

Insurance (Actuaries) Regulations 2004

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THE SCHEDULE Particulars of A Person Proposed to be Appointed As Actuary under Section 31 (2) or to be Approved As Actuary Investigating Into the Financial Condition of Life Business or Policy Liabilities of General Business under Section 37 (1) of the Insurance Act (Chapter 142)

INSURANCE ACT
(CHAPTER 142)

INSURANCE (ACTUARIES) REGULATIONS 2004

In exercise of the powers conferred by sections 1A, 31, 37 and 64(1) of the Insurance Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance (Actuaries) Regulations 2004 and shall come into operation on 23rd August 2004.

Definitions

2. In these Regulations, unless the context otherwise requires —

“appointed actuary” means the actuary appointed by a direct insurer registered to carry on life business under section 31 of the Act;

“direct life insurer” means a direct insurer registered to carry on life business;

“participating fund” means an insurance fund established and maintained under section 17(2) of the Act which comprises wholly or partly of participating policies.

Persons who may be actuaries

3. Any person who is a Fellow of the Singapore Actuarial Society shall be an actuary for the purposes of the Act other than the purposes of section 37 of the Act.

Appointment of appointed actuary for direct life insurer

4.—(1) For the purposes of obtaining the approval of the Authority for the appointment of an actuary under section 31(3) of the Act, a direct life insurer shall —

- (a) submit to the Authority the particulars of the person proposed to be appointed in the form set out in the Schedule; and
- (b) in particular, satisfy the Authority that the person is fit and proper to be so appointed and has the actuarial qualifications and experience to perform the functions of an appointed actuary.

(2) The appointment of any person as an appointed actuary shall not take effect

until —

- (a) the Authority has approved the appointment; and
- (b) where there is a person who held the office of appointed actuary immediately before the first-mentioned person (referred to in this regulation as “preceding actuary”), the appointment of the preceding actuary has been terminated.

(3) A direct life insurer shall, within 3 months after the date on which a person ceases to be its appointed actuary or within such longer period as the Authority may allow, appoint another person to be the appointed actuary.

(4) For the purposes of paragraph (3), the date on which a person ceases to be an appointed actuary is —

- (a) where the person ceases to be an actuary for the purpose of the Act, the date of such cessation;
- (b) where the person dies, the date of his death;
- (c) where the person gives the insurer a written notice of resignation of his appointment as its appointed actuary, the date the resignation takes effect; or
- (d) where the insurer gives the person written notice that his appointment as its appointed actuary is terminated, whether on the insurer’s own initiative or pursuant to a direction by the Authority under section 31(4) of the Act, the date the termination takes effect.

(5) Where a direct life insurer terminates the appointment of its appointed actuary other than pursuant to a direction by the Authority under section 31(4) of the Act, the insurer shall notify the Authority in writing immediately and furnish the Authority with the reasons for the termination.

(6) Where a person ceases to be an appointed actuary —

- (a) in the circumstances stated in paragraph (4)(c), the person shall furnish to the Authority, a written document stating the circumstances of and reasons for his resignation; or
- (b) in the circumstances stated in paragraph (4) (d) and on the insurer’s own initiative, the person shall furnish to the Authority a written document stating the circumstances of and, to the extent possible, his opinion as to the reasons for, his termination.

Premium rates

5.—(1) In determining whether a premium or rate of premium for a life policy or long-term accident and health policy is suitable for the purposes of section 24 of the Act, the appointed actuary of a direct life insurer shall take into account the impact of the premium or rate of premium on the prospective financial condition of the insurer.

(2) The appointed actuary shall at all times be satisfied as to the appropriateness of the rates of premium charged by the insurer by whom he was appointed for its life policies and long-term accident and health policies and the impact of such rates on the prospective financial conditions of the insurer.

Allocation of participating fund

6.—(1) The appointed actuary of a direct life insurer shall give to the directors of the insurer, for the purpose of section 17(6) of the Act, a written recommendation on the allocation of the participating fund —

- (a) to the surplus account; and
- (b) by way of bonus to the participating policies.

(2) The appointed actuary shall, in giving the written recommendation referred to in paragraph (1), take into account the following:

- (a) the requirements under section 17(6) of the Act;
- (b) fairness and equity among different policies; and
- (c) the impact on prospective financial conditions of the fund.

Investment policy

7.—(1) The appointed actuary of a direct life insurer shall assist the insurer in formulating a suitable policy on how the assets of an insurance fund are to be invested.

(2) In formulating any policy referred to in paragraph (1), the actuary shall have regard to the nature and term of liabilities of the insurer and the availability of appropriate assets.

Report to principal officer

8.—(1) The appointed actuary of a direct life insurer shall prepare a written report to the principal officer of the insurer on any matter which —

- (a) has come to the attention of the appointed actuary in the course of carrying out his duties;
- (b) in the opinion of the appointed actuary, has any material adverse effect on the financial condition of the insurer in respect of its life business; and

(c) requires rectification by the insurer.

(2) The appointed actuary shall immediately send a copy of the report under paragraph (1) to the directors of the insurer.

Report to Authority

9. Where the appointed actuary of a direct life insurer is of the opinion that the insurer has failed to take appropriate steps to rectify any matter reported by him under regulation 8 within a reasonable time, the appointed actuary shall immediately send a copy of his report to the Authority and notify the directors of the insurer that he has done so.

Actuaries approved for purposes of section 37 of Act

10.—(1) For the purposes of section 37 of the Act, the Authority may approve any person who is a Fellow of the Singapore Actuarial Society as an actuary for the purposes of any investigation referred to in section 37 (1) (a) or (b) of the Act.

(2) Nothing in paragraph (1) shall prevent the Authority from approving any other person as an actuary for the purposes of section 37 of the Act.

(3) No registered insurer shall propose to the Authority a person to be approved for the purposes of an investigation referred to in section 37 (1) (a) or (b) of the Act unless the insurer is satisfied that the person —

(a) is fit and proper to be so approved; and

(b) has the actuarial qualifications and experience to perform the investigation.

(4) For the purpose of obtaining approval from the Authority for the purposes of section 37 (1) (a) or (b) of the Act, the insurer shall submit to the Authority the particulars of the person proposed to be appointed in the form set out in the Schedule.

(5) For the purposes of regulations 11 and 12, an actuary approved by the Authority as an appointed actuary of a direct life insurer under section 31 of the Act shall be taken to be the actuary approved by the Authority for the insurer for the purposes of an investigation referred to in section 37 (1) (a) of the Act —

(a) for so long as he remains the appointed actuary; and .

(b) unless and until another actuary is approved for the purpose of section 37 (1) (a) of the Act.

Financial condition investigation

11. An actuary approved for the purpose of an investigation under section 37 (1) (a)