

Insurance (Protection and Indemnity Clubs) Regulations 2002

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THE SCHEDULE Insurance Act (Chapter 142) Insurance (Protection and Indemnity Clubs) Regulations

No. S 468

INSURANCE ACT

(CHAPTER 142)

INSURANCE (PROTECTION AND INDEMNITY CLUBS) REGULATIONS 2002

In exercise of the powers conferred by sections 18, 52(1) 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 (Protection and Indemnity Clubs) Regulations 2002 and shall come into operation on 1st October 2002.

Definitions

2. In these Regulations —

“Protection and Indemnity Club” means an insurer registered under section 8 of the Act as a direct insurer to carry on general class of insurance business who is permitted under his licence to underwrite only protection and indemnity risks ;

“protection and indemnity insurance” means insurance in respect of third party liabilities and expenses arising from owning, or operating, ships as principals.

PART II

EXEMPTIONS

Exemption in respect of insurance funds

3.—(1) Subject to paragraph 2, sections 17 (17) and 20 of the Act shall not apply to any Protection and Indemnity Club.

(2) Paragraph (1) shall only apply if the Protection and Indemnity Club maintains such accounts and records of the insurance funds as the Authority may specify.

Exemption from actuarial certification of liabilities

4. Section 37 of the Act shall not apply to any Protection and Indemnity Club.

Exemption in respect of Policy Owners’ Protection Fund

5. Section 46 of the Act shall not apply to —

- (a) any Protection and Indemnity Club; and
- (b) any policy owner or other person who has been or may be prejudiced in consequence of the inability of any Protection and Indemnity Club to meet its liability under insurance policies issued by it.

Exemption from Insurance Regulations

6. Regulations 3, 18, 18A, 19 and 20A of the Insurance Regulations (Rg 1) shall not apply to a Protection and Indemnity Club.

PART III

MISCELLANEOUS

Solvency margins

7. For the purposes of section 18 of the Act, a Protection and Indemnity Club shall maintain at all times —

- (a) in respect of an insurance fund established under section 17 of the Act that relates to Singapore policies, a margin of solvency of —
 - (i) \$1 million;
 - (ii) 20% of the net premium income of the fund in the preceding accounting period; or
 - (iii) 20% of the loss reserves of the fund as at the end of the preceding accounting period,whichever is the highest; and
- (b) in respect of an insurance fund established under section 17 of the Act that relates to offshore policies, an amount of assets in the fund the value of which is not less than the amount of the liabilities of that fund.

Returns to be lodged

8.—(1) A Protection and Indemnity Club shall submit Forms 1 and 2 in the Schedule in respect of each financial year.

(2) Notwithstanding regulation 10 of the Insurance (Accounts and Statements) Regulations (Rg 2), a Protection and Indemnity Club shall lodge with the Authority —