

Insurance (Amendment) Bill

Bill No. 40/2024 [Urgent Bill].

Read the first time on 14 October 2024.

A BILL

intituled

An Act to amend the Insurance Act 1966.

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

Short title

1. This Act is the Insurance (Amendment) Act 2024.

New section 33A

2. In the Insurance Act 1966, after section 33, insert —

5 **“Minister’s approval of section 26 or 27 application
required where licensed insurer is co-operative society,
etc.**

10 **33A.**—(1) This section applies to an application for an approval mentioned in section 26(1) or 27(1) or (2) (called in this section a relevant application), where —

(a) the licensed insurer that is the subject of the application is a co-operative society;

15 (b) the licensed insurer that is the subject of the application has acquired at any time (but not earlier than 5 years before the date of commencement of the Insurance (Amendment) Act 2024) the principal business or undertaking of a co-operative society; or

20 (c) a co-operative society is a substantial shareholder of, or has obtained effective control of, the licensed insurer that is the subject of the application.

(2) The Authority must not approve a relevant application except with the Minister’s approval.

25 (3) The Minister (called in this subsection the relevant Minister) may, after consulting the Minister charged with the responsibility for the Co-operative Societies Act 1979, withhold his or her approval in subsection (2) if the relevant Minister considers that it is in the public interest to do so.

30 (4) Section 31 does not apply to the Authority not approving a relevant application on the basis that the Minister has withheld his or her approval in subsection (2).

(5) The Minister may, in giving his or her approval in subsection (2), impose such conditions as the Minister may determine.

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

(7) Any condition imposed under subsection (5) (including a condition added or varied under subsection (6)) has effect despite any written law or anything contained in the memorandum or articles of association or other constitutional document of the licensed insurer.

(8) Any person who fails to comply with any condition imposed under subsection (5) (including a condition added or varied under subsection (6)) 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 of a day 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 of a day during which the offence continues after conviction.

(9) This section applies also to a relevant application received by the Authority before the date of commencement of the Insurance (Amendment) Act 2024, that is still pending as of that date.

(10) In subsection (1)(c), whether a co-operative society has obtained effective control of a licensed insurer is to be determined in accordance with section 26(7).”.

Consequential amendments

3. In the Insurance Act 1966, in the following provisions, replace “The Authority” with “Subject to section 33A, the Authority”:

Section 26(2)

5 Section 27(3).

EXPLANATORY STATEMENT

This Bill seeks to amend the Insurance Act 1966.

Clause 1 relates to the short title.

Clause 2 introduces a new section 33A to provide that the Monetary Authority of Singapore (the Authority) may not approve an application by a person to obtain effective control of, or to become a substantial shareholder of, certain licensed insurers except with the Minister’s approval.

These licensed insurers are —

- (a) one that is a co-operative society;
- (b) one that has acquired the principal business or undertaking of a co-operative society; and
- (c) one of which a co-operative society is a substantial shareholder or has obtained effective control.

The Minister may (after consulting the Minister charged with the responsibility for the Co-operative Societies Act 1979) withhold his or her approval if it is in the public interest to do so.

Section 31 (which allows for an appeal to the Minister against a decision of the Authority) is disappplied to a decision by the Authority that is made on the basis of the Minister’s refusal to give his or her approval under the new section 33A.

The Minister may, in giving his or her approval, impose such conditions as he or she determines. A contravention of such conditions is an offence.

Clause 3 contains consequential amendments to sections 26(2) and 27(3).

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
