting, immediately after subsection (1), the following subsection:

15 “(1A) If the statement lodged in accordance with subsection (1)(*d*) is not in the form or manner specified by the Authority of the Authority, the Authority may, by notice in writing, give such directions to the transferee to procure that the statement contains such particulars as
20 may be necessary for the purposes of subsection (1)(*d*), but nothing in this subsection shall compel an auditor to amend his opinion in the statement.”;

(*d*) by deleting the words “societies registered under the Co-operative Societies Act (Cap. 62)” in subsection (2) and
25 substituting the words “co-operative societies”; and

(*e*) by inserting, immediately after subsection (2), the following subsection:

30 “(3) Any transferee which fails to comply with any direction of the Authority under subsection (1A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.”.

Amendment of section 49FG

50. Section 49FG of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsection (7) and substituting in each case the word “licensed”; 5
- (b) by deleting the words “or territory” wherever they appear in subsection (12);
- (c) by deleting the words “societies registered under the Co-operative Societies Act (Cap. 62)” in subsection (13)(a) and substituting the words “co-operative societies”; and 10
- (d) by deleting the words “\$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000” in subsections (14) and (15) and substituting in each case the words “\$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000”. 15

Amendment of section 49FK

51. Section 49FK of the Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in subsections (5), (9) and (13) and substituting in each case the word “licensed”; 20
- (b) by deleting paragraph (a) of subsection (9) and substituting the following paragraph:
 - “(a) be deemed to have obtained the approval of the Authority under section 28 or 29, as the case may be, in respect of the shares; and”; and 25
- (c) by deleting subsection (10) and substituting the following subsection:
 - “(10) A transferor or a transferee who contravenes any provision in the certificate shall be guilty of an offence and shall be liable on conviction — 30
 - (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a

term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; and

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”.

Amendment of section 49FN

52. Section 49FN of the Insurance Act is amended —

(a) by deleting the words “registered insurer” wherever they appear in subsections (3), (5) to (8), (12) and (13) and substituting in each case the words “licensed insurer”;

(b) by deleting “27,” in subsection (7)(a);

(c) by deleting subsection (9) and substituting the following subsection:

“(9) A licensed insurer or a subscriber which contravenes any provision in the certificate shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; and

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.”; and

- (d) by deleting the words “registered person” in subsection (13) and substituting the words “licensed insurer”.

Amendment of section 49FO

53. Section 49FO of the Insurance Act is amended —

- (a) by deleting paragraph (b) of subsection (2) and substituting the following paragraph: 5

“(b) the company has been licensed or registered under this Act or under any written law repealed by this Act, and that licence or registration has been revoked or has expired and has not been renewed; or”; 10

- (b) by deleting the word “registered” wherever it appears in subsections (4)(b), (7), (8), (10), (17) to (19) and (21) and substituting in each case the word “licensed”;

- (c) by deleting the words “\$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000” in subsection (14) and substituting the words “\$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500”; and 15 20

- (d) by deleting the words “an insurer or” in subsection (15) and substituting the words “an insurer licensed under this Act or an”.

Amendment of section 49FT

54. Section 49FT(2) of the Insurance Act is amended by deleting the words “\$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000” and substituting the words “\$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500”. 25 30

Amendment of section 49FW

55. The Insurance Act is amended by renumbering section 49FW as subsection (1) of that section, and by inserting immediately thereafter the following subsections:

5 “(2) Without prejudice to the generality of subsection (1), regulations made under this section may —

 (a) restrict, or impose conditions on, any transfer of only part (but not the whole) of the business (as defined in section 49FE) of a transferor under Division 2;

10 (b) provide for either or both of the following:

 (i) that any arrangement is exempted from any provision of this Part;

 (ii) that the Minister or the Authority shall not exercise any power under this Part in relation to any arrangement;

15 (c) prescribe —

 (i) any set-off arrangement, netting arrangement or other type of arrangement as an arrangement referred to in paragraph (b)(i) or (ii);

20 (ii) for any arrangement referred to in paragraph (b)(i), each provision of this Part which that arrangement is exempted from; and

 (iii) for any arrangement referred to in paragraph (b)(ii), each power which the Minister or the Authority shall not exercise in relation to that arrangement;

25 (d) provide for any transaction to be void or voidable, or for any other consequence (including a consequence affecting any business, affairs, property, right, obligation, liability or power of any person under this Part, or affecting the operation of any provision of this Part) to arise, if any specified provision of the regulations is contravened;

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(e) provide that any contravention of any specified provision of the regulations shall be an offence punishable —

(i) in the case of an individual, with a fine not exceeding \$125,000 or with imprisonment for a term not exceeding 3 years or with both and, in the case of a continuing offence, with a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(ii) in any other case, with a fine not exceeding \$250,000 and, in the case of a continuing offence, with a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction; and

(f) exempt any person or class of persons from all or any of the provisions of this Part and the regulations, subject to such conditions or restrictions as may be prescribed.

(3) All regulations made under this section shall be presented to Parliament as soon as possible after publication in the *Gazette*.

(4) In this section —

“netting arrangement” means an arrangement under which 2 or more claims or obligations can be converted into a net claim or obligation, and includes a close-out netting arrangement (under which actual or theoretical debts are calculated during the course of a contract for the purpose of enabling them to be set-off against each other or to be converted into a net debt);

“set-off arrangement” means an arrangement under which 2 or more debts, claims or obligations can be set-off against each other.”.

Amendment of section 49G

56. Section 49G(2) of the Insurance Act is amended by inserting, immediately after the words “this Act”, the words “(other than sections 8(7), 34(6) and 35X(6))”.

Amendment of section 49K

57. Section 49K of the Insurance Act is amended —

(a) by deleting the word “registered” in paragraph (a) of the definition of “relevant policy” and substituting the word “licensed”; and

(b) by deleting paragraph (d) of the definition of “relevant policy” and substituting the following paragraph:

“(d) insures the life of the policy owner;”.

Amendment of section 49L

58. Section 49L of the Insurance Act is amended —

(a) by deleting the word “or” at the end of subsection (1)(a);

(b) by deleting the full-stop at the end of paragraph (b) of subsection (1) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(c) prescribed by the Authority, or of a type or description prescribed by the Authority.”; and

(c) by deleting the word “registered” wherever it appears in subsections (9), (11) and (15) and substituting in each case the word “licensed”.

Amendment of section 52

59. Section 52 of the Insurance Act is amended —

(a) by inserting, immediately after the word “such” in subsection (1), the words “terms or”; and

(b) by deleting subsection (4) and substituting the following subsection:

“(4) The Authority may at any time —

(a) revoke any exemption granted under this section; or

(b) add to, vary or revoke any term or condition prescribed under subsection (1), or imposed under subsection (3) by notice in writing, or prescribe or impose a term or condition where none had been prescribed or imposed earlier.”. 5

New section 54A

60. The Insurance Act is amended by inserting, immediately after section 54, the following section: 10

“Electronic service

54A.—(1) The Authority may provide an electronic service for the service of any document that is required or authorised by this Act to be given to or served on any person. 15

(2) For the purposes of the electronic service, the Authority may assign to any person —

(a) an authentication code; and

(b) an account with the electronic service.

(3) Notwithstanding section 54, where any person has given his consent for any document to be served on him through the electronic service, the Authority may serve the document on that person by transmitting an electronic record of the document to that person’s account with the electronic service. 20

(4) Where a person has given his consent for a document to be served on him through the electronic service, the document shall be deemed to have been served at the time when an electronic record of the document enters his account with the electronic service. 25

(5) Notwithstanding any other written law, in any proceedings under this Act — 30

(a) an electronic record of any document that was served through the electronic service; or

(b) any copy or print-out of that electronic record,

shall be admissible as evidence of the facts stated or contained therein if that electronic record, copy or print-out —

(i) is certified by the Authority to contain all or any information served through the electronic service in accordance with this section; and

(ii) is duly authenticated in the manner specified in subsection (7).

(6) For the avoidance of doubt —

(a) an electronic record of any document that was served through the electronic service; or

(b) any copy or print-out of that electronic record,

shall not be inadmissible in evidence merely because the document was served without the delivery of any equivalent document or counterpart in paper form.

(7) For the purposes of this section, a certificate —

(a) giving the particulars of —

(i) any person whose authentication code was used to serve the document; and

(ii) any person or device involved in the production or transmission of the electronic record of the document, or the copy or print-out thereof;

(b) identifying the nature of the electronic record or copy or print-out thereof; and

(c) purporting to be signed by the Authority or by a person occupying a responsible position in relation to the operation of the electronic service at the relevant time,

shall be sufficient evidence that the electronic record, copy or print-out has been duly authenticated, unless the court, in its discretion, calls for further evidence on this issue.

(8) Where the electronic record of any document, or a copy or print-out of that electronic record, is admissible under subsection (5), it shall be presumed, until the contrary is proved, that the electronic record, copy or print-out accurately reproduces the contents of that document.

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(9) The Authority may make regulations which are necessary or expedient for carrying out the purposes of this section, including regulations prescribing the procedure for the use of the electronic service and the procedure in circumstances where there is a breakdown or interruption of the electronic service.

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(10) In this section, unless the context otherwise requires —

“account with the electronic service”, in relation to any person, means a computer account within the electronic service which is assigned by the Authority to that person for the storage and retrieval of electronic records relating to that person;

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“authentication code”, in relation to any person, means an identification or identifying code, a password or any other authentication method or procedure which is assigned to that person for the purposes of identifying and authenticating the access to and use of the electronic service by that person;

20

“document” includes notice and order;

“electronic record” has the same meaning as in section 2 of the Electronic Transactions Act (Cap. 88).”.

25

Amendment of section 55

61. Section 55 of the Insurance Act is amended —

(a) by deleting the words “and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both” in subsection (1);

30

(b) by inserting, immediately after subsection (1), the following subsection:

“(1A) Any person who is guilty of an offence under subsection (1) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

(b) in any other case, to a fine not exceeding \$250,000.”;

(c) by deleting subsection (2) and substituting the following subsection:

“(2) Any person who is guilty of any breach of a duty imposed on him by this Act or any direction issued by the Authority under section 64(2) shall be guilty of an offence and, where no penalty is expressly provided, shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”;

(d) by deleting the words “12 months” in subsection (4) and substituting the words “2 years”; and

(e) by deleting subsection (6) and substituting the following subsections:

“(6) The Authority may, in its discretion, compound any offence under this Act which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a

sum of money not exceeding one half of the amount of the maximum fine that is prescribed for that offence.

(7) The Authority may, in its discretion, compound any offence under this Act (including an offence under a provision that has been repealed) which —

5

(a) was compoundable at the time the offence was committed; but

(b) has ceased to be so compoundable,

by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding one half of the amount of the maximum fine prescribed for that offence at the time it was committed.

10

(8) On payment of such sum of money referred to in subsection (6) or (7), no further proceedings shall be taken against that person in respect of the offence.

15

(9) All sums collected by the Authority under subsection (6) or (7) shall be paid into the Consolidated Fund.”.

Amendment of section 55A

62. Section 55A of the Insurance Act is amended by deleting subsection (2) and substituting the following subsection:

20

“(2) Subsection (1) shall not apply to any offence under this Act —

(a) in respect of the breach of a duty imposed only on corporations; or

25

(b) for which different penalties are prescribed in this Act (other than section 55(4)) for individuals and for other persons found guilty of the offence.”.

Amendment of section 60

63. Section 60(1) of the Insurance Act is amended by inserting, immediately after the word “thereof”, the words “(if any)”.

30

Amendment of section 64

64. Section 64 of the Insurance Act is amended —

(a) by inserting, immediately after the words “including the” in subsection (1A)(b), the word “waiver,”;

5 (b) by deleting paragraph (c) of subsection (1B) and substituting the following paragraph:

“(c) may provide —

10 (i) in the case of an individual, for penalties not exceeding a fine of \$50,000 or imprisonment for a term not exceeding 2 years or both for each offence and, in the case of a continuing offence, for a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part thereof during which the offence continues after conviction; or

20 (ii) in any other case, for penalties not exceeding a fine of \$100,000 for each offence and, in the case of a continuing offence, for a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part thereof during which the offence continues after conviction.”;

(c) by inserting, immediately after the words “this Act” in subsection (2), the words “, and may at any time vary, rescind or revoke any such directions”; and

30 (d) by deleting subsection (3) and substituting the following subsection:

“(3) It shall not be necessary to publish any direction issued under this Act in the *Gazette*.”.

Amendment of First Schedule

65. The First Schedule to the Insurance Act is amended —

- (a) by deleting sub-paragraph (1) of paragraph 2 and substituting the following sub-paragraph:

“(1) Subject to this paragraph and section 16(3) and (4) of the Act, “Singapore policy”, in relation to any insurer, means a policy issued in the course of the insurer’s business in Singapore and falling within one of the following descriptions: 5

- (a) in relation to a life policy or accident and health policy (not being a reinsurance policy) — 10

(i) where the policy owner is an individual, the policy owner or insured is ordinarily resident in Singapore at the date of the proposal in respect of the policy (referred to in this paragraph as the proposal date);

- (ii) where the policy owner is not an individual — 15

(A) the policy owner’s address is or was an address in Singapore at the date of the issue of the policy and at the date of the establishment of the insurer’s register of Singapore policies (if the policy was issued before then); or 20

(B) the policy covers an insured who is ordinarily resident in Singapore at the proposal date;

- (b) in relation to direct general insurance (other than short-term accident and health policies), a policy where the risk arises in Singapore or — 25

(i) where the insured is an individual, the insured is ordinarily resident in Singapore; or

- (ii) where the insured is not an individual, the insured is a person resident in Singapore or has a permanent establishment in Singapore; 30

- (c) in relation to treaty general reinsurance (other than short-term accident and health policies), a policy where more than 25% of the total risks in terms of gross premiums arise in Singapore; and

- (d) in relation to treaty life reinsurance or treaty accident and health reinsurance, a policy where more than 25% of the policies under which the risk or risks reinsured ultimately 35

arises or arise in terms of gross premiums are policies referred to in sub-paragraph (a).”;

(b) by deleting sub-paragraph (5) of paragraph 2 and substituting the following sub-paragraphs:

5 “(5) Sub-paragraph (1)(a) shall apply to a life or accident and health policy of facultative reinsurance —

(a) where the owner of the policy under which the liability reinsured ultimately arises is an individual, as if the references to the proposal date and to whether the policy owner or insured is ordinarily resident in Singapore are references to those of the policy under which the liability reinsured ultimately arises; and

10 (b) where the owner of the policy under which the liability reinsured ultimately arises is not an individual, as if the references to the date of issue and proposal date of the policy, to the policy owner’s address and to whether the insured is ordinarily resident in Singapore are references to those of the policy under which the liability reinsured ultimately arises.

20 (6) Sub-paragraph (1)(b) shall apply to a policy of facultative general reinsurance as if the references to the insured are references to the person or persons insured by the policy under which the liability reinsured ultimately arises.”;

25 (c) by deleting the words “section 36(1)” in paragraph 6A(2)(b) and substituting the words “section 36(3)”;

(d) by deleting the sub-heading immediately before paragraph 7; and

(e) by deleting paragraph 7.

Amendment of Second Schedule

30 **66.** The Second Schedule to the Insurance Act is amended by deleting item (1).

Miscellaneous amendments

67. The Insurance Act is amended —

- (a) by deleting the word “registered” wherever it appears in the following provisions and substituting in each case the word “licensed”:

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Sections 16(1), 32(1), 35M(1) to (3C), 35P(1) and (2), 35Q(3), 35ZE(4), 35ZN(1)(*ea*), 41B, 41D, 41E(1) and (2), 41F (definitions of “office-holder”, “relevant business” and “relevant person”), 49FA (definition of “transferor”), 49FE (definition of “transferor”), 49FF(1), (3), (7) and (12), 49FI(1) (definition of “transferor”), 49FJ(1), (3) and (9), 49FL (definition of “subscriber”), 49FM(1) to (5), (7), (10) and (13), 49FQ(2) and (3)(*c*), 49FR(1) to (4), 49FS, 49FU(1), 49FV, 49N(1), 57(1) and 61(1) to (4) and (6) to (11);

10

15

- (b) by deleting the words “to be registered” in section 16(7) and substituting the words “to be licensed”;

- (c) by deleting the words “registered insurer” wherever they appear in the following provisions and substituting in each case the words “licensed insurer”:

20

Sections 35ZE(1), 49FA (definition of “transferee”), 49FE (definition of “transferee”), 49FI(2), 49FQ(1), 49N(2) and (3) and 49O(1) and (2);

- (d) by deleting the word “REGISTERED” in the Part heading of Part IIIAA and substituting the word “LICENSED”;

25

- (e) by deleting the word “registration” in the following provisions and substituting in each case the word “licence”:

Sections 49FA (definition of “transferee”) and 49FE (definition of “transferee”);

- (f) by deleting the word “unregistered” wherever it appears in the following provisions and substituting in each case the word “unlicensed”:

30

Sections 35ZE (section heading) and 35ZF(2) and section heading;

- (g) by deleting the words “registered under the Co-operative Societies Act (Cap. 62)” in the following provisions:

Sections 49FA (definition of “transferee”), 49FE (definition of “transferee”), 49FI(2), 49FQ(1) and 49O(1);

- (h) by deleting the words “registered under the Co-operative Societies Act” in section 49O(2);

- (i) by deleting the words “section 27(4)(a)” in the following provisions and substituting in each case the words “section 28(7)”:

Sections 49FI(1) (definition of “effective controller”) and 49FL (definition of “effective controller”);

- (j) by deleting the sub-heading immediately above section 3 and substituting the following Division heading:

“Division 1 — General restriction on insurers”;

- (k) by deleting the sub-heading immediately above section 8 and substituting the following Division heading:

“Division 2 — Licensed insurers”;

- (l) by deleting the sub-heading immediately above section 23;

- (m) by deleting the sub-heading immediately above section 35M and substituting the following Division heading:

“Division 1 — General provisions relating to insurance intermediaries”;

- (n) by deleting the sub-heading immediately above section 35W and substituting the following Division heading:

“Division 2 — Conduct of insurance broking business”;

- (o) by deleting the words “under Part IIA” in section 35ZG(1) and (6);

- (p) by deleting the Part heading and sub-heading immediately above section 36 and substituting the following Part heading and Division heading:

“PART III

RETURNS, INSPECTIONS AND INVESTIGATIONS,
WINDING UP AND TRANSFERS OF BUSINESS

Division 1 — Returns”;

- (q) by deleting the sub-heading immediately above section 40 5
and substituting the following Division heading:

“Division 2 — Inspections and investigations”;

- (r) by inserting, immediately above section 41, the following
Division heading:

*“Division 3 — Powers where licensed insurer or 10
insurance intermediary is unable to meet
obligations, etc.”;*

- (s) by deleting the words “section 41A” in section 41D(b) and
substituting the words “section 50”;

- (t) by deleting the words “scheme for” in the Division heading of 15
Division 1 of Part IIIA;

- (u) by deleting the sub-heading immediately above section 50
and substituting the following Division heading:

“Division 1 — Administration and enforcement”;

- (v) by deleting the sub-heading immediately above section 57 20
and substituting the following Division heading:

“Division 2 — Miscellaneous amendments of law”; and

- (w) by deleting the sub-heading immediately above section 63A
and substituting the following Division heading:

“Division 3 — Supplementary”. 25

Savings and transitional provisions

68.—(1) Any insurer which was registered under section 8 of the Insurance Act in force immediately before the appointed day shall be deemed to be a licensed insurer under the Insurance Act as amended by this Act (referred to in this section as the Amended Act), and any condition of registration to which the insurer is subject immediately 30

before the appointed day shall continue and be deemed to be a condition of the licence of the insurer imposed under section 8 of the Amended Act.

(2) Any insurer which is an authorised reinsurer immediately before the appointed day shall be deemed to be an authorised reinsurer under the Amended Act, and any condition of authorisation to which the reinsurer is subject immediately before the appointed day shall continue and be deemed to be a condition of the authorisation of the reinsurer imposed under section 34 of the Amended Act.

(3) Any person who has the approval of the Authority to establish a representative office under section 6(2) of the Insurance Act in force immediately before the appointed day shall be deemed to be a registered person under section 6A of the Amended Act, and any condition of approval to which the person is subject immediately before the appointed day shall continue and be deemed to be a condition of registration of the representative office imposed under section 6A of the Amended Act.

(4) Notwithstanding section 5(1C) of the Amended Act, any person who, immediately before the appointed day, uses any word referred to in section 5(1A) of the Amended Act in the name, description or title under which the person carries on business in Singapore and has been given consent under that provision to continue to so use that word, may continue to do so without having to indicate, in the name, description or title, whether he carries on business as an insurance intermediary for a period of 3 months after the appointed day.

(5) Notwithstanding section 5A of the Amended Act, any insurer which is a licensed insurer by virtue of subsection (1), an authorised reinsurer by virtue of subsection (2), or a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme immediately before the appointed day may use, together with its name, logo or trade mark in the course of the business carried on in Singapore, the name, logo or trade mark of any person described in subsection (1) of that section for a period of 3 months after the appointed day.

(6) Any application that is pending on the appointed day for the written approval of the Authority to establish a representative office

under section 6(2) of the Insurance Act in force immediately before the appointed day shall be deemed to be an application for registration of a representative office under section 6A of the Amended Act.

(7) Any application that is pending on the appointed day for registration under section 8 of the Insurance Act in force immediately before the appointed day shall be deemed to be an application for a licence under section 8 of the Amended Act.

(8) Any application that is pending on the appointed day for authorisation under section 8A of the Insurance Act in force immediately before the appointed day shall be deemed to be an application for authorisation under section 34 of the Amended Act.

(9) Any reinsurance deposit maintained by an authorised reinsurer in accordance with the requirements of section 14A of the Insurance Act in force immediately before the appointed day shall be deemed to be a reinsurance deposit maintained by the authorised reinsurer in accordance with the requirements of section 34D of the Amended Act in force from the appointed day.

(10) Notwithstanding the repeal of sections 27 and 28 of the Insurance Act by section 24 of this Act, any approval granted by the Authority under the repealed section 27 or 28 that remains in force immediately before the appointed day shall be deemed to be an approval granted under section 28 of the Amended Act, and any condition of such approval imposed by the Authority shall continue and be deemed to be a condition imposed under section 28 of the Amended Act.

(11) Notwithstanding the repeal of section 29 of the Insurance Act by section 24 of this Act, any approval granted by the Authority under the repealed section 29 that remains in force immediately before the appointed day shall be deemed to be an approval granted under section 29 of the Amended Act, and any condition of such approval imposed by the Authority shall continue and be deemed to be a condition imposed under section 29 of the Amended Act.

(12) Any person who, immediately before the appointed day, is the chairman of the board of directors of a registered insurer shall be deemed to be appointed as such chairman with the approval of the Authority under section 31 of the Amended Act.

(13) Any person whose appointment as a principal officer of a registered insurer has been approved by the Authority under section 31 of the Insurance Act in force immediately before the appointed day shall be deemed to be so appointed with the approval of the Authority under section 31 of the Amended Act, and any condition to which the approval of the Authority is subject immediately before the appointed day shall continue and be deemed to be a condition of approval imposed under section 31 of the Amended Act.

(14) Notwithstanding section 31(1)(a) of the Amended Act, a licensed insurer which, on or immediately after the appointed day, does not have a chief executive shall appoint a person as its chief executive within 6 months after the appointed day.

(15) Any person whose appointment as a director of a registered insurer has been approved by the Authority under section 31 of the Insurance Act in force immediately before the appointed day shall be deemed to be so appointed with the approval of the Authority under section 31 of the Amended Act, and any condition to which the approval of the Authority is subject immediately before the appointed day shall continue and be deemed to be a condition of approval imposed under section 31 of the Amended Act.

(16) Any person whose appointment as an actuary of a direct insurer registered to carry on life business has been approved by the Authority under section 31 of the Insurance Act in force immediately before the appointed day shall be deemed to be so appointed with the approval of the Authority under section 31 of the Amended Act, and any condition to which the approval of the Authority is subject immediately before the appointed day shall continue and be deemed to be a condition of approval imposed under section 31 of the Amended Act.

(17) Any person whose appointment as an actuary of an insurer registered to carry on general business has been approved by the Authority under section 37(1)(b) of the Insurance Act in force immediately before the appointed day shall be deemed to be so appointed with the approval of the Authority under section 31 of the Amended Act, and any condition to which the approval of the Authority is subject immediately before the appointed day shall

continue and be deemed to be a condition of approval imposed under section 31 of the Amended Act.

(18) In any written law and in any document —

(a) any reference to an insurer registered under the Insurance Act or a registered insurer shall be construed as a reference to a licensed insurer; and 5

(b) any reference to the registration of an insurer shall be construed as a reference to the licence of the insurer.

(19) In any subsidiary legislation made under the Insurance Act and in any document, any reference to the principal officer of an insurer shall be construed as a reference to the chief executive of the insurer (within the meaning of section 1A of the Amended Act). 10

(20) All directions and notices issued under the Insurance Act in force immediately before the appointed day shall be deemed to have been issued under the Amended Act and shall have effect accordingly. 15

(21) For a period of 2 years after the date of commencement of this section, the Minister may, by regulations, prescribe such provisions of a savings or transitional nature consequent on the enactment of this Act, as he may consider necessary or expedient.

(22) In this section — 20

“appointed day” means the date of commencement of all the provisions of the Insurance (Amendment) Act 2013 other than section 65 and this section;

“Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186). 25

Consequential and related amendments to other written laws

69. The provisions of the Acts specified in the first column of the Schedule are amended in the manner set out in the second column thereof. 30

THE SCHEDULE

Section 69

CONSEQUENTIAL AND RELATED AMENDMENTS
TO OTHER WRITTEN LAWS*First column**Second column*

- | | |
|---|--|
| <p>1. Banking Act
(Chapter 19, 2008 Ed.)</p> <p>Section 4B(6)</p> | <p>Delete the word “registered” in paragraph (a) and substitute the word “licensed”.</p> |
| <p>2. Central Provident Fund Act
(Chapter 36, 2001 Ed.)</p> <p>(a) Section 40</p> <p>(b) Section 52</p> | <p>Delete the word “registered” in the definition of “appointed insurer” and substitute the word “licensed”.</p> <p>Delete the word “registered” in the definition of “appointed insurer” and substitute the word “licensed”.</p> |
| <p>3. Companies Act
(Chapter 50, 2006 Ed.)</p> <p>(a) Section 145(6)</p> <p>(b) Section 201(18)</p> <p>(c) Sections 210(3A) and (4A)
and 212(1A)</p> <p>(d) Section 227B(7)</p> | <p>Insert, immediately after the words “section 31,”, “31A,”.</p> <p>Insert, immediately after the word “registered”, the words “or licensed”.</p> <p>Delete the word “registered” and substitute in each case the word “licensed”.</p> <p>Delete the word “registered” in paragraph (c) and substitute the word “licensed”.</p> |

THE SCHEDULE — *continued*

4. Corruption, Drug Trafficking
and Other Serious Crimes
(Confiscation of Benefits) Act
(Chapter 65A, 2001 Ed.)

Section 2(1)

Delete the words “society registered” in paragraph (f) of the definition of “financial institution” and substitute the words “co-operative society licensed”.

5. Deposit Insurance and Policy
Owners’ Protection Schemes Act
(Chapter 77B, 2012 Ed.)

(a) Section 2(1)

(i) Delete the word “registered” wherever it appears in the definitions of “relevant insurer” and “specialist insurer” and substitute in each case the word “licensed”.

(ii) Delete the word “registration” in paragraphs (a) and (b) of the definition of “specialist insurer” and substitute in each case the word “licence”.

(b) Sections 31(1), (2) and (3)
and 34(1), (2) and (3)

Delete the word “registered” wherever it appears and substitute in each case the word “licensed”.

(c) Section 32(4)

Delete the word “registered” in paragraph (b) and substitute the word “licensed”.

THE SCHEDULE — *continued*6. Financial Advisers Act
(Chapter 110, 2007 Ed.)

(a) Section 2(1)

- (i) Insert, immediately after the definition of “leveraged foreign exchange trading”, the following definition:

“ “licensed insurer” means an insurer who is for the time being licensed under section 8 of the Insurance Act (Cap. 142);”.

- (ii) Delete the definition of “registered insurer”.

(b) Section 23(1)

Delete the words “society registered” in paragraph (c) and substitute the words “co-operative society licensed”.

(c) Section 25(1)

Delete the word “registered” in paragraph (e) and substitute the word “licensed”.

(d) Section 33

- (i) Delete the word “registered” in subsections (1) and (3) and substitute in each case the word “licensed”.
- (ii) Delete the word “unregistered” in the section heading and substitute the word “unlicensed”.

THE SCHEDULE — *continued*7. Hire-Purchase Act
(Chapter 125, 1999 Ed.)

(a) Section 2(1)

Insert, immediately after the definition of “hirer”, the following definition:

“ “licensed insurer” means an insurer who is for the time being licensed under section 8 of the Insurance Act (Cap. 142);”.

(b) Section 26(1), (2) and (4)

Delete the words “registered insurer” wherever they appear and substitute in each case the words “licensed insurer”.

8. Housing and Development Act
(Chapter 129, 2004 Ed.)

Section 51(11)

Delete the word “registered” in paragraph (c) of the definition of “approved financial institution” and substitute the word “licensed”.

9. Housing Developers (Control
and Licensing) Act
(Chapter 130, 1985 Ed.)

Section 2(1)

Delete the words “registered under section 7” in paragraph (ii) of the definition of “housing developer” and substitute the word “licensed under section 8”.

10. Income Tax Act
(Chapter 134, 2008 Ed.)

(a) Section 10(20A)

Delete the word “registered” wherever it appears in paragraph (c)(ix) and substitute in each case the word “licensed”.

THE SCHEDULE — *continued*

- | | |
|--------------------|--|
| (b) Section 26(12) | Delete the words “company registered” in paragraph (a) of the definition of “insurer” and substitute the words “company or co-operative society licensed”. |
| (c) Section 43C(2) | Delete the words “company registered” in paragraph (a) and substitute the words “company or co-operative society licensed”. |
11. Monetary Authority of Singapore Act
(Chapter 186, 1999 Ed.)
- | | |
|----------------|---|
| Section 27A(6) | Delete the word “registered” in paragraph (e) and substitute the word “licensed”. |
|----------------|---|
12. Securities and Futures Act
(Chapter 289, 2006 Ed.)
- | | |
|-------------------|--|
| (a) Section 4A(1) | <p>Delete sub-paragraph (iv) of paragraph (c) and substitute the following sub-paragraph:</p> <p style="margin-left: 40px;">“(iv) a company or co-operative society that is licensed under the Insurance Act (Cap. 142) to carry on insurance business in Singapore;”.</p> |
| (b) Section 99(1) | Delete the words “society registered” in paragraph (d) and substitute the words “co-operative society licensed”. |
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EXPLANATORY STATEMENT

This Bill seeks to amend the Insurance Act (Cap. 142) for the following main purposes:

- (a) to enhance the powers of the Monetary Authority of Singapore (the Authority) under the Act to meet its supervisory objectives;
- (b) to align certain provisions of the Act with corresponding provisions in other Acts administered by the Authority;
- (c) to enhance the penalties for certain offences in the Act so as to align them with the penalties in other Acts administered by the Authority, and introduce new offences;
- (d) to repeal certain provisions in the Act which have become obsolete; and
- (e) to make miscellaneous changes to the Act for greater clarity or consistency, or for the better administration of the Act.

The Bill also makes consequential and related amendments to certain other written laws.

Clause 1 relates to the short title and commencement.

Clause 2 amends the long title of the Act to update the objectives of the Act to reflect its regulatory scope as amended by the Bill.

Clause 3 —

- (a) amends the definitions of “advocate and solicitor”, “authorised reinsurer”, “captive insurer”, “director”, “executive officer”, “insurance agent”, “insurance broker”, “insurance intermediary”, “reinsurer”, “statutory balance-sheet”, “statutory valuation” and “substantial shareholder” in section 1A;
- (b) moves the definition of “foreign country” in section 49A, and the definitions of “foreign insurer” and “foreign insurer scheme” in section 35A, to section 1A;
- (c) inserts new definitions of the terms “chief executive”, “co-operative society”, “insurance business in Singapore”, “licensed insurer”, “marine mutual insurance business”, “marine mutual insurer”, “subsidiary” and “voting share”; and
- (d) deletes the definitions of the terms “principal officer” and “registered insurer” which are to be replaced by the terms “chief executive” and “licensed insurer”, respectively.

The new term “chief executive” refers to a person who is principally responsible for the management and conduct of the business of the insurer in Singapore and the business of the insurer’s subsidiaries and any overseas branches. With respect to

such subsidiaries and overseas branches, the chief executive may in certain circumstances only be involved in overseeing such business.

Clause 4 refines section 2(2) as to the classification of the reinsurance of liabilities as insurance business, amends section 2(4), (5) and (5A) as a consequence of the new definition of “insurance business in Singapore” (inserted by clause 3), and amends section 2(8) as a consequence of the amendment of section 36 (by clause 36). The clause also makes a technical amendment to section 2(1)(b).

Clause 5 amends section 3 to refer to “licensed insurer” in place of “registered insurer”, and to update the reference to the section relating to the authorisation of reinsurers due to the repeal of section 8A (by clause 11) and its re-enactment as section 34 (inserted by clause 28). The clause also enhances the penalties for any contravention of section 3(1) (which restricts the carrying on of any class of insurance business in Singapore as an insurer without a licence) or section 3(1A) (which restricts a person carrying on reinsurance business outside Singapore from carrying on the business of providing the reinsurance of liabilities under insurance policies, as a principal and as an insurer, to persons in Singapore except under certain conditions).

Clause 6 amends section 4 to substitute the term “registered” with “licensed” in relation to insurers wherever it appears in the section, and to enhance the penalties for any offence under section 4(1) (which prohibits a person from holding himself out or purporting to hold himself out to be a licensed insurer or an authorised reinsurer in respect of life business or general business or both when the person is not licensed or authorised in respect of that business).

Clause 7 amends section 5(1) and (1A) (which contain restrictions on the use of the word “insurance”, any derivative of the word or any other word in the name, description or title under which a person carries on business in Singapore indicating that the person carries on insurance business and business as an insurance intermediary, respectively, or the making of any representation to this effect) to empower the Authority to give its written consent on a case-by-case basis to those who need not be subject to any such restriction. The clause also introduces an exclusion from section 5(1) for any person who has registered a representative office under section 6A (inserted by clause 9), and inserts a new subsection (1C) to require any person allowed to carry out the act referred to in subsection (1A) to indicate in the name, description or title under which the person carries on business in Singapore whether the business is carried on as an insurance intermediary. The clause further makes a technical amendment to section 5(1B)(f) as a consequence of the definition of “foreign insurer scheme” inserted in section 1A by clause 3, and enhances the penalties for any contravention of section 5(1), (1A) or (1C).

Clause 8 inserts a new section 5A to restrict a licensed insurer, an authorised reinsurer or a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme (foreign insurer) from using its name, logo or trade mark

together with that of a person who carries on the business of assuming risk or undertaking liability under policies in Singapore or elsewhere but who is not a licensed insurer, an authorised reinsurer or a foreign insurer, without the Authority's prior written consent. Any contravention of this restriction will amount to an offence.

Clause 9 repeals and re-enacts section 6 to prohibit the solicitation of insurance business for insurers other than those which are entitled to carry on such business in Singapore, and to introduce restrictions where such solicitation is permitted for certain insurers. Any contravention of the prohibition or restriction will amount to an offence.

The clause also inserts a new section 6A to provide for the registration of representative offices in Singapore. The section makes it an offence for a person to establish or operate a representative office that is not registered or ceases to be registered with the Authority, among others.

Clause 10 amends section 7 to enhance the penalties for the offence of wilfully refusing to submit books, accounts and records to the Authority or to allow the Authority to inspect them.

Clause 11 repeals sections 8 to 10, and re-enacts section 8 to provide for the licensing (in place of registration) of insurers. The new section 8 requires an insurer to satisfy prescribed financial requirements to be licensed, and during the currency of its licence. The new section 8 also includes a right of appeal to the Minister by a person aggrieved by a decision of the Authority to refuse to grant it a licence. The provisions relating to the authorisation of a reinsurer are to be re-enacted in the new Division 3 of Part II (inserted by clause 28).

Clause 12 amends section 11 to substitute the references to "registered insurer" with "licensed insurer", and to allow the Authority to waive, refund or remit the annual fees payable or paid by licensed insurers.

Clause 13 repeals sections 12 to 15, and re-enacts with amendments sections 12 and 13 relating to the cancellation of the licence of an insurer and the effects of such cancellation, respectively. The corresponding provisions for the withdrawal of the authorisation of a reinsurer are to be re-enacted in the new Division 3 of Part II (inserted by clause 28). The new section 12 empowers the Authority to impose conditions before it cancels the licence of any insurer at the request of the insurer, and includes new grounds for the cancellation of the licence of an insurer. The new section 13 omits references to the expiry of a licence as licences issued to insurers are not subject to any licence term.

Clause 14 amends section 17 to substitute the references to "registered" with "licensed" in relation to insurers, and to repeal section 17(14) and (15) which are obsolete. The clause also amends section 17(6)(a) to empower the Authority to issue directions to require a surplus account to be established and maintained as

part of the insurance fund maintained by a direct insurer registered to carry on life business which comprises or includes participating policies.

Clause 15 amends section 18 to substitute the references to “registered” with “licensed” in relation to insurers, and to make technical amendments to subsections (2), (3) and (5). The clause also inserts a new subsection (6) in the section to make it an offence for an insurer to fail to satisfy fund solvency requirements or capital adequacy requirements under section 18(1) or (4).

Clause 16 repeals and re-enacts section 19 to empower the Authority to specify in directions the manner in which the assets of an insurance fund of a licensed insurer are to be invested and the nature of such assets that is appropriate to meet the liabilities of the insurer.

Clause 17 amends section 20(4) to enhance the penalties for the offence of contravening the section, which prescribes requirements relating to the documents evidencing an insurer’s title to assets of an insurance fund established by the insurer.

Clause 18 repeals and re-enacts section 21 to give the Authority a general power to impose asset maintenance requirements on licensed insurers.

Clause 19 amends section 22 to substitute the references to “registered insurer” with “licensed insurer”, to delete subsection (2) as a consequence of the amendment of section 21 (by clause 18), and to make technical amendments to subsections (3) and (4) and the section heading.

Clause 20 repeals section 23 which is obsolete.

Clause 21 amends section 24 to substitute the references to “registered” with “licensed” in relation to insurers, and to enhance the penalty for an offence under section 24(4) (for each issue of a policy by an insurer in contravention of the section).

Clause 22 enhances the penalty for the offence in section 25(6) (for each use of a copy of a form or brochure in contravention of section 25(4) or (5)) and includes a continuing offence.

Clause 23 repeals section 26 which is obsolete.

Clause 24 repeals and re-enacts sections 27, 28 and 29 and inserts new sections 29A to 29D.

The new section 27 clarifies the application of the section and sections 28 to 30 and the meaning of certain terms used in those sections.

The new section 28 repeals and re-enacts the existing section 27 (relating to the control of take-overs of insurers incorporated in Singapore) with amendments.

The new section 29 repeals and re-enacts the existing section 29 (relating to the control of substantial shareholdings of insurers incorporated in Singapore) with amendments.

The new section 29A empowers the Authority to serve a written notice of objection on any person referred to in the new section 28 or 29 in accordance with the prescribed procedure. Any failure of a person who is served with such a written notice of objection to comply with the notice will amount to an offence.

The new section 29B empowers the Authority to issue directions to ensure compliance with the new sections 28, 29 and 29A.

The new section 29C sets out the defences to the offences under the new sections 28 and 29.

The new section 29D provides that a person aggrieved by a decision of the Authority under the new section 28, 29, 29A or 29B may appeal to the Minister.

Clause 25 repeals and re-enacts section 30, and inserts new sections 30A and 30B.

The new section 30 repeals and re-enacts section 30 (relating to the power of the Authority to require an insurer incorporated in Singapore to obtain information) with amendments.

The new section 30A applies the new sections 27 to 30 to a licensed insurer that is a co-operative society with the necessary modifications.

The new section 30B restricts a licensed insurer established or incorporated in Singapore from acquiring or holding a major stake in any corporation as defined in the section, whether directly or indirectly, without the prior approval of the Authority. In the case of a licensed insurer which is incorporated outside Singapore, the restriction applies only if the major stake is acquired, directly or indirectly, using any of the assets of any insurance fund of the insurer or held, directly or indirectly, as such assets. Any contravention of the restriction or any conditions imposed or prescribed under the new section 30B by a licensed insurer amounts to an offence.

Clause 26 repeals and re-enacts section 31, and inserts a new section 31A.

The new section 31 requires a licensed insurer to have a chief executive (in place of principal officer), an appointed actuary (if the insurer is a direct insurer licensed to carry on life business), a certifying actuary (if the insurer is a direct insurer licensed to carry on general business or a reinsurer licensed to carry on life or general business) and any other appointment as may be prescribed (defined as key executive person). The new section 31 also requires a licensed insurer which is established or incorporated in Singapore to have a chairman. A licensed insurer may appoint a deputy chief executive, who will be dealt with as a key executive person and whose appointment is subject to the Authority's approval. The

Authority is empowered to direct a licensed insurer to remove its chairman, a director or a key executive person from his office, appointment or employment under certain circumstances, such as if he has failed to perform his functions and it is necessary in the public interest or for the protection of the policy owners of the licensed insurer. Any person aggrieved by any such direction of the Authority may appeal to the Minister.

The new section 31A provides for the disqualification of certain classes of persons from acting as an executive officer of a licensed insurer, or as a director of a licensed insurer established or incorporated in Singapore, without the Authority's prior written consent. A licensed insurer which contravenes this requirement commits an offence.

Clause 27 amends section 33 as a consequence of the change, from a registration framework to a licensing framework for the regulation of insurers. The clause also deletes section 33(1)(b) relating to authorised reinsurers, which is re-enacted in new section 34H (inserted by clause 28).

Clause 28 inserts a new Division 3 in Part II relating to authorised reinsurers, and includes provisions on the annual fees payable and the withdrawal of the authorisation of a reinsurer, and the deposits and assets to be maintained by an authorised reinsurer.

Clause 29 amends section 35A to insert a definition of the term "chief executive officer" for the purposes of Part IIA (relating to foreign insurer schemes), and deletes the definitions of "foreign insurer" and "foreign insurer scheme" which are to be moved to section 1A (by clause 3) for general application.

Clause 30 amends section 35C to provide for the removal, by the Authority, of the chief executive officer or a director of an administrator of a foreign insurer scheme from his office, appointment or employment if he has failed to perform his functions or is no longer a fit and proper person to be so appointed.

Clause 31 amends section 35G to provide for the removal, by the Authority, of the chief executive officer or a director of an agent of a foreign insurer from his office, appointment or employment if he has failed to perform his functions or is no longer a fit and proper person to be so appointed.

Clause 32 amends section 35H to clarify the effective date of the revocation of any appointment of an administrator of a foreign insurer scheme or the prohibition of any foreign insurer from carrying on insurance business in Singapore by the Authority.

Clause 33 amends section 35K to enhance the penalties for the offence of holding out as a foreign insurer permitted to carry on insurance business in Singapore under a foreign insurer scheme or as an agent of a foreign insurer under this section.

Clause 34 amends section 35L(*h*) to empower the making of regulations to require the appointment, by an administrator of a foreign insurer scheme, of such officers as may be prescribed. The clause further empowers the Authority to publish information it receives under regulations made under the section.

Clause 35 amends section 35X to provide an applicant aggrieved by the refusal of the Authority to register him as an insurance broker with a right to appeal to the Minister.

Clause 36 amends section 36 to provide greater clarity on the requirements of the statement of accounts and other returns to be lodged with the Authority. The clause also makes technical amendments to the section in the light of the change in the regulation of insurers from a registration framework to a licensing framework, and to section 36(6)(*b*) to refer to section 10 (in place of section 9) of the Companies Act. The clause imposes audit obligations on licensed insurers, and clarifies that an insurer shall appoint external auditors annually. The clause further empowers the Authority to publish information it receives under section 36 or 37.

Clause 37 amends section 37 to require licensed insurers to have an investigation by an actuary approved by the Authority under the new section 31 (inserted by clause 26) into the financial condition of each class of business it carries on for each accounting period, and to substitute the references to “registered” with “licensed” in relation to insurers.

Clause 38 amends section 38 as a consequence of the new section 36(3) (inserted by clause 36).

Clause 39 amends section 39 as a consequence of the amendment of section 36 (by clause 36), and enhances the penalties for the offence of contravening section 36 or 37.

Clause 40 amends section 40 to extend the Authority’s powers of inspection of the books, accounts, records and other documents, to any branch or subsidiary outside Singapore of a licensed insurer established or incorporated in Singapore. The clause also substitutes the references to “registered” with “licensed” in relation to insurers, deletes subsection (4) which is no longer required, and enhances the penalties for the offence under this section.

Clause 41 amends section 40A to enhance the penalties for the offence of failing, without reasonable excuse, to comply with subsection (2) or (4) relating to investigations by the Authority. It also extends the legal privilege exception in that provision to a legal counsel, consistent with a similar amendment to section 128A of the Evidence Act (Cap. 97).

Clause 42 inserts the new sections 40B and 40C. The new section 40B makes provision for the inspection in Singapore of the books of a foreign-incorporated or foreign-owned licensed insurer by its parent supervisory authority. The new section 40C sets out the conditions and requirements relating to the disclosure of

reports prepared following an inspection or investigation by the Authority, or an inspection by a parent supervisory authority under the new section 40B.

Clause 43 amends section 41 to insert an offence for any relevant person (that is, a licensed insurer or an insurance intermediary) to fail to comply with any direction of the Authority under the section, and to update the references to registered insurers in the light of the new licensing framework for insurers.

Clause 44 amends section 41A to substitute “registered” with “licensed” in relation to insurers, to replace the references to “principal officer” with “chief executive”, and to enhance the penalties prescribed for an offence under section 41A(7) or (8).

Clause 45 amends section 41C to substitute “registered” with “licensed” in relation to insurers, to replace the references to “principal officer” with “chief executive”, and to enhance the penalties prescribed for the offence under subsection (2).

Clause 46 deletes the definition of “foreign country” in section 49A, as the definition will be re-enacted in section 1A (by clause 3) for general application.

Clause 47 amends section 49E to enhance the penalties prescribed for the offences under this section.

Clause 48 amends section 49FB to clarify the requirements relating to the transfer of the whole or part of the insurance business of a transferor and the exceptions to these requirements. The clause also substitutes “registered” with “licensed” in relation to insurers.

Clause 49 amends section 49FD to empower the Authority to give directions to the transferee of the whole or part of the insurance business of a transferor if the statement of the transferee’s auditor is not lodged in the form or manner specified by the Authority. Any failure to comply with such directions will amount to an offence. The clause also replaces the reference to “principal officer” in subsection (1)(e) with “chief executive”, and makes a technical amendment to section 49FD(2) as a consequence of the insertion of the definition of “co-operative society” in section 1A (by clause 3).

Clause 50 amends section 49FG to substitute “registered” with “licensed” in relation to insurers, to make technical amendments to section 49FG(12) and (13) as a consequence of the insertion of definitions of “foreign country” and “co-operative society” in section 1A (by clause 3), and to enhance the penalties for the offences under section 49FG(14) and (15).

Clause 51 amends section 49FK to substitute “registered” with “licensed” in relation to insurers, to make a technical amendment to section 49FK(9)(a) and to enhance the penalties for the offence under section 49FK(10).

Clause 52 amends section 49FN to substitute references to registered insurer with references to licensed insurer, to enhance the penalties for the offence under section 49FN(9), and to make a technical amendment to section 49FN(7)(a) as a consequence of the repeal and re-enactment with amendments of section 27 (by clause 24).

Clause 53 amends section 49FO to substitute “registered” with “licensed” in relation to insurers, and to enhance the penalties for the offence under section 49FO(14).

Clause 54 enhances the penalties for the offence in section 49FT(2).

Clause 55 amends section 49FW to provide that regulations may be made to exempt certain arrangements, including set-off and netting, and any person or class of persons, from the provisions of Part IIIAA.

Clause 56 amends section 49G(2) to provide that the Minister need not constitute an Appeal Advisory Committee for appeals made under sections 8(7), 34(6) and 35X(6).

Clause 57 amends the definition of “relevant policy” in section 49K to clarify that such a policy is one that insures the life of the policy owner. The clause also substitutes the word “registered” with “licensed” in relation to an insurer in the definition.

Clause 58 amends section 49L to empower the Authority to prescribe the relevant policies to which the section will not apply, and to substitute the word “registered” with “licensed” in relation to insurers.

Clause 59 amends section 52 to empower the Authority to prescribe terms of exemptions by regulations, to revoke any exemption granted under the section, and to add to, vary or revoke any term or condition of exemption prescribed or imposed under the section.

Clause 60 inserts a new section 54A to make provision for an electronic service for the service of any document required or authorised by the Act to be served by the Authority. The clause provides for an electronic record of any document that is served through the electronic service, or any copy or print-out thereof, to be admissible in court as evidence of the facts stated or contained therein if certain conditions are satisfied.

Clause 61 amends section 55 to enhance the penalties for the offences prescribed in the section, and to update the provision relating to the composition of offences.

Clause 62 amends section 55A to provide that the general penalty applicable to corporations convicted of an offence under the Act will not apply if the penalties prescribed for the offence are differentiated according to whether or not the offender is an individual.

Clause 63 makes a technical amendment to section 60(1), to reflect that a life policy that is surrendered under the section may or may not have a surrender value.

Clause 64 amends section 64 to provide that regulations may be made under the Act for or with respect to the waiver of fees to be paid, to enhance the maximum penalties that may be prescribed for offences under the regulations, and to clarify that the Authority has the power to vary, rescind or revoke any directions issued under the section. The clause also makes a technical amendment to section 64(3).

Clause 65 amends the definition of “Singapore policy” in the First Schedule to the Act, makes a technical amendment to the definition of “policy assets” as a consequence of the amendment of section 36 (by clause 36) and deletes the definition of “marine, aviation or transit insurance policy” as the term is not used in the Act.

Clause 66 deletes section 11(3) as a specified provision in the Second Schedule to the Act for the purposes of section 50(1A) (relating to the appointment of officers by the Authority to exercise the power to grant an exemption to any person under a specified provision or to revoke any such exemption).

Clause 67 makes miscellaneous amendments to the Act arising from the change from a registration framework to a licensing framework for insurers, and inserts new Division headings in the Act. The clause also makes minor technical amendments arising from the insertion of the definitions of “co-operative society” and “foreign insurer scheme” in section 1A (by clause 3), the repeal and re-enactment with amendments of section 27 (by clause 24) and the amendment of section 49FB (by clause 48).

Clause 68 contains the savings and transitional provisions as a consequence of the Bill, and includes a provision empowering the Minister to make regulations to prescribe additional savings or transitional provisions within a period of 2 years after the date of commencement of the Bill.

Clause 69 deals with the consequential and related amendments to certain other written laws as specified in the Schedule to the Bill.

The Schedule contains the consequential and related amendments to 12 other Acts. In particular, where the specified provisions in these 12 Acts contain references to a registered insurer, these references are amended to refer to a licensed insurer and the associated definitions are inserted, amended or deleted accordingly.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
