

CHAPTER 307
INTERNATIONAL INSURANCE (AMENDMENT AND
CONSOLIDATION) ACT

• Act • Subsidiary Legislation •

ACT

Act No. 13 of 1998

Amended by

SRO 11 of 2003

SRO 37 of 2004

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CHAPTER 307
INTERNATIONAL INSURANCE (AMENDMENT AND CONSOLIDATION)
ACT

An Act to amend and restate the International Insurance Act, 1996.

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly of Saint Vincent and the Grenadines and by the authority of the same, as follows.

[Act No. 13 of 1998 amended by SRO 11 of 2003, SRO 37 of 2004.]

[Date of commencement: 29th January, 1999.]

PART I

Preliminary

1. Short title and commencement

This Act may be cited as the International Insurance (Amendment and Consolidation) Act, 1998, and shall come into force on such date as the Governor-General may by Proclamation appoint.

2. Repeal of International Insurance Act, 1996

The International Insurance Act, 1996, is repealed.

[Act No. 29 of 1996.]

3. Limitation on application of Insurance Act

(1) Nothing in the Insurance Act shall be construed so as to apply to the regulation or licensing of persons carrying on exclusively "international insurance business", as such term is defined in this Act, or to any business carried on in or from within the State that is incidental to international insurance business.

[Chapter 306.]

(2) Nothing in this Act shall be construed so as to apply to the regulation and licensing of persons carrying on exclusively "domestic insurance business", as such term is defined in this Act.

(3) Except as provided herein, nothing in this Act shall be construed to limit the application of the Insurance Act in the regulation of domestic insurance business.

[Chapter 306.]

4. Definitions and interpretation

(1) In this Act, unless the context requires otherwise—

“**Act**” means the International Insurance (Amendment and Consolidation) Act, 1998;

“**actuary**” means—

- (a) a person qualified as an actuary by examination of the Institute of Actuaries in England, the Faculty of Actuaries in Scotland or the Society of Actuaries in the United States of America or Canada; or

- (b) a person approved by the Authority as having actuarial knowledge or experience sufficient to act as an actuary under this Act;

“adjuster” means a person who, not being a lawyer acting in the usual course of his profession, a trustee of insured property or a person having an insurable interest in insured property, for compensation, directly or indirectly solicits the right to negotiate the settlement of a loss under a contract of insurance on behalf of the insured of the insurer, or holds himself out as an adjuster of losses or assessor of damages under contracts of insurance;

“affiliate” means a person controlling, controlled by, or under common control with, another person;

“annuity” means a contract that provides a periodic income at regular intervals for a specified period of time, such as a number of years or for life;

“auditor” means a person who—

- (a) is a current member in good standing of and is qualified as an accountant by examination conducted by—
- (i) one of the institutes of Chartered Accountants in England, Wales, Ireland or Scotland,
 - (ii) the Association of Chartered Certified Accountants,
 - (iii) the Canadian Institute of Chartered Accountants, or
 - (iv) the American Institute of Certified Public Accountants;
- (b) is a Certified General Accountant in Canada; or
- (c) possesses such other qualification in accountancy as an auditor as the Authority approves in writing, and is in good standing with respect to such qualification;

“Authority” means the Saint Vincent and the Grenadines International Financial Services Authority established under section 3 of the Saint Vincent and the Grenadines International Financial Services Authority Act, 1996;

[Chapter 108.]

“certificate of authority” means a certificate issued by the Commissioner to evidence a license or other authorisation granted or conveyed under this Act;

“Class” and **“Classes”** refer to the classes of insurance licences set out in section 12 of this Act;

“Commissioner” means the Commissioner of International Insurance appointed under section 5 or such other person as may be exercising its powers and discharging its duties under this Act including, where the context permits, the Deputy Commissioner of International Insurance;

“Confidentiality Act” means the Saint Vincent and the Grenadines Confidential Relationships Preservation (International Finance) Act, 1996, including any amendments thereto and regulations promulgated thereunder;

“constituted” means—

- (a) in the case of a company, incorporated and existing under the Companies Act, 1994, or under the International Business Companies Act, 1996;
- (b) in the case of a trust, settled by will or deed or established by agreement, which will, deed or agreement chooses the law of the State as the proper law thereof; or
- (c) in the case of a partnership, formed or established under or pursuant to the laws of the State;

“constitutional documents” means—

- (a) in the case of a company, the articles of incorporation and by-laws, memorandum and articles of association, or other instrument of incorporation or registration;
- (b) in the case of a partnership, the agreement or other instrument by which the partnership is formed and governed;
- (c) in the case of a trust, the trust deed, settlement, agreement or other instrument by which the trust is settled, organised or governed;

“contract” or **“contract of insurance”** includes any policy, annuity, certificate, interim receipt, renewal receipt, or writing evidencing the contract, whether sealed or not, and a binding oral agreement;

“control” means the power to direct the management and policies of a person, directly or through one or more intermediaries, whether through the ownership of voting shares, by contract, or otherwise;

“court” means the High Court in the State;

“dollars” or **“\$”** means, for purposes of this Act only, the lawful currency of the United States of America;

“domestic insurance business” means insurance business where, whether the contract of insurance is made in the State or elsewhere, the subject matter of the contract is—

- (a) the life, safety, health, fidelity or insurable interest of a person who at the time of the making of the contract is or then intends to be ordinarily resident in the State or an entity organised and existing under any laws of the State other than the International Finance Laws; or
- (b) property that at the time of making of the contract is in, or in transit to or from, the State; or
- (c) a vehicle, vessel, aircraft or other moveable property ordinarily and regularly based in the State;

“financial year”, in relation to an insurer, means the period not exceeding twelve months at the end of which the balance of the accounts is struck, and may be up to eighteen months in the case of the first or last period or when the period is changed;

“general international insurance business” means international insurance business other than long-term international insurance business, and for the removal of doubt includes—

- (a) credit life business, that is the business of effecting and carrying out contracts of insurance against risk of loss to persons arising from the non-payment of debts due to such persons by reason of the death of their debtors, being contracts that are—
 - (i) not contracts of domestic insurance business,
 - (ii) expressed to be in effect for a period of eight years or less, and
 - (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period; and
- (b) employee group business, that is the business of effecting and carrying out contracts of insurance on the lives of employees of the insured or of an affiliate of the insured, being contracts that are—
 - (i) not contracts of domestic insurance business,

- (ii) expressed to be in effect for a period of eight years or less,
- (iii) not either automatically renewable or convertible into contracts of insurance of any other kind or for any different period, and
- (iv) made on a group basis;

“independent custodian” means a bank, brokerage company, merchant bank or other licensed financial institution located within or outside the State that is not an affiliate of the insurer maintaining or seeking to establish an account with that institution;

“Insurance Act” means the Saint Vincent and the Grenadines Insurance Act, together with amendments thereto and any replacement thereof and regulations promulgated thereunder;

[Chapter 306.]

“insurance business” means the business of effecting and carrying out a contract—

- (a) protecting a person against loss or liability for loss in respect of risks to which such person may be exposed; or
- (b) to pay a sum of money or money’s worth or other thing of value upon the happening of an event specified in the contract, and includes re-insurance business and all pursuits and activities regulated under the Insurance Act;

[Chapter 306.]

“insurer” means, for the purposes of this Act, a person carrying on or intending to carry on some aspect of international insurance business other than those activities regulated under Part VI, which person is registered as the holder of a valid and subsisting licence to carry on such business under this Act or is exempt from holding such a licence by the terms of this Act or the regulations;

“International Finance Laws” means the International Business Companies Act, 1996, the International Trusts Act, 1996, the Mutual Funds Act, 1997, and the Mutual Funds (Amendment) Act, 1998, and the International Banks Act, 1996, as each have been or may be amended from time to time, and regulations promulgated thereunder;

“international insurance agent” means a person (not being an insurer or a regular employee of an insurer) who with the authority of an insurer acts on its behalf in relation to any or all of the following matters, that is to say, the initiation and receipt of proposals, the issue of policies and the collection of premiums therefor, being proposals, policies and premiums relating to international insurance business;

“international insurance broker” means a person (not being an insurer or a regular employee of an insurer) who arranges or places international insurance business with insurers on behalf of prospective or existing policy-holders;

“international insurance business” means any insurance business that is not domestic insurance business;

“international insurance manager” means a person who (not being an insurer or a regular employee of an insurer) holds himself out as a manager or administrator in relation to one or more insurers to perform functions involving more than the custody of insurance business records or merely acting as a registered agent under the Registered Agent and Trustee Licensing Act, 1996;

[Chapter 105.]

“licence” means the authority to conduct international insurance business pursuant to Part III of this Act, and **“licensee”** means the person so authorised;

“long-term business fund” means the fund described in section 23(b)(i);

“long-term international insurance business” means international insurance business of any of the following kinds which is not general international insurance business, namely—

- (a) effecting and carrying out contracts of international insurance on human life or contracts to pay annuities on human life;
- (b) effecting and carrying out contracts of international insurance against risks of the persons insured—
 - (i) sustaining injury as the result of an accident or of an accident of a specified class, or
 - (ii) dying as the result of an accident or of an accident of a specified class, or
 - (iii) becoming incapacitated or dying in consequence of disease or diseases of a specified class; or
- (c) effecting and carrying out contracts of international insurance, whether by the issue of policies, bonds, endowment certificates or otherwise, whereby in return for one or more premiums paid to the insurer a sum or series of sums is to become payable in the future to the persons insured, not being contracts otherwise falling within either paragraph (a) or (b),

being contracts that are expressed to be in effect for a period of more than five years or without limit of time and either not expressed to be terminable by the insurer before the expiration of five years from the effective date thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned;

“minimum margin of solvency” has the meaning set forth in the regulations;

“Minister” means the Minister of Finance;

“net worth” means excess of assets over liabilities, or such other definition as may be prescribed by the regulations;

“person” includes an individual natural person, a mutual fund, a company, a partnership, a trust, or other legal entity recognised as such under the laws of another country or jurisdiction;

“policy” means a policy of insurance issued by an insurer to a policy-holder;

“policy-holder” means the person with whom an insurer has entered into a contract of insurance;

“prescribed” means prescribed by this Act or regulations made hereunder;

“principal office” means the chief place of business maintained by an insurer and at which such insurer’s books and records are permanently kept;

“registered agent” means a person licensed to carry on the business of international Representation under the Registered Agent and Trustee Licensing Act, 1996;

[Chapter 105.]

“regulations” or **“the regulations”** means statutory rules and orders and other regulations made, from time to time, under this Act; and

“State” means Saint Vincent and the Grenadines.

(2) In this Act—

- (a) any reference to carrying on business in or from within the State includes reference to carrying on business outside the State from a fixed place of business within the State;

- (b) every company incorporated under the laws of the State with the object and power to carry on insurance business, shall, if carrying on international insurance business anywhere, be deemed to be carrying on international insurance business in or from within the State for the purposes of section 11(1);
- (c) **“carrying on”** business includes, without limitation, receiving premiums (other than as an independent custodian) and writing, or entering into contracts or policies of insurance; and
- (d) unless the context otherwise requires, any reference to carrying on international insurance business of any kind includes reference to carrying on one aspect, or some aspects, only of that business.

PART II

Administration

5. Commissioner of International Insurance and staff

(1) The Authority shall appoint—

- (a) a Commissioner of International Insurance; and
- (b) a Deputy Commissioner of International Insurance,

both of whom shall be public officers; and

- (c) any other public officers as may be required for the administration of this Act.

(2) The Commissioner in the exercise of powers conferred and the duties imposed upon him by this Act and the regulations, shall act under the instructions and supervision of the Authority.

(3) The Authority, or the Commissioner with the consent of the Authority, may delegate any of the powers or duties of the Commissioner to the Deputy Commissioner and thereupon this Act shall be read as if such delegated powers or duties were originally conferred or imposed on the Deputy Commissioner.

(4) The Commissioner, the Deputy Commissioner or any employee in the office of the Commissioner, shall not be interested, directly or indirectly—

- (a) as a shareholder in or in association with any company that is licensed under this Act as an insurer; or
- (b) as a shareholder in or in association with a company or a partner in or in association with a partnership that is authorised under this Act to act as an insurance manager, agent or broker.

6. Powers of the Commissioner

(1) The Commissioner shall—

- (a) have general supervision of the insurance business regulated under this Act;
- (b) ensure that the laws and regulations relating to the conduct of international insurance business are enforced and obeyed;
- (c) examine and report to the Authority from time to time on all matters connected with international insurance business; and

- (d) co-ordinate his supervisory and regulatory responsibilities with those of the Registrar of Insurers under the Insurance Act and with any other inspectors appointed by the Minister pursuant to section 60(1) of the Insurance Act.

[Chapter 306.]

(2) For the purpose of discharging his duties and in the exercise of his powers under this Act or the regulations, the Commissioner may require to be made and may take and receive affidavits and statutory declarations.

7. Access to books, records, etc.

(1) Subject at all times to the provisions of the Confidentiality Act, the Commissioner shall, at all reasonable times, have access to and may take copies of all the books, securities, records and documents of any insurer, insurance manager, agent, adjuster or broker which relate directly or indirectly to the international insurance business conducted thereby, and any director, officer, agent or person in charge, possession, care, custody or control of any of such books, securities, records or documents who refuses or wilfully neglects to afford such access shall be guilty of an offence.

(2) The Commissioner may make an inquiry to any insurer, insurance manager, agent, adjuster or broker relating to the conduct of its international insurance business or its financial affairs and such insurer, insurance manager, agent or broker shall make prompt and explicit answer to the inquiry.

(3) Any insurer, insurance manager, agent, adjuster or broker who refuses or wilfully neglects to answer any inquiry made under this section is guilty of an offence.

8. Annual report

The Commissioner shall on or before the 30th day of April in each year, in co-ordination with the Registrar of Insurers under the Insurance Act, prepare for the Authority an annual report showing an overall statement of affairs and statistics of all matters relating to international insurance business carried on and conducted in and from within the State during the preceding calendar year.

[Chapter 306.]

9. Registers to be kept by the Commissioner

The Commissioner shall keep the following registers—

- (1) a register of all licenses issued to insurers under this Act, in which shall appear—
- (a) the name of the insurer;
 - (b) the address of the insurer's head office outside the State, if any;
 - (c) the address of the insurer's principal office and other fixed offices in the State;
 - (d) the name and address of the registered agent for the insurer;
 - (e) the name and address of the international insurance manager for the insurer, if applicable;
 - (f) a general description of the international insurance business and the Classes of insurance for which the insurer is licensed, noting any special restrictions on the use of such licence; and
 - (g) any other information the Commissioner may consider necessary for the purposes of this Act;
- (2) a register of all certificates of authority issued under this Act to—

- (a) insurance managers and agents, showing their names and addresses and the names and addresses of the insurers for whom they are authorised to act; and
- (b) insurance brokers and adjusters showing their names and addresses.

10. Proof of licence and certificate of authority

A certificate of authority issued under the hand and seal of office of the Commissioner that the person named therein is, or is not, licensed as an insurer or authorised as an insurance manager, agent or broker under this Act may be admitted in evidence as *prima facie* proof of the facts stated in such certificate.

PART III

Licensing of Insurers

11. Requirement to hold licence

(1) Subject to the provisions of section 49, as from the commencement of this Act, no person may carry on any international insurance business from in or from within the State or through an entity organised or registered under the laws of the State unless such person holds a valid and subsisting licence under this Act to carry on the business as conducted by that person.

(2) A person who acts in contravention of subsection (1) commits an offence.

12. Classes and requirements of licences

(1) A person intending to carry on an international insurance business in or from within the State may make application under this Act for one of the following Classes of licence which, if issued to the person as provided in this Act, shall allow that person to carry on the form of international insurance business described in such licence so long as such licence shall be in effect—

- (a) *Class I: Unrestricted Licence* permits the insurer to carry on any international insurance business, including long-term international insurance business.
- (b) *Class II: General Licence* permits the insurer to carry on general international insurance business, but not long-term international insurance business.
- (c) *Class III: Association Licence* permits the insurer to carry on general international insurance business and long-term international insurance business, with two or more owners of the insurer, and their affiliates, and to carry on no more than thirty per cent (30%) of its international insurance business (based on net premiums written) with persons who are not owners of the insurer or their affiliates.
- (d) *Class IV: Group Licence* permits the insurer to carry on any international insurance business, including long-term international business, with a single owner of that insurer and its affiliates, and employees of the owner or its affiliates.
- (e) *Class V: Single Licence* permits the insurer to carry on any international insurance business, including long-term international insurance business, with the sole owner of the insurer, if a company, or with the beneficial owners of the insurer, if a trust.

(2) No person may directly, indirectly or through an affiliate—

- (a) hold a licence to carry on international insurance in more than one of the Classes described in subsection (1) unless approved by the Authority;
- (b) hold any licence under this Act while that person holds a licence under the Insurance Act; or
- (c) conduct any insurance business that is not expressly permitted with respect to the Class of licence held by such person.

[Chapter 306.]

(3) Any person who violates subsection (2) shall be guilty of an offence.

(4) Each licence granted under this Act shall be a certificate of authority issued by the Commissioner, in the form set forth in the regulations and shall—

- (a) specify the international insurance business, by reference to the Class set forth in subsection (1) to which the certificate of authority relates, that the insurer is authorised to carry on;
- (b) be subject at all times to the payment by the insurer of all fees prescribed by the regulations;
- (c) be subject to such additional terms, conditions, limitations or restrictions as the Commissioner, with the consent of the Authority, may include therein; and
- (d) expire on 31st of December in each year but be renewable from year to year, or for such longer term as may be specified in regulations, upon application to and subject to the approval of the Commissioner and the payment of all renewal and annual fees prescribed in the regulations.

(5) A licence granted under this Act authorises and permits the insurer named therein to carry on all activities that are reasonably incidental to the carrying on of the Class of international insurance business for which such licence is granted so long as such activities are not inconsistent with this Act or the regulations or with the objects and terms stated in the constitutional documents of the insurer.

13. Eligibility for licence

(1) A person may be issued a *Class I Unrestricted Licence* where—

- (a) it is a company or mutual company constituted under the laws of the State or a company or mutual company constituted in a country or jurisdiction that is approved by the Authority; and
- (b) it has at the time of its application for licence, or will have before it commences to carry on international insurance business, a net worth of at least two hundred thousand dollars and the minimum margin of solvency prescribed in the regulations.

(2) A person may be issued a *Class II General Licence* where—

- (a) it is a company or mutual company formed under the laws of the State or a company or mutual company constituted in a country or jurisdiction that is approved by the Authority; and
- (b) it has at the time of its application for licence, or will have before it commences to carry on international insurance business, a net worth of at least one hundred thousand dollars and the minimum margin of solvency prescribed in the regulations.

(3) A person may be issued a *Class III Association Licence* where—

- (a) it is a company or mutual company constituted under the laws of the State;

- (b) it has at the time of its application for licence, or will have before it commences to carry on international insurance business, a net worth of at least fifty thousand dollars and the minimum margin of solvency prescribed in the regulations; and
- (c) it intends to or does carry on international insurance business not less than seventy per cent (70%) of the net premiums written in respect of which will be written for the purpose of—
 - (i) insuring the risks of the owners of the insurer or affiliates of those owners, or
 - (ii) insuring risks which, in the opinion of the Commissioner, arise out of the business or operations of those owners or their affiliates.

(4) A person may be issued a *Class IV Group Licence* where—

- (a) it is a company constituted under the International Business Companies Act, 1996;
- (b) it has at the time of its application for licence, or will have before it commences to carry on international insurance business, a net worth of at least twenty-five thousand dollars;
- (c) it is owned by a single company, trust or partnership, or directly by fifteen or fewer individual natural persons who are in association in a common business enterprise, association, profession or professional undertaking; and
- (d) it intends to carry on international insurance business consisting only of insuring the risks of the owners or writing annuities for the owners.

(5) A person may be issued a *Class V Single Licence* where—

- (a) it is a company registered under the International Business Companies Act, 1996, or is a trust registered under the International Trusts Act, 1996;
- (b) it has at the time of its application for licence, or will have before it commences to carry on international insurance business, a net worth of at least ten thousand dollars;
- (c) it has a single owner, in the case of a company, or no more than five beneficiaries, in the case of a trust; and
- (d) it intends to carry on international insurance business consisting only of insuring the risks of the owner of such company or the beneficiaries of such trust, as the case may be, or writing annuities for such persons.

(6) Subject to the terms of this section and of section 12, the Commissioner shall determine whether a person who has made application for licence under this section is entitled to be registered and to be issued a licence in Class I, Class II, Class III, Class IV or Class V.

14. Application for licence

An application for a licence under this Act shall be made in writing to the Commissioner in the form and containing information as may be prescribed in the regulations and in any event each such application shall be accompanied by—

- (a) the prescribed application fee; and
- (b) any additional information as the Commissioner may reasonably require.

15. Application for consent to license

(1) The promoters of a person that is proposed to be formed to operate as an insurer hereunder may apply to the Commissioner for consent to license such person as an

insurer in one of the Classes specified in section 12 upon being lawfully constituted in the State and meeting the net worth and minimum margin of solvency requirements specified in section 13 and the regulations.

(2) An application for consent under subsection (1) shall be in the form set out in the regulations and shall be accompanied by the application fees specified in the regulations.

(3) The consent of the Commissioner shall be in the form specified in the regulations and shall be valid for a period of three months from the date it is granted, subject to there being no change that the Commissioner deems material in any of the particulars contained in the original application for consent filed under subsection (1).

(4) Immediately after the Commissioner has granted his consent under section 15 the applicant shall pay the consent to license fees prescribed in the regulations.

(5) The promoters of the proposed insurer may, prior to the expiry of the three months period referenced in subsection (3), apply to the Commissioner for renewal of the consent as for an additional consecutive three-month term, and the same may be granted by the Commissioner, in its discretion, subject to its receiving such additional documents as it may reasonably require in connection with the renewal and payment of the consent renewal fee prescribed in the regulations.

(6) Any consent granted or renewed under this section shall be void if the requirements of section 15(1) and (8) are not met by the person to whom the consent was issued within the time period allowed in this section.

(7) Any consent by the Commissioner for a person to operate as an insurer in Class I, II or III shall be granted only with the advice and approval of the Authority.

(8) Where the Commissioner has granted his consent to license under section 15 and such consent, or the renewal thereof, has not expired as provided in that section, the Commissioner shall grant a licence in respect of that consent upon presentation to him, by the promoters to whom the consent was granted of the following—

- (a) satisfactory proof that the insurer as to which the consent was granted has been lawfully constituted in the State;
- (b) the registration fees prescribed in the regulations;
- (c) satisfactory proof that the insurer has met the net worth and minimum margin of solvency requirements for the Class as to which the consent was granted; and
- (d) such other information as may be prescribed in the regulations.

(9) Where the Commissioner refuses to grant its consent under this section it shall not be bound to assign any reason therefor provided, any such refusal shall not preclude the promoters from making application under section 14 with respect to the proposed insurer.

16. Insurance knowledge and appointment of insurance manager

(1) No Class I, Class II or Class III licence shall be granted under this Act to any person unless the Authority is satisfied that such person has or has available to it the knowledge and expertise necessary to carry on in a competent manner the type of international insurance business for which such licence is to be granted.

(2) Each applicant for a Class I, Class II or Class III licence under this Act shall appoint an insurance manager holding a valid and subsisting licence under Part V of this Act to act as its international insurance manager in the State.

17. Minimum margin of solvency for insurers

(1) No licence shall be granted to a person unless the minimum margin of solvency of that person at the time of application is equal to or greater than that required by the

regulations, based upon premiums to be written by that person on account of the international insurance business for which it is, or is to be, issued a licence.

(2) Each insurer holding a licence under this Act shall maintain its minimum margin of solvency at the level, and in the form or deposit, prescribed or allowed in the regulations.

(3) The Authority may, on the recommendation of the Commissioner, require an insurer to increase its paid-up capital, reserve fund, or deposit, as the case may be, to such greater amount as the Commissioner may determine reasonable to meet the minimum margin of solvency applicable to such insurer based upon the nature and volume of international insurance business written or to be written by the insurer.

(4) A licence shall not be renewed under this Act unless the Commissioner is satisfied that such insurer has met and maintained, at all times during the preceding financial year, and is capable of maintaining in the year next following, the minimum margin of solvency applicable to it as prescribed in the regulations.

18. Granting and refusal of licence

(1) The Commissioner if he is satisfied that an application under section 14 for the grant of a licence in Class IV or Class V, is complete and all the requirements for the grant of such licence are satisfied he may in his discretion grant the application and issue to the applicant the licence subject to such terms and conditions as he may deem necessary.

(2) The Authority if it is satisfied that an application under section 14 for the grant of a licence is Class I, Class II or Class III is complete and all the requirements for the grant of such licence are satisfied it may in its discretion approve the application and consent to the issuing of the licence by the Commissioner.

(3) A decision to refuse to grant a licence is final and is not subject to any appeal, and no reason for the refusal need be given.

19. Publication of notice

The Authority shall, upon the issuance of a licence under this Act, forthwith give notice thereof in two successive issues of the *Gazette* and shall give the like notice when it cancels any such licence or receives notice that an insurer has ceased to carry on insurance business under the terms of a licence issued to an insurer.

20. Re-insurance with unlicensed insurance companies

(1) Nothing in this Act shall prevent an insurer from re-insuring any insured risk or any portion thereof with any person carrying on business outside the State and not licensed under this Act; provided, in the case of insurers licensed under Class I, Class II and Class III, any such re-insurer shall at all times be acceptable to the Commissioner.

(2) Subject to the provisions of subsection (1), a person who only issues a policy of reinsurance to an insurer shall not be deemed to be carrying on an insurance business in the State under this Act or the Insurance Act.

[Chapter 306.]

21. Use of the word “insurance”, etc.

(1) A person who, without the prior written approval of the Authority or without a valid and subsisting licence to undertake international insurance business under this Act or to undertake insurance business under the Insurance Act—

- (a) uses or continues to use in the name, description or title under which it carries on business in or from within the State the words “ insurance”, “assurance”, “indemnity”, “guarantee”, “underwriting”, “re-insurance”, “surety”, “casualty” or any of their derivatives in English or in any other

language, or any other word or phrase which in the opinion of the Authority implies insurance business; or

- (b) makes or continues to make, in any place in the world, any representation in any billhead, letter, letterhead, circular, paper, notice, advertisement or in any manner that he is carrying on international insurance business that is subject to regulation under this Act, commits an offence.

[Chapter 306.]

(2) Any person who constitutes a company, partnership, or trust under the laws of the State intending to submit an application for a licence under this Act shall not be guilty of an offence under this section unless it shall commence doing business through such company, partnership or trust prior to the issuance of a licence hereunder.

(3) Prior to granting its approval under subsection (1), the Authority may require of any person to provide to it such references and such information and particulars as may be prescribed.

(4) The Authority may revoke a licence granted under this Act to any person if such person carries on international insurance business, or acts as an insurance manager, an insurance broker or an insurance agent under a name which—

- (a) is identical with that of any other person, company, firm or business house whether within the State or not, or which so nearly resembles that name as to be calculated to deceive any person as to an affiliation which does not exist; or
- (b) is calculated to falsely suggest—
 - (i) the patronage of or connection with some person or authority whether within the State or not,
 - (ii) that such person has a special status in relation to or derived from the government of the State, or has the official backing of or acts on behalf of the said government or of any department official thereof or is recognised in the State as a national insurer, insurance broker, insurance agent or insurance manager, or
 - (iii) that the licensee is carrying on insurance business under a licence different from that which it has been granted as shown on the records maintained by the Commissioner.

PART IV

Operating and Reporting Requirements for Insurers

22. General requirements for licensed insurers

(1) Every insurer licensed under this Act shall at all times maintain the appointment of a registered agent in the State to act as the insurer's agent to accept on its behalf service of process in any legal proceedings and any notices to be served on such insurer.

(2) Every contract of international insurance business written by an insurer shall be subject to the jurisdiction of the courts of the State, notwithstanding any provision to the contrary contained in such contract or in any agreement supplemental or related to such contract.

(3) An insurer may only carry on international insurance business in accordance with and based upon the information contained in its original application for a licence, and an insurer shall forthwith provide notice to the Commissioner of any material change in such information, in the form provided in the regulations.

(4) Any change by an insurer in the nature of the business for which it holds a licence hereunder shall require the prior approval of the Commissioner, with the advice and consent of the Authority if such change involves insurance business undertaken or to be undertaken in Class I, Class II or Class III.

(5) Each insurer shall furnish annually to the Commissioner a certificate, at the time and in the form prescribed in the regulations, certifying among other matters that the insurer has not changed the nature of its insurance business and that there has been no material change in the information contained in the original application for a licence submitted by it, and such certificate shall be signed by the insurer and by the insurance manager for the insurer, if it has appointed one.

(6) Each insurer licensed in Class I, Class II or Class III shall prepare annual accounts in accordance with generally accepted accounting principles and audited by an independent auditor.

23. Requirements concerning certain long-term international business

Every insurer licensed under Class I and Class III which is carrying on long-term international business shall, in addition to the accounts required under section 22(6), prepare annually an actuarial valuation of its assets and liabilities, certified by an actuary to be submitted to the Commissioner as proof of the solvency of the insurer, and in addition—

- (a) every such insurer carrying on both long-term international business and general international business shall keep separate accounts in respect of each category of business;
- (b) in respect of funds received by it from its international insurance business—
 - (i) all funds received by any such insurer in respect of premiums written in connection with its long-term international business shall be placed in a separate, segregated fund maintained with an independent custodian, and
 - (ii) payment from the said long-term business fund shall not be made directly or indirectly for any purpose other than those relating directly to such insurer's long-term international business; provided that payments can be made for such other purpose out of any surplus disclosed on an actuarial valuation and certified by an actuary to be distributable otherwise than to policy-holders, and
- (c) without limiting the application of Part V to such accounts, every such insurer may establish any number of separate accounts in respect of premiums paid to it to provide—
 - (i) annuities on human life, and
 - (ii) contracts of insurance on human life,

and such respective premiums shall be kept segregated one from the other and independent of all other funds of the insurer, and, notwithstanding the provisions of any other written law to the contrary, are not chargeable with any liability arising from any other insurance business or other business of that insurer.

24. Annual returns and fees

(1) Each insurer who holds a licence under Class I shall furnish to the Commissioner within six months of the end of its financial year an annual return in the form prescribed in the regulations and including—

- (a) a certificate of solvency and a certificate of compliance with insurance legislation in each country or jurisdiction where the insurer carries on its

business, or some equivalent certificate of good-standing acceptable to the Commissioner;

- (b) written confirmation by the directors of the insurer that such certificate or equivalent document referred to in paragraph (a) embraces the said insurer's liabilities in respect of its international insurance business; and
- (c) if applicable, in respect of the said insurer's long-term international business, information concerning the investment of premium income received by the said insurer from such business.

(2) Each insurer who holds a licence under Class I or Class II shall furnish to the Commissioner within six months of the end of its financial year an annual return in the form prescribed in the regulations and including—

- (a) an independent auditor's report showing that annual accounts have been prepared as required under section 22(6) and whether or not the auditor's certificate for such accounts is qualified or unqualified;
- (b) if the said insurer is licensed under Class I and it carries on long-term international business, the actuarial valuation of its assets and liabilities, certified by an actuary, in accordance with section 23; and
- (c) if the said insurer is licensed under Class I and conducts long-term international business, such information as the Commissioner may require to establish that premium income received from such long-term business has been prudently invested.

(3) Every insurer who holds a licence under Class III shall furnish to the Commissioner within six months of the end of its financial year an annual return in the form prescribed in the regulations and including written confirmation from an independent auditor that annual accounts have been prepared as required under section 22(6) and whether or not the auditor's certificate for such accounts is qualified or unqualified.

(4) No insurer who holds a licence under Class IV or V shall be obligated to prepare audited financial statements or to deliver financial statements to the Commissioner or to deliver any other information to the Commissioner on an annual basis except as may be set forth elsewhere in this Act or prescribed in the regulations.

(5) Every insurer licensed under this Act shall pay the annual fees prescribed in the regulations, and, failing the making of such payment as and when prescribed, the license held by such insurer shall be subject to revocation.

PART V

Protected Premium Accounts

25. Special definitions and application

(1) As used in this Part, and unless the context requires otherwise—

- (a) **“creditor”** means a person to whom an obligation is owed and includes any person who alleges or pursues a claim or cause of action in behalf of or in the name of a creditor;
- (b) **“intent to defraud”** means an intention of a policy-holder wilfully to defeat an obligation owed to a creditor;
- (c) **“long-term premium”** means any money, money's worth or property (including existing policies of insurance or annuities) that is paid or transferred to an insurer licensed under this Act as, or held by such insurer as security for payment of, a *bona fide* premium under a contract of long-term

international insurance issued by that insurer, which premium is paid in connection with—

- (i) an annuity on human life, or
 - (ii) contract of insurance on human life,
 - (iii) a policy of insurance containing features of both (i) and (ii);
- (d) **“obligation”** means an obligation or liability due to a specific creditor that existed on or before the date of a transfer of a long-term premium to a protected premium account and of which the policy-holder had actual knowledge or notice;
- (e) **“protected policy-holder”** means, for purposes of this Part, a person who makes a contract with an insurer for a policy of long-term international insurance and who pays or is obligated under that contract or an associated contract or policy to pay a long-term premium; and
- (f) **“protected premium account”** means an account or subaccount established by an insurer with an independent custodian to hold one or more long-term premiums paid or to be paid, or to secure payment to the insurer, which account is from or accounted for by the insurer separate from the general operating accounts of the insurer and from any protected premium accounts established for other unrelated policy-holders.
- (2) This Part applies to—
- (a) any action or proceedings in any jurisdiction relating to the transfer or payment of money or other property, or the exchange of an existing policy, as a long-term premium payment to an insurer licensed hereunder in return for a contract or policy of long-term international insurance, whether the money or property so transferred has its *situs* within or outside the State after such transfer or disposition, so long as the transfer, payment or exchange of policies takes place after the commencement of this Act; and
 - (b) any action or proceeding by a creditor alleging fraudulent conveyance, fraud or a cause of action sounding in fraud against a protected policy-holder who has paid a long-term insurance premium to an insurer, and/or against the insurer to which or for whose benefit such premium was paid, to the exclusion of any other remedy, principle or rule of law of any jurisdiction, whether provided by statute or based on principles of equity or the common law.
- (3) For purposes of this Part, a premium shall be deemed paid when it is transferred to an international insurance agent or broker, under the terms of section 39, or when an existing contract or policy is exchanged in lieu of payment of a premium.

26. Actions against policy-holders or insurers

(1) No creditor of a protected policy-holder who has paid a long-term premium to an insurer may set aside or seek to set aside a transfer or payment of any long-term premium by the protected policy-holder to that insurer if such premium, less commissions charged or paid by or to the insurer, is placed in a protected premium account prior to or following such transfer unless it is determined, in a final order or judgement by the court, that the transfer or payment of the premium by the protected policy-holder was made with the principal intent to defraud that creditor.

(2) For purposes of this Part, the onus of proof of the protected policy-holder’s intent to defraud a creditor lies on the creditor, and the required standard of proof in such a case is to prove that policy-holder’s intent beyond a reasonable doubt.

(3) Notwithstanding anything to the contrary in this Act, no action or proceedings may be commenced in any jurisdiction to rescind, avoid, set aside or divert any payment

of a long-term premium to which this Part applies later than one year after the date of transfer or payment of that premium, or later than one year after the date of transfer or payment of the first premium, if the contract or policy calls for payments in instalments.

(4) A policy-holder shall not have imputed to him any intent to defraud a creditor by reason that the policy-holder—

- (a) is an owner, director or officer of the insurer to which the protected premium was paid; or
- (b) the policy-holder is the settlor, trustee, protector or a beneficiary of a trust which is a beneficiary under the policy as to which a protected premium account is maintained.

(5) This section shall apply to actions, proceedings and arbitrations against protected policy-holders, beneficiaries of policies with protected policy-holders, insurers, and each of their officers, directors, employers and agents.

27. Nature and extent of protection

(1) So long as a protected premium account maintained under this Part is accounted for by the insurer separate from every other such account, and independent of all other funds of the insurer, and notwithstanding the provisions of any law or principle of common law or equity to the contrary, no protected premium account or the insurer which owns or establishes such account shall be chargeable with or liable for—

- (a) any liability, obligation or loss arising from any general or other business of the insurer maintaining such account; or
- (b) the claims of any creditor or of any person, except as provided in this Part or expressly in the policy as to which such protected premium account is maintained; or
- (c) any liability, obligation or loss arising from or primarily relating to any other policy-holder of the insurer, whether that other policy-holder is entitled to the protections of this Part or not.

(2) Neither the cash, liquidation or residual value under any policy as to which a protected premium account is maintained, nor dividends or other income paid to, by or for any such account, shall be subject to any lien, charge, charging order, encumbrance, injunction, attachment or sequestration by any court except to the extent provided in a final order under section 26(1).

(3) No residual interest of an insurer, or any interest of a beneficiary in or under a policy, or policy, to which this Part applies may be subject to any injunction, lien, charge, charging order, encumbrance, attachment or sequestration.

(4) No judgement or order issued by a court, tribunal, arbitral panel or government of any other country or jurisdiction which is contrary to this Part shall be enforceable or effective in the State or elsewhere.

(5) A long-term premium paid by or for an insurer into a protected premium account shall be conclusively presumed to be a premium payment for insurance, and no protected premium account shall be construed to be a trust account or give rise to any inference that the relationship between the policy-holder and the insurer is that of beneficiary and trustee, principal and agent, or broker and customer.

28. Extent of avoidance of premium payment

(1) A transfer of a long-term premium into a protected premium account may be rescinded or set aside only as provided in this Part and then only to the extent necessary to satisfy the actual obligation to the creditor at whose instance the transfer has been set aside.

(2) Other creditors of the protected policy-holder or the insurer shall not benefit or be entitled to any legal presumption from any judgement or order in favour of a creditor against that policy-holder or its insurer.

29. Fraudulent Conveyance Act inapplicable

The Covetous and Fraudulent Conveyance Act, 27 Elizabeth 1 Ch. 4 (1584) and any statute based upon the principles thereof, whether in the law of insolvency, bankruptcy or otherwise, shall have no application to a payment of a long-term premium to a protected premium account.

PART VI

International Insurance Managers, Intermediaries and Professionals

General Provisions Applicable to International Insurance Managers and Intermediaries

30. Certificate of Authority

(1) Except as provided in subsection (3) or in the regulations, no person shall, either on his own account or as an officer, member or representative of a company or partnership, act or offer to undertake to act, as an international insurance manager, agent, or broker in or from within the State unless such a person applies for and is granted a certificate of authority under this Act.

(2) A company or a partnership may apply for a certificate of authority in its name and shall designate one individual who has the insurance knowledge and expertise to act as its or their representative and the certificate of authority, if granted, shall be issued in the name of the company or the partnership and shall designate the name of its or their principal representative.

(3) Any person who contravenes subsection (1) is guilty of an offence.

31. Application for a certificate

(1) An application for a certificate of authority under section 30 shall be made to the Authority in the form prescribed in the regulations and accompanied by the prescribed fee.

(2) To the extent applicable, the application shall be endorsed in writing—

- (a) in the case of an international insurance manager by any insurer who has appointed, or who has expressed in writing the intent to appoint, that person as an international insurance manager pursuant to this Act;
- (b) in the case of an international insurance agent by any insurer with whom the agent has signed an agency agreement;
- (c) in the case of an international insurance broker by any insurer who has authorised him to place risks with it.

(3) The endorsement of the insurers required under subsection (2) shall be given by the insurer's president or managing director or other person duly authorised by the insurer.

32. Issue of the certificate

(1) On receipt of the application and the prescribed fee in accordance with the requirements of section 30, the Authority may, upon the recommendation of the Commissioner and if it is satisfied that the application has the qualifications required to act in the capacity applied for, issue to the applicant a certificate of authority to undertake the activities for which application was made.

(2) The certificate of authority shall be in the form prescribed in the regulations and shall—

- (a) be subject to the payment of the annual fee prescribed by the regulations;
- (b) be subject to any limitations, restrictions or conditions specified therein or that the Authority may, from time to time, see fit to impose; and
- (c) expire on December 31 in each year, but may be renewed on application to and subject to the approval of the Authority and payment of the prescribed fee.

33. Refusal to grant a certificate

(1) If the Authority, after due investigation, is of the opinion that an applicant is not for any reason a suitable person to receive a certificate of authority to act in the capacity applied for, it may, in its discretion, refuse to grant a certificate of authority to the applicant.

(2) Where the Authority refuses to grant a certificate of authority to an applicant it shall not be bound to assign any reason therefor and his decision shall not be subject to appeal or review in any court.

34. Suspension or revocation of certificate

(1) Where the Authority is of the opinion that the holder of a certificate of authority issued under this Part—

- (a) is carrying on the business in respect of which he holds the certificate of authority in a manner detrimental to the public interest of the State, or of the policy holder or principal as the case may be;
- (b) has contravened any of the provisions of this Act or regulations or any requirements of or conditions attached to the certificate of authority;
- (c) has ceased to carry on the business in respect of which the certificate of authority was issued;
- (d) has failed to pay over to an insurer, agent or an insured person entitled thereto any money he received or collected on the account of the business in respect of which the certificate of authority was issued;
- (e) has demonstrated incompetence or untrustworthiness, to undertake the duties and responsibilities of the capacity in which he is authorised to act, by reason of anything done or omitted in or about the business in respect of which the certificate of authority was issued,

the Authority may require that the holder of the certificate of authority forthwith take such steps as the Commissioner may deem necessary to rectify the matter and may forthwith suspend the certificate of authority pending the receipt of information or evidence that the matter has been rectified.

(2) Upon suspension of the certificate of authority the Commissioner shall immediately provide notice of the suspension to the holders of the certificate of authority.

(3) The Authority may revoke a certificate of authority upon the occurrence of any of the following—

- (a) the conviction of the holder of the certificate of authority or any person controlling the holding of the certificate of authority or any person controlling the holder of the certificate of authority of misrepresentation, fraud, deceit, dishonesty or any other crime involving moral turpitude;
- (b) the failure of the holder of the certificate of authority to rectify the matter causing the suspension of the certificate of authority within a reasonable time being not more than sixty days following the date of the suspension.

(4) The Authority shall before revoking the certificate of authority—

- (a) give the holder of the certificate of authority written notice of the grounds on which it intends to do so;
- (b) afford the holder of the certificate of authority opportunity to make a written objection within thirty days of the mailing of the notice; and
- (c) take any such objections into consideration.

(5) Where the Authority has decided to revoke the certificate of authority it shall cause the document revoking the certificate of authority to be served on the holder of the certificate of authority.

(6) Subject to the provisions of subsection (7) the revocation of the certificate of authority takes effect on the expiration of twenty-one days commencing on the date of service on the holder of the certificate of authority of the document revoking the certificate of authority.

(7) An appeal lies to the Court by summons or on motion from a decision of the Commissioner or the Authority as the case may be to suspend or revoke a certificate of authority under this section.

(8) A person who acts or holds himself out to the public as an international insurance manager, agent or broker without holding a valid and subsisting certificate of authority under this Part or during the suspension of the same is guilty of an offence.

(9) No person whose certificate of authority has been revoked shall be granted another certificate to act in any capacity under this Act until the lapse of a period of three years after revocation.

International Insurance Managers

35. Prohibited interests

A person authorised under this Act to act as an international insurance manager or any employee or associate thereof shall not directly or indirectly be interested as a shareholder in or a director, officer or employee of any insurer for which such person is authorised to act as its international insurance manager.

36. Reporting duties of international insurance managers

(1) If it appears to the international insurance manager, or if such manager has knowledge or information that any insurer for which it acts as manager—

- (a) is conducting its business in a manner that would expose such insurer to the risk of becoming insolvent;
- (b) is not complying with any of the provisions of this Act or the regulations;
- (c) has defaulted on the payment of any of its liabilities;
- (d) is experiencing a serious state of affairs that is or may be prejudicial to the interests of such insurer's policy-holders or creditors;
- (e) is involved as a defendant in any criminal proceedings in any country or jurisdiction; or
- (f) has ceased to carry on business in or from within the State,

such manager shall forthwith report to the Commissioner giving particulars of relevant information and documents in its knowledge or possession.

(2) In reporting to the Commissioner in good faith and in discharge of its duties pursuant to subsection (1), no international insurance manager, nor any director, officer,

member, agent or employee thereof, shall be liable to any action, suit or proceeding for or with respect to such reporting or to prosecution under the Confidentiality Act.

37. Notice of intention to terminate management agreement

In the case of management of insurers licensed under Class I or Class II, where either the international insurance manager or such insurer intends to terminate their management agreement, the international insurance manager and the insurer each shall give to the Commissioner written notice of such intended termination and the reasons therefor at least thirty days prior to the date on which the termination is to take effect.

International Insurance Agents and Brokers

38. Evidence of agency agreement and security

(1) Every international insurance agent or broker shall, before the grant of a certificate of authority to it, deliver to the Commissioner—

- (a) in the case of an international insurance agent, evidence satisfactory to the Commissioner of an agency agreement entered into with the insurer who endorsed the agent's application for a certificate of authority;
- (b) in the case of an international insurance broker any form or type of security acceptable to the Authority; and
- (c) a list of all insurers which have authorised the agent or the broker to act on their behalf.

(2) Every international insurance agent or broker—

- (a) shall notify the Commissioner in writing of any change in the list of insurers required in subsection (1)(c) within ten days from the date they have knowledge of such change;
- (b) who fails to comply with the provision of paragraph (a) is guilty of an offence.

39. Agent or broker receiving premium deemed agent of insurer and trustee of premium

(1) Without limiting the provisions of Part V, an international insurance agent or broker shall, for the purpose of receiving any premium, be deemed to be agent of the insurer and the payment received by the agent or the broker is deemed payment to the insurer notwithstanding any conditions or stipulations to the contrary.

(2) Without limiting the provisions of Part V, an international insurance agent or broker who acts in negotiating, renewing or continuing a contract of insurance with an insurer licensed under this Act, and who receives any premium from any person for such a contract is deemed to hold such premium in trust for the insurer.

(3) If the international insurance agent or broker fails to pay the premium it received pursuant to subsection (2) over to the insurer on demand, its failure shall be deemed *prima facie* evidence that it has committed a breach of trust.

Approved Auditors and Actuaries

40. Reporting duties and exclusion of liability

(1) Every approved auditor or actuary shall make an immediate report to the Commissioner where—

- (a) he becomes aware during the performance of his duties that an insurer for whom he acts—
 - (i) is experiencing a financial state of affairs of a serious nature that may cause a breach of the minimum margin of solvency applicable to such insurer as prescribed by the regulations,
 - (ii) is not maintaining its long-term business fund with sufficient assets to meet its long-term business liabilities,
 - (iii) is not complying with any material provisions of this Act or the regulations or any condition attached to its licence, which could result in the insolvency of the insurer,
 - (iv) has defaulted in the payment of any of its liabilities to the extent the same could result in the insolvency of the insurer;
- (b) he forms a view of the affairs or any aspect of the affairs of the insurer which cause him to add a qualification or adverse notes to any of his reports or certificates required to be submitted by the insurer or the auditor or actuary under the provisions of this Act or the regulations;
- (c) the insurer terminates his appointment or otherwise ceases to hold such appointment, giving the reasons therefor; or
- (d) he resigns before the expiration of his term of office or appointment or he decides not to seek re-appointment, giving the reasons therefor.

(2) Any report made in good faith to the Commissioner by the approved auditor or actuary in compliance with the requirements of subsection (1) shall not constitute a breach of confidentiality or trust in respect of any person or a violation of the Confidentiality Act, and no liability shall be incurred and no suit, action or proceeding shall lie against the approved auditor or actuary or any partner, director, officer, member, agent or employee thereof in respect of such report.

(3) This section has effect notwithstanding any provision in any enactment, any rule of law, or any agreement, condition or stipulation to the contrary.

41. Annual returns and fees

(1) Every licensed international insurance agent, broker or manager shall furnish to the Commissioner within six months of the end of each of the calendar year the following returns in respect of its international insurance business—

- (a) confirmation in writing of the names and addresses of the insurers for which the agent, broker or manager acts; and
- (b) confirmation in writing that the information set out in the application for the said agent's, broker's or manager's certificate of authority, as modified by subsequent notifications of changes in such information, remains correct and gives a full and fair picture of its business.

(2) Each holder of a certificate of authority issued pursuant to part VI of this Act shall pay annual fees to the Commissioner in connection with the renewal of such certificate, as prescribed in the regulations.

(3) The Commissioner may prescribe additions, deletions or modifications of the returns required to be made by agents, brokers and managers under this section.

PART VII

Powers of the State

42. Preservation of secrecy

(1) Except for the purpose of the performance of statutory duties under this Act or when lawfully required to do so by any court of competent jurisdiction within the State or under the provisions of any law of the State, neither the Minister, the Authority, the Commissioner, the Deputy Commissioner, nor any person acting under its or their authority shall disclose any information which it has acquired in the performance of its duties or the exercise of its commercial activities under this Act relating to any application by any person under the provisions of this Act or to the affairs of a licensee or of any policy-holder of a licensee, or the holder of a valid certificate of authority.

(2) This section is not intended to limit in any way the duties imposed, or the qualifications and exemptions available under the Confidentiality Act.

43. Powers of the Authority in the case of suspected insolvency, etc.

(1) Where the Authority is of the opinion that any licensee or holder of a certificate of authority under this Act is or may be—

- (a) carrying on business in a manner likely to be detrimental to the public interest or to the interest of its policy-holders or principals; or
- (b) acting in contravention of the terms of its licence, certificate of authority or of this Act,

it may require such licensee to submit to the Commissioner information that is relevant to such opinion and/or take immediate steps to rectify the matter.

(3) When the Authority, having received a report on any licensee under sections 36, is of the opinion that it is detrimental to the public interest or to the interests of its policy-holders that the licensee should continue to carry on business, it may, without compensation or liability to the licensee, revoke the relevant licence.

(4) The Commissioner shall cause notice of the suspension or revocation of licences under this section to be sent to the registered agent for the insurer and to be published in the *Gazette*.

44. Preservation of assets, etc.

(1) Without limiting the provisions of Part V, in any case where the Authority has suspended a licence under section 43(2) or revoked a licence under section 43(3), the Authority may apply *ex parte* to the court for an order that the assets, books or papers of the licensee be preserved, not moved or otherwise disposed of and the court may, if it is satisfied that such assets, books or papers are liable to be moved, destroyed or otherwise disposed of make an order that they shall be preserved, and not moved or otherwise disposed of until a further order of that court.

(2) Where an order has been made by the court under subsection (1), the licensee may apply to the court at any time within fourteen days after it has notice of the same for the discharge of such order, and the court may thereupon discharge, vary or confirm the order.

45. Appeal

(1) An appeal shall lie to the court by summons or on motion against any order of the Authority to suspend a licence under section 43(2) or to revoke a licence under section 43(3), such appeal to be lodged within fourteen days of the date the decision of the Authority is published in the *Gazette*.

(2) An appeal under this section shall not operate as a stay of any decision by the Authority.

46. Offences and penalties

(1) A person who for any purpose knowingly makes any false representation in connection with a right, duty, or obligation under this Act commits an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars and to imprisonment for a term not exceeding two years and in the case of a corporate body to a fine not exceeding ten thousand dollars.

(2) A person who by act or omission contravenes any requirement of this Act for which no specific penalty is provided commits an offence and is liable on summary conviction to a fine not exceeding two thousand dollars or to a term of imprisonment not exceeding one year and in the case of a corporate body to a fine not exceeding five thousand dollars.

(3) Any person who causes or solicits a person to enter into, or to make application to enter into, a contract of insurance with a person who is not a licensed insurer under this Act, but whose activities are governed by this Act, is guilty of an offence under this Act.

PART VIII

General Provisions

47. Regulations

(1) The Minister may make regulations generally for carrying out the provisions of this Act and without prejudice to the generality of the foregoing may, in particular, make regulations—

- (a) exempting any person, business or class or persons or business from any provision of this Act;
- (b) prescribing—
 - (i) the forms to be used,
 - (ii) the format for any returns to be made under this Act,
 - (iii) capital and liquidity margins and ratios to be maintained by licensees, and
 - (iv) anything by this Act that is required or allowed to be prescribed.

(2) The Minister may make changes to the applications or forms prescribed in the regulations deemed necessary by the Authority to the proper administration of the Act.

(3) All regulations and changes in applications or forms made under this section shall be published in the *Gazette*.

48. Exchange Control and tax exemptions

(1) Notwithstanding any provision or rule of law in the State to the contrary—

- (a) an insurer which holds a valid and subsisting licence in any Class under this Act shall not be subject, while such licence is in effect, to any corporate tax, income tax, withholding tax, capital gains tax or other like taxes based upon or measured by assets or income originating outside the State or in connection with matters of administration or management which may occur or be performed in whole or in part in or from within the State; and
- (b) for purposes of this section, but without limiting the provisions of section 4(2) no insurer which holds a valid and subsisting licence under this Act shall be considered to be doing business in the State solely because it engages in one or more of the following activities—
 - (i) maintaining one or more bank, trust or securities accounts in the State,

- (ii) holding meetings of directors, agents, investors or policy-holders in the State,
- (iii) maintaining corporate or financial records in the State,
- (iv) maintaining one or more administrative or managerial offices in the State with respect to assets or activities outside the State,
- (v) maintaining a registered agent or registered office in the State, or
- (vi) investing in stocks, bonds or investments issued by the State or by entities doing business in the State or being a partner in a partnership existing under the laws of the State or a beneficiary of a trust or estate which has the State as its *situs*.

(2) No estate, inheritance, succession or gift tax, rate, duty, levy or other similar charge is payable by persons who are not persons ordinarily resident or domiciled in the State with respect to any proceeds or receipts from any policy issued by an insurer licensed hereunder at the time the policy was issued.

(3) Notwithstanding any provision of the Stamp Act to the contrary—

- (a) all instruments relating to transfers of any property to or by an insurer licensed hereunder;
- (b) all instruments relating in any way to the assets or activities of an insurer licensed hereunder; and
- (c) all instruments relating in any way to policies issued by an insurer licensed hereunder,

are exempt from the payment of stamp duty.

[Chapter 440.]

(4) Any premium payment, policy benefit, dividend or distribution by an insurer licensed hereunder to individuals, trusts or other entities which are not ordinarily resident in the State shall be exempt from any tax or withholding provisions of State law which would otherwise be applicable to the recipient or the payer of the dividend or distribution.

(5) An insurer to which this Act applies shall not be subject to the provisions of the Exchange Control Act or to any order or regulation made thereunder, or to any other exchange or currency control legislation or regulations of the State or applicable to the State from time to time.

[Chapter 447.]

(6) The Commissioner may, under the name and authority of the Minister, issue a certificate of tax exemption guaranteeing that the provisions of this section shall apply for a minimum of twenty-five years from the date of such certificate.

49. Transitional

(1) Subject to subsection (2), any person who at the date of the coming into force of this Act is carrying on in or from within the State international insurance business of any kind or acting as an international insurance manager, agent or broker shall, within one year of such date, comply with the provisions of this Act, and make application to the Authority for a licence hereunder.

(2) Any person described in subsection (1) who would qualify for registration in Class IV or Class V based on the provisions of section 13 of this Act shall, within one year of the date of coming into force of this Act, comply with all of the requirements of this Act relating to insurers in Class IV or Class V, as the case may be, and applicable to such insurers, but such person shall not be required to make application for a licence in respect of the international insurance business conducted by it as at such date until two years following such date.

(3) Notwithstanding the transitional provisions as to compliance and licensing contained in this section, any person carrying on international insurance business on the date of coming into force of this Act shall, at the end of the calendar year in which such date falls, pay to the Commissioner the annual fees required of insurers in the Class applicable to such person.

(4) Any determination by a person of the class of insurer applicable to it shall be subject to review by the Commissioner, who shall, for purposes of this section, be authorised to make assessments of fees and determination of compliance based on a different class than that claimed by the person.

CHAPTER 307
INTERNATIONAL INSURANCE (AMENDMENT AND CONSOLIDATION)
ACT

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

1. International Insurance Regulations
-

International Insurance Regulations

SRO 11 of 1999

Amended by

SRO 11 of 2003

SRO 37 of 2004

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INTERNATIONAL INSURANCE REGULATIONS

[SRO 11 of 1999 amended by SRO 11 of 2003, SRO 37 of 2004.]

[Date of commencement: 19th April, 1999.]

1. Citation and commencement

These Regulations may be cited as the International Insurance Regulations, 1999, and shall come into operation on the 19th day of April, 1999.

PART I

Interpretation

2. Definitions

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

- (a) terms used herein that are defined in the Act shall have the meanings ascribed to them in the Act; and
- (b) the following terms shall have the meaning ascribed to them in this subsection—

“**allowable assets**” has the meaning ascribed in section 8(2) of these Regulations;

“**appointed stock exchange**” means those stock exchanges described in section 16 of these Regulations, together with any stock exchange that the Minister, after consultation with the Authority, may appoint when such appointment is published in the *Gazette*;

“**Approved Country or Jurisdiction**” means those countries listed in section 14 of these Regulations;

“**association**” or “**in association**”, for purpose of section 13(4) of the Act, means in a common business enterprise, whether through contract or shared ownership;

“**minimum margin of solvency**”, as such term is used in the Act and these Regulations, means the lowest amount by which the value of the general business assets of an insurer must exceed its general business liabilities, as specified by section 7 of these Regulations;

“**National Commercial Bank**” means the National Commercial Bank of Saint Vincent and the Grenadines, or its successor;

“**net premiums written**” means premiums for international insurance business that have been paid to an insurer or as to which an invoice has been rendered by such insurer;

“**net retained annual premiums**” has the meaning ascribed in section 7(2) of these Regulations;

“**net worth**”, as used in the Act and these Regulations, means the difference between the value of an insurer’s assets and that insurer’s liabilities;

“**parent company**” means a company which owns more than fifty per cent of the voting shares and/or which has effective working control through stock ownership of a person; and “control” has the definition ascribed to it in the Act;

“**recognised manager**” has the meaning ascribed to it in section 18 of these Regulations;

“**Register of Insurers**” means the official list, maintained by the Commissioner, which contains the names and prescribed information as to all holders of licences issued under the Act;

“**related business**”, in relation to an insurer, means insurance business which is not unrelated business;

“**subsidiary**” means a company or corporation which is controlled by another company or corporation; and

“**unrelated business**”, in relation to an insurer, means insurance business consisting of insuring the risks of persons who are not shareholders in, or affiliates of, the insurer.

(2) For purposes of section 16(1) of the Act, an insurer shall be deemed to have available to its knowledge and expertise in the insurance business if it has a *bona fide* written contract with a registered international insurance manager or a Recognised International Insurance Manager.

(3) For purposes of section 24(2)(c) of the Act, the income of an insurer shall be deemed to have been “prudently invested” if such income has been invested in “allowable assets”, as such term is defined in these Regulations.

PART II

Fees, Forms and Registration

3. Fees

(1) *Consent Application Fee under section 15 of the Act.*—Any person who applies to the Commissioner for consent to register an insurer under section 15 of the Act shall, along with his application for such consent, submit the required non-refundable Consent Application Fee set forth in the First Schedule to these Regulations. Any application to renew a consent to register granted under section 15 of the Act shall be accompanied by the Consent Application Fee set forth in the First Schedule to these Regulations.

(2) *Licence Application Fee under section 14 of the Act.*—Any person who applies to the Commissioner for a licence pursuant to section 14 of the Act shall, along with such

application, submit the required Licence Application Fee set forth in the First Schedule. The Licence Application fee shall not be refunded to the Applicant under any circumstances.

(3) *Licence Registration Fees.*—Upon grant of a licence to an applicant under section 18 of the Act, the Commissioner shall give written notice to the successful applicant and to the registered agent for that applicant of the Registration Fee due and payable by the applicant based upon the Class of licence so granted. The Registration Fee to be paid shall be as set forth on the First Schedule. The Registration Fee shall be paid in cash or by bank cheque within fifteen (15) days of the date of the notice to the applicant as aforesaid. If the applicant fails to make payment in full of the assessed Registration Fee, the licence granted to the applicant shall be void.

(4) *Certificate of Authority Registration Fees.*—Upon grant of a certificate to an applicant under section 32 of the Act, the Commissioner shall give written notice to the successful applicant and the registered agent for that applicant of the Registration Fee payable by the applicant based upon the Class of certificate so granted. The Registration Fee to be paid shall be as set forth on the First Schedule. The Registration Fee shall be paid in cash or by bank cheque within fifteen (15) days of the date of the notice to the applicant as aforesaid. If the applicant fails to make payment in full of the assessed Registration Fee, the certificate granted to the applicant shall be void.

(5) *Annual Fees; Cancellation for Late Payment or Non-Payment.*—

- (a) Upon grant of a licence to an applicant under section 18 of the Act, the applicant shall tender the applicable Annual Fee, as set forth in the First Schedule to these Regulations, along with the Registration Fee described in section 3(3) of these Regulations. The Annual Fee for an application granted between January 1 and June 30 of a given year shall be the full Annual Fee as set forth in the First Schedule. The Annual Fee for any application granted between July 1 and December 31 of a year shall be one-half of the regular Annual Fee for that year. Subject to compliance with all other provisions of the Act and these Regulations, upon full payment of Annual Fees for a given year as set forth herein, the licence granted to the applicant shall be valid through December 31 of that year;
- (b) On or before the 31st day of December of each year, each insurer shall submit to the commissioner, together with other reports and/or forms to be filed by it pursuant to section 24 of the Act and these Regulations, the Annual Licence Renewal Fee for the Class of licence for which renewal is sought, such fee being prescribe in the First Schedule;
- (c) If the Annual Licence Renewal Fee is submitted after the 31st day of December in a given year, the insurer shall submit the Annual Licence Renewal Fee, together with a late payment penalty of one-twelfth of the Annual Licence Renewal Fee (determined by reference to the Class of licence held by the insurer) for each month, or part of a month, that payment of the Annual Licence Renewal Fee was late;
- (d) Insurers which fail to pay the annual Licence Renewal Fee on or before the 1st day of April of a given year may have their licence cancelled by the Commissioner and, thereafter, may be struck from the Register of Insurers by the Commissioner. Notice of such cancellation and striking off shall be sent by the Commissioner to the insurer and the registered agent for the insurer.

(6) *Certificate of Authority Renewal Fees.*—Any international insurance manager, agent or broker who applies to the Commissioner for the renewal of its certificate of authority pursuant to section 41 of the Act shall, along with the application and other documents required to be filed under such section and these Regulations, submit the required Certificate Renewal Fee specified for the activity for which such person holds a certificate, such fee being set forth in the First Schedule to these Regulations. The

Commissioner may revoke the certificate of authority issued to an international insurance manager, agent or broker if such person fails to pay the required Certificate renewal Fee prior to February 1st of the year for which such fee was assessed.

(7) *Other Fees.*—Other applicable fees, including fees to inspect the Register of Insurers and to file additional documents with the Commissioner, are as specified in the First Schedule. Fees for minor or ministerial acts and filings permitted under these Regulations or the Act may be assessed by the Commissioner if not set forth in the First Schedule.

(8) *Revival of Licence Revoked for Non-Payment of Fees.*—The Commissioner shall have the discretion, with respect to any insurer whose licence has been revoked for failure to pay fees as provided in this section, to reissue such licence during the year as to which such fee was due upon receipt by the Commissioner of—

- (a) the Annual Licence Renewal Fee due for that year;
- (b) a fine equal to one hundred and fifty per cent of the Annual Licence Fee due for that year; and
- (c) a certificate, in form and substance acceptable to the Commissioner and signed by the insurer, to the effect that the insurer is then in full compliance with the Act and these Regulations.

3A.

[Section 3A inserted by SRO 11 of 2003 and repealed by SRO 37 of 2004.]

4. Forms, certificates and applications; procedures for filing

Applications for registration and renewal of licences and certificates of authority granted under the Act shall be submitted on the forms set out in this section, which forms may be amended from time to time by the Commissioner with the advice and consent of the Authority.

(1) *Application for Registration under section 14.*—Every application for a licence to carry on international insurance business made pursuant to section 14 of the Act shall be made on Form AIL, the form of which is set out as Exhibit I to these Regulations.

(2) *Application for Consent to Register under section 15.*—

- (a) An application for the consent of the Commissioner and the Authority to register an insurer shall be made on Form APA, the form of which is set out as Exhibit 2 to these Regulations. Any consent granted by the Authority and the Commissioner under section 15 of the Act shall be irrevocable for the period stated in section 15, except that in the event it is discovered that the applicant withheld, misstated or failed to state material information in its application, such consent may be declared void *ab initio* by the Authority, which shall notify the applicant in writing of its determination;
- (b) Any consent (including evidence of renewals, if any), together with the application on which such consent was granted under section 15, shall be attached to the documents and information to be provided to the Commissioner in connection with an application for a licence as provided in section 15(8) of the Act;
- (c) Nothing contained in the Act or in these Regulations shall be construed to limit the right of the Commissioner to conduct a *de novo* review of all information and materials submitted in or with an application for consent to register an insurer pursuant to section 15(8) of the Act if the Commissioner has reason to believe that any of the material particulars upon which the consent was originally granted have changed.

(3) *Personal Questionnaire.*—Every Director, controller, Manager and/or Promoter (as such terms are defined in Form PQ) of a person that applies for a licence under the Act or who submits an application for consent to register under section 15 of the Act must complete and submit to the Commissioner, along with the application for a licence or consent, a Personal Questionnaire, which shall be made on Form PQ, the form of which is set out as Exhibit 3 to these Regulations.

(4) *Financial Statements.*—Every application for a licence to carry on international insurance business in Class I, II or III pursuant to the Act shall be accompanied by a Financial Statement which shall be made on Form FS, the form of which is set out as Exhibit 16 to these Regulations. The Commissioner may allow an applicant in Class I, II or III for a new or development-stage businesses to submit projected or pro forma financial statements in lieu of the audited statements required in Form FS.

(5) *Business Plan.*—Every application for a licence to carry on international insurance business pursuant to the Act shall be accompanied by a Business Plan which shall be made on Form BP, the form of which is set out as Exhibit 17 to these Regulations.

(6) *Application for Renewal of Licence.*—Each insurer who holds a license under the Act shall make application to renew such licence on or before the date specified in section 24 of the Act by submitting, in duplicate, Form ARL in the form set out in Exhibit 5, duly completed and signed, together with the appropriate Annual Licence Renewal Fee prescribed in the First Schedule.

(7) *Application for Extended Renewal of Licence.*—Every application for an extended renewal of a licence to carry on international insurance business pursuant to the Act shall be made on Form EXR, the form of which is set out as Exhibit 8 to these Regulations.

(8) *Notice of Change of Principal Office and/or Registered Agent.*—Every insurer licenced under the Act which changes the address of its principal office or registered agent in the State shall file a notice setting forth the particulars of the change which shall be made on Form NCO, the form of which is set out as Exhibit 9 to these Regulations.

(9) *Notice of Change of Particulars.*—Pursuant to section 22(3) of the Act, insurers are under a *continuing* duty to inform the Commissioner of changes in information contained in any filing made under the Act or these Regulations. Insurers shall promptly notify the Commissioner of any such change on Form NCP, Notice of Change of particulars, the form of which is set out as Exhibit 12 to these Regulations.

(10) *Certificate of Compliance.*—Pursuant to section 24 of the Act, insurers holding a license to carry on international insurance business in Class I, II or III are required to submit to the Commissioner a Certificate of Compliance, which shall be made on Form CC, the form of which is set out as Exhibit 13 to these Regulations.

(11) *Application for Registration as an International Insurance Manager, Broker or Agent.*—Any person desiring to conduct business under the Act as an international insurance manager, broker or agent shall complete and submit to the Commissioner Form MBA, the form of which is set out as Exhibit 14 to these Regulations, along with the required fees set out in the First Schedule to these Regulations.

(12) *Application for Renewal of Certificate of Authority.*—Each international insurance manager, broker or agent who holds a certificate of authority to conduct business under the Act shall make application to renew such certificate on or before the date specified in section 41 of the Act, by submitting, in duplicate, Form ARC in the form set out in Exhibit 6, duly completed and signed, together with the appropriate Annual Certificate Renewal Fee prescribed in the First Schedule.

(13) *Supplemental Form for Persons Proposing to Transact Products Liability, Professional Indemnity, and/or Medical Malpractice Business.*—Any person who applies to be licenced under the Act as an insurer in Class I, Class II or Class III and who intends to write policies of insurance relating to Products Liability, Professional Indemnity,

and/or Medical Malpractice, shall, in addition to the other application forms required under the Act or Regulations, complete and submit Form SF, the form of which is set out as Exhibit 18 to these Regulations.

(14) *Annual Statements.*—Pursuant to section 24 of the Act, each insurer holding a licence to carry on insurance business in Class I, Class II or Class III shall prepare and submit on an annual basis, no later than December 31, an annual statement in the form set out in Form FS, which is attached as Exhibit 16 to these Regulations along with the payment of the annual fees due by such insurer.

(15) *General Business Solvency Certificate.*—Pursuant to section 24 of the Act, every licensee under the Act shall complete and submit Form BSC, the form of which is set out as Exhibit 15 to these Regulations.

(16) *Applications by Existing Insurers.*—Any insurer which is required to make application under the transitional provisions of section 49 of the Act shall make such application on the form applicable to new applicants as provided under section 14 of the Act and these Regulations, but each such application shall be conspicuously marked “Transitional Application” on the face thereof.

5. Certificates and notices to be issued by the Commissioner

The Commissioner shall issue certificates as and when required under the Act and these Regulations substantially in the forms indicated below—

(1) *Certificate of Tax Exemption.*—The Commissioner shall send a single Certificate of Tax Exemption in the form set out in Exhibit 19 to each insurer who holds a licence under the Act. Such certificate shall be sent to the insurer along with the insurer’s licence, as provided in these Regulations.

(2) *Notice of Revocation of Registered Agent’s Licence.*—Any insurer whose registered agent has its licence revoked under the Registered Agent and Trustee Licensing Act, 1996, shall be so notified by the Commissioner by notice substantially in the form set out in Exhibit 20.

[Chapter 105.]

(3) *Licence.*—Upon submission of the required forms and payment of all fees required to be paid under the Act and these Regulations, an International Insurance Licence, substantially in the form set out as Exhibit 4 and duly signed by the Commissioner, shall be issued to each insurer whose application for such licence has been granted.

(4) *Certificate of Authority.*—Upon submission of the required forms and payment of all fees required to be paid under the Act and these Regulations, a Certificate of Authority, substantially in the form set out as Exhibit 21 and duly signed by the Commissioner, shall be issued to a person whose application for a certificate of authority to act as an international insurance manager, broker or agent has been granted.

(5) *Other Certificates.*—The Commissioner shall have the authority to design, use and publish other forms and certificates contemplated by the Act or these Regulations and not specially described herein or in the Exhibits.

(6) *Notice of Revocation Based on Improper Name.*—Prior to the time the Authority exercises its right to revoke a license based on the provisions of section 21(4) of the Act, it shall require the Commissioner to send notice to the insurer of the nature of the violation under such subsection and to provide a reasonable opportunity to such insurer to change its name so to comply with the terms of such notice.

(7) *Notification to Commissioner in Certain Other Events.*—An insurer shall immediately notify the Commissioner in writing if it ceases to carry on the insurance business for which a license was granted under the Act or if the agreement between it and its international insurance manager is terminated for any reason.

6. Review of applications for registration

(1) *Rulings by the Commissioner and/or Authority.*—The Commissioner, after review and approval by the Authority where required under Act or these Regulations, shall issue a determination as to whether to grant or not grant an application for a licence under section 14 or 15 of the Act, as the case may be, within forty-five (45) days of the receipt of the forms and payment of fees required by the Act and these Regulations. Such ruling shall be binding on the Commissioner and the Authority, except that in the event it is discovered that the applicant withheld, misstated or failed to state material information in its application, such ruling shall be void *ab initio*—

- (a) within ten days of an approval the Commissioner shall transmit to the applicant, by regular post unless special arrangements are made at the applicant's sole expense, the appropriate licence in the form prescribed in Exhibit 4 to these Regulations, duly stamped and certified by the Commissioner to be a true copy of the original;
- (b) if the application is denied, the Commissioner shall transmit, by regular post, notification within ten days of such decision;
- (c) notices of non-renewal, suspension, and revocation of a licence previously granted under the Act shall be in the form prescribed by these Regulations in Exhibit 7, Exhibit 10 and Exhibit 11, respectively.

(2) *Register of Insurers.*—The Commissioner shall enter the particulars of each insurer registered under the Act in the Register of Insurers pursuant to the provisions of section 9 of the Act upon registration and payment of all applicable fees as provided in the Act and these Regulations. The Commissioner shall be authorised to publish or prepare an extract from such Register of Insurers upon application by any person and the payment of the prescribed fee therefor, and any such extract shall be *prima facie* evidence of the information set forth in such extract.

PART III

Financial Standards and Records

7. Minimum margin of solvency

(1) *Applicable Margins.*—The minimum amount by which the total value of an insurer's allowable assets must exceed the total value of its liabilities, referred to as the "minimum margin of solvency", is hereby prescribed as follows—

- (a) in the case of an insurer in Class I or Class II which is carrying on or intends to carry on general international insurance business only—
 - (i) where the net retained annual premiums paid to the insurer do not exceed one million dollars in a single year, the prescribed amount is one hundred and fifty thousand dollars,
 - (ii) where the net retained annual premiums paid to the insurer exceed one million dollars but do not exceed five million dollars in a single year, the prescribed amount is twenty per cent of the insurer's net retained annual premiums for that year,
 - (iii) where the net retained annual premiums of the insurer exceed five million dollars in a single year, the prescribed amount is one million dollars plus ten per cent of the amount by which the said net retained annual premiums exceeds five million dollars; and
- (b) in the case of an insurer carrying on long-term business only the prescribed amount is two hundred and fifty thousand dollars for insurers in Class I and one hundred and fifty thousand dollars for insurers in Class III; and

- (c) in the case of an insurer carrying on both general international insurance business and long-term international business the prescribed amount is (A) two hundred and fifty thousand dollars for insurers in Class I, or (B) one hundred and fifty thousand dollars for insurers in Class III, as the case may be, plus the applicable amount required for general international insurance business under paragraph (a)(i), (ii) or (iii).

(2) *Definitions.*—In this section, the expression “**net retained annual premiums**” means net premiums written by the insurer in respect of general international insurance business during any financial year of that insurer, reduced by any premiums paid by the insurer for approved reinsurance during such financial year.

(3) Notwithstanding any contrary implication in section 17(1) of the Act, a person who applies for a licence under the Act may be granted a licence under section 13 thereof based upon proof to the commissioner that it has a reasonable business plan or method to meet the minimum margin of solvency applicable to such person when premiums upon which such margin are to be based are actually written, and the Commissioner shall be authorised to accept a reasonable deposit with National Commercial Bank as a guarantee that such minimum margin of solvency shall be met by the person prior to the time the premiums are actually written.

(4) The form of the deposit that may be made by a person under subsection (3) of this section or under section 17(2) of the Act shall be generally in accordance with the provisions of section 10 of these Regulations.

8. Allowable assets

(1) *Application.*—In computing the value of the assets of an insurer for the purpose of meeting the minimum margin of solvency prescribed by section 7 of these Regulations or in determining the net worth of an insurer under the Act, only allowable assets of the insurer or of a subsidiary of the insurer may be considered.

(2) *Assets to be Included.*—Subject to subsection (3), allowable assets include—

- (a) cash in hand or on deposit with the National Commercial Bank, with a financial institution chartered and in good standing under the laws of a Recognised Country or Jurisdiction, or with other financial institutions approved by the Commissioner from time to time; and
- (b) bonds, debentures or other evidence of indebtedness issued or guaranteed by—
 - (i) the government of the State,
 - (ii) the government of the United Kingdom or of the United States of America or of any state thereof,
 - (iii) the government of Canada or of any province thereof, or
 - (iv) any other approved country or jurisdiction or such other government as may be approved from time to time by the Commissioner; and
- (c) bonds, debentures or other evidence of indebtedness issued or guaranteed by any municipal corporation and secured by rates or taxes levied and collectable by such municipal corporation under the authority of any of the governments mentioned in paragraph (b)(i), (ii) or (iii); and
- (d) other equity or debt securities quoted and subject to an active listing on an appointed stock exchange; provided, that such securities shall be included as allowable assets only to the extent of fifty per cent of the total allowable assets of the insurer;
- (e) premiums receivable under *bona fide* written contracts of insurance;

- (f) reinsurance balances receivable under *bona fide* written contracts of insurance;
- (g) real property located in the State;
- (h) accounts receivable, net of provision for bad and doubtful debts; and
- (i) irrevocable letters of credit issued or confirmed by the National Commercial Bank, or by financial institutions chartered and in good standing under the laws of any Recognised Country or Jurisdiction, or by other financial institutions approved by the Commissioner from time to time.

(3) *Assets not Included.*—For purposes of this section, the following assets are not allowable assets—

- (a) investments in and advances to the insurer’s parent company or any of the insurer’s subsidiaries or affiliates unless specifically approved by the Commissioner;
- (b) mortgages on real property unless such property is located in the state or a Recognised Country or Jurisdiction and has an appraised value that is at least one hundred and twenty-five per cent of the value of the mortgage; or
- (c) securities which are not quoted and subject to an active listing on a recognised stock exchange.

9. Valuation of asset and liabilities

(1) *Method of Valuation.*—Subject to the provisions of section 9 of these Regulations, the total value of an insurer’s allowable assets shall be determined—

- (a) by their fair market value; or
- (b) where such fair market value is not readily ascertainable, in accordance with generally accepted accounting practices that are considered appropriate by the insurer’s approved auditor and are acceptable to the Commissioner.

(2) *Calculation.*—The total value of an insurer’s assets must at all times exceed the total amount of its liabilities by the amount prescribed by these Regulations.

(3) *Duty to Notify.*—Where the value of the total assets of an insurer, valued as provided in subsection (1), declines at any time below the value that is required to preserve the insurer’s minimum margin of solvency as prescribed by these Regulations, the insurer shall forthwith rectify the deficiency and notify the Commissioner in writing of the means by which the deficiency was rectified.

(4) *Methodology.*—In calculating its liabilities for purposes of these Regulations—

- (a) the total amount of an insurer’s liabilities shall be determined in accordance with generally accepted accounting principles consistently applied by the insurer’s auditor under the standards generally applicable in the jurisdiction in which such auditor is qualified; and
- (b) all contingent and prospective liabilities shall be taken into account by the auditor.

10. Net worth requirement satisfied by guarantee or deposit

(1) *Deposit with National Commercial Bank.*—The net worth requirement set forth in section 13 of the Act for each Class of insurer may be satisfied by the person seeking a license under the Act by the making and maintaining of an interest-bearing deposit with the National Commercial Bank in the amount of such net worth requirement. A deposit made to guarantee the insurer’s net worth under this section shall be made in cash on account that is unconditionally pledged to the International Finance Authority, as escrow agent, to meet the requirements and obligations of the insurer under the Act and these

Regulations, at all times while such license is valid and for a period of six (6) months following the revocation, termination or lapse of such license; provided, at the end of such six (6) month period, the full amount of the deposit, with interest, shall be returned to the insurer.

(2) *Guarantee of Parent Company.*—The net worth requirement set forth in section 13 of the Act may further be satisfied by the giving of a guarantee under seal by the parent company of the insurer, or by another company approved by the Commissioner, which shall in any case provide that its formal and essential validity, as well as its interpretation and affect and the rights and obligations of the parties to it, are governed exclusively by the laws of the State, and that the High Court of the State shall be the exclusive forum for any dispute governing the interpretation of (but not the collection under) the guaranty.

11. Books and records of insurers

(1) *Generally.*—Every licenced insurer shall maintain permanently at its principal office in the State such books of accounts and records of its insurance business and financial affairs—

- (a) as will show adequately the nature and extent of the insurance business carried on by that insurer in or from within the State; and
- (b) as will enable the Commissioner, at any time as provided in the Act, to conduct a proper examination of the insurer's affairs, to ascertain with reasonable accuracy its financial position, and to verify that it is then in compliance with the Act and these Regulations.

(2) *Books to be Kept.*—Without prejudice to the generality of the provisions of subsection (1), the books and records to be kept by every licenced insurer at its principal office in the state shall include—

- (a) financial statements for the current year and the preceding three years for its insurance business as carried on in or from within the State;
- (b) a current record of premium income and claims paid by the insurer, including payments for re-insurance;
- (c) a register of the insurer's directors, officer and managers, showing their names and addresses;
- (d) minutes of all the insurer's general meetings, meetings of its board of directors, and meetings of committees of its board of directors;
- (e) general and subsidiary ledgers and general journals, current through the next preceding month;
- (f) a record of the insurer's reinsurance programs or treaties showing underwriting limits by each class of insurance written by the insurer and amounts retained by the insurer under such programs or treaties;
- (g) an up-to-date list of all the insurer's agents; and
- (h) any other registers or records as may be specifically required in writing by the Commissioner from time to time.

(3) *Construction.*—This section shall not be construed to require the insurer to keep at its place of business in the State the originals of the books and records described herein, and it shall be sufficient if the insurer maintains access to such books and records in an electronic medium, the accuracy of which can be certified by a director or principal officer of the insurer upon request by the Commissioner.

12. Improper records to be examined by accountant

(1) *Independent Examination.*—If, at any time, it appears to the Commissioner that the books of account and records of any insurer are not kept in such a business-like way so as to enable him to conduct a proper examination of the insurer’s affairs and to ascertain its financial position as contemplated by these Regulations, the Commissioner may thereupon appoint a competent auditor or accountant to examine the books of account and records of the insurer. Based upon the findings and recommendations of such auditor or accountant, the Commissioner shall give the necessary instructions in writing to the insurer, which shall be obligated to rectify the delinquency forthwith.

(2) *Expenses.*—The expense of such accountants or auditors—

- (a) shall not exceed two thousand dollars per day and shall be borne by the insurer whose books are being inspected; and
- (b) shall be approved by the Authority, on advice from the Commissioner, and thereupon—
 - (i) shall be paid forthwith by the insurer whose books are being inspected, and
 - (ii) if not so paid may be recovered as a debt due to the Commissioner in his name of office.

PART IV

Varia

13. General requirements relating to preparation of required forms

(1) All forms required by these Regulations and shall be prepared in the English language, and if documents originally prepared in a foreign language are provided with such forms, a certified translation of such documents shall be attached to the form, along with the original as prepared in the foreign language.

(2) Any official documents provided to the Authority or the Commissioner under a requirement set out in the Act or these Regulations which are signed by an official of a government other than the State shall have an appropriate apostille attached thereto, certifying the office or authority of the official who has signed the same.

(3) All amounts which are set forth in any return or document filed with the Commissioner or the Authority under the Act or these Regulations shall be shown in the currency in which they were originally stated, but the United States dollar equivalent of each amount (based on an appropriate exchange rate described and used consistently throughout the filing) must be stated next to such amount in every case, except where the amount in consideration is not material to a financial disclosure required to be made hereunder or under the Act.

14. Recognised Country or Jurisdiction

For purposes of these Regulations, the following countries are hereby appointed as a “Recognised Country or Jurisdiction” (provided that for purposes hereof such jurisdictions or countries shall not be deemed to include their dependant territories, foreign departments or protectorates)—

Belgium

Canada

Federation of German States

Japan

Luxembourg

Principality of Liechtenstein
Republic of France
Republic of Ireland
Switzerland
United Kingdom
United States of America.

15. International Finance Inspector as interim Commissioner

Until further notice published in the *Gazette*, the International Finance Inspector shall serve as the Commissioner of International Insurance.

16. Appointed stock exchanges

For purposes of these Regulations, the following are designated as “recognised stock exchanges”—

Alberta Stock Network
American Stock Exchange
Amsterdam Stock Exchange
Australian Stock Exchange
Brussels Stock Exchange
Geneva Stock Exchange
Hong Kong Stock Exchange
London Stock Exchange
Mexico Stock Exchange
Montreal Stock Exchange
National Association Securities Dealers (NASDAQ)
New York Stock Exchange
SBF Bourse de Paris; Paris Stock Exchange
The Philadelphia Stock Exchange
Tokyo Stock Exchange
Toronto Stock Exchange
Vancouver Stock Exchange
Vienna Stock Exchange.

17. Display and presentation of certificate

A certificate or licence granted pursuant to the Act shall be prominently displayed by the insurer, or international insurance manager, broker or agent, as the case may be, on the premises where the holder has its principal office or registered office in the State by—

- (a) posting the certificate licence on a wall in the main entrance, foyer or hall; or
- (b) displaying the certificate or licence by some other method whereby the licence may be easily seen upon first entering the premises of the holder.

18. Recognised international insurance managers

(1) A person who carries on the business of international insurance manager in or from within the State shall be exempt from the requirement to hold a licence under Part VI of the Act if he or it meets the requirements of this section 18.

(2) Where the person referred to in subsection (1) is exempt by these Regulations from the requirement to hold a licence under Part VI of the Act, he shall be deemed to be a “recognised insurance manager”.

(3) The conditions under which a person shall be exempt under this section are that—

- (a) the recognised insurance manager is subject to the control, whether by majority share-holding or otherwise, of a person who is entitled to provide insurance management services (by whatever name called) under the laws of a Recognised Country or Jurisdiction;
- (b) the person is of sound repute and is in good standing with the competent authority regulating such activities or services in the Recognised Country or Jurisdiction;
- (c) the business carried on by the recognised insurance manager in the State is delegated to a manager or administrator who is licenced under Part VI of the Act (referred to in this section of these Regulations as “the local licence holder”); and
- (d) there is a contractual agreement between the recognised insurance manager and the licence holder which includes a provision that the licence holder takes responsibility for compliance by the recognised insurance manager with any relevant laws, regulations or directions which apply in the State.

(4) The local licence holder shall, within fourteen days of the recognised insurance manager becoming established in the state, provide the Commissioner in writing with—

- (a) notification of—
 - (i) the names and addresses of the directors of the recognised insurance manager,
 - (ii) the relevant Recognised Country or Jurisdiction, and
 - (iii) a description of the nature and scope of the activities of the recognised insurance manager, which shall include the name of any insurance company for which the recognised insurance manager is a manager; and
- (b) a statement signed by the responsible local licence holder certifying that the conditions in subsection (4) have been met.

(5) The responsible local licence holder shall—

- (a) on or before the 31st day of March of each year following the year in which the information required under subsection (4) was provided, confirm to the Commissioner in writing that the conditions stipulated in this section have been met; and
- (b) within twenty-one days of the occurrence of any change in the information provided under subsection (4), notify the Commissioner in writing of such change.

(6) Where the local licence holder fails to comply with this section, the exemption applicable to the relevant recognised insurance manager shall cease.

(7) The information required under subsection (4) shall be accompanied by the fees prescribed for that purpose as described in the First Schedule to these Regulations.

Forms

FORM AIL

EXHIBIT 1

**SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS**

Application for International Insurer's Licence

(Complete in Duplicate)

Proposed Name of Insurer

.....

Completed Application, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Every Applicant for a licence under the Act shall furnish to the Commissioner the following particulars. The Applicant shall also attach a certified or bank cheque for the applicable Application Fee in the amount specified in the First Schedule and set out below.

1. Application Fee (in US Dollars)(non-refundable):

<input type="checkbox"/>	Class I	\$	1,000
<input type="checkbox"/>	Class II	\$	1,000
<input type="checkbox"/>	Class III	\$	1,000
<input type="checkbox"/>	Class IV	\$	500
<input type="checkbox"/>	Class V	\$	250

2. Name of Applicant:

3. Address in the State of its place of business:
.....
.....

4. Every holder of a licence under this Act shall appoint and maintain a registered agent licensed under the Registered Agent and Trustee Licensing Act, 1996, which may be the same agent appointed as required in other international legislation. Name and address of the Registered Agent in Saint Vincent and the Grenadines of Applicant:
.....
.....

5. The names, addresses, citizenship and residency of all directors or trustees (as applicable):

Name	Address	Citizenship	Residency
.....
.....
.....
.....

6. The names and addresses of all shareholders (if applicable):

Name	Address
------	---------

proceeding three years. Thereafter, the Applicant shall provide to the Commissioner annual accounts duly audited and certified by an independent auditor. Attach a statement of assets and liabilities at the end of the month prior to the submission of the Application certified by a director or senior officer.

17. Attach the names of all subsidiary companies of the Applicant with addresses of their registered offices.
18. Attach a statement of capital of any other company held, directly or through a subsidiary, as an asset of the Applicant.
19. Attach at least three references, including one from an internationally recognised bank.
20. Will the insurer be writing “unrelated business”, as defined in the regulations? If not—
 - (a) as a direct insurer?
 - (b) as a re-insurer?

Explain the nature of the connection or association that exists between the insurer and those persons whose risks the insurer intends writing either directly or as a re-insurer.

State the category of insurance business which the insurer proposes to write (for example general business only, long-term business only or both general and long-term business).

State the category(s) (for example property, casualty, marine, aviation) of general insurance business which the Applicant intends to write and state estimated gross and net premiums by class of business for the first two years of operation. If it is intended to write products liability risks or professional liability risks, or both, state estimated gross and net premiums in respect of each separately.

State when the Applicant intends to commence writing the above described business.

In respect of general business, give estimated income for each of the first two years on as realistic a basis as possible using the following format—

Gross premiums written	
Less Re-insurance premiums ceded	
Net Premiums written	
Less increase (plus decrease) in	
Unearned Premiums	
Net Premiums Earned	
Plus Investment Income	
Plus other insurance income	
SUBTOTAL	
Net Losses and loss expenses incurred	
Reserve for claims incurred but not reported (if applicable)	
Commissions and brokerage incurred	
General and administrative expenses	
Personnel costs	
Other expenses	
Income taxes (if applicable)	
SUBTOTAL	
Estimated Net Income for Year	

21. Certain licensees under the Act must provide for a minimum margin of solvency as set out in the regulations. Explain how the minimum margin of solvency will be met by the Applicant.
22. For parties who are applying for Class I or III licenses and who are or will be involved in long-term insurance business, attach a statement, on as realistic a basis as possible, of the estimated volume of business to be transacted during each of the first two years, giving for each type of policy the number of contracts, the total sums assured or amounts of annuity per annum, and the annual or single premiums figures should be given both gross and net of re-insurance and should relate to worldwide business. A final table should summarise the total premium income.
23. Give particulars of any business other than insurance business which the Applicant proposes

to carry on.

- (a) Give name of and limits carried by primary carrier, if any.
 - (b) State the maximum net retention by class of business, for any one risk per occurrence.
 - (c) State layer of retention (premiums of XXX; excess of XXX) by class of business.
 - (d) State whether annual aggregate (i.e. stop loss) re-insurance has been/will be arranged. If so, state maximum annual aggregate net losses to be retained by class of business.
24. Attach a description of the nature and extend of the existing or proposed re-insurance arrangements in respect of each class of business, including in particular the names of, and, where they have been rated by recognised rating organisations, the most recent ratings assigned to, the insurance companies or associations of underwriters which will re-insure each class of the Applicant's business and the amount which will be re-insured by each. (If more than ten companies will re-insure a class of business, the names of only the principal re-insurers need be stated.)
25. (a) Where required, state the full name and address of the following who have accepted their appointment, attaching formal evidence of acceptance of appointment duly signed—
- (i) Registered Agent (must be resident in Saint Vincent and the Grenadines),
 - (ii) Insurance Manager,
 - (iii) Approved Auditor.
- (b) For companies carrying on long-term business state the full name and address of the approved Actuary, attaching formal evidence of acceptance of appointment duly signed.
26. (a) Indicate by checking the appropriate boxes which of the following are or will be located in Saint Vincent and the Grenadines (please refer to requirements in regulations)—
- (i) general ledger,
 - (ii) general journal,
 - (iii) subsidiary ledgers (referred to in the general ledger),
 - (iv) cash books – receipts and disbursements,
 - (v) premium registers,
 - (vi) loss registers,
 - (vii) reinsurance reports,
 - (viii) daily reports of claim files,
 - (ix) copies of policies,
 - (x) copies of reinsurance treaties and agreements.
- (b) Will those of the foregoing business records which will be kept in Saint Vincent and the Grenadines enable the directors to ascertain within a reasonable period and with reasonable accuracy the insurer's position at the end of each three month period? Please answer "Yes" or "No". If no, please explain.
- (c) Give the addresses where such records are located in Saint Vincent and the Grenadines.
27. State the date on which the Applicant's financial year will end.
28. If the answer to question 20 was in the affirmative—
- (a) State the method or methods by which the business will be obtained (for example by the Applicant's own employees, by brokers or agents, or by both methods).
 - (b) State the way in which settlement of claims will be handled (for example by the Applicant by outside loss adjusters or assessors, or by other agents with authority to settle claims).
 - (c) Give details of any connection or association (including in particular, a connection or association of a financial kind) which exists between any of the brokers, agents, loss adjusters and assessors referred to in (a) and (b) above, and any director of the Applicant, any director it is proposed at present to appoint, any person having a majority share holding in the Applicant, or any other person on whose directions the directors of the Applicant or any of them act or will act.
 - (d) Give details of any loans which the Applicant has made, or proposes to make, to any officer of the Applicant or his spouse or to any partnership in which an officer of the Applicant or his spouse has an interest.

(e) Give details of any loans or investments, actual or proposed, to or in any subsidiary or associated company or any company at any general meeting of which any officer of the Applicant or any person controlling the Applicant, or his spouse, is entitled to exercise, or control the exercise of, one-third or more of the voting power.

29. No Licence shall be granted to any insurer unless the Commissioner is satisfied that it has or has available to it the knowledge and expertise necessary to carry on insurance business in a competent manner and that in the case of Class I, Class II and Class III licences, it has appointed an international insurance manager as required by section 16 of the Act and submitted an adequate business plan the same or similar to that set out in Form BP of the regulations. Provide the name and address of the Applicant's international insurance manager, if applicable, and attach a copy of the agreement entered into between the Applicant and such manager.

30. State whether Applicant intends to use Protected Premium Accounts as described in Part V of the Act, and/or whether Applicant is currently or in the future intends to use any other method whereby accounts are segregated or partitioned so as to protect account holders from claims of creditors. If any such segregation or partition of accounts is currently used or will be used in the future, please describe the manner of segregation or partition of accounts.

We certify that to the best of our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

.....
Name of Director

.....
Title

.....
Name of Resident Director

.....
Title

.....
Name of Principal Representative

.....
Title

Note.—Any information supplied pursuant to this form will be dealt with in confidence in accordance with section 42 of the Act.

Note.—The undersigned hereby affirms that he/she is authorised to execute this Application on behalf of the Applicant, and that the information contained in this Application is true and accurate as of the date shown below.

Dated this day of, 20.....

.....
Applicant

FORM APA

EXHIBIT 2

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Application for Preliminary Indication of Acceptability of Insurer

(Complete in Duplicate)

Proposed Name of Insurer

.....

Notes.—

- 1. Please supply additional information and material by attachment to this form.
- 2. Please supply Form PQ for each Promoter of the insurer.
- 3. Completed Form APA, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
 SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
 ADMINISTRATIVE CENTRE, 2ND FLOOR
 P.O. BOX 356
 KINGSTOWN, SAINT VINCENT AND THE GRENADINES

- 1. Legal form (for example company, partnership, unit trust), type (for example single class, multi-class or umbrella fund) and country of establishment/incorporation

.....

- 2. Promoters (with full background and status, including details of any authorisation by a regulatory authority, professional body, investment exchange, clearing house, etc.)

.....

- 3. Is it intended that the insurer be an insurer in Class I, II or III for the purposes of the International Insurance Act? *YES/NO

If Yes, what is the proposed class of the insurer?

- Class I
- Class II
- Class III

- 4. Proposed Insurance Manager

.....

- 5. Proposed Registered Agent

.....

- 6. Independent Custodian/Trustee

.....

- 7. Other principal advisers

.....

- 8. Class(es) of share/units to be issued

.....

- 9. Professional Advisors (Accountants/Lawyers)

.....

[COMPLETE OTHER RELEVANT INFORMATION ON FORM AIL AS SPECIFIED BY COMMISSIONER]

I request the consent of the Commissioner to register an insurer under the Act, such insurer being described in this application. If this is favourable, application will be made in due course for—

.....

Name (in BLOCK CAPITAL)

.....

Signature

Address:

.....
.....
Telephone number:

Date:

CONSENT GRANTED THIS DAY OF, 20.....

THIS CONSENT IS VOID IF AN APPLICANT FOR A LICENCE IS NOT MADE UNDER SECTION 15 OF THE ACT WITHIN THREE MONTHS OF THE DATE THIS CONSENT IS GRANTED. ANY MATERIAL CHANGE IN THE PARTICULARS SET OUT IN THIS APPLICATION MAY, IN THE DISCRETION OF THE INSURANCE COMMISSIONER, VOID THIS CONSENT.

.....
Saint Vincent and the Grenadines International Insurance Commissioner

FORM PQ

EXHIBIT 3

SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS

Personal Questionnaire

Name of Institution in Connection with which this Form is being Completed (“The Institution”)

.....
Name of Individual
.....

Completed Form PQ, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Notes.—

1. Meaning of Director, Controller, Manager and Promoter

For purposes of this Form—

“**Director**”, in relation to an institution, includes—

- (a) any person who occupies the position of a director, by whatever name called;
- (b) in case of an institution established in a country or territory outside Saint Vincent and the Grenadines, any person, including a member of managing board, who occupies a position appearing to the Authority to be analogous to that of a director of a company; and
- (c) a person in accordance with whose directions or instructions the directors of the body corporate or any of them act.

“**Controller**”, in relation to an institution, means—

- (a) a managing director of the institution or of another institution of which it is a subsidiary or, in the case of an institution which is a partnership, a partner;
- (b) a chief executive of the institution or of another institution of which it is a subsidiary;
- (c) a person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, fifteen per cent or more of the voting power at any general

meeting of the institution or of another institution of which it is a subsidiary; and

(d) a person in accordance with whose directions or instructions the directors of the institution or of another institution of which it is a subsidiary or persons who are controllers of the institution by virtue of paragraph (c) above (or any of them) are accustomed to act (referred to as an “indirect controlled”).

“**Manager**”, in relation to an institution, means a person with managerial responsibilities (including an actuary or underwriter) who is directly responsible to a director.

“**Promoter**” means a person seeking to establish an insurance company under the Act.

2. Meaning of Related Party

“**Related party**” means both a person who is a relative (or the spouse of a relative) of the individual completing the form and any institution or trust with which the individual or one of his relatives (or their spouses) is associated as a director, controller or manager (or in the case of a trust, as a trustee or beneficiary). For the purpose of this form, a “relative” is an individual’s husband, wife, brother (including step-brother), sister (including step-sister), uncle, aunt, nephew, niece, first cousin, father (including step-father), mother (including step-mother), son (including step-son), daughter (including step-daughter) or other lineal ancestor or lineal descendant.

3. Meaning of Connected Body

If any body disclosed in question 5 is a connected body of the institution that fact should be indicated.

“**Connected body**” means a body in whose case any of the following conditions is fulfilled—

- (a) the same person is the controller of each body; or
- (b) if a group of two or more persons are controllers of each body and the group either consists of the same persons or could be regarded as _____

1. Personal details

(a) Full name Surname
Forename(s)

(b) Any previous name(s)
– previous name(s)
– date(s) changed

(c) Date and place of birth
.....

(d) Nationality

(e) Any change of nationality
– previous nationality
– date changed

(f) (i) Private address(es)
.....
.....
.....

(ii) Any other private address(es) in previous ten years and dates
.....
.....
.....

(g) Please state in what capacity you are completing this form, i.e. as a current or prospective director, controller or manager or any combination of these (see Note 1). Please state your full title and describe the particular duties and responsibilities attaching to the position(s) which you hold or will hold. If you are completing this form in the capacity of director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the institution’s business

.....
.....
.....
.....

2. Relationship with the Institution, and certain others

- (a) In carrying out your duties will you be acting on the directions or instructions of any other individual or institution? *YES/NO
- (b) How many shares in the institution are registered in your name or the name of the related party (see Note 2)? If applicable, give name(s) in which registered and class of shares
.....
.....
- (c) In how many shares in the institution (not being registered in your name or that of a related party) are you or any related party beneficially interested?
- (d) Do you or does you any related party, hold any shares in the institution as trustee or nominee? *YES/NO
- (e) Are you a significant shareholder of any other insurance company or financial institution (other than the institution), which is now regulated under statute or has applied for such regulation? *YES/NO
- (f) Do you in your private capacity, or does any related party, undertake business with the institution? *YES/NO
- (g) State whether you have any other business interest involving a possible personal liability, either as a sole trader or as a partner. *YES/NO
- (h) Are any of the shares in the institution mentioned in answer to question 2(b), (c) and (d) equitably or legally charge or pledged to and party? *YES/NO
- (i) What proportion of the voting power at any general meeting of the institution (or of another body corporate of which it is a subsidiary) are you or any related party entitled to exercise or control the exercise of? %
- (j) Do any of the former employers listed at 3 below (or any of the bodies listed in the answers to questions 5 and 6(i) maintain a business relationship with the institution? *YES/NO

3. Experience

Given the following details for each employment over the previous five years commencing with present employment. Any gaps in employment over the period must be explained.

- (a) (i) Period of employment (month and year)
From to
Name of employer
.....
Address of employer
.....
.....
Nature of employer's business
.....
Position(s) and responsibilities
.....
.....
- (ii) Period of employment (month and year)
From to

Name of employer

.....

Address of employer

.....

.....

Nature of employer's business

.....

Position(s) and responsibilities

.....

.....

Reason for leaving

.....

.....

.....

(iii) Period of employment (month and year)

From to

Name of employer

.....

Address of employer

.....

.....

Nature of employer's business

.....

Position(s) and responsibilities

.....

.....

Reason for leaving

.....

.....

.....

(iv) Period of employment (month and year)

From to

Name of employer

.....

Address of employer

.....

.....

Nature of employer's business

.....

Position(s) and responsibilities

.....

.....

.....
Reason for leaving
.....
.....
.....

4. Qualifications

Give details of—

(a) All relevant professional qualifications including dates of qualification

.....
.....
.....

(b) Other relevant training or experience (give dates of training)

.....
.....
.....

(c) State whether in your personal capacity you hold or at any time have held any membership, license or authorization or been registered as a representative under legislation of the U.S., the U.K., Canada or any other country relation to banking, investment, insurance or other finance business. *YES/NO

If YES, give details below including license/registration number and name of authorising body where appropriate:

.....
.....
.....
.....

5. Other business interests (see Note 3)

State whether there are any bodies (other than the Institution) of which you are, or have been during the previous ten years, a director, partner or controller (If you are a controller of any such bodies indicate in what sense) *YES/NO

If YES, give details below

Name	Principal activities	Director partner or controller	Past or current
.....
.....
.....

6. Good Reputation and Character

(Please note that neither the U.K. Rehabilitation of Offenders Act, 1974, nor any analogous legislation of other countries applies.)

(a) Have you at any time been convicted of any offence involving fraud or other dishonesty or an offence under legislation (including insider dealing), relating to institutions providing financial services, insolvency, consumer credit or consumer protection or any other statutory offence other than a road traffic offence? If so, give particulars of the court by which you were convicted, the offence and the penalty imposed and the date of conviction. *YES/NO

Note.—“Financial Services” includes (inter alia) activities carried on by banks, brokers, building societies, credit unions, friendly societies industrial and provident

societies, insurance companies/managers and investment managers and advisers.

- (b) State whether you are currently engaged, or have been engaged during the previous five years, in any litigation. *YES/NO
- (c) State whether—
 - (i) you have ever been declared bankrupt or have had your estates sequestered or a preliminary vesting order declared against you. *YES/NO

Note.—“**Declaration of bankruptcy**” and “**sequestration of estate**” include any analogous proceedings under the law of another country.

 - (ii) you are currently the subject of bankruptcy, sequestration, or similar proceedings. *YES/NO
 - (iii) you are aware of the likelihood of any such proceedings pending. *YES/NO
- (d) State whether you have ever been resigned from, been refused or had revoked membership of any association of dealers in securities or other financial instruments or of any stock exchange or of any professional body or decided, after making your application, not to proceed with it. *YES/NO
- (e) Have you (or any institution with which you have been concerned in the management or conduct of affairs) in Saint Vincent and the Grenadines or elsewhere, been censured, disciplined, warned as to future conduct, or publicly criticised by, or made the subject of a court order at the instigation of any governmental or regulatory authority or any professional body to which you belong or belonged? *YES/NO
- (f) Have you in Saint Vincent and the Grenadines or elsewhere, been dismissed or requested to resign from any office or employment, removed from any fiduciary office or position of trust, subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation? *YES/NO
- (g) Has any body corporate, partnership or unincorporated institution with which you are, or have been associated as a director, partner, officer, or manager, or a shareholder owning more than fifteen per cent of the voting equity, been the subject of an investigation by a governmental, professional, or other regulatory body? *YES/NO
- (h) State whether you have ever been disqualified from acting as a director of a company, or from action in the management or conduct of the affairs of any company, partnership or unincorporated association. *YES/NO
- (i) Has any body corporate, partnership or other unincorporated institution with which you were associated as a director, partner, controller or manager, been wound up, gone into receivership, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading either while you were associated with it or with in one year after you ceased to be associated with it? *YES/NO
- (j) State whether, in connection with the formation or management of any body corporate, partnership or unincorporated associated, you have been adjudged by a court to be civilly liable for any fraud, misfeasance or wrongful trading or other misconduct by you towards such a body or towards any members or creditors of such a body. *YES/NO
- (k) Have you failed to satisfy any debt adjudged due and payable by you as a judgement-debtor under an order of a court in Saint Vincent and the Grenadines or elsewhere or made any compromise arrangement with your creditors within the last fifteen years? *YES/NO
- (l) In respect of each question in sections 2(a) to (j) and 6(a) to (m) above, where the reply is YES give full details below identifying the relevant paragraphs (attach additional sheets as necessary).

.....

.....

.....

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.....

.....

7. State below any other material information which you consider relevant to the assessment of

your expertise, experience and record.

.....
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DECLARATION

I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts of which the Commissioner of International Insurance or the International Finance Authority should be aware.

I under take to inform the Commissioner, without delay, of any material changes to the information supplied in this form.

IMPORTANT NOTICE

You should be aware, before signing this declaration, that it an offence under the Act to knowingly or recklessly provide the Authority with information which is false or misleading in a material particular.

.....

Name (BLOCK CAPITALS)

.....

Signature

EXHIBIT 4

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

International Insurer's Licence

Name of International Insurer

.....

I hereby certify that the above-mentioned International Insurer has completed the Licence Application and other required forms and has paid the Application Fee, Licence Registration Fee and Annual Fee as prescribed by the regulations and is licenced as of

.....

Date of grant of licence under the Act to engaged in insurance in the following Class—

- | | |
|------------------------------------|-----------------------------------|
| <input type="checkbox"/> Class I | <input type="checkbox"/> Class IV |
| <input type="checkbox"/> Class II | <input type="checkbox"/> Class V |
| <input type="checkbox"/> Class III | |

This licence authorises the insurer named herein to exercise all rights and powers that are reasonably incidental to the carrying on of the Class of insurance marked above, which is consistent with the Act or regulations or with the objects and terms stated in the insurer's constitutive documents.

This licence expires on December 31, ; it may be renewed from year to year,

or for such longer term as specified in the International Insurance Regulations, upon application to the Commissioner and payment of the specified fee.

Given under my hand, this day of, 20.....

.....
Commissioner of International Insurance

FORM ARL

EXHIBIT 5

SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS

Application for Renewal of Insurer's License

(Complete in Duplicate)

Completed Form ARL, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Every Licensee applying to renew a licence under the Act, shall furnish to the Commissioner the following particulars. The Applicant shall also attach a certified or bank cheque for the applicable Annual Licence Fee in the amount specified below, which fee shall be non-refundable and shall be for the issuance of the licence and for the year ending 31 December of the year the licence is renewed.

1. Annual Licence Fee—

- Class I \$3,000
- Class II \$2,500
- Class III \$2,500
- Class IV \$1,500
- Class V \$1,000

Surcharge for Late Renewal \$ (1/12th of Renewal Fee for each month, or part of each month, the Renewal Application is filed past 15 January)

Total fees Enclosed \$

2. Name of Licensee:

3. Address in the State of its place of business:

.....
.....

4. Name and address of the registered agent in Saint Vincent and the Grenadines:

.....
.....

5. State, or attach a description of, any material changes from the information provided on the Licensee's Application for International Insurer's Licence or last Renewal Application for Renewal of International Insurer's Licence or any other forms submitted by or on behalf of this Licensee.

.....
.....
.....

6. An Applicant for a licence under the Act must maintain a net worth with fully paid-up capital or a guarantee in U.S. Dollars or equivalent in another currency. Attach evidence of same hereto.

Class of Licence/Fully Paid-Up Capital Fund or Guarantee—

- Class I \$ 200,000
- Class II \$ 100,000
- Class III \$ 50,000
- Class IV \$ 25,000
- Class V \$ 10,000

The undersigned hereby confirms that he/she is authorised to execute this Renewal Application on behalf of the Licensee, and that the information contained in this Renewal Application is true and accurate as of the date shown below.

Dated this day of, 20

.....

Licensee

EXHIBIT 6

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Application for Renewal of Certificate of Authority

(Complete in Duplicate)

Each international insurance manager, broker or agent who holds a certificate of Authority to conduct business under the International Insurance (Amendment and Consolidation) Act, 1998, shall make application to renew such certificate on or before the date specified in section 41 of the Act, by submitting this form in duplicate, together with the appropriate Annual Certificate Renewal Fee, which fee shall be non-refundable and shall be for renewal of such certificate for the year ending 31 December of the year the certificate is renewed—

- I. Renewal for Annual Renewal Fee (in U.S. Dollars):
- Insurance Manager \$
 - Insurance Broker \$
 - Insurance Agent \$
- Surcharge for Late Renewal \$ (1/12th of Renewal Fee for each month, or part of each month, the Renewal Application is filed past 15th January)
- Total Fees Enclosed \$

II. Name of the Applicant:

III. Address in the State of its place of business:

.....

IV. State, or attach a description of, any material changes from the information provided on the Application's Application for Registration as an International Insurance Manager, Broker or Agent:

.....
.....
.....
.....

The undersigned hereby confirms that he/she is authorised to execute this Application for Renewal, and that the information contained herein is true and accurate as of the date shown below.

Dated this day of, 20.....

.....

Name

By:

EXHIBIT 7

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Notice of Non-Renewal of International Insurer's Licence

To:

Licensee:

Address:

.....

.....

The International Insurance Commissioner hereby notifies the above holder of a licence under the Act that the holder has:

Not filed an Application for Renewal of Insurer's Licence

Filed a deficient Application for Renewal of Insurer's Licence as follows:

The information supplied on the Application for Renewal is deficient in the following particulars:

.....

The fee with the Application for Renewal is deficient in the following particulars:

.....

The Application for Renewal is otherwise deficient in the following particulars:

.....

.....

The Licence shall within thirty (30) days from the date of this Notice furnish to the Commissioner an Application for Renewal (Form ARL) together with the applicable Annual Licence Renewal Fee and surcharge.

Dated this day of, 20.....

.....

*Saint Vincent and the Grenadines Commissioner
of International Insurance*

[SEAL]

FORM EXR

EXHIBIT 8

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Application for Extended Renewal of International Insurer's Licence

(Complete in Duplicate)

Completed Form EXR, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

A Licensee applying to renew a licence for an extended period of time under the Act shall furnish to the Commissioner the following particulars. The Applicant shall also attach a certified or bank cheque for the Annual Licence Renewal Fee as calculated below, which fee shall be non-refundable and shall be for the issuance of the licence and for the year ending 31 December of the year the licence is renewed.

1. Class of Licence and Annual Licence Renewal Fee:

Extended Period of Licence Requested: Years (not to exceed 15 years)

Table with 4 columns: Class of Licence, Renewal Fee, Years of Extension, Total Fee. Rows include Class I (\$3,000), Class II (\$2,500), Class III (\$2,500), Class IV (\$1,500), Class V (\$1,000), and TOTAL FEES ENCLOSED.

2. Number of continuous calendar years Licensee has held licence and operated as an international insurer: years

3. Name of Licensee:

4. Address in the State of its place of business:

5. Name and address of the registered agent in the State:

6. State, or attach a description of, any material changes from the information provided on the Licensee's last Application for International Insurer's Licence or Application for Renewal of International Insurer's Licence or any other forms submitted by or on behalf of the Licensee.

7. State, or attach a description of, why the Licensee should be issued a licence for the extended period of time requested:

.....
.....
.....
.....
.....
.....
.....
.....

8. An Applicant for a licence under the Act must maintain a net worth with fully paid-up capital or a guarantee in U.S. dollars or equivalent in another currency. Attach evidence of same hereto.

Class of Licence/Fully Paid-Up Capital Fund or Guarantee

- Class I \$200,000
- Class II \$100,000
- Class III \$50,000
- Class IV \$25,000
- Class V \$10,000

The Undersigned hereby confirms that he/she is authorised to execute this Application on behalf of the Licensee, and that the information contained in this Application is true and accurate as of the date shown below.

Dated this day of, 20.....

.....
Licensee

FORM NCO

EXHIBIT 9

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Notice of Change of Principal Office and/or Registered Agent

(Complete in Duplicate)

Date:

Completed Form NCO, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Dear Sirs,

We hereby notify you that we have changed our principal office and/or registered agents in the State as follows. We enclose herein a certified or bank cheque in the amount of the required, non-refundable filing fee for Submission of Documents of U.S. \$25.00.

Approval is requested for these changes.

- 1. Former Address of Principal Office: New Address of Principal Office:

.....
.....

Saint Vincent and the Grenadines

Saint Vincent and the Grenadines

2. Former Registered Agents:

a. Name: b. Name:
Address: Address:
.....
.....

3. New Registered Agents:

a. Name: b. Name:
Address: Address:
.....
.....

We enclose herewith from the above-named person(s) a written consent to act as an authorised agent.

Yours faithfully,

.....

Licensee

EXHIBIT 10

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Notice of Suspension

To the Licensee:

Name:

Address:
.....
.....

The Commissioner of International Insurance hereby notifies the licensee under the Act, that the licence of the licensee has been suspended by the Commissioner under section 43 of the Act for the following reasons:

The licensee is carrying on the business of in a manner detrimental to the public interest of the State or to the interests of the companies trusts, and/or other parties or their respective shareholders or beneficiaries, being insured or represented by such licensee, in the following particulars:
.....
.....

The licensee has contravened a requirement of or condition attached to the licence, or a requirement made by or under this Act, in the following particulars:
.....
.....

The licensee has ceased to carry on the business of international insurance.

- The licensee is insolvent.
- The following reason(s):
-
-
-

The suspension of the licence shall not exceed thirty days, unless such suspension is extended from time to time by an order of the High Court of Saint Vincent and the Grenadines on application of the Commissioner as required under the Act. The licensee shall be afforded reasonable written notice of any motion for such an order and an opportunity to contest the same.

Rights and Duties of Licensee: The licensee shall raise any objections to the suspension within the time periods set forth in the Act.

Dated this day of, 20

.....

Commissioner of International Insurance

[STAMP]

EXHIBIT 11

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Notice of Revocation

To the Licensee:

Name:

Address:

.....

.....

The Commissioner of International Insurance hereby notifies the above holder of an International Insurer's Licence that its Licence shall, within thirty days after the mailing date of this Notice, be revoked by the Authority under section 43 of the International Insurance Act, 1996, for the following reasons:

The voluntary or involuntary bankruptcy, liquidation or winding up of the licensee or a person controlling the licensee.

The conviction of the licensee or any person controlling the licensee of any crime involving moral turpitude.

The failure of the licensee to rectify the matter or matters causing the suspension of the licensee's license pursuant to the Notice of Suspension sent to the licensee on the day of, 20

The licensee shall raise any objections to the impending revocation thirty days after the date of service of this Notice by submitting a signed undertaking in writing to the International Insurance Commissioner, and the Commissioner shall take any such objections into consideration. If the Authority decides to revoke a licence, the Commissioner shall serve the documents revoking the licence (the "revocation documents") on the licensee and on the officers of the companies for which the licensee was providing insurance services.

The licensee may appeal any revocation pursuant to section 45 of the Act by lodging an appeal at the High Court of Saint Vincent and the Grenadines within fourteen days after the date of service of the revocation documents. In the absent of the filing of an appeal, the revocation of a licence takes effect on the expiration of the period of twenty-one days commencing on the date of service of the revocation documents on the licensee.

Dated this day of, 20

.....
Commissioner of International Insurance

[STAMP]

FORM NCP

EXHIBIT 12

SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS

Notice of Change of Particulars

(Complete in Duplicate)

Date:

Completed Form NCP, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Dear Sir,

We hereby notify you that we have changed the particulars set forth in our Application for License, Application for Certificate of Exemption, or most recent Application for Renewal or Application for extended Renewal as follows. We enclose herewith a certified or bank cheque in the amount of the Fee for Submission of change of Particulars of U.S. \$100.00.

Approval is requested for the following changes:

1.
.....
.....
2.
.....
.....
3.
.....
.....

Yours Faithfully,

LICENSEE:

By:

Its:

APPROVED, except as may be set forth in an attachment hereto.

.....
Commissioner of International Insurance

[STAMP]

FORM CC

EXHIBIT 13

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Certificate of Compliance

Completed Form CC, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

This certification is provided by the undersigned independent auditor on behalf of ,
the holder of a licence under the International Insurance Act, in the following particulars:

- The annual accounts of the licensee have been prepared as required by the Act.
This certificate is unqualified.
- The annual accounts of the licensee have been prepared as required by the Act.
This certificate is qualified in the following respects:
.....
.....
- The information set forth in the Application for Licence, Application for Renewal
or Application for Extended Renewal, as modified by any Notice(s) of Change of
Particulars duly filed with the Commissioner of International Insurance remains correct
and gives an accurate summary of the business of the licensee, with the following
reservations:
.....
.....

Dated the day of, 20

Auditor:

Address:
.....

By:

Its:

FORM MBA

EXHIBIT 14

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Application for Registration as an International Insurance Manager, Broker or Agent

Completed Form MBA, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY

ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

* Application being completed for

Insurance Manager

Insurance Broker

Insurance Agent

1. Name:
2. Address:
.....
3. Place established and number of years established under present name:
.....
If established previously under other name or names give information and date of expiration of such business:
4. Address of (head or registered) office:
5. (a) Name and address of local attorney or legal adviser:
.....
(b) Name and address of auditor in Saint Vincent and the Grenadines:
.....
6. Name of principal banker in Saint Vincent and the Grenadines:
7. Copies of last accounts (including balance sheet) prepared OR such documentary evidence as will show the financial capacity of the applicant (for example a public accountant's certificate as to the applicant's net worth) If such copies are attached, here so state:
8. If insurance manager or insurance broker, state whether or not you have professional indemnity cover: if "Yes", give name of insurer(s):
9. Names, addresses and nationalities of shareholders, directors, partners and officers. Also professional qualifications of each director and officer and details of experience in insurance business:
10. Particulars of any business other than insurance business carried on at present:
11. Details, if any of any insurance business to be carried on under Part VI of the Act:
12. Attach copy of agency agreement or such other documentary evidence as will show your authority to act on behalf of insurer(s) for which you act. If such evidence is attached, here so state:
13. Details of your experience in international insurance business:
14. Give details of membership or proposed membership of any professional body or trade association:
15. Attach a complete list of all persons (for example brokers, sub-agents and salesmen) through whom the applicant carries on business in Saint Vincent and the Grenadines. If a list is so attached, here so state:
16. If insurance manager, attach a list of all insurers for which you act as insurance manager. If a list is attached, here so state:
17. Attach evidence of compliance with Saint Vincent and the Grenadines Immigration and

Exchange Control Laws and Regulations (where applicable). If such evidence is attached, here so state:

I/We certify that to the best of my/our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

Date:

.....

Name(s) Signature(s)

Note.—Any information supplied pursuant to this form will be dealt with in confidence in accordance with the Act.

FORM BSC

EXHIBIT 15

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

General Business Solvency Certificate

Completed Form BSC, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Pursuant to section 17(4) of the Act, every Licensee under the Act shall submit to the Commissioner a general business solvency certificate, which shall relate to the general business of the insurer and shall be signed—

- (a) by at least two directors of the insurer (of whom one must be a director resident in Saint Vincent and the Grenadines if the insurer has a director so resident); and
- (b) by the insurer's insurance manager (for insurers in Class I, Class II or Class III) or its registered agent in Saint Vincent and the Grenadines if in Class IV or Class V.

The said certificate shall state—

- (a) whether or not the insurer has prepared statutory financial statements in respect of the relevant year;
- (b) whether or not the said statements are available at the insurer's principal office in Saint Vincent and the Grenadines pursuant to section 11(1) of the regulations or, as the case may be, have been filed pursuant to section 24 of the Act;
- (bb) whether or not the insurer has complied with every condition attached to its certificate of registration;
- (c) the aggregate value of the insurer's assets as shown in the statutory balance sheet for the relevant year, in this sub-paragraph called "the statutory balance sheets assets value", and whether or not in the opinion of those signing the Certificate—
 - (i) the statutory balance sheet assets value was determined in accordance with the requirements of the Act and of any applicable regulation,
 - (ii) the value of the insurer's assets at the end of the relevant year was in the aggregate at least equal to the statutory balance sheet assets value;
- (d) whether or not the opinion of those signing the certificate the aggregate amount of the insurer's liabilities at the end of the relevant year (after taking into account all prospective and contingent liabilities, but not liabilities in respect of share capital) is not more than the aggregate amount of the liabilities as shown in the insurer's statutory balance sheet for that year;

- (e) the following amounts as shown in the insurer's statutory statement of income for the relevant year—
 - (i) the aggregate amount of the gross premiums written,
 - (ii) the aggregate amount of the reinsurance premiums ceded,
 - (iii) the aggregate amount of the net premiums written, including the aggregate amount of net premiums shown in the statutory open year business revenue statement (if such a statement was annexed to the statutory statement of income);
- (f) in the case of an insurer which annexed a statutory open year business revenue statement to its statutory statement of income—
 - (i) whether or not, in the opinion of those signing the certificate, the fund carried forward in that statement in relation to business transacted in the relevant year is sufficient to meet all the liabilities outstanding at the end of that year in relation to that business (including liabilities in respect of risks to be borne by the insurer after the end of that year in relation to that business),
 - (ii) whether or not in their opinion, the total of the funds carried forward in that statement in relation to business transacted in the financial year immediately preceding the relevant year is sufficient to meet all the liabilities outstanding at the end of the relevant year in relation to that business,
 - (iii) if funds are carried forward in that statement in relation to business transacted before the beginning of the financial year immediately preceding the relevant year, whether or not, in their opinion, the total of those funds is sufficient to meet all the liabilities outstanding at the end of the relevant year in relation to that business, and
 - (iv) if funds are not carried forward in that statement in relation to the business referred to in division (iii) of this subparagraph, whether or not, in their opinion, the liabilities referred to in that division have been adequately re-insured, and the aggregate amount of premiums required to secure such reinsurance;
- (g) whether any accounts of the insurer for the relevant year have been audited for any purpose other than the purposes of these Regulations;
- (h) the amount prescribed by section 7 of the regulations as the minimum margin of solvency, and whether it was met;
- (i) the aggregate amount of the statutory capital and surplus as shown in the insurer's statutory statement of capital and surplus for the relevant year;
- (j) the currency in which amounts in the insurer's statutory financial statements for the relevant year have been shown;
- (k) the rate of exchange used for the purposes of any statement called for by these Regulations;
- (l) if any question in subparagraph (bb), (h) or (i) of this paragraph has been answered in the negative, whether or not the insurer has taken corrective action in any case and, where the insurer has taken such action, describe the action in a statement to the certificate.

FORM FS

EXHIBIT 16

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Financial Statement/Annual Statement for Class I, II and III Licensees

Completed Form FS, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356

KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Pursuant to section 4(4) of the Regulations, every application for a licence to carry on international insurance business in Class I, II or III pursuant to the Act shall be accompanied by a Financial Statement in the form set out herein, containing the following particulars relating to Applicant's financial condition.

Pursuant to section 24 of the Act, each insurer licensed in Classes, I, II and III shall prepare and submit to the Commissioner, on an annual basis along with the payment of the annual fees due by such insurer, an annual statement in the form set out herein, containing the following particulars relating to the Licensee's financial condition.

This certification is provided as of by the undersigned by or on behalf of

Name of Insurer

the holder of a licence under the Act, in the following particulars. The amounts below are expressed in U.S. dollars.

1. CASH AND TIME DEPOSITS
 2. QUOTED INVESTMENTS—
 - (a) Bonds and Debentures
 - (b) Equities (preferred and ordinary)
 - (c) Other quoted investments
 - (d) Total quoted investments
 3. UNQUOTED INVESTMENTS—
 - (a) Bonds and Debentures
 - (b) Equities (preferred and ordinary)
 - (c) Total unquoted investments
 4. INVESTMENTS IN AND ADVANCES TO AFFILIATES
 5. INVESTMENTS IN MORTGAGE LOANS
 6. INVESTMENTS IN REAL ESTATE—
 - (a) First liens
 - (b) other than first liens
 - (c) Total investments in mortgage loans on real estate
 7. REAL ESTATE—
 - (a) Occupied by the company (less encumbrances)
 - (b) Other properties (less encumbrances)
 - (c) Total real estate
 8. COLLATERAL LOANS
 9. INVESTMENT INCOME DUE AND ACCRUED
 10. ACCOUNTS AND PREMIUMS RECEIVABLE
 11. REINSURANCE BALANCES RECEIVABLE
 12. FUNDS HELD BY CEDING RE-INSURERS
 13. SUNDRY ASSETS—
 - (a)
 - (b)
 - (c)
 14. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS—
 - (a)
 - (b)
 - (c)
 15. TOTAL
- GENERAL BUSINESS INSURANCE RESERVES OTHER LIABILITIES AND STATUTORY

CAPITAL AND SURPLUS RESERVES AND LIABILITIES

INSURANCE RESERVES

- 16. UNEARNED PREMIUMS
- 17. LOSS AND LOSS EXPENSES PROVISIONS
- 18. OTHER INSURANCE RESERVES – GENERAL BUSINESS
- 19. TOTAL GENERAL BUSINESS INSURANCE RESERVES

OTHER LIABILITIES

- 20. INSURANCE AND REINSURANCE BALANCES PAYABLE
 - 21. COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE
 - 22. LOANS AND NOTES PAYABLE
 - 23. (a) INCOME TAXES PAYABLE
 - (b) DEFERRED INCOME TAXES
 - 24. AMOUNTS DUE TO AFFILIATES
 - 25. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
 - 26. FUNDS HELD UNDER REINSURANCE CONTRACTS
 - 27. DIVIDENDS PAYABLE
 - 28. SUNDRY LIABILITIES—
 - (a)
 - (b)
 - (c)
 - 29. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS
 - 30. TOTAL OTHER LIABILITIES
 - 31. TOTAL GENERAL BUSINESS INSURANCE
- STATUTORY CAPITAL AND SURPLUS
- 32. TOTAL STATUTORY CAPITAL AND SURPLUS
 - 33. TOTAL

FORM BP

EXHIBIT 17

SAINT VINCENT AND THE GRENADINES

INTERNATIONAL INSURANCE REGULATIONS

Sample Business Plan

Completed Form BP, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
SAINT VINCENT AND THE GRENADINES INTERNATIONAL FINANCE AUTHORITY
ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Pursuant to the regulations an applicant for Class I, II or III licence under shall furnish to the Commissioner of International Insurance a business plan substantially in the form or containing the information set out herein.

XYZ INSURANCE COMPANY LTD. – BUSINESS PLAN

It is proposed to incorporate XYZ Insurance Company Ltd. (the “Company”) as a Saint Vincent and the Grenadines international insurance company for the purpose of providing workers compensation insurance, and credit-life reinsurance to its one hundred per cent parent, The ABC

Corporation, a North Carolina manufacturer (ABC). It is proposed that, notwithstanding the affiliation between the Company and ABC, the Company be registered in Class, on the basis that there are third parties involved in the credit life business, which third parties have their connection with ABC by reason of being business customers of ABC.

The Business Purpose of the Company

ABC wishes to incorporate the Company to achieve the financial and risk management advantages which derive from operating a well-regulated captive. ABC foresees the Company becoming a profit centre for ABC. Equally, ABC wishes to control cash flow, obtain tailored coverage, and have direct access to re-insurers. In other words, ABC seeks the traditional benefits of its own risk-management.

About the Shareholder

The shares in the Company will be held by ABC, which is incorporated in North Carolina in 20....., and which is a manufacturer of clothing. A copy of its audited financial statements for the year ended [] [], 20....., is enclosed herewith. ABC's Class A Common Stock trades in the over-the-counter market under the NASDAQ symbol "ABC". A copy of ABC's 10K is also enclosed.

Capitalisation of the Company

The Company is to be capitalized at \$1 million, being comprised of authorised share capital of \$120,000 paid in cash together with a contribution to surplus comprising a statutory surplus note in the amount of \$880,000, for which application is being made simultaneously with this application for approval as an "admitted asset". The form of the statutory surplus note is attached.

The Proposed Insurance Program

The insurance program is to accept two lines of business: on a direct insurance basis the Company will write workers compensation coverage for ABC, providing for the \$2,000,000 deductible on the Travellers workers compensation program already in place for ABC, which provide \$10 million excess of a \$200,000 deductible. The coverage will be primary up to \$200,000 any one occurrence and in the aggregate. There will be no reinsurance of this exposure. Likewise, the company will also offer primary general liability coverage to ABC, retaining \$50,000 per occurrence and in the aggregate.

The company will also 100% re-insure certain credit life/disability business arising out of ABC's customer network. That line is fronted by American Bankers, and the company proposes to provide \$10,000 per occurrence. There is no aggregate exposure of the Company on this line of business. There will be no retrocessional coverage.

[Alternatively]

The proposed types of insurance risks the Company will be covering and the approximate percentage of the total business of the Company that each will represent are: (a) Property - 70%; (b) Casualty - 5%; (c) Marine - 24%; and (d) Personal - 1%. Risk will attach at []. The maximum per occurrence retention levels per class of business will be as follows:

- Fire U.S. \$
- Burglary U.S. \$
- Engineering U.S. \$
- Liability U.S. \$
- Marine U.S. \$
- Personal Accident U.S. \$
- Motor U.S. \$

Loss Assumptions

Losses in the first two years of business are expected to be \$850,000 for the workers compensation line, and \$350,000 for the credit life/disability line. These assumptions are based on a feasibility study entitled "ABC Corporation – Summary of Key Concepts" prepared by DDD Risk Services at its Connecticut offices, a copy of which is attached.

Re-insurance

The Company will not seek either reinsurance or retrocessional cover.

[Alternatively]

[] is currently arranging for annual aggregate reinsurance coverage for the Company with

[provide details on reinsurance arrangements]. Reinsurance arrangements are expected to be finalized as soon as [if reinsurance is not in place at the time of application, provide a reason why and a timeframe detailing when arrangements will be finalized]. Ultimately, the annual aggregate retention by the Company per class of business will depend upon the pricing of reinsurance offered by []. At this stage, estimates of the annual aggregate retention per class of business, subject to reinsurance pricing, are as follows:

- Fire U.S. \$
- Burglary U.S. \$
- Engineering U.S. \$
- Liability U.S. \$
- Marine U.S. \$
- Personal Accident U.S. \$
- Motor U.S. \$

Financial Projections

Attached to the Pre-Incorporation Information Questionnaire is a five-year financial projection prepared on the basis of the feasibility study estimates prepared by DDD Risk Services.

[Alternatively]

Attached to this business plan you will see financial projections for the first [] years [a period of two years is the statutory minimum; however, five year projections are preferred by the Registrar of Companies] of operation. The attached shows an estimated net premium income for the first [two/five] years of U.S. \$, U.S. \$ respectively. Expected net losses during that period are projected to be U.S. \$, U.S. \$ respectively.

Insurance Management

The proposed insurance manager and principal representative of the Company are DDD Risk Services (Saint Vincent) Ltd., who will undertake compliance with all statutory requirements of the Insurance Act 1998, including the maintenance of all necessary insurance records in Saint Vincent and the Grenadines.

Principal Office

The Company will maintain its principal office at will be the Company's Insurance Manager and Principal Representative. The Company's registered office will be

Auditors

The auditors will be of Saint Vincent and the Grenadines.

Loss Reserve Specialist

The Loss Reserve Specialist to the Company will be Mr/Mrs/Ms, of ABC based in New York, who is already an approved actuary. The Company will submit a loss reserve specialist report triennially.

FORM SF

EXHIBIT 18

SAINT VINCENT AND THE GRANADINES

INTERNATIONAL INSURANCE REGULATIONS

Supplementary Form for Companies Proposing to Transact Products Liability, Professional Indemnity and/or Medical Malpractice Business

Completed Form SF, and supporting material, should be submitted to—

COMMISSIONER OF INTERNATIONAL INSURANCE
MINISTRY OF FINANCE

ADMINISTRATIVE CENTRE, 2ND FLOOR
P.O. BOX 356
KINGSTOWN, SAINT VINCENT AND THE GRENADINES

Pursuant to section 4(13) of the regulations, prospective insurer who proposes to transact products liability, professional indemnity and/or medical malpractice business shall furnish to the Commissioner of International Insurance the following information.

1. Name of Saint Vincent and the Grenadines Company.
2. Name(s) of beneficial owners.
3. Entities and/or individuals to be insured.
4. Types of risks to be underwritten. (attach an additional sheet as necessary).
5. Maximum retention per occurrence and in the aggregate by type of business (attached an additional sheet as necessary).
6. Detailed re-insurance programme including principal re-insurers. (Attach an additional sheet as necessary).
7. Expected annual gross and net premium income by type of risks. (Attach an additional sheet as necessary).
8. Five year financial projection for all business including Balance Sheets and Income Statements. (attach an additional sheet as necessary).
9. Five year underwriting projection by policy year showing premium and loss developments. (In the case of existing companies, supply projections separately for existing and proposed new business). (attach an additional sheet as necessary).
10. Name of international insurance manager.

Attach List of Appendices

.....
Signature

APPENDIX I

Details of Companies/Firms/Individuals Involved

The latest audited Financial Statements must be supplied for all entities (Companies, Firms, Partnerships). In those rare instances where no audited Financial Statements are prepared, unaudited Financial Statements as at a date no more than six months prior to the date of application must be submitted. In the case of individuals, bank references and net worth statements must be supplied.

In addition, a summary of operations must be prepared by the applicant and should include—

(a) Products

Principal products produced, location of plants, how products are sold and gross sales by major product lines.

(b) Other Professional Indemnity including Directors and Officers Liability Risks and Errors and Omissions Liability Risks.

(c) Ownership, location(s) and professional affiliations.

(d) Medical Malpractice

(i) Ownership, location(s), number of beds, staff, teaching and research facilities.

(ii) Individual medical practitioner(s)—nature of practice, staff and professional association affiliations.

When applicants are associations, full details including financial statements should be supplied. A description of the organisation and control of membership should be provided.

APPENDIX II

Details of Important Perils

(a) Products

Describe products particularly exposed to serious or frequent claims. Indicate if any important perils are excluded (for example nuclear, if any exposure is involved). Indicate in which country products are manufactured and provide a geographical distribution of sales.

(b) Medical Malpractice/Other Professional Indemnity

Describe nature and extent of cover to be provided.

APPENDIX III

Loss Prevention and Safety

A summary prepared by the applicant should be provided indicating:

- (a) The organisation, responsibility and main procedures followed for loss prevention and safety.
- (b) Peer review procedures.

APPENDIX IV

Claims Experience and Handling

1. Experience

Loss experience, for five years, should be provided showing individual claims by date of occurrence, date of claim, type of loss, how settled, outstanding case reserves, etc. The data may take the form of existing records and small cases may be summarised.

2. Handling

Who has handled claims in the past? Is any change proposed? If so, who will handle claims in the future?

APPENDIX V

Rating Program an Policy Forms

- (a) The rating program should be described, i.e. bureau or other.
- (b) A report is required from a qualified independent casualty actuary addressing the adequacy of the rates for medical malpractice and products liability risks. A similar report may be of assistance in other cases.
- (c) Are policy forms to be made on an occurrence or claims made basis? (Please attach specimen).

APPENDIX VI

Re-insurance Program

- (a) Describe the existing program including names of re-insurers.
- (b) Describe the proposed program including names of re-insurers.

EXHIBIT 19

SAINT VINCENT AND THE GRANADINES

INTERNATIONAL INSURANCE REGULATIONS

Certificate of Tax Exemption

Name of Insurer

.....

This is to certify that, an Insurer acknowledged or registered under the Act, is not subject to any income tax, capital gains tax, estate, inheritance, succession or similar tax, or impost taxation in accordance with the laws of the State of Saint Vincent and the Grenadines, all as more particularly provided in the said Act.

Dated the day of, 20.....

.....

[SEAL]

Commissioner of International Insurance

EXHIBIT 20

SAINT VINCENT AND THE GRANADINES
INTERNATIONAL INSURANCE REGULATIONS

Notice of Revocation of Registered Agent's Licence

Name of Insurer

.....

TO:

Licensee:

Address:

.....

The Commissioner hereby notifies the above-named insurer under the Act that the Registered Agent of the Licensee has had its licence revoked. You shall immediately select a new Registered Agent and shall submit to the Commissioner within five (5) days from receipt of this Notice a Notice of Change of Registered Agent on Form NCO setting forth the name and address in the State of the new Registered Agent.

Dated the day of, 20.....

.....

[SEAL]

Commissioner

By:

Its:

EXHIBIT 21

SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS

Certificate of Authority

Name of Insurance Manager, Broker or Agent

.....

I hereby certify that the above-mentioned applicant has completed the Application for Registration as Insurance Manger, Broker or Agent and other required forms and has paid the License Registration Fee and Annual Fee, all in conformity with and as required by the International Insurance (Amendment and Consolidation) Act, 1998, and regulations passed thereunder, and is licensed as of

.....

Date of Grant of Certificate

- under the Act to act as an
- Insurance Manager
- Insurance Broker
- Insurance Agent

This certificate of Authority authorises the named party to exercise all the rights and powers that are reasonably incidental to the carrying on of business marked above, which is consistent with the Act and regulations.

This Certificate of Authority expires on December 31,: it may be renewed

from year to year upon application to the Commissioner and payment of the specified fee.

Dated the day of, 20.....

[SEAL]

.....
Commissioner of International Insurance

Schedule

[Schedule repealed and replaced by SRO 37 of 2004.]

SAINT VINCENT AND THE GRENADINES
INTERNATIONAL INSURANCE REGULATIONS

Scale of Fees

(Stated in United States Dollars)

1. Application Fees (under section 14)
 - (a) Class I, Class II and Class III U.S. \$ 500.00
 - (b) Class IV U.S. \$ 500.00
 - (c) Class V U.S. \$ 500.00
 - (d) Insurance Manager, Broker or Agent U.S. \$ 500.00
2. Annual Renewal Fees
 - (a) Class I Unrestricted International Licence U.S. \$ 3,000.00
 - (b) Class II General International Licence U.S. \$ 3,000.00
 - (c) Class III Associate International Licence U.S. \$ 3,000.00
 - (d) Class IV Group International Licence U.S. \$ 2,000.00
 - (e) Class V Single International Licence U.S. \$ 2,000.00
 - (f) Insurance Agent U.S. \$ 500.00
 - (g) Insurance Broker U.S. \$ 500.00
 - (h) Insurance Manager U.S. \$ 500.00
3. Due Diligence Fee — Cost of carrying out due diligence plus U.S. \$ 50.00
4. Any Other Application U.S. \$ 50.00