

# **Insurance (Amendment) Bill**

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**Bill No: 17/1973**

***Read the first time: 7th March 1973***

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## Expenditure of Public Money

### Insurance (Amendment) Bill

#### Bill No. 17/1973

*Read the first time on 7th March 1973.*

An Act to amend the Insurance Act (Chapter 193 of the Revised Edition).

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, 1973, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

#### New sections 3A, 3B and 3C

2. The Insurance Act is hereby amended by inserting immediately after section 3 thereof the following sections: —

##### **“Holding out as registered insurer**

**3A.** Where any company or firm holds itself out to be a registered insurer in respect of life business or general business or both when it is not registered under this Act in respect of that business, the company or firm shall be guilty of an offence under this Act and every director, manager or officer of the company and the proprietor or every partner or officer of the firm shall, unless he proves that the holding out by the company or firm was made without his knowledge or consent, be guilty of an offence under this Act and shall be liable on conviction to a fine of five thousand dollars or to imprisonment for a term of twelve months or to both such fine and imprisonment, and to a further fine of one thousand dollars for every day during which the offence is continued after conviction.

##### **Use of word “insurance”**

**3B.—(1)** No person other than an insurer registered under this Act shall, without the written consent of the Commissioner, use the word “insurance” or any

of its derivatives in any language, or any other word indicating that such person carries on insurance business in the name, description or title under which it carries on business in Singapore or make any representation to such effect in any bill head, letter paper, notice, advertisement or in any other manner:

Provided that nothing in this section shall prohibit an association of insurers from using the word “insurance” or any of its derivatives in any language as part of its name or description of its activities.

(2) Any person who contravenes the provisions of subsection (1) of this section shall be guilty of an offence under this Act and shall be liable on conviction to a fine of one thousand dollars or to imprisonment for a term of six months or to both such fine and imprisonment and to a further fine of one hundred dollars for every day during which the offence is continued after conviction.

### **Examination of persons suspected of carrying on insurance business**

**3C.**—(1) Whenever the Commissioner has reason to believe that a person is carrying on insurance business without having been registered under this Act, he may call for or inspect the books, accounts and records of that person in order to ascertain whether or not that person has contravened or is contravening any provisions of this Act.

(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 under this Act and shall be liable on conviction to a fine of five thousand dollars or to imprisonment for a term of twelve months, or to both such fine and imprisonment and to a further fine of one thousand dollars for every day during which the offence is continued after conviction.”.

### **Amendment of section 4**

3. Section 4 of the Insurance Act is hereby amended —

- (a) by inserting immediately after the word “register” appearing in the fifth line of subsection (1) thereof the expression “, with or without conditions and on payment of the prescribed fees,”; and
- (b) by inserting immediately after subsection (5) thereof the following subsection: —

“(5A) Any applicant believing itself to be aggrieved by an order of the Commissioner refusing its application in respect of life business or general business or both may, within one month of being

notified of the refusal by the Commissioner, appeal against the order to the Minister whose decision thereon shall be final.”.

### **Repeal and re-enactment of section 5**

4. Section 5 of the Insurance Act is hereby repealed and the following substituted therefor: —

#### **“Conditions of registration**

5.—(1) The Commissioner may at any time add to, vary or revoke any existing conditions of registration of an insurer or impose any conditions thereto.

(2) Any insurer which fails to comply with any of the conditions imposed by the Commissioner under subsection (1) of this section shall be guilty of an offence under this Act and shall be liable on conviction to a fine of five thousand dollars and to a further fine of one thousand dollars for every day during which the offence is continued after conviction.”.

### **New section 5A**

5. The Insurance Act is hereby amended by inserting immediately after section 5 thereof the following section: —

#### **“Renewal of registration and renewal fees**

5A.—(1) Every insurer in Singapore shall renew its registration annually before such date as may be prescribed and shall pay, in respect of the class of business for which it is registered, the prescribed fees.

(2) The Minister may prescribe different fees in respect of different classes of insurance business.

(3) The Minister may exempt an insurer from payment of the prescribed fees or part thereof.”.

### **Repeal and re-enactment of section 6**

6. Section 6 of the Insurance Act is hereby repealed and the following substituted therefor: —

#### **“Cancellation of registration**

6.—(1) The Commissioner may by order cancel the registration of an insurer either wholly or in respect of a class of business, as the case may be, if he is satisfied that —

- (a) the insurer has not commenced business within twelve months after being registered;
- (b) the insurer has ceased to carry on insurance business in respect of any class of business;
- (c) the insurer has failed to maintain a surplus of assets over liabilities of not less than an amount as specified under paragraph (a) of subsection (4) of section 4 of this Act;
- (d) the insurer has neglected or refused to observe an order of the Commissioner to make good any deficiency, whenever its insurance fund shall have become impaired;
- (e) the insurer proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved;
- (f) the insurer is carrying on its business in a manner likely to be detrimental to the interests of its policy owners;
- (g) the insurer is unable to meet its obligations;
- (h) the insurer has failed to effect satisfactory reinsurance arrangements;
- (i) the insurer is contravening or has contravened the provisions of this Act or any of the regulations made thereunder or any condition imposed or any direction given by the Commissioner under this Act;
- (j) the insurer has been convicted of any offence under this Act or any of its officers holding a managerial or an executive position has been convicted of any offence under this Act;
- (k) the insurer has furnished false, misleading or inaccurate information, or has concealed or failed to disclose material facts in its application for registration; or
- (l) it is in the public interest to cancel the registration.

(2) The Commissioner shall before cancelling any registration under the provisions of subsection (1) of this section cause to be given to the insurer concerned notice in writing of his intention to do so, specifying a date, not less than fourteen days after the date of the notice, upon which the cancellation will take effect and calling upon the insurer to show cause to the Commissioner why the registration should not be cancelled.

(3) Notwithstanding the fact that the registration of an insurer has been