

Insurance (Approved Marine, Aviation and Transit Insurers) Regulations 2003

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FIRST SCHEDULE designated countries

SECOND SCHEDULE

No. S 682

INSURANCE ACT

CHAPTER 142

INSURANCE (APPROVED MARINE, AVIATION AND TRANSIT INSURERS) REGULATIONS 2003

In exercise of the powers conferred by sections 52(1A) and 64 of the Insurance Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Insurance (Approved Marine, Aviation and Transit Insurers) Regulations 2003 and shall come into operation on 1st January 2004.

Definitions

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

“approved MAT insurer” means an insurer which is for the time being approved under regulation 5;

“claim liabilities”, in relation to an insurer, means the obligation of the insurer, whether contractual or otherwise, to make future payments in relation to all claims incurred during a financial year (other than payments which have fallen due for payment during the financial year) in respect of policies issued by the insurer under these Regulations, whether or not they have been reported to the insurer, and includes expenses that the insurer expects to incur in settling these claims;

“designated country” means a country or territory specified in the First Schedule;

“designated entity” means any person who is licensed, registered, approved or otherwise regulated under the law of any designated country to carry on the business of providing MAT insurance in that country;

“gross liabilities incurred in respect of policies issued”, in relation to an insurer, means the sum of the claim liabilities and the premium liabilities in respect of policies issued by the insurer under these Regulations without deduction for reinsurance;

“gross premiums written” means the amount of premiums written without deduction for reinsurance;

“MAT insurance” means insurance of risks comprising —

- (a) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover one or both of the following:
 - (i) the goods being transported;
 - (ii) the vehicle transporting the goods and any liability arising therefrom; and
- (b) goods in international transit;

“premium liabilities”, in relation to an insurer, means the obligation of the insurer, whether contractual or otherwise, to make future payments in relation to all claims incurred after the end of a financial year in respect of policies issued by the insured under these Regulations, and includes expenses that the insurer expects to incur in administering the policies and settling the relevant claims.

(2) Any reference in these Regulations to the domestic liabilities of an approved MAT insurer shall be construed as a reference to the liabilities incurred by the approved MAT insurer as a result of carrying on the business of providing MAT insurance under insurance policies to persons in Singapore.

PART II

APPROVAL OF MAT INSURERS

Exemption of approved MAT insurers from section 3 of Act

3. Any designated entity carrying on the business of providing MAT insurance, as principal and as an insurer, to persons in Singapore, from outside of Singapore, shall be exempt from complying with section 3 of the Act (read with section 56A of the Act) if, and only if —

- (a) the designated entity —
 - (i) is an approved MAT insurer;
 - (ii) does not carry on insurance business in Singapore, other than the collection or receipt of premiums in relation to the MAT insurance business; and
 - (iii) does not have any commercial or physical presence in Singapore

for the purpose of carrying on the MAT insurance business; or

- (b) the designated entity is providing the MAT insurance business pursuant to an arrangement which was not solicited by it but was initiated by —
 - (i) an insured or intending insured;
 - (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) of the Act who has notified the Authority, in such manner as may be prescribed under section 64 of the Act, of his commencement of insurance broking business.

Holding out as approved MAT insurer

4.—(1) Where any person holds himself out, or purports to hold himself out, to be an approved MAT insurer when that person is not approved under regulation 5 —

- (a) that person shall be guilty of an offence; and
- (b) where that person is a corporation or firm, every director, manager or officer of the corporation and every partner or officer of the firm shall, unless he proves that the offence was committed without his knowledge or consent, be guilty of an offence.

(2) Any person who is guilty of an offence under paragraph (1) shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

Approval by Authority

5.—(1) A designated entity may apply to the Authority to be an approved MAT insurer in such form and manner as the Authority may specify.

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

(3) The Authority may approve an applicant, with or without conditions, or refuse to approve the applicant on such grounds as the Authority thinks fit.

(4) The Authority shall not approve any applicant under paragraph (3) unless the