

Insurance (Lloyd's Asia Scheme) Regulations 2002

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INSURANCE ACT
(CHAPTER 142)

INSURANCE (LLOYD'S ASIA SCHEME) REGULATIONS 2002

In exercise of the powers conferred by sections 35B and 35L 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 (Lloyd's Asia Scheme) Regulations 2002 and shall come into operation on 1st February 2002.

Definitions

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

“accounting period” means the period beginning from the commencement of insurance business in Singapore by any foreign insurer under these Regulations or 1st January of any year, as the case may be, and ending 31st December of that year for which accounts relating to insurance business carried on in Singapore by the foreign insurer under these Regulations are kept, unless otherwise allowed by the Authority;

“administrator” means Lloyd's of London (Asia) Pte. Ltd.;

“agent”, in relation to a member of Lloyd's, means an agent in respect of the carrying on of insurance business in Singapore by the member with authority to enter into contracts of insurance on behalf of the member;

“Chain of Security”, in relation to a member of Lloyd's, means the member's premiums trust fund, funds at Lloyd's as defined in paragraph 4 of the Lloyd's Membership Byelaw (No. 17 of 1993), other personal wealth of the member and the New Central Fund;

“Council of Lloyd's” means the Council of Lloyd's established by the Lloyd's Act 1982 of the United Kingdom;

“final judgment” means any final judgment given or made by a court of competent

jurisdiction and includes a final award in proceedings on an arbitration (if the award has, in pursuance of the law in force in the place where it was made, become enforceable in the same manner as a judgment given by a court in that place) where —

- (a) there is no right of appeal against the judgment or award;
- (b) the time within which an appeal may be made has expired; or
- (c) the relevant member or Service Company has confirmed that it does not intend to appeal;

“Lloyd’s” means the society of underwriters known in the United Kingdom as Lloyd’s and incorporated by the Lloyd’s Act 1871 of the United Kingdom;

“Lloyd’s Premiums Trust Deed” means a trust deed made by a member of Lloyd’s in a form determined by the Council of Lloyd’s as a form of trust deed in accordance with the provisions of which the member is to carry to a trust fund all amounts received or receivable by him, or on his behalf, in respect of any insurance business;

“managing agent” means —

- (a) a person listed as a managing agent on the register of underwriting agents maintained under the Lloyd’s Underwriting Agents Byelaw (No. 4 of 1984); or
- (b) a person appointed to perform the functions of a managing agent under the Lloyd’s Substitute Agents Byelaw (No. 20 of 1983);

“member of Lloyd’s” means a person admitted to membership of Lloyd’s as an underwriting member and includes, where the context so requires, any person who has ceased to be a member of Lloyd’s and any administrator, administrative receiver, committee, curator bonis, executor, liquidator, manager, personal representative, supervisor or trustee in bankruptcy, or any other person by law entitled or bound to administer the affairs of the member or former member concerned;

“New Central Fund” means the fund established under the Lloyd’s New Central Fund Byelaw (No. 23 of 1996);

“premiums trust fund”, in relation to a member of Lloyd’s, means the trust fund set up with respect to the member’s insurance business (other than long term business) constituted or regulated under the Lloyd’s Premiums Trust Deed and includes the member’s Singapore Policies Trust Fund and Offshore Policies

Trust Fund constituted by the Lloyd's Asia (Singapore Policies) Instrument and the Lloyd's Asia (Offshore Policies) Instrument made by the Council of Lloyd's respectively;

“Service Company” means any company registered with the administrator under regulation 6;

“syndicate” means a member of Lloyd's or a group of members of Lloyd's underwriting insurance business at Lloyd's through the agency of a Lloyd's underwriting agent to which member or group a particular syndicate number is assigned by or under the authority of the Council of Lloyd's;

“valid claim” means a claim for a sum of money which is admitted to by the foreign insurer or its Service Company or which is payable under a final judgment.

PART II

REQUIREMENTS RELATING TO AND DUTIES OF MEMBERS OF LLOYD'S CARRYING ON INSURANCE BUSINESS UNDER SCHEME

Conditions for carrying on insurance business under Scheme

3.—(1) A member of Lloyd's may carry on insurance business specified in the First Schedule in Singapore if —

- (a) the member registers with the administrator in accordance with regulation 4;
- (b) the member carries on insurance business, and enters into contracts of insurance, in Singapore only through a Service Company registered in accordance with regulation 6;
- (c) the member authorises any Service Company acting as his or its agent for the purposes of these Regulations —
 - (i) to establish and maintain the insurance funds in respect of Singapore policies and offshore policies under regulation 11 and the deposits referred to in regulation 16; and
 - (ii) to accept service of notices and legal processes in respect of or connected to the carrying on of insurance business in Singapore, including any notice or direction of the Authority to the member; and