

THE INSURANCE REGULATIONS 2001

ARRANGEMENT OF REGULATIONS

PART I. Preliminary

1. Citation.
2. Interpretation.

PART II. Classes of Insurance Business

3. Classes of general insurance business.
4. Classes of long-term insurance business.

PART III. Register

5. Register.

PART IV. Registration of Insurers

6. Applications for registration as life or general insurer and conditions imposed on registration.
7. Certificate of registration.
8. Deposit required to carry on business.
9. Value at which securities received.
10. Title to securities.
11. Interest on deposits.
12. Substitution of securities.
13. Return of deposit on ceasing to do business.

PART V. Assets

14. Minimum required.
15. Applicability.
16. Nature of assets to be deposited.
17. Registered foreign insurers.
18. Reduction due to reinsurance.
19. Additional reductions.
20. Letter of credit in lieu.
21. Application to registered foreign insurers.
22. Gain or loss from disposition of assets.
23. Restrictions on vesting.

INSURANCE

- 24. Restrictions on borrowing.
- 25. Required assets, general insurer.
- 26. Required assets, life insurer.
- 27. Uncommitted reserve of mutual company.

*PART VI. Solvency
General Insurance*

- 28. Minimum asset.

Long term insurance

- 29. Minimum continuing capital and surplus requirements (MCCSR).
- 30. Segregated funds reporting.
- 31. Annual financial statement of life insurer.
- 32. Quarterly financial statement of life insurer.
- 33. Annual financial statement of general insurers.
- 34. Quarterly financial statement of general insurers.
- 35. Capital and bonding requirements for brokers and corporate agent.
- 36. Records of agents and brokers.
- 37. Amalgamation and transfer.

PART VII. Investment

- 38. Application and interpretation.
- 39. Determination of earnings.
- 40. Investment and lending policy.
- 41. Interest bearing securities property.
- 42. Limits on investment requirement.
- 43. Records of investments.
- 44. Approval.
- 45. Capital investment requirement.
- 46. Public obligations.
- 47. Corporate obligation.
- 48. Preferred or guaranteed stocks.
- 49. Evidence of due diligence.
- 50. Trustees' or receivers' obligations.
- 51. Equipment trust obligations.
- 52. Mortgage loans.
- 53. Property value limitations.
- 54. Encumbrance.
- 55. Property appraisal and insurance.
- 56. Security agreements.

57. Real property.
58. Disposal of real property.
59. Foreign securities.
60. Policy loans.
61. Savings and share accounts.
62. Ordinary shares.
63. Unit trusts or collective investment schemes.
64. Secured loans.
65. Other investments.
66. Hedging transactions.
67. Segregated funds.
68. Allowable investments in Corporations.
69. Prohibited investments.
70. Underwriting and repurchase agreements.
71. Disposal of ineligible property and securities.
72. Investments of foreign insurers.

PART VIII. Corporate Governance, Appointment of Auditors and Actuary, Establishment of Conduct, Investment and Loan and Audit Committees, Responsibilities of Auditors

73. Establishment of audit committee.
74. Establishment of conduct review committee.
75. Establishment of loan committee.
76. Qualifications of actuary.
77. Form of actuary's report.
78. Actuarial regulations.
79. Qualifications of auditor.
80. Appointment of auditor for subsidiary.
81. Conduct review committee.
82. Restrictions on self-dealing as a fiduciary.
83. Certain related party transactions permitted.
84. Conduct review committee's power to approve other transactions.
85. Proper transaction.
86. Disclosure by related parties.

PART IX. Aspect of Standard Accounting Practice General Insurance Companies

87. Interpretation.

- 88. Unearned premiums.
- 89. Unexpired risks provision.
- 90. Unpaid claims.
- 91. Facultative reinsurance.
- 92. Other standards of standard accounting practice.

Life Insurance Companies

- 93. Actuarial liabilities.
- Accounting for Life Insurance Portfolio Investments Valuation*
- 94. Equities.
 - 95. Accounting for reinsurance.
 - 96. Accounting for premiums.
 - 97. Accounting for benefits and claims.
 - 98. Accounting for commissions.
 - 99. Accounting for superannuation funds (deposit administration funds).
 - 100. Segregated funds accounting.
 - 101. Responsibilities of the appointed actuary and external auditors.
 - 102. Provisions for future policy benefits (Life Assurance Fund or Actuarial Liabilities).
 - 103. Other standards of standard accounting practice.
 - 104. Investment and Loan Committee.
 - 105. Commission's powers over investment and lending policy.

PART X. Association of Underwriters

- 106. Application for registration of association of underwriters.
- 107. Certificate of Registration.
- 108. Deposits by association of underwriters.
- 109. Further deposit if below market value.
- 110. Return of deposit on ceasing to do business.

PART XI. Registration of Insurance Intermediaries

- 111. General.
- 112. Qualifications of intermediaries.
- 113. Application for registration of insurance broker.
- 114. Application for registration as facultative placement broker.
- 115. Application for registration as reinsurance broker.
- 116. Application for registration as sales representative.

117. Application for registration as agent.
118. Application for registration as an adjuster.
119. Application for registration as managing general agent.
120. Certificates of registration of broker, facultative placement broker, reinsurance broker, sales representatives, agent, adjuster and managing general agent.
121. Termination of agent and sales representative.

PART XII. Duties of Insurer and Agent

122. Insurer's duty products.
123. Replacement of life insurance contracts.
124. Duties of agent.
125. Duties of insurer.
126. The contract.
127. Material facts.
128. Changes in occupation.
129. Relation of earnings to insurance.
130. Termination by insured.
131. Termination by insurer.
132. Insurer to furnish forms.
133. Notice and proof of claim.
134. Rights of examination.
135. When moneys payable other than for loss of time.
136. When loss of income and loss of use benefits payable.
137. Notice, application for benefits.
138. Certificates, examinations.
139. Payment of claims, refusal to pay.
140. Repayment to insurer.
141. Limitation of actions.
142. Unfair trade practices.

PART XIII. Unregistered Insurers

143. Purpose.
144. Placement of insurance business.
145. Facultative insurance placements.
146. Facultative placement broker.
147. Withdrawal of eligibility as a facultative placement insurer.

INSURANCE

148. Actions against eligible facultative placement insurers transacting facultative placement business.
149. Duty to file evidence of insurance and affidavits.
150. Evidence of the insurance.
151. Evidence of insurance negotiated.
152. Facultative placement broker's duty to notify policyholder.
153. Effect of payment to facultative placement broker.
154. Facultative placement brokers may accept business from other producer.
155. Records of facultative placement licensee.
156. Reports summary of exported business.

PART XIV. Miscellaneous Provisions

157. Non-forfeiture of ordinary policies in certain cases of non-payments of premiums.
158. Unclaimed moneys.
159. Conversion into mutual companies and vice versa.
160. Register to be kept.
161. Power to collect statistics.
162. Notice of appeal.
163. Amending erroneous statements or documents.
164. Fees.

SCHEDULES

1. Classes of Insurance Business.
2. Register of Insurance Companies.
3. Application for Registration of Insurance Companies.
4. Certificate of Registration for Company.
5. The Minimum Asset Test (MAT).
6. The Minimum Continuing Capital and Surplus Requirement (MCCSR).
7. Segregated Funds Report.
8. Annual Statements for Life and Health Insurers.
9. Quarterly Financial Statements for Life and Health Insurers.
10. Annual Statements for General Insurers.
11. Quarterly Statements for General Insurers.
12. Auditor's Certificate for Brokers, Corporate Agents.

13. Actuary's Report.
14. Application for Registration of Association of Underwriters.
15. Application for Registration of Insurance Brokers, Sales Representatives, Loss Adjusters and Insurance Agents.
16. Certificates of Registration for Intermediary.
17. Register of Brokers and Loss Adjusters.
18. Register of Agents and Managing General Agents.
19. Register of Sales Representatives and Insurance Consultants.
20. Fees.
21. Termination of Agents and Sales Representatives.
22. Life Insurance Disclosure Form.
23. Notice to Insured on the Nature and Effect of the Pro Rata Condition of Average (Average Clause).

THE INSURANCE ACT

REGULATIONS

(under section 144)

THE INSURANCE REGULATIONS, 2001

(Made by the Commissioner with the approval of the Minister on the
31st day of December, 2001)

L.N. 201/2001
87D/2004
19A/2005

PART I—Preliminary

1. These Regulations may be cited as the Insurance Regulations, 2001.

Citation.

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

Interpretation.

“accident insurance” means insurance against injury or death as a result of an accident or which provides for fixed pecuniary benefits or benefits in the nature of indemnity or both;

“accidental death and dismemberment (AD &D)” means a rider on life insurance policies that—

- (a) increases the sum insured if the policyholder dies in an accident; and
- (b) stipulates other sums that might be payable in the case of the insured losing a limb or some vital body member;

“acquisition costs” means, with respect to—

- (a) life insurance, costs incurred in the acquisition of new insurance policies and annuity contracts, including only those costs that vary with and are primarily related to the acquisition of the policies and contracts, such as commissions, certain underwriting and policy issue costs and medical fees;
- (b) general insurance, all expenses incurred in relation to the production of new and renewal business, including specifically identifiable and allocated expenses relating to commissions, bonuses, allowances and other compensation paid to agents and brokers;

“actual premium (gross premium)” means the premium stipulated in the policy or any premium subsequently agreed on by the policyholder and the life insurance company, as a consequence of additional coverage;

“actuarial liabilities” means the present value of estimated policy benefits and costs less the present value of future premiums (with the elements being adjusted for provision for adverse deviations) and are a measure of the amounts which,

premiums and investment income, will be required by the life insurance company in order to discharge its obligations under the insurance policy and annuity contracts and to pay expenses related to the administration of those policies and contract;

“additional reserves” means the net reserves in relation to a class of insurance business;

“aircraft insurance” means insurance against—

(a) liability arising out of—

- (i) bodily injury to, or the death of, a person; or
- (ii) the loss of, or damage to, property, caused by an aircraft or the use or operation thereof; or

(b) the loss of, or damage to, an aircraft;

“amortized cost method” means an accounting method in which the historical cost of a fixed-term investment is adjusted systematically during the investment period toward the amount expected to be realized at maturity, adjustments are reflected in income;

“amortized value” means the carrying value of the investment at any point during the investment period to maturity;

“annuities” means contracts whereby, in return for one or more premiums paid to the insurer, the insurer pays a sum or a series of sums to the insured in the future;

“assuming company” means a reinsurer that—

- (a) receives reinsurance premiums in a reinsurance transaction; and
- (b) is obligated to reimburse the ceding company for claims made according to the terms and conditions of the reinsurance contract;

“boiler insurance” means insurance against liability arising out of—

- (a) bodily injury to, or the death of, a person; or
- (b) the loss of, or damage to, property,

caused by the explosion or rupture of, or accident to, pressure vessels of any class and pipes, engines and machinery connected therewith or operated thereby;

“bond or contract guarantee” means a guarantee coming within the class of fidelity insurance and surety insurance;

“calculated valuation premium” means a premium which—

- (a) does not include marketing overhead expense or a specific profit margin;

- (b) is calculated using the valuation assumptions as at the date the policy takes effect;
- “cash surrender value” means the value that is payable to the policyholder if the policy is surrendered;
- “cash value deficiency” means the absolute difference in cases where the policy liability is greater than the cash surrender value of the policy;
- “ceding” means the transfer of all or part of the risks of insurance by one insurer to another;
- “civil commotion insurance” means insurance against the loss of, or damage to, property caused by bombardment, invasion, insurrection, mutiny, civil war, civil commotion, riot, the act of a foreign enemy, hostilities or warlike operations (whether or not war is declared), revolution, rebellion, conspiracy, usurped power or military, naval or air force operations, vandalism or malicious mischief;
- “claims adjustment expenses” means fees paid to professionals in relation to the settlement of claims including costs of a similar nature directly associated with the settling of claims;
- “claims incurred but not reported (IBNR)” means claims that have been incurred prior to or during the accounting period, but have not been reported to the insurance company at the end of its financial year;
- “claims outstanding” means the amount set aside at the end of the financial year of an insurance company to meet—
- (a) claims under contracts of insurance in respect of incidents occurring before the end of that financial year which have not been paid (including claims in respect of which the amounts have not been determined and claims arising out of incidents which have not been notified to the company); and
- (b) expenses likely to be incurred in connection with the settlement of such claims;
- “commissions-overriding” means commissions paid to life insurance agency managers, based on agreed percentages of commissions earned by agents under supervision;
- “commissions-commuted” means payments made on the termination of an agent's contract when future commissions, on premiums still to be collected, are computed on an agreed formula and paid in a lump sum to the agent;

“contractor's all risk insurance” means insurance against loss incurred as a result of fire and other specified perils in respect of both temporary and permanent works while in the course of construction and until handed over by the contractor to the employer;

“credit insurance” means insurance against loss to a person who has granted credit where the loss is the result of the insolvency or default of the person to whom credit is given but does not include insurance coming within the class of mortgage insurance;

“crops insurance” means insurance against loss of or damage to crops resulting from fire, windstorm, drought, flooding, disease and other perils;

“death claims” means the sum insured under the life insurance policy contract together with all other accrued benefits that are payable to the policyholder's beneficiary on the death of the policyholder;

“deposits” means amounts collected by life insurance companies on which they pay interest to the policyholders but are not payments for insurance risk nor do they relate to services provided to policyholders;

“directors' and officers' liability insurance” means insurance against liability incurred by directors or officers under the Companies Act or otherwise in connection with their duties as directors and officers of companies;

“earthquake insurance” means insurance against the loss of, or damage to, property caused by an earthquake;

“employers' liability” means—

(a) insurance against liability arising out of bodily injury to, or the disability or death of, an employee of the insured occurring as a result of or in the course of the employee's employment; and

(b) if included in a contract that provides insurance against liability arising out of such bodily injury, or disability or death, includes insurance coming within the class of accident insurance covering such an employee where the insurance is limited to accidents occurring as a result of or in the course of the employee's employment whether or not liability exists;

“endowment policies” means policies that have a defined life span and the sum assured is payable on the death of the policyholder or on the maturity of the policy even if the policyholder is alive;

“equity investments” means investments with no maturity date or guarantee of a return on or of the investments including ordinary shares, preference shares without fixed redemption date or dates and unit trusts;

“explosion insurance” means insurance against the loss of, or damage to, property caused by explosion and includes insurance coming within the class of civil commotion insurance;

“falling aircraft” means insurance against the loss of, or damage to, property caused by an aircraft or by an object falling from an aircraft;

“fidelity insurance” means insurance—

- (a) against loss caused by the unfaithful performance of duties by a person in a position of trust; or
- (b) whereby an insurer undertakes to guarantee the proper fulfillment of the duties of an office including commercial guarantees, bankers', court and government bonds;

“fire insurance” means insurance against the loss of, or damage to, property caused by fire, lightning, explosion due to ignition, smoke, and the breakage of or the leakage from a sprinkler or other fire protection equipment system;

“fixed-term, fixed-interest investments” means investments such as money market instruments, Government securities, mortgages and preference shares with fixed redemption dates—

- (a) which are characterized by fixed maturity dates for the repayment of principal where the investor is entitled to a return that accrues over a period of time referred to as the tenor;
- (b) the interest on which is paid on specific dates, as set out in the terms of the contract and the investor normally has no claims against the investee other than those set out in the contract, unless the terms of the contract are in default;

“forgery insurance” means insurance against loss caused by forgery;

“general fund” means the main fund of a Life Insurance Company and belongs to both shareholders and policyholders but does not include the assets, liabilities, revenues and expenses of the segregated funds;

- “grace period” means the length of time (usually 31 days) after a premium is due and unpaid during which the policy, including all riders, remain in force;
- “gross premiums” means premiums after deduction of refunds and rebates of premium but before deduction of premiums for reinsurance ceded and commission payable by the company;
- “group insurance” means insurance whereby the lives or health of a number of persons are insured severally under a single contract between an insurer and an employer or other person;
- “guarantee insurance” means insurance coming within the class of fidelity insurance and surety insurance;
- “hail insurance” means insurance against the loss of, or damage to, crops on the field or glass in glass houses caused by hail;
- “health claims” means claims paid under contracts of health insurance where members of a plan are reimbursed, or the medical providers are paid directly by the insurance company where the amount reimbursed or paid is usually a percentage of the total cost of medical services provided under the Health Insurance Plan;
- “hurricane and windstorm insurance” means insurance against the loss of, or damage to, property caused by windstorm, cyclone, hurricane or tornado;
- “impact by vehicles insurance” means insurance against the loss of, or damage to, property caused by a vehicle or by an object falling from a vehicle;
- “inland transportation insurance” means insurance against the loss of, or damage to, property while in transit or during delay incident, but does not include insurance coming within the class of wet marine and transportation insurance except for incidental transit on inland waterways;
- “investment period” means the period during which the investment is held;
- “investment reserve” means the aggregate of all reserve accounts for realized and unrealized gains in the different investments;
- “lapse” means the termination of an insurance policy resulting from nonpayment of a renewal premium before the end of a grace period;
- “legal expense insurance” means insurance against the cost incurred by a person or persons for specified legal services, including fees or other costs incurred relative to the provisions of such services;

“libel and slander insurance” means insurance against liability in law for damages and claimant's costs and expenses in respect of claims made against the insured for any libel, slander to title of goods, infringement of trademark, registered design, copyright or patent right arising from matter contained in specified publications;

“life insurance” means insurance that is payable—

- (a) on the death of a person;
- (b) on the happening of an event or contingency dependent on human life;
- (c) at a fixed or determinable future time; or
- (d) for a term dependent on human life,

and, without restricting the generality of the foregoing, includes—

- (e) insurance whereby an insurer, as part of a contract of life insurance, undertakes to pay an additional amount of insurance money in the event of the death by accident of the person whose life is insured; and
- (f) insurance whereby an insurer, as part of a contract of life insurance, undertakes to pay insurance money or to provide other benefits in the event that the person whose life is insured becomes disabled as a result of bodily injury or disease;
- (g) an undertaking to provide an annuity or what would be an annuity except that the periodic payments may be unequal in amount, for a term dependent solely or partly on a human life, and such an undertaking shall be deemed always to have been life insurance;

“life insurance contract” means a contract under which a life insurance company accepts an insurance risk by agreeing with the policyholder to make a payment if specified uncertain future event occurs. Life insurance companies, by accepting payments (premiums) for this risk from a large number of persons based on the degree of risk that each insured represents, strive to put themselves in a position to meet all future expenses and claims as they arise;

“limited or inherent explosion insurance” means insurance against the loss of, or damage to, property caused by the explosion of dust, gas or other substance, where the explosion arises out of hazards inherent in the business conducted on the premises;

“Livestock insurance” means insurance against the loss, sickness or death of, or injury to animals, birds or fish;

“loss of employment insurance” means insurance against the involuntary loss of employment by a person where the loss of employment benefit is limited to all or part of the debt of the person;

“machinery insurance” means insurance against liability arising out of—

- (a) bodily injury to, or the death of, a person; or
- (b) the loss of, or damage to, property, or caused by break-down of machinery;

“margin for adverse deviations” means the elements in the assumptions used in the calculation of an actuarial liability for possible unfavourable deviations from expected (or most likely) experience;

“maturity benefit” means a policy reaching maturity or endowment on the death of the insured or when the cash value becomes equal to the death benefit and the insured is entitled to receive full payment of the full cash value;

“measurement uncertainty” means the uncertainty in the determination of the amount at which an item is recognized in financial statements, being uncertainty that exists when there is a variance between the recognized amount and another reasonably possible amount;

“minimum asset test” means a requirement that general insurers maintain at least a minimum level of assets, capital and surplus to meet the liabilities of the company;

“minimum continuing capital and surplus solvency requirement” means a requirement that life and health insurers maintain at least a minimum level of capital and surplus that reflects the riskiness of their assets and operations;

“mortgage insurance” means insurance against loss caused by default on the part of a borrower under a loan secured by a mortgage on real property, hypothecation on immovable property or an interest in real or immovable property;

“negative reserves” means reserves arising when the policy liability on a policy as calculated on the valuation assumptions is negative;

“own damage insurance” means insurance against loss or damage to the motor insured vehicle due to accidental collision, overturning (whether or not due to mechanical breakdown) fire, external explosion, theft, malicious act, flood, hurricane, earthquake or other convulsion of nature, riot and civil commotion;

“permanent health insurance” means insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class being contracts that—

- (a) are expressed to be in effect for a period of not less than five years or without limit of time; and
- (b) either are not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned;

“personal liability insurance” means insurance against the legal liability of the insured and any member of the family of the insured normally residing with him to compensate third parties for any injury, illness, loss of or damage to property arising out of their private activities away from home;

“personal property insurance” means insurance against the loss of, or damage to, movable or personal property but does not include insurance coming within the class of aircraft insurance and automobile insurance;

“plate glass insurance” means insurance against the loss of, or damage to, plate or other glass;

“policy dividends” means annual payments made to policyholders of participating insurance policies where the life insurer distributes a percentage of the profits made on these policies to the policyholders as dividends;

“policy loans” means loans to policyholders, secured by the cash surrender value of the life insurance policy;

“policy premium method” means a method of computing actuarial liabilities, which uses the full amount of the premiums stipulated in the related insurance policies (the actual premiums), and the estimated related expenses and obligations (without arbitrary limitation), such that the net present value of these elements, after providing for adverse deviations, is recognized in income when the policies are issued;

- “premium” means the gross premium that is receivable from the policyholder on an insurance policy written by an insurer, and include annuity consideration that may be received on a modal basis including monthly, quarterly and annually;
- “premium-due and outstanding” means a premium that is due and remains unpaid at the end of an accounting period;
- “premium-first year” means the premium that is receivable in the first year of a new policy;
- “premium, first modal” means the first premium received for a new policy;
- “premium gross written” means the gross premium receivable on an insurance policy written by an insurer, net of duties, adjusted for additional or return premium, but before deductions for commissions, brokerage or other acquisition expenses;
- “premium, net earned” means the net written premium less the movement in the provision of unearned premium reserve during the accounting period;
- “premium net written” means the gross premium receivable on an insurance policy less premium for reinsurance ceded;
- “premium-renewal” means the premium that is receivable subsequent to the first policy year;
- “premium-single” means the premium that is due under a policy of insurance where the entire premium is payable at inception;
- “premiums-paid in advance” means premiums paid in one or more payments covering more than one modal period and the premiums remain unearned at the end of the accounting period;
- “product liability insurance” means insurance against liability incurred by manufacturers, repairers, or retailers arising out of—
- (a) bodily injury to, or the death of, a person; or
 - (b) of, or damage to, property, caused by products made, sold or distributed by them;
- “professional indemnity insurance” means insurance against legal liability towards third parties for injury, loss or damage, arising from a person's own professional negligence, error or omission or that of his employees;
- “provision for adverse deviations” means the difference between actuarial liabilities calculated using assumptions with and without specific margins for adverse deviations;

“public utility insurance” means insurance against liability arising out of—

- (a) bodily injury to, or the death of, a person; or
- (b) the loss of, or damage to, property,

happening in connection with the business insured under the policy but does not include insurance coming within the class of aircraft insurance, automobile insurance or employer's liability insurance;

“real property insurance” means insurance against the loss of, or damage to, real or immovable property resulting from any cause not specifically mentioned in other classes of insurance covering real or immovable property;

“reinsurance” means the assumption by one insurer of all or part of the risks undertaken by another insurer in consideration of a premium where the original insurer remains fully liable to policyholders for the insurance obligations but has recourse to the reinsurer;

“reinsurance, automatic” occurs where the ceding company agrees to reinsure all cases that meet certain defined conditions for amounts as defined in the reinsurance contract;

“reinsurance facultative” refers to an arrangement whereby—

- (a) reinsurance is taken on an individual policy basis;
- (b) the ceding company is indemnified for a percentage of a specific insurance policy or for losses in excess of its retention with respect to a particular risk;
- (c) the ceding company makes the offer of reinsurance and the reinsurer has the option to accept or reject the risk and to quote the terms for acceptance; and
- (d) the terms of the agreement and premiums are agreed on an individual basis;

“reinsurance non-proportional (also termed excess or loss)” means reinsurance where the reinsurer, subject to specified limits, indemnifies the ceding company against a claim in excess of specified retention;

“reinsurance proportional” means reinsurance where the reinsurer shares on a *pro rata* basis the claims and premiums of the ceding company;

“reinsurance treaty” means a written agreement between the insurer and the reinsurer that specifies the terms and conditions for risks to be submitted for reinsurance being an agreement that usually

involves a class or type of business written, where the ceding insurer continues to perform administrative functions and deals with the policyholders;

“retention limit” means the maximum amount of insurance that a life insurance company will retain at its own risk on individual lives in various categories of insurance;

“retrocession” means the ceding of reinsurance obligation by one reinsurer to others;

“segregated funds” means separate funds established for the specific purpose of separating the assets and liabilities of the contract holders such as, policyholders or pension fund clients, from those of the life insurance company where these funds belong to the contract holders and the life insurance company is merely the administrator;

“selling expenses” represent the total cost incurred in disposing of investment assets, such as agent's fees, transfer taxes and stamp duty;

“settlement date” means the date on which the life insurer assumes the risk insured under a life insurance policy;

“sickness and health insurance” means—

- (a) against loss resulting from the illness or disability of a person other than loss resulting from death;
- (b) whereby an insurer undertakes to pay a certain sum or sums of money in the event of the illness or disability of a person; or
- (c) against expenses incurred for vision or dental care laboratory or x-ray services, hospitalization, other than for illness or disability arising out of an accident;

“sum assured” means the sum that the life insurance company promises to pay to the policyholder at death or on the maturity of the life insurance policy;

“surety insurance” means insurance whereby an insurer undertakes to guarantee—

- (a) the due performance of a contract or undertaking; or
- (b) the payment of a penalty or indemnity for any default, but does not include insurance coming within the class of credit insurance or mortgage insurance;

“superannuation fund (deposit administration fund)” means a pension fund—

- (a) that is managed by a life insurance company financed by deposits from contract holders where the assets purchased with the deposits are co-mingled with the assets of the life insurance company and are not segregated for the management in a separate fund; and
- (b) the insurer pays the pension clients interest on their deposits;

“surrender” means the policyholder’s termination of the policy contract, not by lapsing, before its maturity date;

“surrender privileges” means guaranteed benefits to be paid to a policyholder if the policy is terminated by the policyholder prior to maturity (including cash surrender value);

“theft insurance” means insurance against the loss of, or damage to, property caused by theft, wrongful conversion, burglary, house-breaking, or robbery, and includes insurance against loss caused by forgery;

“party insurance” means insurance against legal liability of the insured to pay in respect of death or bodily injury to, or damage to the property of, third parties;

“title insurance” means insurance against loss or damage caused by—

- (a) a defect in the title to real property;
- (b) the existence of a lien, encumbrance or servitude on real property;
- (c) a defect in the execution of a mortgage, hypothec or deed of trust in respect of real property; or
- (d) any other matter affecting the title to real property or the right to the use and enjoyment of real property;

“unearned premiums” means the amount set aside as at the end of the financial year of a company out of premiums in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;

“unearned premium review” means the amount set aside out of net premiums at the end of the financial period in respect of risks to be borne by the insurer subsequent to the accounting period under contracts of insurance entered into on or before that date;

“unexpired risks provision” is established in cases where the expected value of claims and related expenses, whether reported or unreported, attributable to the unexpired periods of policies in force at the balance sheet date exceeds the related unearned premium reserve, after deduction of any deferred acquisition costs;

- “unexpired risks” means the amount set aside as at the end of the financial year of a company in addition to unearned premiums, in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;
- “unit-linked funds” means separate or segregated funds established by life insurance companies, in conformity with the Act, to manage policyholders’ premiums received in respect of the investment portion of a life insurance plan;
- “unit-linked insurance” means insurance provided by life insurance contracts which includes benefits which are wholly or partly linked to the income from or the value of any group of the company’s assets or wholly or partly calculated by reference to the yield from or the value of any descriptions of investments, whether or not investments of those descriptions are held by the company;
- “units encashment” means the withdrawal of unit values by the holder of a unit-linked life insurance policy;
- “valuation assumption” means an assumption or estimate of future events such as future death rates and investment income rates which includes a margin for adverse deviations and is used in calculating the actuarial liabilities;
- “valuation premium (net premium)” means the lesser of the actual premium and the calculated valuation premium;
- “volcano insurance” means insurance against the loss of, or damage to property resulting from volcano eruption;
- “water damage insurance” means insurance against the loss of, or damage to, property caused by the escape of water—
- (a) from plumbing, heating or sprinkle or other fire protection equipment or system in building; or
 - (b) from any water main or water pipe outside a building;
- “weather insurance” means insurance against the loss of, or damage to, property caused by rain, hurricane, flood, windstorm, cyclone, tornado, or other climatic conditions but does not include insurance coming within the class of hail insurance;
- “wet marine and transportation insurance” means insurance—
- (a) upon vessels, crafts, hulls and other interests in them or with relation to them;
 - (b) of marine builder’s risks, marine war risks and contracts of marine protection and indemnity insurance;

- (c) freight and disbursements pertaining to a subject of insurance within the scope of this paragraph; and
- (d) of personal property and interests therein, in the course of exportation from or importation into any country, or in the course of transportation coastwise or on inland waters, including transportation by land, water or air from point of origin to final destination, in connection with any and all risks or perils of navigation, transit or transportation, and while being prepared for and while awaiting shipment, and during any incidental delays, trans-shipment, or reshipment; provided, however, that insurance of personal property and interests therein shall not be considered wet marine and transportation insurance if the property has—
 - (i) been transported solely by land; or
 - (ii) reached its final destination as specified in a bill of lading or other shipping document; or
 - (iii) the insured no longer has an insurable interest in the property.

PART II—*Classes of Insurance Business*

3.—(1) The classes of general insurance business in respect of which registered insurers may engage in Jamaica, are—

Classes of general insurance business.

- (a) accident insurance business;
- (b) liability insurance business;
- (c) marine, aviation and transport insurance business;
- (d) motor vehicle insurance business;
- (e) pecuniary loss insurance business;
- (f) property insurance business.

(2) The types of cover falling under the various classes of general insurance business pursuant to paragraph (1) are set out in Schedule 1.

Schedule 1.

4.—(1) The classes of long-term insurance business in respect of which registered insurers may engage in Jamaica, are—

Classes of long-term insurance.

- (a) industrial life insurance business;
- (b) ordinary long-term insurance business;
- (c) sickness and health insurance business.

(2) The definition of the classes of long-term insurance business pursuant to paragraph (1) are set out in Schedule 1.

PART III—Register

Register.
Schedule 2.

5. The Commission shall keep a register of insurance companies in the form set out in Schedule 2, in which shall be entered particulars in respect of every insurance company registered under Part II of the Act.

PART IV—Registration of Insurers

Application for
registration as life
or general Insurer
and conditions
imposed on
registration.
Schedule 3.

6.—(1) An application for registration as an insurer shall be made in the form set out in Schedule 3.

(2) Where the Commission, after appropriate enquiry and the production of such documentary evidence as it may deem appropriate, is satisfied as to the matters specified in paragraph (3) in respect of the applicant, the Commission shall approve the registration of the insurer in relation to the class of insurance business to which the application relates, either unconditionally, or subject to such conditions as the Commission may recommend.

(3) The matters referred to in paragraph (2) are as follows—

- (a) the constitutive documents of the applicant permit the carrying on of the insurance business;
- (b) all applicable requirements of the Act, the regulations and any directive of the Commission have been met by the applicant;
- (c) the applicant is or will be solvent within the meaning of the Act, these Regulations and any directive of the Commission;
- (d) the applicant is likely to be able to comply with such of the provisions of the Act; the regulations and any directive of the Commission as are or would be applicable to it;
- (e) the name of the applicant is not identical with, nor does it so closely resemble the name of another entity as to be likely to confuse or deceive;
- (f) where applicable, the applicant has made adequate arrangements for reinsurance of the class of insurance business in which it intends to engage;
- (g) the person holding or to be appointed to hold the office of managing director; chief executive officer or principal representative of the applicant is of good character and is a fit and proper person to hold that office;

- (h) the staff which the applicant employs or intends to employ, in relation to any class of insurance to which the application relates, is or will be sufficiently competent and knowledgeable to carry on that business in an efficient manner;
- (i) a satisfactory business plan in respect of the applicant has been submitted in accordance with these Regulations;
- (j) in the case of a foreign applicant, it—
 - (i) is lawfully constituted in accordance with the laws of the country in which it is incorporated or otherwise established and has undertaken in that country insurance business of the same nature as that in respect of which it is seeking authorization in Jamaica;
 - (ii) has submitted to the Commission a certificate of good standing issued by the person duly qualified in that jurisdiction to do so;
 - (iii) will appoint a person resident in Jamaica to be its principal representative in Jamaica; and
 - (iv) has submitted to the Commission the curriculum vitae, including details with respect to qualifications, experience in insurance business and references, of the proposed principal representative;
 - (v) there is, in the Commission's opinion, sufficient indication that the business will be conducted in a prudent and sound manner;
- (k) the applicant has appointed or will appoint an actuary and an auditor, as required by the Act, the regulations or any directive of the Commission;
- (l) satisfactory arrangements have been made with respect to—
 - (i) depositing assets with the Commission,
 - (ii) vesting assets in trust, as required by the Act, these Regulations or any directive of the Commission;
- (m) in the case of an insurer which was, prior to the coming into operation of the Act, carrying on insurance business in Jamaica, it conducted such business in a sound and proper manner; and
- (n) registering the applicant would not be contrary to the public interest.

7.—(1) The certificate of registration of an approved company shall be in the form set out in Schedule 4.

Certificate of
registration.
Schedule 4.

(2) Every approved company shall apply to the Commission within thirty days of its registration or fourteen days of the commencement of operation of any of its branches, agencies, or sub-agencies, as the case may be, for the number of copies of its certificate of registration required for the purpose of display in all its branches, agencies and sub-agencies in accordance with section 12 of the Act.

(3) Every application pursuant to paragraph (2) shall—

- (a) include the name and address of each branch, agency and sub-agencies as the case may be, and the name and address of the manager or person in charge of each such branch, agency or sub-agency;
- (b) be accompanied by a receipt from the Commission for payment of the application fee set out in Schedule 20.

Schedule 20.

(4) Any change in any of the particulars included in an application made pursuant to this regulation, shall be reported to the Commission in writing, within thirty days of such change.

Deposit required to carry on business.

8.—(1) The minimum assets required to be deposited with the Commission by a registered insurer from commencement of operations in or from within Jamaica shall be—

- (a) in respect of an entity which proposes to carry on life or sickness and health insurance business, or both, ninety million dollars;
- (b) in respect of an entity which proposes to carry on general insurance business, forty-five million dollars.

(2) The Commission may require the deposit referred to in section 21 of the Act to be increased, either before or after granting the licence, to such amount as it considers necessary and for this purpose the Commission may require a reinsurer that reinsures all or part of the insurer's business to deposit balances owing to the insurer with the Commission.

(3) An insurer may voluntarily make a deposit in excess of the amount prescribed by this regulation, but no part of voluntary deposit shall be withdrawn without the sanction of the Commission.

Value at which securities received.

9.—(1) The value of securities deposited shall be estimated at their market value, not exceeding par, at the time they are deposited.

(2) If the market value of any securities that have been deposited by an insurer declines below that at the time they were deposited, the Commission may notify the insurer to make such further deposit as will ensure the accepted value of all the securities deposited by the insurer being equal to the amount that is required by the Act to be deposited.

(3) If the insurer fails to make such further deposit within sixty days

after being called upon so to do, the Commission may suspend or cancel the licence of the insurer.

10. The property in any stock, bonds or debentures deposited with the Commission under the Act or any predecessor thereof is vested in the Commission by virtue of its office without any formal transfer while such stock, bonds or debentures form the whole or any part of the deposit required by the Act.

Title to securities.

11. So long as the conditions of the Act are satisfied and no notice of any final judgment against the insurer or order for its winding up, distribution of its assets or administration of its deposit is given to the Commission, the insurer is entitled to receive the interest upon the securities forming the deposit.

Interest on deposits.

12. Where an insurer desires to substitute other approved securities for securities deposited, the Commission may permit the substitution to be made.

Substitution of securities.

13.—(1) An insurer that has ceased to transact business in Jamaica and desires to obtain a return of its deposit—

Return of deposit on ceasing to do business.

- (a) may give written notice to that effect to the Commission;
- (b) where it gives such notice, shall publish in the *Gazette* a notice that it has applied to the Commission for the return of its deposit, calling upon all claimants, contingent or actual, who object to the return to file their objections with the Commission on or before a day named in the notice, which shall not be less than three months after its first publication.

(2) Upon giving notice to the Commission, the insurer shall file with it a list of all its outstanding contracts of insurance, including contracts in respect of which claims have accrued.

(3) After the day named in the notice, if the Commission is satisfied that the insurer has obtained a discharge of all such outstanding contracts, the Commission may direct that the deposit be returned.

(4) If the Commission is not satisfied that all such contracts have been discharged, the Commission may direct that a sufficient portion of the deposit be returned to meet the contracts unprovided for and that the remainder of the deposit be retained, and thereafter, from time to time as such contracts lapse or proof is adduced, that they have been satisfied, the Commission may direct further return of a portion of the deposit.

PART V—Assets

14. The minimum paid up and unencumbered capital, surplus, reserve or equivalent fund required of an entity applying to become registered as an

Minimum required.

insurer shall be, in respect of an entity which proposes to carry on—

- (a) life insurance business, one hundred and fifty million dollars; and
- (b) general insurance business, ninety million dollars.

Applicability.

15. Regulation 14 shall not apply to an insurer registered pursuant to the repealed Insurance Act immediately prior to the coming into force of the Act, but shall apply to that insurer in accordance with section 22 of the Act.

Nature of assets to be deposited.

16. The assets which a registered insurer is required to deposit with the Commission shall consist of—

- (a) cash;
- (b) unencumbered securities of, or guaranteed by, the government;
- (c) other securities, at an accepted value and on the conditions established by the Commission; or
- (d) any combination of (a) to (c).

Registered foreign insurers.

17. Subject to regulations 18 and 19, a registered foreign insurer shall, in respect of the insuring of local risks that fall within the class of life and sickness and health insurance business, vest assets in trust the total value of which when determined on the basis of the market value of those assets, whichever basis produces the greater total value, is at least equal to the total of—

- (a) the amount of the reserve for actuarial and other policy liabilities of the registered foreign insurer in respect of that class, determined on the same basis as the reserve included in the annual return of the registered foreign insurer; or
- (b) the total amount of the other liabilities of the registered foreign insurer in respect of that class.

Reduction due to reinsurance.

18.—(1) Subject to paragraph (2), where a registered foreign insurer is reinsured in whole or in part against risks undertaken or claims payable in respect of a policy or group of policies, the total of the amounts referred to in regulation 17 (a) and (b) may be reduced by subtracting therefrom an amount not exceeding the total of the risk portions thereof that may reasonably be considered to apply to the portion of the risks or claims that is reinsured.

(2) Where a reinsurer that is incorporated outside of Jamaica is not authorized under the Act to insure risks, a reduction under paragraph (1) may be made if the Commission has determined, by directive, that—

- (a) the reinsurer's financial condition is satisfactory and that its operations are conducted in accordance with sound business and financial practices; and
- (b) security is maintained in Jamaica, in respect of the reinsurer's

potential liabilities, in an amount, of a nature and under arrangements that the Commission considers to be satisfactory.

19. The total value of assets required under regulation 17 to be vested may be reduced by—

Additional reductions.

- (a) any assets deposited with the Commission pursuant to section 21 of the Act;
- (b) any amounts that are receivable from agents and policyholders of the registered local insurer in respect of policies in force, as may be determined by the Commission by directive; and
- (c) any assets required by a supervisory authority in a foreign jurisdiction to be deposited, vested, pledged, or otherwise dedicated or encumbered in connection with any such business and in connection with risks insured outside Jamaica.

20. The Commission may, by directive, allow a registered foreign insurer to reduce the total value of assets required to be vested pursuant to regulation 16 by the amount of a letter of credit drawn on a bank, up to a maximum reduction of fifteen per cent of the total value.

Letter of credit in lieu.

21. Regulations 17 to 20 shall apply, *mutatis mutandis*, to the insurance business in Jamaica of a registered foreign insurer.

Application to registered foreign insurers.

22. For the purposes of section 26 of the Act, the gain or loss resulting from the sale or other disposition during a calendar year, of a registered insurer's assets shall be shown as a separate entry in the registered insurer's annual statement for that calendar year.

Gain or loss from disposition of asset.

23.—(1) A registered insurer shall not vest in trust interests in real property in excess of fifteen per cent of the total assets vested in trust.

Restrictions on vesting.

(2) A registered insurer shall not vest in trust equity interest in entities in excess of twenty-five per cent of the total assets vested in trust.

24. Unless the written consent of the Commission is first obtained, a registered local insurer shall not exercise its borrowing powers if the total of the undischarged amount of moneys borrowed or to be borrowed and secured or to be secured would exceed, in the case of a registered local insurer which engages—

Restrictions on borrowing.

- (a) only in life insurance business, five per cent;
- (b) only in property and liability insurance business, five per cent; and
- (c) in life insurance business and in property and liability insurance business, five per cent,

of the registered local insurer's total assets.

Required assets
general insurer.

25. In each year after registration, a company carrying on general insurance business must have required assets in an amount equal to total liabilities plus the minimum amount of capital required to satisfy the solvency requirement set out in Part VI.

Required assets
life insurer.

26. In each year after registration, a company carrying on long-term insurance business or sickness and health insurance business, or both, must have required assets in an amount equal to total liabilities plus the minimum amount of capital required to satisfy the solvency requirement set out in Part VI.

Uncommitted
reserve of mutual
company.

27. No company shall be registered as a mutual company unless it has satisfied the minimum solvency standards in accordance with regulation 29.

PART VI—Solvency

General Insurance

Minimum asset.

28.—(1) In this regulation—

“non-admitted assets” means non-liquid assets, the values of which are uncertain and from a solvency point of view, have no value;

“foreign exchange reserves” means the net unrealized gains or losses resulting from the holding of foreign assets and liabilities;

“liability margins” means additions to total liabilities in relation to premium and claim reserves, written premiums and incurred losses for the past twelve months;

“expected claims ratio” in respect of a class of insurance, means the claims ratio that the company expects will apply in respect of policies issued by the company during unexpired terms of those policies;

“claims ratio”, in respect of a particular period and any policies that fall within a particular class of insurance, means ratio of the claims incurred during that period in respect of those policies, including adjustment expenses incurred in respect of those claims, to the premiums earned during that period in respect of those policies.

Schedule 5.

(2) The minimum asset test shall be filed in accordance with the requirements set out in Schedule 5.

(3) A general insurance company is considered to be solvent and adequately capitalized when the available assets are equal to at least one hundred per cent of the required assets.

(4) For the purposes of this regulation—

- (a) the available assets represent the total assets less adjustment for non-admitted assets;
- (b) the total assets represent all the assets of the company, including increases in value in assets that are recorded at market value;
- (c) the assets may be recorded at book value, market value or the lower book and market values;
- (d) investments shall be recorded in accordance with international accounting standards and accounting standards on investment;
- (e) on-admitted assets include accounts receivables in arrears, furniture, fixtures, computer hardware and equipment, intangible assets, deferred expenditure, increases in asset values due to unrealized foreign exchange gains, deferred acquisition costs and deferred taxation refunds.

(5) The required assets are made up of the following—

- (a) the total liabilities plus reserves for reinsurance ceded to unlicensed or ineligible reinsurers;
- (b) a margin for unearned premiums and claims (sickness and accident policies); and
- (c) the greatest margin of unearned premiums, claims reserves (other than sickness and accident) written premiums and incurred claims.

(6) Total liabilities represent the total obligation of the company to creditors, agents and brokers, reinsurers and policyholders.

(7) The reserve for reinsurance ceded to ineligible or unlicensed reinsurers who are not registered to operate in Jamaica or who are otherwise ineligible, should be sufficient to cover the losses so reinsured less deposits and letters of credit being held by the company as security from the reinsurer.

(8) The margin for accident and sickness policies is 15% of net unpaid claims and adjustment expenses, plus 15% of net unearned premiums.

(9) The margin for unearned premiums and outstanding claims reserves (other than accident and sickness policies) is 15% of outstanding claims reserve and adjustment expenses, plus 15% of net unearned premiums.

Margin for Premium Written

(10) The margin required for premium written is equal to the gross margin less the margin reduction for reinsurance and for the purpose of this paragraph—

- (a) the gross margin required is—
- (i) 15% of gross premiums written during the past twelve months; and
 - (ii) supplementary margin on gross premiums, which is the lesser of 5% of gross premiums written during the past twelve months and \$15, 000, 000.00;
- (b) the margin reduction for reinsurance is the gross margin multiplied by the reinsurance ratio.

Margin for Claims

(11) The margin required for claims is the gross margin less the margin reduction for reinsurance as follows—

- (a) 22% of the average annual gross claims incurred during the preceding thirty-six months; and
- (b) the supplementary margin on gross claims, which is the lesser of 7% of average annual gross claims incurred during the preceding thirty-six months and \$15 000, 000.00;
- (c) the margin reduction for reinsurance is the gross margin multiplied by the reinsurance ratio;
- (d) the reinsurance ratio is the lower of reinsurance ceded over the past twelve months divided by gross claims incurred over the same period and 70%.

Long term insurance

29.—(1) In this regulation—

“asset default risk” means risk of loss resulting from balance sheet default and related loss of income and the loss market value of investments and related reduction of income;

“changes in interest rate environment risk” means the risk of loss resulting from changes in the interest rate environment;

“foreign exchange risk” means the risk associated with asset depreciation or liability appreciation arising from changes in foreign exchange rates;

“interest margin pricing risk” means the risk of interest margin losses with respect to investments and pricing decisions on in-force business;

“mortality/morbidity/lapse risks” means the risks that assumptions about morbidity and lapse will be wrong.

(2) Minimum continuing capital and surplus requirement shall be filed in accordance with the requirements set out in Schedule 6.

Minimum continuing capital and surplus requirements (MCCSR).

Schedule 6.

(3) Long-term insurers shall have available capital equal to at least the minimum capital requirement.

(4) Total capital is comprised of two tiers—

- (a) Tier 1 (the core capital); and
- (b) Tier 2 (supplementary capital).

Tier 1

(5) Tier 1 (the core capital) shall consist of—

- (a) ordinary shareholder's equity, including ordinary shares and retained earnings;
- (b) qualifying non-cumulative irredeemable preference shares;
- (c) participating accounts;
- (d) non-participating accounts (mutual companies);
- (e) currency translation accounts;
- (f) realized gains and losses in investment reserves;
- (g) qualifying minority interests in subsidiaries arising on consolidation from the capital instruments referred to in paragraphs (a) to (f) less goodwill, cash surrender value deficiencies calculated on an aggregate basis, negative reserves calculated on a policy by policy basis and realized gains and losses on investments backing liabilities, in investment reserves.

Tier 2

(6) Tier 2 (supplementary capital) shall consist of—

- (a) preference shares;
- (b) subordinated debt;
- (c) debentures and bonds;
- (d) minority interest in other life insurance companies;
- (e) negative reserves;
- (f) cash surrender value deficiencies;
- (g) unrealized investment reserves.

Tier 2A

(7) Tier 2A (hybrid capital) must have the following minimum characteristics—

- (a) unsecured, subordinated to policyholder and creditor obligations

and fully paid up;

- (b) not redeemable at the initiative of the holder;
- (c) may be redeemable by the issuer after an initial term of five years with the prior consent of the Commission;
- (d) available to participate in losses without triggering a cessation of ongoing operations or the start of insolvency proceedings;
- (e) allow interest of dividend payments to be deferred (as with cumulative preference shares) where the profitability of the company would not support payment.

Tier 2B

(8) Tier 2B (instruments with limited lives) must have the following minimum characteristics—

- (a) subordination to policyholders and senior creditors;
- (b) the initial minimum term is greater than five years;
- (c) may be redeemable by the issuer in the first five years or less, only with the prior consent of the Commission.

(9) Failure to meet debt servicing obligations on the Tier 2B debt provided by the parent should not, at any time, result in the parent company being unable to meet its own debt servicing obligations or trigger cross-default clauses under the covenants of other borrowing agreements of either the subsidiary or the parent.

(10) Tier 2 capital instruments must not contain restrictive covenants or default clauses that would allow the holder to trigger acceleration of repayment in circumstances other than the insolvency, bankruptcy or winding-up of the issuer.

(11) Capital instruments issued in conjunction with a repackaging arrangement that are deemed by the Commission to be an effective amortization are to be treated as limited life instruments subject to their conforming with the criteria for Tier 2B instruments.

(12) All capital instruments must be issued and fully paid for in money or, with the approval of the Commission, in property.

Tier C

(13) The following items qualify as Tier 2C capital—

- (a) 75% of the cash surrender value deficiencies on an aggregate basis in year 1, 62.5% in year 2 and 50% in year 3;
- (b) 75% of the negative reserves on a policy by policy basis;

- (c) unrealized net gains or losses in investment reserves relating to widely traded stocks, mutual funds and bonds that have been taken into account in the valuation of policy liabilities less expected disposal costs; less unrealized gains or losses relating to investments that back liabilities.

Local minority interest

(14) Local minority interests, including subordinated debt issued to independent investors, arising on consolidation may be included in the respective categories, if—

- (a) the instruments meet the requirements applicable to that category; and
- (b) they do not effectively rank equally or ahead of the claims of policyholders and other senior creditors of the insurer due to a parent guarantee or by any other contractual means.

(15) If a subsidiary issues capital instruments for the funding of the parent company or if the instruments are substantially in excess of the subsidiary's own capital requirements, the terms and conditions of the issue, and the inter-company transfer must ensure that investors are placed in the same position as if the instrument were issued by the parent company.

(16) The sum of Tiers 1 and 2 capital shall be reduced by the following—

- (a) substantial investments in non-life financial corporations that are controlled by the company;
- (b) facilities that are treated as capital by unconsolidated subsidiaries and by unconsolidated corporations in which the company has a substantial interest,

and, for the purposes of this regulation—

- (i) any reference to substantial investments is a reference to ownership of at least 25% of the shareholders' equity in another corporation;
- (ii) no asset default factor will be applied to items that are deducted from capital.

(17) The amount of capital elements, net of amortization, included in the Tier 2 capital may not exceed 100% of net Tier 1 capital.

(18) Limited life instruments, net of amortization, included in Tier 2B shall not exceed a maximum of 50% of net Tier 1 capital.

(19) Negative reserves included in Tier 2C may not exceed 33% of net Tier 1 capital.

(20) Any capital instruments and limited life instruments issued in excess of these limitations will not be counted as capital for the purpose of the risk-based capital adequacy test but they will be taken into account when reviewing the overall strength of the company.

Preference Shares (Tier 1)

(21) To qualify as Tier 1 instruments, preference shares must be in form and substance—

- (a) subordinated to policyholders and unsecured creditors;
- (b) permanent;
- (c) free of mandatory fixed charges.

Subordination

(22) Preference shares must be subordinated to the company's policyholders and unsecured creditors.

(23) If preference shares are issued by a subsidiary for the funding of the company and are to qualify for capital (non-controlling interest), the terms and conditions of the issue, and the inter-company transfer, must ensure that investors are placed in the same position as if the instrument were issued by the company.

Permanence

(24) To ensure the permanence in nature of preference shares, the following features are prohibited—

- (a) retraction by holder;
- (b) obligation of the issuer to redeem the shares;
- (c) redemption within five years of issuance.

(25) Any conversion, other than to ordinary shares of the issuer, or redemption is subject to supervisory approval and—

- (a) redemption can only be for cash or the equivalent; and
- (b) conversion privileges cannot be structured to effectively provide either a redemption of or return on the original investment.

Free of Mandatory Fixed Charges

(26) Preference shares that are included in Tier 1 capital shall not have the following features—

- (a) cumulative dividends (dividends influenced by the credit standing of the institution);

- (b) compensation to preference shareholders other than a dividend;
- (c) sinking or purchase funds.

Hybrid Capital Instruments (Tier 2A)

- (27) These instruments include—
- (a) cumulative irredeemable preference shares;
 - (b) qualifying 99 year debenture (irredeemable);
 - (c) qualifying non-controlling interest arising on consolidation from Tier 2 Hybrid capital instruments.

(28) To qualify as Tier 2A capital, preference shares should have characteristics similar to those required for Tier 1 capital except that Tier 2A preference shares may be cumulative.

(29) Irredeemable bonds meeting the criteria for hybrid capital instruments and having the following characteristics will be eligible for Tier 2A capital—

- (a) unsecured, subordinated and fully paid up;
- (b) not redeemable at the initiative of the holder but they may be redeemed at the initiative of the issuer after an initial term of five years with the prior consent of the Commission;
- (c) are available to participate in losses while the issuer is still a going concern;
- (d) must allow the issuer to defer principal and interest payments if the issuer does not report a net profit for the most recent combined four quarters and the issuer eliminates cash dividends on its ordinary and preference shares, but the deferral of interest will not, under any circumstances, be allowed to compound;
- (e) must not contain provisions for any form of compensation in respect of any unpaid amounts, except subject to prior approval by the Commission;
- (f) are free from special restrictive covenants or default clauses that would allow the holder to trigger acceleration of repayment in circumstances other than insolvency.

Limited Life Instruments (Tier 2B)

(30) In contrast to hybrid instruments, limited life instruments are not permanent and include—

- (a) limited life redeemable preference shares;

- (b) qualifying capital instruments issued in conjunction with a repackaging arrangement;
- (c) other debenture and subordinated debt;
- (d) qualifying non-controlling interest arising on consolidation from Tier 2 limited life instruments.

Goodwill

(31) Amortized goodwill shall be deducted from gross Tier 1 Capital.

Non-life financial corporations controlled by company

(32) Equity investments in non-life solvency regulated financial companies that are controlled by the company shall be deducted from Tier 1 and Tier 2 capital. Non-life solvency regulated financial corporations include those entities that are engaged in the business of banking, trust and loan business, general insurance business, the business of cooperative credit societies or that is primarily engaged in the business of dealing in securities, including portfolio management and investment counselling.

(33) The company shall deduct these investments in controlled non-life financial corporations based on the equity method of accounting. Where the company has investments in preference shares or debt instruments of the corporation, the amount invested in these instruments shall also be deducted from capital if they are classified as capital by the regulator in that corporation's home jurisdiction.

(34) Where a facility such as a letter of credit or guarantee is provided by the company, and it is—

- (a) treated as capital by the non-life financial corporation controlled by the company;
- (b) available for draw-down in the event of impairment of the corporation's capital; and
- (c) subordinated to the corporation's customer obligations,

the full amount of the facility shall also be deducted from capital.

(35) No asset default factor shall be applied to equity investments, letters of credit and guarantees or other facilities provided to controlled non-life financial corporations where these have been deducted from capital. Investment in preference shares or debt instruments of, or letters of credit provided to, controlled non-life financial corporations that are not deducted from capital will be treated like any other asset in accordance with this guideline.

Amortization

(36) Tier 2 capital components are subject to straight-line amortization in the final five years prior to maturity or the effective dates governing the holders' optional rights to surrender the instruments. As redeemable preference shares and subordinated debentures of the company or non-controlling interest preference shares and qualifying subsidiary debt instruments approach maturity, redemption or surrender, such outstanding balances are to be amortized based on the following criteria:

Years to Maturity	Included in Capital
5 years and over	100%
4 years but less than 5 years	80%
3 years but less than 4 years	60%
2 years but less than 3 years	40%
1 year but less than 2 years	20%
Less than 1 year	0%

(37) Similarly for capital instruments that have sinking funds, amortization of the amount paid into the sinking fund should begin five years before the sinking fund payment is due to be made.

Corporation in which the company has made a substantial investment

(38) Equity investment in a corporation in which the company has made a substantial investment but does not control, will be deducted from the sum of Tier 1 and Tier 2 capital.

(39) Consolidation of life company subsidiaries is limited to local subsidiaries and accordingly—

- (a) the investment in foreign life company subsidiaries should not be deducted from capital;
- (b) an asset default factor should be applied to the investment.

(40) Where the life insurance company provides a facility such as a letter of credit or guarantee on behalf of the corporation and the facility is—

- (a) treated as capital by the corporation being available for draw-down in case of impairment of the corporation's capital; and
- (b) subordinated to the corporation's customer obligations,

the full amount of the facility shall be deducted from capital.

(41) No asset default factor shall be applied to facilities that are deducted from capital and investment in preference shares, debt instruments and facilities that are not deducted from capital shall be treated like any other asset.

Asset Default Risk

(42) The asset default risk shall include the balance sheet risks of life insurers. The component requirement for the balance sheet asset default risk is added to the resulting component requirements for the mortality/morbidity risk, lapse risk, interest margin pricing risk, changes in interest rate environment risk and foreign exchange risk to arrive at the capital requirement.

(43) The asset default risk covers losses resulting from asset default and related loss of income and the loss of market value of equities and related reduction in income.

(44) To compute the component requirement for the asset default risk, a factor shall be applied to the book value (or market value for certain investments) of the company's non-segregated assets. The resulting asset default values shall be added to arrive at the Asset Default Risk Component Requirement. The factors to be applied to the company's non-segregated assets are as follows—

Basic Component Requirement

0 %	Cash Accrued Investment Income, Receivables from reinsurers Policy Loans Any deductions from capital, including goodwill and substantial investments
15%	Book value of miscellaneous items e.g., Premiums due and Outstanding, Agents' Debit balances, Furniture & Fixtures, Receivables etc. Instruments or Investments not specifically identified in the guideline.

Short Term Securities (Tenor of less than one year)

Factor	Short Term Securities
0%	Government Securities
0.25%	Bank certificates of deposit and similar obligations of Jamaican deposit taking institutions
	Commercial Paper:
0.25%	Guaranteed by bank
2%	Rated "R3", "A-3" (or higher) by an internationally recognized credit rating agency
15%	Other

Bonds/Debentures/Loans (Tenor more than one year)

Factor	Bonds
0%	Government issued or guaranteed Long Term Securities
0%	FINSAC Bonds (held to maturity)
0.25%	Commercial bonds/debentures guaranteed by bank
2%	Rated "A" (or higher) by an internationally recognized credit rating agency
8%	Rated less than "A" and higher than "C" by an internationally recognized credit rating agency
15%	Other commercial bonds/debentures (not in default)
35%	Bonds/debentures/loans (non-performing/in default)
15%	Other bonds/debentures not mentioned above.

(45) Companies must use the latest rating assigned to the instrument by an internationally recognized, widely followed (or approved by the Commission) credit rating agency. A company must consistently follow the ratings of one agency. Only where the agency does not rate a particular instrument, the rating of another recognized agency may be used.

THE INSURANCE REGULATIONS, 2001

Mortgages

(46) The following mortgage rates shall apply—

Residential

- (a) 2% for residential mortgages on the outstanding balance, excluding accrued interest, less insured balances and write-downs. It also applies to second mortgages for the purpose of acquiring or improving the residential dwelling and the company holds the first mortgage on the dwelling to which the second mortgage applies. If the mortgage does not meet these criteria, the factor for commercial mortgages will apply;

Commercial

- (b) 8% for commercial mortgages and mortgages secured by undeveloped land (i.e., construction financing), other than land used for agriculture or the production of minerals and a commercial investment property held for leasing;

Restructured loans and mortgages

- (c) 15% for mortgages and loans that have been restructured;

Non-performing

- (d) 35% for mortgages that are overdue for a period between 90 and 180 days. Non-performing mortgages in excess of 180 days shall be written off.

Equity Investment

(47) The factors do not apply to investments in corporations controlled by the company or in corporations in which the company has a substantial investment. The factors apply to the market values.

Factor	Stocks
10%	Preference Shares
15%	Ordinary Shares, Segregated Funds, Mutual Funds and other similar investments

Corporations controlled by the Company

(48) An accounting consolidation equivalent shall be used for controlling investments in local corporations carrying on a business that the

company could carry on directly (such as life insurance, real estate and ancillary business subsidiaries). For those situations the MCCSR rules will be applied to the controlled corporation. The same consolidation principle applies to local subsidiaries of the company whether held directly or indirectly. The subsidiary's MCCSR shall then be added to the parent's MCCSR. The tier limitations (*i.e.*, term Tier 2 may not exceed 50% of Tier 1) shall be applied on a consolidated basis.

Corporations controlled by the Treatment Company	Treatments
Local Life Insurance Corporation	Accounting Consolidation Equivalent
Non-life Financial Corporation	Deduct investment in corporation from total capital
Local Commercial Corporation (<i>i.e.</i> , ancillary business corporations)	Accounting Consolidation Equivalent
Local Real Estate Corporation	Accounting Consolidation Equivalent
Foreign Life Subsidiary	Equity method; apply asset default factor of 15%

Real Estate

Factor	Real Estate
5%	Occupied by the company or a consolidated subsidiary
10%	Income producing
35%	Mining properties (e.g., bauxite and gypsum)
15%	Other

(49) Factors shall apply to the market values gross of any associated mortgage or other debt. Income-producing properties shall be limited to those properties that earn a yield of at least 4% of the market value (net of encumbrances, if any), after all real-estate expenses (including, interest on encumbrances) and taxes have been charged.

(50) Properties under development and for which imputed interest is capitalized for financial statement purposes, are excluded.

Leases

(51) The following rules apply to leases—

Lessee

- (a) where a life company is the lessee under an operating lease, no capital is required. Under a finance lease, the capital requirement for the asset held on the balance sheet shall be based on the underlying property leased;

Lessor

- (b) the capital requirement for financial leases shall be based on the balance sheet asset representing the lease.

Non-performing investments

(52) The following provisions apply to non-performing investments—

- (a) impairment should be recognized in accordance with the Statement of Standard Accounting Practice for Life Insurance Companies. If a loan payment is contractually ninety to one hundred and eighty days in arrears, then the investment is classified as non-performing. If a payment is in excess of one hundred and eighty days overdue then the investment should be written off;
- (b) this component is required in addition to the basic component;
- (c) for bonds and mortgages, the requirements shall become the sum of—
- (i) factor x (outstanding balance less write-downs); and
 - (ii) 35% x (outstanding non-performing balance) less write-downs;
- (d) the non-performing component should not be negative;
- (e) the calculations shall be based on the separate portfolios of impaired loans, mortgages, bonds, etc. and not on individual investments.

Restructured loans and mortgages

(53) The default factor is 15% and shall be applied to loans and mortgage loans, at the time of renewal or during the life of the loan or mortgage, when the following conditions apply—

- (a) the company is aware that the borrower is in financial difficulty; and

(b) the loan to value ration is higher than 75%

(54) The loan or mortgage should be classified as impaired when the lender no longer has reasonable assurance of timely collection of the full amount of principal and interest or payment of principal and interest is outstanding for over 90 days.

Mortality/Morbidity Risk

(55) Mortality/morbidity risk for life and health insurance is the risk that the assumptions about mortality and morbidity will be wrong.

(56) To compute the mortality/morbidity component, a factor is applied to the measure of exposure to risk and the resulting values are added to arrive at the mortality/morbidity risk component.

(57) The factors used in deriving the risk component vary by type of business and the measure of the exposure to risk is a follows—

Risk	Measure of Exposure (before reinsurance ceded)
Insurance against Death (including Accidental Death and Dismemberment)	Net amount at risk, <i>i.e.</i> , Face value of insurance less policy (actuarial) reserves; even if negative, for both direct and reinsurance acquired business
Annuities involving Life Contingencies	Total liabilities (including any portion which does not involved life contingencies)
Disability Income and Health Insurance, New Claims Risk	Annual earned premiums
Disability Income and Health Insurance, Continuing Claims Risk	Disability income reserves relating to claims of prior years

Mortality Risk

Insurance (including Accidental Death and Dismemberment)

(58) (a) To compute the mortality/morbidity component for life insurance the following factors shall be applied to the net amount at risk—

Type		Factor
Participating	Group	0.00063
Non-participating <i>Individual</i>	All other	0.00125
	Adjustable Life, UL	0.00188
Non-participating <i>Group</i>	All other	0.0025
	Accidental Death and Dismemberment	All	0.00125
	Individual	0.00056
	Group	0.00019

- (b) for participating business without meaningful dividends and participating adjustable or universal life policies where mortality adjustability is not reasonably flexible, the factors for all other non-participating business should be used.

Group Policies

(59) In respect to Group Insurance, no component is required for ASO cases where the insurer has no liability for claims.

(60) Deposits in excess of liabilities, excluding the liability for such deposits, may reduce the component requirement on any policy to a minimum of zero. Such deposits must be—

- (a) made by policyholders;
- (b) available for claims payment; or
- (c) refundable, net of applications, to policyholders on termination.

Qualified stop-loss arrangements

(61) If a legally binding agreement exists where a reinsurance company assumes all the claims costs for a block of policies in excess of the expected claim costs on those policies, an adjustment may be made to the ceding company's component requirement.

(62) A ceding company may reduce the component requirement on the block of policies covered by a qualified arrangement. The reduction can be any amount not exceeding 40% of the basic component requirement held by the ceding company. The ceding company must retain in its records the assuming company actuary's certification that the assuming company—

- (a) is legally bound to pay all claims in excess of expected claims; and
- (b) has included the amount claimed by the ceding company in its MCCR.

Annuities involving Life Contingencies

(63) No adjustment need be made for random statistical fluctuation.

(64) The component requirement is 1.25% of the total policy liabilities, including any portion of the policy liability which does not involve life contingencies.

Morbidity Risk

Personal Accident Disability Waiver and Health Insurance

(65) The additional risks associated with non-cancellable guaranteed premium business should be recognized.

New Claims Risk

(66) The new claims risk component relates to claims arising from the current year's coverage, and includes the risks of incidence and claims continuance. The following factor shall be applied to measure exposure—

Percentage of Annual Earned Premiums	
Individual	Group
20%	15%

Continuing Claims Risk

(67) The continuing claims component covers risk of claims continuance arising from coverage provided in prior years. The factor shall apply to disabled life reserves related to claims incurred in prior years, including the portion of the provision for incurred but unreported claims.

(68) The following factor shall be applied to the measure of exposure—

Risk	Factor
Disabled Life Reserve	0.06
Incurred But Not Reported Reserve	0.10

Credits for Reinsurance and Special Policy Holder Arrangements

(69) The component requirement shall be calculated as outlined in the provisions relating to insurance mortality (including accidental death and dismemberment).

Lapse Risk

(70) This component for required capital recognizes the risk that assumptions about lapse rates may be wrong.

(71) The lapse risk component shall be calculated for all individual life business by dividing the individual life business into two broad groupings as follows—

- (a) **Group A**—policy series for which lower lapses will produce higher net reserves;
- (b) **Group B**—policy series for which higher lapses will produce higher net reserves.

(72) Determination of the lapse risk shall be as follows—

- (a) the total net reserves is to be determined using the method for statement liability purposes;
- (b) the total net reserves is then recalculated for group A (reducing the assumed lapse rate by 10% for all durations) and Group B (increasing the assumed lapse rate by 1 percentage point for all durations) or for participating business with meaningful dividends and adjustable premium products and where there is reasonable flexibility in adjusting dividend and premium rates, the factors are cut in half. Group A (the lapse rate is reduced by 5%) and Group B (the lapse rate is increased by half a percentage point);
- (c) the reserve calculated in step (a) is to be subtracted from the reserve calculated in step (b).

(73) The lapse risk component may be based on year-end reserves or a quarter-end selected during the year. If based on the quarter-end, the increase in net reserves for each of groups A and B shall be expressed as a percentage and used for all MCCR calculations for the following twelve months.

(74) Companies shall not be expected to make VTP-2 adjustments (as per Canadian methodology) or to modify systems that make automatic mortality adjustments when lapse adjustment change.

*Interest Margin Pricing Risk**Policy Liabilities*

(75) Interest Margin Pricing Risk for Life, and accident and health

insurance is the part of the risk associated with inadequate pricing.

(76) Any losses occasioned by past investment and pricing decisions must be reflected in the policy reserves.

(77) Losses arising from asset default and changes in the interest rate environment excluded from this risk component.

(78) To compute the interest margin pricing component, a factor is applied to the appropriate measure of exposure to risk and the resulting values are summed up to arrive at the interest margin pricing component.

(79) The measure of exposure to risk for the interest margin pricing component is the policy liabilities. Companies may take credit (reduce reserves) for business ceded to reinsurers.

(80) The factors used in deriving the risk component are as follows—

Factor	Type of business
0.005	All participating (receiving policyholder dividends); and all non participating with adjustable premiums, or adjustable interest credits (<i>i.e.</i> , a repricing risk exists)
0.010	Other Business

(81) No component shall be required for GIC-type deferred annuities where the contract offers renewal only at the rate for new business. Other situations require the 0.005 factor.

(82) No component is required for business where there is no repricing risk, such as paid-up business not receiving policyholder dividend, experience refunds, or excess interest credits, including business purchased in the form of annual single premiums, and disabled life reserves.

(83) No component is required for business where the policy liabilities are not discounted for interest, such as unearned premiums.

Changes in interest rate environment risk

Policy Liabilities

(84) Changes in the interest rate environment risk are associated with asset depreciation arising from interest rate shifts.

(85) To compute the changes in interest rate environment component, a factor shall be applied to the appropriate measure of exposure to risk. The resulting values shall be summed to arrive at the changes in interest rate environment component.

(86) The measure of exposure to risk for the interest rate

environment component is the policy liabilities. Companies may take credit for business ceded to reinsurers.

(87) The factors used in deriving the risk component are as follows—

Factor	Product
0.020	Life and Health Insurance, other than Universal Life
0.030	Endowment insurance, other than Universal Life
0.010	Single Premium Immediate Annuities and Disability Claims Payable in Instalments (including Disability Waiver)
Varies	Accumulation Funds

(88) For the measure of exposure used in this calculation, policy liabilities should be net of policy loans where—

- (a) the policy loan rate is variable, and not subject to an upper limit; and
- (b) there is direct recognition of policy loans by policy in the dividend scale or the crediting of excess interest,

and policy loan interest rates based on an index would be considered variable.

Accumulation Funds

(89) Separate treatment shall be accorded to Accumulation Funds (including all amounts on deposit), deferred annuities, retirement income policies and universal life products. Accumulation funds include claim fluctuation reserves, stabilization reserves and provision for experience rating refunds.

(90) The factors used in deriving the risk component vary with the guaranteed term remaining in the exposure measure, and with the plan type, the different types of which are as follows—

- (a) **Type A**—Funds may be withdrawn only—
 - (i) with an adjustment to reflect changes in interest rates or asset values since fund receipt; or
 - (ii) by way of an immediate life annuity; or
 - (iii) in instalments over a minimum of five years; or
 - (iv) for amounts not greater than the annual interest credits allowed;
- (b) **Type B**—Fund withdrawal is defined as for Type A, except that, funds may be withdrawn at the end of the interest guarantee in a single sum, or in instalments over less than five years;

- (c) **Type C**—funds may be withdrawn before the end of the guarantee period in a single sum, or in instalments over less than five years, either—
 - (i) without adjustment to reflect changes in interest rates or asset values since fund receipt; or
 - (ii) subject only to a fixed surrender charge, either in amount or as a percentage of the funds;
- (d) the factors used in deriving the risk component for accumulation funds (including all amounts on deposits), deferred annuities, retirement income policies, and universal life products are as follows—

Factor	Type of Plan
0.005	Daily interest account being credited with market short term interest, and with interest rate guarantee periods remaining of six months or less
0.010	Guaranteed period remaining greater than or equal to 10 years for Plan Type of A and B
0.020	Guaranteed period remaining greater than or equal to 10 years for Plan Type A and B
0.020	Guaranteed period remaining greater than 6 months but less than 18 months for Plan Type C
0.050	Guaranteed period remaining greater than 18 months but less than 10 years for Plan Type C
0.100	Guaranteed period remaining greater than or equal to 10 years for Plan Type C

(91) The guarantee period is the number of years remaining that an accumulation interest rate in excess of the ultimate reinvestment rate is guaranteed.

(92) In the case of group plans, for purposes of distinguishing between Plan types, fund withdrawal does not include—

- (a) employee withdrawals upon termination of employment, retirement, disability or death; and
- (b) withdrawals occasioned by adverse aggregate group experience, such as claim fluctuation reserves.

Foreign exchange risk

(93) Foreign Exchange Risk is the risk associated with asset

depreciation or liability appreciation arising from changes in exchange rates.

(94) The component for foreign exchange risk specifically allows for the depreciation of assets denominated in foreign currency when that currency declines in value against the Jamaican dollar, or, for the appreciation of liabilities denominated in a foreign currency when that currency increases in value against the Jamaican dollar. If the assets and the liabilities denominated in a foreign currency are equal, then the foreign exchange risk is eliminated and no additional capital will be required.

(95) To calculate the foreign exchange risk component, a factor is applied to the net assets or liabilities denominated in the foreign currency (converted to Jamaican dollars). The resulting values are summed to arrive at the total foreign exchange risk component.

(96) The measure of exposure to risk for the foreign exchange component is net assets or liabilities denominated in a currency other than Jamaican dollars excluding assets backing capital and surplus, and assets and liabilities associated with segregated funds. Companies may take credit (reduce liabilities) for business ceded to reinsurers provided that reinsurance claims are payable in the same currency as the liability.

Assets Denominated Currency in Foreign Currency

(97) The value of assets for each currency (other than Jamaican dollars) should be disclosed. Assets should be valued at book or market value as would normally be reported in the balance sheet of the company. Asset values should be net of any provisions including depreciation. Assets backing surplus and segregated funds should be excluded from the calculation.

Liabilities Denominated in Foreign Currency

(98) The value of liabilities for each currency (other than Jamaican dollars) should be disclosed, including policy liabilities, debt obligations, and any other liability denominated in a foreign currency. Liabilities should have values in accordance with those reported in the balance sheet of the company. Companies may take credit (reduce liabilities) for business ceded to reinsurers provided that reinsurance claims are payable in the same currency as the liability. Segregated fund liabilities should be excluded from the calculation.

Exchange Rate used for Conversion to Jamaican Dollars

(99) The exchange rate used for each currency should be the Risk weighted average spot selling rate as at the effective date of the MCCR calculation. If this rate is not available in the currency being reported, then an appropriate rate should be selected (or calculated from other rates) and used. The source of the rate should be disclosed.

Net Assets or Liabilities in Jamaican Dollars

(100) The net assets or liabilities in Jamaican dollars shall be the absolute value of the assets minus the liabilities multiplied by the exchange rate for each currency.

Factor

(101) A factor of 5% shall be applied to the net assets or liabilities to give the required capital for each currency.

30.—(1) Where a registered insurer carries on long term business—

Segregated funds reporting.

- (a) the insurer shall maintain an account in respect of that business; and
- (b) the receipts of that business shall be entered in the account maintained for that business and shall be carried to and shall form a separate insurance fund, “segregated fund”, with an appropriate name.

(2) If any part of the long term business of a registered insurer consists of contractors under which the benefit payable to the policyholders are determined by reference to the value of, or the income from, property of any description, the receipts of that part of that business shall be carried to and shall form a separate part of the fund maintained under paragraph (1) and references in this regulation to any part of the long term business of an insurer or to any part of the fund maintained under that paragraph are references to such a part of that business or to such a part of that fund, as the case may be, as is mentioned in this regulation.

(3) Subject to paragraph (4), a registered insurer which carries on long term business shall maintain such accounting and other records as are necessary for identifying—

- (a) the assets representing the fund maintained by the insurer under paragraph (1) and each part of that fund; and
- (b) the liabilities attributable to that business and to each part of that business.

(4) A registered insurer which carries on long term business and was carrying on that business immediately before the commencement of the Act—

- (a) shall make arrangements to the satisfaction of the Commission, during the financial year which are attributable to its long term business and to each part of that business; and
- (b) shall not be subject to paragraph (3) until the day after the end of that financial year.

Schedule 7. (5) The information shall be reported to the Commission on the form set out in Schedule 7 as part of the annual statement filed with the Commission.

Annual financial statement of life insurer. Schedule 8. 31. The annual statements based on the audited financial statements for life or sickness and health insurers shall be filed in accordance with the requirements set out in Schedule 8, not later than the 31st March in each year, reflecting the financial condition for the preceding calendar year.

Quarterly financial statement of life insurer. Schedule 9. 32. Quarterly statements for life or sickness and health insurers shall be filed in accordance with the requirements set out in Schedule 9.

Annual financial statement of general insurer. Schedule 10. 33. The annual statements based on the audited financial statements for general insurers shall be filed in accordance with the requirements set out in Schedule 10, not later than the 31st March in each year, reflecting the financial condition for the preceding calendar year.

Quarterly financial statement of general insurers. Schedule 11. 34. Quarterly statements for general insurers shall be filed in accordance with the requirements set out in Schedule 11.

Capital and bonding requirements for brokers and corporate agent. 35.—(1) Every broker who is a sole proprietor, partnership or corporation, and every corporate agent shall maintain, at all times, an equity capitalization (paid up capital and unimpaired surplus) of not less than an amount equal to the maximum deductible amount of the broker's or agent's errors and omissions and fidelity insurance policies or, in the case of a person who is—

- (a) a broker, \$10 million; or
- (b) an agent, \$5 million,

whichever is the greater.

(2) Every broker who is a sole proprietor, partnership or corporation, and every corporate agent shall maintain and continue to maintain—

- (a) errors and omissions insurance with extended coverage for loss resulting from fraudulent acts; or
- (b) some other form of financial guarantee,

in a form approved by the Commission in an amount of at least \$30,000,000 in respect of any one occurrence.

(3) Every person referred to in paragraph (1) shall maintain fidelity insurance against losses arising from the dishonesty of employees, a proprietor or partners, directors, officers and shareholders in a form approved by the Commission for an amount of at least \$30,000,000 in respect of any one occurrence.

(4) The insurance policies referred to in paragraphs (1) and (2) shall contain an endorsement that stipulates that the Commission must be given written notice by the insurer of any cancellation or non-renewal of such a policy and that cancellation or non-renewal does not become effective until 30 days after actual receipt of such notice of the Commission.

(5) A broker's or corporate agent's certificate of registration as a broker or corporate agent expires on the date of the effective cancellation or non-renewal of an insurance policy unless before the date the insurance is replaced or the broker or corporate agent otherwise satisfies the Commission that the broker or corporate agent is in compliance with paragraphs (1) and (2).

36.—(1) Every registered agent and registered broker shall prepare and maintain in Jamaica and shall make available to the Commission on request the following—

Records of
agents and
brokers.

- (a) full details of all registered insurers with which it has a business relationship;
- (b) original accounting records respecting its insurance business in Jamaica;
- (c) a record of all local policies issued by it on behalf of each registered insurer;
- (d) a record of the total amount of premiums received on such policies;
- (e) a copy of its audited financial statements;
- (f) an analysis of premiums payable insurers indicating, *inter alia*, the number of days such premiums were outstanding; and
- (g) such other books, vouchers, receipts and documents as are necessary for the purpose of verifying information provided to the Commission pursuant to the Act.

(2) Any record required or authorized by the Act to be prepared and maintained by a registered insurer or registered insurance intermediary—

- (a) may be in a bound or loose-leaf form or in a photographic film form; or
- (b) may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable period of time.

(3) The Commission may at any time examine the records of a registered insurance intermediary, and the registered insurance intermediary shall facilitate the examination and shall cause such information and produce such records as are in his possession to be made available for examination.

(4) The annual return for associations of underwriters, brokers and corporate agents shall be filed in accordance with the requirements set out in Schedule 12.

Schedule 12.

Amalgamation and transfer.

37.—(1) In this Part—

“registered company” means a company duly registered under the Act;

“registration” means a certificate of registration granted under the Act;

“subsidiary” has the same meaning as in the Companies Act.

Amalgamation

(2) Where two or more insurance businesses or, as the case may be, one or more insurance businesses and one or more registered companies, propose to amalgamate as an insurance business, a joint application shall be submitted to the Commission, setting out the scheme of the proposed amalgamation and accompanied by the proposed amalgamation agreement setting out the terms and mode of effecting the amalgamation and in particular—

- (a) the proposed name of the amalgamated insurance business and its proposed registered office;
- (b) the names of the proposed directors of the amalgamated insurance business;
- (c) the manner in which the shares of each applicant are to be converted into shares or stock of the amalgamated insurance business;
- (d) the manner in which any payments are to be made to any dissenting shareholders of an applicant;
- (e) the proposed documents of incorporation of the amalgamated insurance business;
- (f) details of any other matter necessary to perfect the amalgamation and relevant to the proposed operation of the amalgamated business.
- (g) the proposed effective date of the amalgamation.

(3) With respect to such conversion of shares or stock, and such payment to dissenting shareholders as are contemplated by paragraph (1) (c) and (d), respectively, there shall be no repayment of capital.

(4) On the approval by the Commission of an application for amalgamation the existing registration of each applicant shall be deemed to be cancelled.

(5) The application for amalgamation shall be deemed to be a first application for registration and accordingly, the provisions of section 32 of the Act shall apply to such application.

(6) If the shares of one of the applicants are held by or on behalf of another of the applicants, other than shares held in the capacity of a personal representative or by way of security, the proposed amalgamation agreement shall—

- (a) provide for the cancellation of those shares when the amalgamation becomes effective without any repayment of capital in respect thereof; and
- (b) not contain any provision for the conversion of those shares into shares of the amalgamated insurance business.

(7) The directors of each applicant shall submit the proposed amalgamation agreement to a general meeting of shareholders, for approval by special resolution, and notice of that meeting must—

- (a) set out the terms and conditions of the agreement;
- (b) unless the Commission otherwise directs in writing be published on at least two occasions in a newspaper in general circulation in Jamaica, the first of such publications being not less than twenty-eight days prior to the meeting, and the second, being not less than fourteen days prior to the meeting;
- (c) be transmitted to each shareholder in accordance with the provisions of the Companies Act.

(8) An amalgamation agreement may provide that, at any time prior to the issue of a certificate of registration to the amalgamated company, the agreement may be terminated by the directors of an applicant notwithstanding that the agreement has been approved by the shareholders of all or any of the applicants.

(9) A registered company may amalgamate with one or more wholly-owned subsidiaries registered under the Act by submitting an application in the form of a scheme in accordance with paragraph (1) but shall not be subject to the requirements of paragraph (1) (c) and (e) and paragraph (7) where—

- (a) the proposed scheme is approved by a resolution of the directors of the licensee and of each amalgamating subsidiary;
- (b) the resolution provides that—
 - (i) the shares of each amalgamating subsidiary will be cancelled without any repayment of capital in respect thereof; and

- (ii) the memorandum and articles of association of the licensee are to become those of the amalgamated licensee; and
- (iii) no shares will be issued by the amalgamated licensee in respect of the amalgamation.

(10) On the approval by the Commission of an application under paragraph (9), the existing registration of the subsidiaries shall be deemed to be cancelled, and the registration of the applicant licensee will continue as that of the amalgamated registered company.

(11) Where an insurance company and one or more registered companies are wholly-owned subsidiaries of the same holding company, they may amalgamate and continue as an insurance company by submitting a joint application in the form of a scheme in accordance with paragraph (1), but shall not be subject to the requirements of paragraph (1) (c) and (e) and paragraph (7) if—

- (a) the proposed scheme is approved by a resolution of the directors of each applicant and the directors of the holding company; and
- (b) the resolutions provide that—
 - (i) the shares of all applicants, except those of the holding company, will be cancelled without any repayment of capital in respect thereof;
 - (ii) the amalgamated insurance company will adopt the memorandum and articles of association of the insurance company; and
 - (iii) the capital of the applicants whose shares are cancelled will be added to the capital of the insurance company.

(12) On the approval of the Commission of an application under paragraph (11), the existing certificate of registration of the subsidiaries which are registered shall be deemed to be cancelled and the registration of the holding company will continue as that of the amalgamated insurance company.

(13) On approval by the Commission of an application under these Regulations for recession of an amalgamation, and existing special permission or concession previously granted by order or otherwise under the Act to any applicant or subsidiary, as the case may be, the amalgamation shall be deemed to be cancelled without prejudice to any transaction already effected in pursuance of the said permission or concession.

Transfer of business

(14) Where an insurance company makes application to the

Commission for approval of a scheme to transfer its business (in whole or in part) to an insurance company or holding company, or as the case may be, to a registered company, such application shall be accompanied by a proposed agreement of purchase and sale ("sale agreement") setting out proposed terms and means of effecting the transfer.

(15) The consideration for the transfer may be cash or fully paid shares in the transferee, or such other consideration as is provided for in the sales agreement.

(16) The directors of the selling registered company shall submit to a meeting of that registered company's shareholders, the proposed sale agreement for approval by special resolution, and notice of that meeting shall—

- (a) set out the terms and conditions of the agreement;
- (b) unless the Commission otherwise directs in writing, be published on at least two occasions, in a newspaper in general circulation in Jamaica, the first of such publications being not less than twenty-eight days prior to the meeting, and the second, being not less than fourteen days prior to the meeting;
- (c) be transmitted to each shareholder in accordance with the provisions of the Companies Act.

(17) Where the special resolution so states, the directors of the selling registered company may, subject to the rights of third parties, abandon the sale notwithstanding approval by the shareholders.

(18) Where either the selling registered company or purchasing registered company or insurance company or both had previously received, by order or otherwise, a special permission or concession under a provision of the Act, the Commission in considering the application may—

- (a) take that permission or concession into account and may require such registered company or insurance business to make a proposal for continuation or variation of that permission or concession and to provide relevant particulars; and
- (b) require such registered company or insurance company to furnish additional information.

(19) Where the consideration for the transfer involves the acquisition of effective control of the transferee within the meaning of section 31 of the Act, the Commission shall not approve the transfer unless consideration for the transfer is properly satisfied as required by the appropriate regulation.

(20) Where the Commission has approved an agreement or arrangement to amalgamate or transfer the insurance company to which the property or business is transferred it may apply to the Minister on the prescribed form for an order transferring and vesting in the transferee insurance company, in accordance with the agreement or arrangement approved by the Commission, the property or business of the other insurance company.

PART VII—Investment

Application and interpretation.

38.—(1) This Part shall apply to domestic insurers only.

(2) In this Part—

“fair market value” means the amount that a willing buyer will pay a willing seller when—

- (a) either party is acting under duress or other extraneous influence;
- (b) both parties have substantially equal knowledge of the facts and circumstances affecting the transaction; and
- (c) the seller has had a reasonable period of time to expose the subject of the sale to the market;

“fixed charges” includes interest on funded and unfunded debt, amortization of debt discount, and rentals for leased properties;

“institution” includes corporations, joint-stock associations, and unit trusts;

“net earnings available for fixed charges”, in relation to an institution, means net income after deducting operating and maintenance expenses, taxes other than income taxes, depreciation, and depletion, but excludes extraordinary non-recurring items of income or expense appearing in the regular financial statements of such institution;

“obligation” includes bonds, debentures, notes, or other evidence of indebtedness;

“value” means fair market value.

Determination of earnings.

39.—(1) If net earnings are determined in reliance upon consolidated earnings statements of parent and subsidiary institutions—

- (a) the net earnings shall be determined after provision for income taxes of subsidiaries and after proper allowance for minority stock interest, if any; and
- (b) the required coverage of fixed charges shall be computed on a basis including fixed charges and preferred dividends of subsidiaries other than those payable by the subsidiaries to the parent

corporation or to any other of the subsidiaries but if the minority common stock interest in the subsidiary corporation is substantial, the fixed charges and preferred dividends may be apportioned in accordance with the regulations prescribed by the Commission.

(2) Paragraph (3) shall have effect in applying the earnings test set out in these Regulations to any such institution, whether or not in legal existence during the entire period of five years next preceding the date of investment by the insurer, which has at any time during the five-year period acquired substantially all of the assets of any other institution or institutions by purchase, merger, consolidation, or otherwise, or has been reorganized pursuant to bankruptcy law.

(3) The earnings of the predecessor or its affiliates, or of the institution so reorganized, available for the interest and dividends for such portion of the five-year period as may have preceded the acquisition or reorganization, may be included in the earnings of the issuing, assuming, or guaranteeing institution for such portion of such period as may be determined in accordance with adjusted or *pro forma* consolidated earnings statements covering such portion of such period and giving effect to all stock or shares outstanding, and all fixed charges existing, immediately after the acquisition or reorganization.

40.—(1) Insurers shall invest in or loan their funds on the security of, and shall hold as assets, only cash or premiums in course of collection or accrued investment income or eligible investments as prescribed in this Part.

Investment and
lending policy.

(2) The eligibility of an investment shall be determined as of the date of its making or acquisition.

(3) Any limitation based upon the amount of the insurer's assets shall relate to assets as shown by the insurer's annual statement as of December 31 preceding date of investment.

(4) Within sixty days of the calendar year following the effective date of these Regulations each domestic insurance company registered in Jamaica shall file with the Commission—

- (a) a statement, certified by an officer authorized by the board of directors of the company, noting that the company is in compliance with the prohibitions and limitations of the Act and these Regulations; or
- (b) a plan approved by the company's board of directors—
 - (i) specifying in detail how compliance is to be achieved within a reasonable period not exceeding three (3) years; and
 - (ii) delineating specific goals to be achieved within specified reporting periods not exceeding one year.

(5) The Commission shall review each plan filed pursuant to paragraph (4) (b), and shall determine if the plan is reasonable and set goals such that progress may be objectively noted at regularly scheduled intervals, not less frequent than annually.

(6) If the Commission determines that—

- (a) the plan is not reasonable or does not establish specific goals that may be objectively reviewed, the Commission shall disapprove the plan, notify the company of the deficiencies in the plan and give the company a period of time of not greater than thirty days to submit a plan which is sufficient to comply with this mandate or have its registration suspended until such a plan is approved;
- (b) the plan is reasonable and establishes goals that may be objectively reviewed, the Commission shall—
 - (i) approve the plan and so notify the company; and
 - (ii) thereafter, at the periods so specified in the plan, not less frequent than annually, compare the goals established by the plan to the company's achievements and note any deficiency;
- (c) the company has not successfully completed the plan within the specified period, not exceeding three years the Commission—
 - (i) shall suspend the registration of the company; or
 - (ii) may, upon a showing that the company has acted prudently and that immediate compliance with the plan would be injurious to policyholders, grant an additional period, not exceeding two years for the company to achieve full compliance,

and if, at the expiration of the additional time the company has not achieved such compliance, its registration shall be suspended until it is in compliance or revoked as determined by the Commission.

Interest bearing
securities property.

41.—(1) No security or other investment shall be eligible for purchase or acquisition under this Part unless it is interest bearing or interest accruing or dividend or income paying, is not then in default in any respect, and the insurer is entitled to receive for its exclusive account and benefit, the interest or income accruing thereon but it may acquire real property as provided in this regulation.

(2) No security shall be eligible for purchase at a price above its fair value.

(3) No provision of this Part shall prohibit the acquisition by an insurer of other or additional securities or property if it is—

- (a) received as a dividend or as a lawful distribution of assets; or
- (b) acquired pursuant to a lawful and *bona fide* agreement of bulk reinsurance, merger or consolidation.

(4) All securities and property held pursuant to this Part must be in the sole and exclusive name of the insurer or its nominee and provide for the exercise of all rights attendant to ownership.

42.—(1) Except as otherwise expressly limited, an insurer shall not have at any time any combination of investments in or loans upon the security of the obligations, property, and securities of any one person aggregating an amount exceeding five per cent of the insurer's assets.

Limits on investment requirement.

(2) This Part shall not apply to investments in, or loans upon the security of general obligations of the Government of Jamaica nor to investments in foreign securities or include policy loans made pursuant to regulation 60.

43.—(1) As respects each investment or loan of the assets of a domestic insurer, a written record in permanent form showing the authorization thereof shall be made and signed by an officer of the insurer or by the chairman of the committee authorizing the investment or loan.

Records of investment.

(2) Investment records, which document the security transactions, are to be maintained in the insurer's principal office in Jamaica.

(3) Investments may be maintained in book-entry form if properly recorded with the Central Securities Depository of Jamaica or such other recognized depository as the Commission may determine.

44.—(1) No investment, loan, sale, or exchange, except a loan upon a life insurance policy, shall be made by a domestic insurer unless authorized or approved by its board of directors or by a committee charged by the board of directors, or the by-laws with the duty of making such investment, loan, sale, or exchange.

Approval.

(2) The minutes of any such committee shall be recorded and reports shall be submitted to the board of directors for approval or disapproval.

45. An insurer shall invest and keep invested, its assets aggregating in amounts—

Capital investment requirement.

- (a) in the case of a stock insurer, not less than forty per cent of its minimum required capital; or
- (b) in the case of a mutual insurer, not less than forty per cent of its required minimum surplus, in cash or investments eligible in accordance with regulation 46 (public obligations).

46.—(1) An insurer may invest any of its assets in bonds or other evidence of debt, not in default as to principal or interest, which are valid and

Public obligation.

legally authorized obligations issued, assumed, or guaranteed by the Government of Jamaica, or by any town, parish, municipality, or district thereof, or by any agency of the government, or by any political subdivision thereof or any civil division or public instrumentality of one or more of the foregoing, if, by statutory or other legal requirements applicable thereto, such obligations are payable, as to both principal and interest in the manner specified in paragraph (2).

(2) The manner of payment referred to in paragraph (1) is as follows—

- (a) from taxes levied or required to be levied upon all taxable property of all taxable income within the jurisdiction of the governmental unit; or
- (b) from adequate special revenues pledged or otherwise appropriated or by law required to be provided for the purpose of such payment, but not including any obligation payable solely out of special assessments on properties benefited by local improvements unless adequate security is evidenced by the secured by an adequate guaranty fund as required by law.

(3) In addition to the foregoing, an insurer may make investments in obligations issued or guaranteed by the Inter-American Development Bank, or the International Bank for Reconstruction and Development, Caribbean Development Bank or other multilateral financing body to which Jamaica is a party.

Corporate
obligation.

47.—(1) An insurer may invest in obligations issued, assumed, or guaranteed by any solvent institution created or existing under the laws of Jamaica and are qualified under any of the following—

- (a) obligations which are secured by adequate collateral security and bear fixed interest, if during each of any three, including the last two, of the five fiscal years next preceding the date of acquisition by the insurer, the net earnings of the issuing, assuming, or guaranteeing institution available for its fixed charges, as defined in regulation 38 have been not less than one and one-fourth times the total of its fixed charges for such year;
- (b) in determining the adequacy of collateral security, not more than one-third of the total value of the required collateral shall consist of stock other than stock meeting the requirements of regulation 48;
- (c) fixed interest-bearing obligations, other than those described in sub-paragraph (a), if—
 - (i) the net earnings of the issuing, assuming, or guaranteeing institution available for its fixed charges for a period of

five fiscal years next preceding the date of acquisition by the insurer, have averaged per year not less than one and one-half times its average annual fixed charges applicable to the period; and

- (ii) during the last year of the period, the net earnings have been not less than one and one-half times its fixed charges for the year; or

(d) adjustment income or other contingent interest obligations, if—

- (i) the net earnings of the issuing, assuming, or guaranteeing institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half times the sum of its annual fixed charges and its average maximum contingent interest applicable to the period; and
- (ii) during each of the last two years of the period, the net earnings have not been less than one and one-half times the sum of its fixed charges and maximum contingent interest for the year.

48.—(1) An insurer may make investments, in an aggregate amount not exceeding fifteen per cent of its assets, in preferred or guaranteed stocks or shares, other than ordinary shares, of solvent institutions existing under the laws of Jamaica if all of the prior obligations and prior preferred stocks, if any, of such institution at the date of acquisition by the insurer are eligible as investments under this Part, if the requirements of paragraph (2) are satisfied.

Preferred or
guaranteed
stocks.

(2) The requirements mentioned in paragraph (1) are as follows—

- (a) the net earnings of the institution available for its fixed charges for a period of five fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half times the sum of its average annual fixed charges, if any, its average annual maximum contingent interest, if any, and its average annual preferred dividend requirements applicable to the period; and
- (b) during each of the last two years of such period, the net earnings have been not less than one and one-half times the sum of its fixed charges, contingent interest, and preferred dividend requirements for such year,

and the reference in sub-paragraph (a) to preferred dividend requirements shall be construed as a reference to cumulative or non-cumulative dividends whether paid or not.

Evidence of due diligence.

49. The records of the insurer shall contain sufficient documentation to show that all investments made pursuant to regulations 47 and 48 were made only after thorough due diligence to ensure that the institutions properly qualified for investment pursuant to the earnings test enumerated in those regulations.

Trustees' or receivers' obligations.

50. An insurer may invest an aggregate amount not exceeding two per cent of its assets, in certificates, notes or other obligations issued by trustees or receivers of institutions existing under the laws of Jamaica, which, or the assets of which, are being administered under the direction of any court having jurisdiction, if the obligation is adequately secured as to principal and interest.

Equipment trust obligations.

51. An insurer may invest an aggregate amount not exceeding ten per cent of its assets, in certificates which are adequately secured, or in other adequately secured instruments, evidencing an interest in transportation equipment wholly or in part within Jamaica and the right to receive determined portions of rental, purchase, or other fixed obligatory payments for the use of such transportation equipment.

Mortgage loans.

52. An insurer may invest in—

(a) promissory notes, bonds or evidence of debt which are secured by first mortgages or deeds of trust on real property located in Jamaica which meet either of the following requirements—

- (i) improved unencumbered real property; or
- (ii) unimproved unencumbered real property,

only where the real property is to be improved, and the bond or evidence of debt is secured by a first mortgage or deed of trust on the real property and the improvement to be made thereon;

- (b) security interests in connection therewith pursuant to regulation 56;
- (c) purchase money mortgages or like securities received by it upon the sale or exchange of real property acquired pursuant to regulation 57;
- (d) other instruments evidencing debt secured by first mortgages or deeds of trust upon leasehold estates, running for a term of not less than five years beyond the maturity of the loan as made or extended, in improved real property, otherwise unencumbered, and if the mortgage is entitled to be subrogated to all the rights under the leasehold.

Property value limitations.

53.—(1) No mortgage loan or investment therein upon any one parcel of real property shall exceed in amount at the time of acquisition—

- (a) eighty per cent of the fair value of the property if the property is a

dwelling house primarily intended for occupancy by one family, and the loan is required to be amortized within not more than thirty years by payment of instalments thereon, at regular intervals not less frequent than every three months; or

- (b) seventy-five per cent of the fair value of the property in all other cases.

(2) The extent to which a mortgage loan made under regulation 52 is guaranteed or insured by an agency of Jamaica or an insurer, registered and in good standing with the Commission may be deducted before application of the limitations in paragraph (1).

54.—(1) Real property shall not be deemed to be encumbered within the meaning of regulation 52 by reason of—

Encumbrance.

- (a) the existence of instruments reserving mineral, oil, timber, or similar rights, rights of way, sewer rights or rights in walls;
- (b) any liens for taxes or assessments not yet due or liens not delinquent for community recreational facilities or for the maintenance of community facilities;
- (c) building restrictions or other restrictive covenants common to the community in which the property is located; or
- (d) liens for service and maintenance of water rights where not delinquent, nor when such real property is subject to lease under which rents or profits are reserved to the owner if in any event the security for the loan or investment is a first lien upon the real property.

(2) If under any of the exceptions specified in paragraph (1) there is any sum owing but not due or delinquent, the total amount of such sum shall be deducted from the amount which otherwise might be loaned on the property.

(3) The value of any mineral, oil, timber, or similar right reserved shall not be included in the fair value of the property.

55.—(1) The fair value of property shall be determined by appraisal by a competent appraiser at the time of the making or acquiring of a mortgage loan or investing in a contract for the deed thereon.

Property appraisal and insurance.

(2) Buildings and other improvements located on the mortgaged premises shall be kept insured for the benefit of the mortgage against loss or damage from fire in an amount not less than the unpaid balance of the obligation, or the insurable value of the property, whichever is the lesser.

(3) The Commission may require new appraisals to be conducted, at the insurer's expense, whenever it is deemed advisable.

Security
agreements.

56.—(1) In connection with a mortgage loan on the security of real property designed and used as an investment property primarily for residential purposes only acquired pursuant to regulation 52, an insurer may loan or invest an amount not exceeding twenty per cent of the amount loaned or invested in the real property mortgage, on the security of a security agreement for a term of not more than five years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting durable equipment owned by the mortgagor and kept and used in the mortgaged premises.

(2) The term durable equipment shall include only—

- (a) mechanical refrigerators, mechanical laundering machines, air conditioning units, heating and cooking stoves and ranges, mechanical kitchen aids, vacuum cleaners, and fire extinguishing devices; and
- (b) in the case of apartment houses and hotels, room furniture and furnishings.

(3) Prior to acquisition of a security agreement, items of property to be included shall be separately appraised by a competent appraiser and the fair market value thereof determined but no such security agreement shall exceed in amount the same ratio of loan to the value of the property as is applicable to the companion on the real property.

Real property.

57.—(1) An insurer other than a life insurer, may own and invest, or have invested in its head office and branch office buildings, any of its assets in aggregate amount not exceeding ten per cent of its assets unless approved by the Commission.

(2) A life insurer may own and invest, or have invested in its home office and branch office buildings, any of its assets in aggregate amount not exceeding ten per cent of its assets, of fifty per cent of the excess of its assets over its minimum required capital, other than capital stock of a stock life insurer, whichever is the lesser amount, and, for the purposes of this paragraph, the head office or branch office buildings may be constructed upon leasehold estates.

(3) An insurer may invest, in an aggregate amount not exceeding twenty per cent of its assets, in real property acquired for the production of income under the following terms and conditions—

- (a) the investment in any single parcel of real estate shall not exceed five per cent of its assets;
- (b) the investment shall produce sufficient income to amortize any loan secured by a mortgage on the real property;
- (c) if any improvements exist on or are to be constructed on the real property for lease to lessees, the improvements shall remain on the

property during the period of the lease, with provisions that, when the improvements are put upon the property at the cost of the lessee, at the termination of the lease the ownership of the improvements, free of liens, shall vest in the owner of the real estate; and

- (d) during the term of the lease the tenant shall—
- (i) pay all taxes and assessments levied on or against the real estate, including improvement;
 - (ii) keep and maintain the improvements in good repair; and
 - (iii) provide and maintain for the benefit of the lessor fire insurance on the improvements in an amount at least equal to the insurable value of the improvements, or the amount invested by the lessor in the real estate,

whichever is less.

(4) An insurer may invest an aggregate amount not exceeding ten per cent of its assets, in real property acquired for the purpose of leasing the same to any person for a period of not less than twenty years, or in real property already leased for an unexpired period of not less than fifteen years of an original period of not less than twenty years, under the following terms and conditions—

- (a) the lessee, at the lessee's own cost shall erect, or have already erected, thereon free of liens a building or other improvements costing an amount at least equal to the value of the real estate exclusive of improvements or if the lease is entered into simultaneously with the purchase of the real estate, the lessor may agree to erect the improvements on the real estate;
- (b) the improvements shall remain on the property during the period of the lease, with provisions that, when the improvements are put upon the property at the cost of the lessee, at the termination of the lease the ownership of the improvements, free of liens, shall vest in the owner of the real estate;
- (c) the lessee, during the term of the lease, or the unexpired period of the lease if the property is bought subject to the lease, shall pay to the owner of the real estate rent in such amount as will enable the owner to amortize the investment at or before the normal termination of the lease, or at or before the end of fifty years should the lease, or the unexpired period of the lease, be for a longer period than fifty years; and
- (d) during the term of the lease the tenant shall pay all taxes and assessments levied on or against the real estate, including

improvements, shall keep and maintain the improvements in good repair, and shall provide and maintain for the benefit of the lessor fire insurance on the improvements in an amount at least equal to the insurable value of the improvements, or at least equal to the amount invested by the lessor in such real estate, whichever is less.

(5) Real property acquired pursuant to paragraph (3) shall not be treated as an investment unless and until the required improvements have been constructed and the lease agreement entered into, and the amount of such real property which shall be treated as an investment shall not exceed the amount actually invested reduced each year in the amounts as will suffice to amortize completely the investment at the normal termination of the lease or at the end of fifty years should the term of the lease, or the unexpired period of the lease, be for a longer period than fifty years.

(6) An insurer may own real property acquired in satisfaction or on account of loans, mortgages, liens, judgments, or other debts previously owing to the insurer in the course of its business, and may invest or have invested in aggregate amount not exceeding three per cent of its assets in other real property, and in the repair, alteration, furnishing, or improvement thereof, only as follows—

- (a) other real property requisite for its accommodation in the convenient transaction of its business if approved by the Commission;
- (b) real property acquired by gift or devise;
- (c) real property acquired in exchange for real property owned by it, and, if necessary in order to consummate such an exchange, the insurer may put up cash in an amount not to exceed twenty per cent of the fair value of its real property to be so exchanged, in addition to the property;
- (d) real property acquired through a lawful merger or consolidation with it of another insurer and not required for the purposes specified in paragraphs (1) and (4) (a); or
- (e) upon approval of the Commission, in real property and equipment incident to real property, requisite or desirable for the protection or enhancement of the value of other real property owned by the insurer.

(6) The total of all real estate investments authorized by this Part shall not exceed thirty percent of the assets of the insurer.

58.—(1) Real property acquired by an insurer pursuant to regulation 57 (6) (a) shall be disposed of within three years after it has ceased being necessary for the use of the insurer in the transaction of its business.

Disposal of real property.

(2) Real property acquired by an insurer pursuant to such loans, mortgages, liens, judgments, or other debts, or pursuant to regulation 57(6) (b), (c), (d) and (e) shall, subject to paragraph (3), be disposed of within three years after the date of acquisition.

(3) The Commission may extend the time for any such disposal for a definite additional period or periods upon application reasonably showing that forced sale of the property would be against the best interests of the insurer.

(4) Any such real property held by the insurer without the Commission's consent beyond the time permitted for its disposal shall not be carried or allowed as an asset.

59.—(1) An insurer authorized to transact insurance on a branch basis in a foreign country may invest, in aggregate amount not exceeding its deposit and reserve obligations incurred in such country, in securities of, or in, such country possessing characteristics and of a quality similar to those required pursuant to this Part for investments in Jamaica.

Foreign securities.

(2) An insurer may invest, in an aggregate amount not exceeding twenty per cent of its assets, in addition to any amount permitted pursuant to paragraph (1), in obligations of governments carrying a credit rating of A, or equivalent, and in obligations which have not been in default during the five years next preceding date of acquisition, and which are otherwise of equal or better quality to like Jamaica securities prescribed in this Part.

(3) In addition to the percentage of assets permitted in paragraph (2), an insurer offering contract benefits payable in foreign currency shall invest additional amounts sufficient to cover the reserve liabilities on those contracts in obligations of the foreign country payable in that currency.

60. An insurer may loan upon a life insurance policy, as collateral security, any sum not exceeding the cash surrender value of the policy.

Policy loans.

61.—(1) An insurer may invest or make deposits in checking or savings accounts, under separate certificates of deposit, or in any other form in solvent banks or trust companies.

Savings and share accounts.

(2) An insurer may make deposits in shares or share draft accounts in solvent Jamaican credit unions.

62.—(1) After satisfying the requirements of regulation 45, a life insurer may invest ten per cent of its assets in ordinary shares in solvent Jamaican corporations listed on a stock exchange approved and regulated by the Commission.

Ordinary shares.

(2) A general insurer may invest twenty per cent of its assets in ordinary shares.

Unit trusts or
collective
investment
schemes.

63. An insurer may invest an aggregate not exceeding ten per cent of its assets in the securities of any open-end management type investment company, collective investment scheme or unit trust registered and in good standing with the Commission, other than one which, as a subsidiary of the insurer, is investment advisor or principal underwriter.

Secured loans.

64.—(1) An insurer may loan its funds upon the pledge of securities or evidences of debt eligible for investment under this Part.

(2) As at the date made no such loan shall exceed in amount eighty per cent of the fair value of the collateral pledged, except loans on life insurance policies which may equal the cash surrender value of the policy as provided in regulation 60.

(3) The amount so loaned shall be included in the maximum percentage of assets permitted to be invested in the class of securities for evidences of debt pledged or permitted by regulation 42.

Other investments.

65.—(1) An insurer may loan or invest an aggregate amount not exceeding the lesser of ten per cent of its assets or fifty per cent of its net worth over its minimum required capital, or if a mutual company, fifty per cent of its net worth over its minimum required capital, in loans or investments not otherwise specifically made eligible for investment and not specifically prohibited or made ineligible by this or other provisions of this Part.

(2) No one investment pursuant to this regulation may exceed one (1) per cent of the insurer's assets.

(3) The insurer shall keep a separate record of all investments acquired under this regulation.

Hedging
transactions.

66.—(1) A domestic insurer may effect or maintain *bona fide* hedging transactions pertaining to securities otherwise eligible for investment under this Part including, but not limited to—

- (a) financial futures contracts, warrants, options, calls, and other rights to purchase; and
- (b) puts and other rights to require another person to purchase the securities.

(2) For purposes of this regulation, a *bona fide* hedging transaction means a purchase or sale of a contract, warrant, option, call, put, or right entered into for the purpose of—

- (a) minimizing interest rate risks in respect of interest obligations on insurance policies or contracts supported by securities held by the insurer; or
- (b) offsetting changes in the market values or yield rates of securities held or sold by the insurer.

67.—(1) A life insurer, after adoption of a resolution by its board of directors and certification thereof to the Commission, shall allocate to one or more separate accounts, in accordance with the terms of a written agreement or a contract on a variable basis, amounts which are paid to the insurer, in connection with a pension, retirement or profit sharing plan, or in connection with a contract on a variable basis, whether on an individual or group basis, and which amounts are to be applied to purchase retirement benefits in fixed or in variable dollar amounts, or both, or to provide benefits in accordance with a contract on a variable basis.

Segregated
funds.

(2) The income, if any, and gains or losses realized or unrealized on each account shall be credited to or charged against the amount allocated to the account in accordance with the agreement, without regard to the other income, gains or losses of the insurer.

(3) The Commission may prescribe reasonable limitations on charges against and permissible deductions from the investment experience credited to life insurance contracts on a variable basis.

(4) Notwithstanding any other provision in the insurer's articles of incorporation or in the Act, the amounts allocated to the accounts and accumulations thereon may be invested and reinvested in any class of loans and investments specified in the agreement, or, with respect to life insurance contracts on a variable basis, as prescribed by the Commission, and the loans and investments shall not be considered in applying any limitation in this Part.

(5) The Commission, with respect to separate accounts for life insurance on a variable basis, may establish reasonable standards for procedures to be used in changing investment policy and provisions to safeguard the rights of insured persons and beneficiaries.

(6) In this regulation, "contract on a variable basis" means a contract issued by an insurer providing for the dollar amount of benefits or other contractual payments, or values thereunder to vary so as to reflect investment results of a segregated portfolio of investments, or of a designated account in which amounts received in connection with the contract have been placed.

(7) A life insurer, with respect to any account or any portion thereof, may—

- (a) exercise the voting rights of the stock or shares or interest in accordance with instructions from the persons having the beneficial interests in the account rateably according to their respective interests in the account; or
- (b) establish a committee for the account, the members of which may be directors or officers or other employees of the insurer, persons having no relationship to the insurer, or any combination thereof,

who may be elected to membership by the vote of the persons having the beneficial interests in the account rateably according to their respective interests in the account.

(8) The committee referred to in paragraph (7) (b), alone, in conjunction with others, or by delegation to the insurer or any other person, as investment manager or investment adviser, may authorize purchases and sales of investments for the account if, as long as the life insurer or any subsidiary or affiliate of the life insurer is the investment manager or investment adviser of the account, the investments of the account are eligible under this regulation.

(9) The investments and liabilities of the account shall at all times be clearly identifiable and distinguishable from the other investments and liabilities of the insurer.

(10) A sale, transfer or exchange of investments shall not be made between any of the separate accounts or between any other investment account of the company and one or more of the separate accounts, except for the purpose of—

- (a) conducting the business of the account in accordance with paragraph (8); or
- (b) making adjustments necessitated by the contract for mortality experience adjustment, and then only if the transfers are made by a transfer of cash or securities having a valuation, which can readily be determined in the market place.

(11) The Commission may—

- (a) require that, for domestic life insurers, a transfer of cash or investments from a separate account or accounts to the company be approved in advance of the transfer;
- (b) prescribe reasonable limitations on charges against and permissible deductions from separate accounts for life insurance contracts on a variable basis.

Allowable
investments in
corporations.

68.—(1) Any domestic insurer, either by itself or in cooperation with one or more persons, may acquire, hold or control voting shares in a corporation or interest in any entity subject to the limitations of this regulation.

(2) An insurer shall not make investments, other than those in paragraph (3), that would result in the insurer, or any of its subsidiaries, or any combination of the insurer and its subsidiaries, acquiring, holding or controlling, whether directly or indirectly—

- (a) more than 10% of the voting shares in a corporation; or
- (b) more than 10% interest in any entity.

(3) Paragraph (2) shall not apply if the insurer directly or indirectly acquires, holds or controls—

- (a) more than 10% of the voting shares in a corporation that carries on, or more than a 10% interest in another type of entity that carries on, one or more of the following kinds of business—
- (i) banking;
 - (ii) insurance business;
 - (iii) trust business, deposit business or both;
 - (iv) the business of a broker or underwriter of a dealer in securities;
 - (v) investment counselling;
 - (vi) portfolio management;
 - (vii) data processing;
 - (viii) financial leasing;
 - (ix) factoring;
 - (x) the issue of credit cards and the operation of credit systems connected therewith;
 - (xi) acquiring, holding, maintaining, improving, selling, leasing or managing real estate (excluding land) or leaseholds;
 - (xii) acquiring, holding, maintaining, improving, selling, leasing or managing land or acting as agent in the sale or purchase of land;
 - (xiii) any other financial business as the Commission may determine;
- (b) subject to first receiving the written consent of the Commission and to any conditions that the Commission may impose, more than 10% of the voting shares in a corporation that carries on a business that is reasonably ancillary to the business of an insurer.

(4) Notwithstanding paragraph (3), an insurer shall not invest, directly or indirectly—

- (a) in a corporation described in that paragraph if the investment would result in the insurer having a total investment, directly or indirectly in all such corporations, except those described in paragraph (3) (a) (i), (ii) and (iii), that exceeds 5% of the insurer's assets; or
- (b) more than 2% of its assets in corporations described in paragraph (3) (a) (xiii).

(5) If an insurer ceases to control an investment made pursuant to this regulation, it shall dispose of such investment within three years from the time of the cessation of control or within such further times as the Commission may determine, unless at anytime after the investment has been made, the investment has met the requirements for investment under any other regulation in this Part, and the insurer has notified the Commission thereof.

Prohibited investments.

69. In addition to investments excluded under other provisions of this Part, an insurer shall not invest in or loan its funds upon the security of, or hold—

- (a) issued shares of its own capital stock, except for the purpose of—
 - (i) mutualisation in accordance with section 116 of the Act and;
 - (ii) acquisition to distribute pursuant to a *bona fide* employee stock option plan approved by the Commission;
- (b) any investment or loan ineligible under regulation 42;
- (c) securities issued by an insolvent corporation;
- (d) loans to an officer or director or any spouse or child of an officer or director, except policy loans in accordance with regulation 60;
- (e) any investment or security which is found by the Commission to be designed to evade any prohibitions of this Part.

Underwriting and repurchase agreements.

70. No insurer shall—

- (a) participate in the underwriting of the marketing of securities in advance of their issuance or enter into any transaction for such underwriting for the account of such insurer jointly with any other person, but the insurer may subscribe to the securities when issued; or
- (b) enter into any agreement to withhold from sale any of its property or to repurchase any property sold by it, except repurchase agreements held pursuant to regulation 64.

Disposal of ineligible property and securities.

71.—(1) From and after the compliance transition period referred to in regulation 40(6), any personal property lawfully acquired by an insurer, which it could not otherwise have invested in or loaned its funds upon at the time of the acquisition, shall be disposed of by the insurer within three years from date of acquisition, unless within such period the security has attained the standard for eligibility.

(2) The Commission, upon application and reasonable showing that forced sale of any such property or security would be against the best interests of the insurer, may extend the disposal period for an additional reasonable time.

(3) While any such property or security remains so ineligible, it shall not be counted as an asset of the insurer.

(4) Any ineligible property or security acquired contrary to this Part by an insurer shall be disposed of forthwith and if the insurer fails to do so within sixty days after being required by the Commission the Commission may revoke or suspend the insurer's registration.

(5) For the purposes of paragraph (4), an investment otherwise eligible shall not be deemed ineligible for the reason that it is in excess of the amount permitted under this Part to be invested in the category of investments to which it belongs and any such excess investment shall be disposed of within the time prescribed in paragraph (1).

72. The investments of a foreign insurer shall be as permitted by the laws of its domicile, but shall be of a quality substantially as high as those required by this Part for similar funds of like domestic insurers.

Investments of
foreign insurers.

**PART VIII—Corporate Governance, Appointment of Auditors and Actuary,
Establishment of Conduct, Investment and Loan and Audit Committees,
Responsibilities of Auditors**

73.—(1) The directors of a registered insurer shall, at their first meeting following each annual general meeting, appoint an audit committee comprised of not less than three persons, the majority of which shall not be officers or employees of the registered insurer or an associated company.

Establishment of
audit committee.

(2) An audit committee shall regulate its own procedure and hold office until the next general meeting.

(3) Without prejudice to the relevant provisions of the Companies Act, the audit committee shall review—

- (a) returns that the registered insurer is required to file with the Commission;
- (b) reports made by the auditor under the Act and the Companies Act;
- (c) such other reports, transactions or matters as the Commission may determine.

(4) Where under the Companies Act a financial statement or return is required to be approved by the directors of a registered insurer, the approval shall not be given until—

- (a) the audit committee has reviewed and reported on the statement or return; and
- (b) that report has been received by the directors.

(5) A meeting of the audit committee shall be convened on the request of the auditor, a member of the audit committee or any director, as the

case may be, to consider any matters which the auditor, member or director believes should be brought to the registered insurer's directors or members.

Establishment of
conduct review
committee.

74.—(1) The directors of a registered insurer shall elect from among themselves a committee consisting of at least three directors, to be known as the conduct review committee.

(2) The conduct review committee shall establish written procedures with a view to identifying situations which create potential conflicts of interest and preventing such conflicts.

Establishment of
loan committee.

75. The directors of a registered insurer shall, at their first investment and directors' meeting following each annual general meeting, establish a committee to be known as the investment and loan committee consisting of not less than three persons, at least one of whom shall be an officer of the company but the majority of the members shall not be officers or employees of the company or an associated company.

Qualifications of
actuary.

76.—(1) An actuary is qualified to be appointed in the office of actuary of a registered insurer if he is a fully qualified professional member of an actuarial body accredited by the International Actuarial Association and recognized by the Commission which shall publish an annual list of the Actuarial Associations recognized by it.

(2) Where an actuary is qualified only in respect of either life and health insurance business or general insurance business, he shall be qualified to hold the office of actuary only in respect of the business for which he is qualified.

(3) The chief executive officer or chief operating officer or a person performing like functions may not be appointed or hold the position of actuary of a company unless authorized in writing by the Commission.

(4) An authorization under paragraph (3) shall have effect for such period as is specified therein and shall cease to be in effect on the day so specified, being a date not later than six months after it is issued, and a person appointed or holding the position of actuary pursuant to the authorization shall not hold that position after that day.

(5) The chief financial officer or a person performing like functions may not be appointed as or hold the position of actuary of a company unless—

- (a) the audit committee of the company has provided the Commission with a written statement indicating that it is satisfied that the duties of both positions in the company will be adequately performed and that the actuarial duties will be performed in an independent manner; and
- (b) the appointment or holding of the position is authorized by the Commission, which may be granted subject to such limitations and

conditions as the Commission may specify, including a limitation on the time during which the person referred to in the authorization may hold the position of actuary of the company, but in no event shall the chief financial officer hold the position for longer than six months.

(6) The directors of a company may revoke the appointment of the actuary of the company.

(7) A company shall, within seven days after the revocation of the appointment of the actuary of the company, notify the Commission in writing of the revocation, stating the reasons for the revocation.

(8) A person ceases to hold office as the actuary of a company when—

- (a) the person resigns as actuary of the company;
- (b) the person ceases to be an actuary;
- (c) the person dies; or
- (d) the appointment of the person as actuary of the company is revoked by the directors of the company.

(9) The resignation of an actuary becomes effective at the time a written resignation is sent to the company or at the time specified in the resignation, whichever is later.

(10) Where a vacancy occurs in the office of actuary of a company, the directors shall forthwith notify the Commission of and fill the vacancy.

(11) An actuary of a company who resigns or whose appointment is revoked shall submit to the directors of the company and the Commission a written statement of the circumstances and reasons why the actuary resigned or why, in the actuary's opinion, the actuary's appointment was revoked.

(12) Where an actuary of a company resigns or the appointment of an actuary of a company is revoked, no person shall accept an appointment or consent to be appointed as actuary of the company before requesting and receiving from the former actuary, the written statement referred to in paragraph (11), but a person may accept an appointment or consent to be appointed as actuary of a company if no reply is received from the former actuary within fifteen days after a request is made.

(13) The actuary of a company shall value—

- (a) the actuarial and other policy liabilities of the company as at the end of a financial year; and
- (b) any other matter specified in any direction by the Commission.

(14) The actuary's valuation shall be in accordance with generally accepted actuarial practice with such changes as may be determined by the Commission and any additional directions by the Commission.

(15) The Commission may appoint an actuary to value the matters referred to in paragraph (13), in relation to a company if the Commission is of the opinion that the appointment is necessary and a person so appointed shall not be an actuary of the company.

(16) The expenses incurred in carrying out a valuation under paragraph (13) are payable by the company on being approved in writing by the Commission.

(17) On the request of the actuary of a company, the present or former directors, officers, employees or representatives of the company shall, to the extent that they are reasonably able to do so—

- (a) permit access to such records as are held by the company; and
- (b) provide such information and explanations as are, in the opinion of the actuary, necessary to enable the actuary to perform the duties of actuary of the company.

(18) A person who in good faith makes an oral or written communication under paragraph (17) shall not be liable in any civil action arising from having made the communication.

Form of actuary's report.
Schedule 13.

77. The Actuary's Report shall be in the form set out in Schedule 13.

Actuarial Regulations.

78. In performing his services, the Actuary shall adhere to and be guided by the Actuarial Regulations, 2001, and any Guidelines, Technical Papers and Bulletins issued by the Commission.

Qualifications of auditor.

79. An auditor is qualified to be appointed to the office of auditor of a registered insurer if he is a fellow in good standing of the Institute of Chartered Accountants of Jamaica.

Appointment of Auditor for subsidiary.

80. A registered insurer shall—

- (a) ensure that its auditor, or one of them if more than one, is also auditor of any of its subsidiaries; or
- (b) deliver to the Commission a written explanation to the satisfaction of the Commission of why it is unable to ensure that result.

Conduct Review Committee.

81. The Conduct Review Committee shall provide the Commission with a copy of the written procedures adopted pursuant to these Regulations within thirty days after the Committee is constituted.

Restrictions on Self-dealing as a fiduciary.

82.—(1) In this regulation—

“related party” means a person who—

- (a) is a director or officer of the insurance company or any of its affiliate;
- (b) is an employee of the insurance company or its affiliate and is a member of a prescribed class of employees;

- (c) owns directly 10% or more of the non-voting shares in the entity, not counting any non-equity shares in the case of a credit union;
- (d) owns or controls, directly or indirectly, 10% or more of any class of voting shares in the company or in its affiliate, but is not an affiliate of the company;
- (e) is an affiliate of the company and—
 - (i) is not a wholly owned subsidiary corporation of the company; and
 - (ii) is not an insurance company or extra-territorial corporation that is a holding company that wholly owns the insurance business;
- (f) is a corporation in which the insurance business or its affiliate owns or controls, directly or indirectly, 10% or more of any class of voting shares;
- (g) owns or controls, directly or indirectly, a 10% or greater interest in a joint venture in which the insurance business or its affiliate also owns or controls, directly or indirectly, a 10% or greater interest;
- (h) owns or controls, directly or indirectly, a 10% or greater interest in a partnership in which the entity or its affiliate also owns or controls, directly or indirectly, a 10% or greater interest;
- (i) is a sole practitioner who is an auditor of the insurance company;
- (j) is actively engaged in auditing the insurance company and is a partner in a partnership that is an auditor of the insurance company;
- (k) is a director, officer or member of a prescribed class of employees of a corporation that is a related party under sub-paragraph (c) or (d);
- (l) is a spouse of an individual who is a related party under sub-paragraph (a), (b), (c) or (d) and occupies the same home as that person;
- (m) is a relative or an individual or the spouse of an individual who is a related party under sub-paragraph (a), (b), (c) or (d), and occupies the same home as that person;
- (n) is a corporation in which a person who is a related party under any of sub-paragraphs (a) to (h) and (k) to (m) or under paragraph (2) has or controls, directly or indirectly, more than 50% of the votes that are attached to the outstanding voting shares of the corporation and that may be cast in the election of the directors.

(2) A related party includes an individual who, having been a related party under sub-paragraph (1) (a), (b), (c), (d) or (e) of an insurance business ceases to be one under that paragraph, nevertheless continues for the purposes

of this Part to be a related party of the insurance business for the twelve months commencing on the date the individual ceases to be a related party under sub-paragraph (1).

(3) Except as provided in this regulation, an insurance company that holds money as a fiduciary shall not—

- (a) invest that money in securities issued by the insurance company or by its related party; or
- (b) use that money in any transaction with any such related party.

(4) An insurance company may act as a fiduciary in one or more trusts or estates in which there are securities issued by the insurance company or its related party if the securities were—

- (a) acquired by the person for whom the financial institution acts as a fiduciary; or
- (b) held in the trust or estate before the insurance company assumed responsibility as a fiduciary.

(5) If an insurance company acts as a fiduciary in one or more trusts or estates in which securities are held that were issued by the insurance company or by its related party, the insurance company shall not sell or vote the securities or refuse an offer for them without first receiving the written approval of the conduct review committee which shall enter the reasons for the sale, vote or refusal in its minutes.

(6) The conduct review committee at least annually shall provide a written report to the directors of the insurance company on securities that have been—

- (a) issued by the insurance company or by its related party; and
- (b) held in a trust or estate by the insurance business as a fiduciary during its immediately preceding financial year; and the conduct review committee shall, in the report, give the reasons for any approvals given or denied under paragraph (5) during that financial year.

(7) Notwithstanding that paragraph (3) would otherwise prohibit it from doing so, an insurance company or its related party may carry out an express or a specific permission or a direction that is—

- (a) made by a court; or
- (b) contained in an instrument creating a fiduciary duty to purchase or sell securities of the insurance company or of the related party or to enter into a transaction with the insurance company or a related party of the insurance company, as the case may be—

- (i) if the insurance company or related party does so as a fiduciary, to make an investment in a bond, note or other evidence of indebtedness that is issued by the insurance company or by the related party, as the case may be, and for which there is market recognized by the Commission; or
- (ii) if the insurance company or related party does so as a fiduciary, to make an investment or enter into a transaction in which one or more co-fiduciaries of the insurance company or related party can direct and has or have directed that the investment or transaction be made without the agreement of the insurance company or related party.

(8) An insurance company or subsidiary of an insurance company, shall not, directly or indirectly—

- (a) give insurance business to its related party by way of loan, guarantee, the provision of security or otherwise; or
- (b) enter into any other transaction with any such related party, other than as permitted under regulation 83.

(9) A related party of an insurance company shall not, directly or indirectly—

- (a) give insurance business to an insurance business by way of loan, guarantee, the provision of security or otherwise; or
- (b) enter into or carry out a transaction with the insurance company or with its subsidiary.

(10) An insurance company or its subsidiary shall not directly or indirectly—

- (a) enter into or carry out a specific transaction approved under regulation 84 by the conduct review committee of the insurance company for consideration that is materially greater or less than the fair market value specified in an approval given under that regulation by the conduct review committee; or
- (b) enter into or carry out a transaction in a class of transactions approved under regulation 84 by the conduct review committee of the insurance company that is for a consideration materially greater or less than the fair market value.

(11) Whether or not the transaction would otherwise be permitted under regulations 83 and 84 but subject to paragraph (12), an insurance company or its subsidiary, shall not, directly or indirectly, enter into insurance business with a related party of the insurance company that consist of accounts receivable, loans or security instruments including assets subject to an agreement to repurchase if, immediately following the transaction, the aggregate amount that is—

- (a) outstanding under transactions described in paragraph (3) (a); and
- (b) due from the related parties to the financial institution, does not exceed 5% of the value of the assets of the insurance company and its subsidiary.

(12) Paragraph (6) does not apply in respect of a transaction described in that paragraph that, at the time it is entered into, is a specific transaction or a class of transactions, consented to in writing by the Commission.

(13) Whether or not the transaction would otherwise be permitted under regulations 83 or 84 but subject to paragraph (14), an insurance company or related party of an insurance company shall not, during any 12 month period, dispose of, to related parties of the insurance company, assets having an aggregate value in excess of 10% of the value of the assets of the insurance company, as shown in its most recently audited financial statements.

(14) Paragraph (13) does not apply in respect of a transaction described in that regulation that, at the time it is entered into, is a specific transaction or a class of transactions, consented to in writing by the Commission.

Certain related party transactions permitted.

83. When otherwise permitted to do so and not prohibited from doing so by regulation 82, an insurance business or its subsidiary may —

- (a) pay or confer a salary, fee, stock option, pension, benefit or incentive benefit to a director or officer of the insurance company, or to a person who is in the class of employees prescribed for the purpose of regulation 82 (1) (k);
- (b) provide to related parties of the insurance company, at not less than fair market value, services or products that the insurance company or the subsidiary also provides in the ordinary course of its business to the public or, in the case of a credit union, to its members;
- (c) if the aggregate amount outstanding under all loans to an insurance company will not exceed the prescribed amount, counting the amount of the intended loan, make a loan to an individual who is a related party of the insurance company under paragraph (1) of the definition of related party in regulation 82; or
- (d) buy from, or sell to, a related party of the insurance company, for a nominal amount, within the meaning of that regulation, property or services having a fair market value that does not exceed that nominal amount.

84.—(1) When otherwise permitted to do so and not prohibited from doing so by regulation 82, a financial institution or a subsidiary of it may enter into a transaction with a related party of the insurance company if the transaction, at the time it is entered into, is —

Conduct review committee's power to approve other transactions.

- (a) a specific transaction; or
- (b) in a class of transactions,

approved in writing for the purpose of this regulation by the conduct review committee of the insurance company.

(2) Subject to paragraphs (3) and (4), the conduct review committee of an insurance company may give written approvals for the purpose of this regulation.

(3) The conduct review committee of an insurance company shall not approve a specific transaction or class of transactions for the purpose of this regulation unless the specific transaction or the class of transactions, as the case may be, meets each of the following requirements—

- (a) it is not within a class of restricted transactions prescribed for the purposes of this regulation;
- (b) it does not involve the purchase or sale of an interest in land other than—
 - (i) a leasehold interest; or
 - (ii) a prescribed interest;
- (c) it does not involve the transfer of a leasehold interest in land, if, on or after transfer any person having a right to occupy the land under the lease has that right for a term, or for successive renewal terms, in excess of 30 years;
- (d) it does not involve an exchange of one or more security instruments issued by the insurance company or its subsidiary for one or more security instruments issued by a related party of the insurance company at a time when any of the securities exchanged does not trade on a market recognized by the Commission;
- (e) it is consistent with, or reasonably ancillary to, the usual business of the insurance company or of its subsidiary, as the case may be;
- (f) it is in the best interests of the insurance company or, if entered into by its subsidiary, in the best interests of both the insurance company and the subsidiary.

85. The conduct review committee shall not approve a specific transaction for the purposes of this regulation unless satisfied on reasonable grounds—

Proper transaction.

- (a) that the transaction will be entered into and carried out for

consideration—

- (i) paid by the insurance company or by its subsidiary that is not materially greater than the fair market value; or
 - (ii) received by the insurance company or by its subsidiary that is not materially less than the fair market value; and
- (b) in the case of a transaction involving a loan or loans by the financial institution or its subsidiary, that—
- (i) the loan or loans will be secured by a charge on property which property has fair market value that is not less than 100% of the principal amount of the loan or loans and, if a higher percentage than 100% prescribed for the purpose of this paragraph, is not less than that prescribed higher percentage of the principal amount of the loan or loans; and
 - (ii) the property charged as security for the loan or loans is not in the category of low quality assets as that category is defined by regulation,

and, if the conduct review committee is satisfied as to the matters set out in paragraph (a) or (b) or both, as applicable, it shall specify in the approval the amount that constitutes the fair market value for the purposes of paragraph (a) or (b) or both, as applicable.

Disclosure by
related parties.

86.—(1) A related party of an insurance company who, directly or indirectly, is interested in a transaction or proposed transaction with the insurance company or with its subsidiary for which, under the Act—

- (a) approval of the conduct review committee of the insurance company; or
- (b) the consent of the Commission,

is required, shall disclose in writing to the directors of the insurance company the nature and extent of the related party's interest in the transaction.

(2) Notwithstanding paragraph (1), if an individual (the “first individual”) is directly or indirectly interested in the transaction described in that paragraph and is a related party of the insurance company only because of being a relative of—

- (a) an individual (the “second individual”); or
- (b) the spouse of the second individual,

who is a related party under regulation 82 and who occupies the same home as the first individual, as set out in that regulation, then—

- (i) paragraph (1) does not apply to the first individual; and
- (ii) the second individual must disclose in writing to the directors of the insurance company the nature and extent of the first individual's knowledge.

(3) A person who is a director or officer of a financial institution, and—

- (a) is also a director or officer of; or
- (b) owns or controls, directly or indirectly, 50% or more of the votes that are attached to the outstanding voting shares, in,

a corporation that is interested in a transaction or proposed transaction with the insurance company or with its subsidiary, shall disclose in writing to the directors of the insurance business that person's relationship with the interested corporation and the nature and extent of the interested corporation's interest in the transaction or proposed transaction.

(4) The disclosure to the directors of the insurance business that is required by paragraph (1), (2) or (3) shall be entered in the minutes of the directors of the insurance company.

(5) If the person who is required by paragraph (1), (2) or (3) to make a disclosure to the directors of the insurance company is a director of the insurance company or of a subsidiary of an insurance company—

- (a) that person shall make the disclosure at the first meeting of the directors of the insurance company after the matter requiring disclosure becomes known to that person;
- (b) if a meeting described in sub-paragraphs (i) to (iv) occurs at the same time as or after the matter requiring disclosure becomes known to that person, then—
 - (i) that person shall also make the disclosure at the meeting of the directors at which the transaction or proposed transaction is first considered;
 - (ii) if that person or the interested corporation of which that person is a director, was not, at that first meeting, interested in the proposed transaction, that person shall also make the disclosure at the first meeting of the directors after that person or corporation becomes interested;
 - (iii) if that person becomes interested, or becomes a director of an interested corporation after the transaction is proposed or entered into, that person shall also make the disclosure at the first meeting after becoming interested or become a director; or

- (iv) if a person who is interested or is a director of a corporation that is interested in the transaction or proposed transaction later becomes a director of the insurance company, that person shall also make the disclosure at the first meeting after becoming a director of the insurance company.

(6) If the person who is required under paragraph (1), (2) or (3) to make a disclosure to the directors of an insurance company is not a director of the insurance company or of its subsidiary, that person shall make the disclosure immediately after the interest requiring disclosure becomes known to that person, whether or not the insurance company has already proposed or entered into the transaction at that time.

(7) If a person who is interested in a transaction or proposed transaction becomes a related party of the insurance company after the transaction is proposed or entered into by the insurance business, that person shall make the disclosure required under paragraph (1), (2) or (3) immediately after the interest requiring disclosure becomes known to that person.

(8) A director required to make a disclosure under paragraph (1), (2) or (3) shall not—

- (a) take part in the discussion or vote on any resolution to approve a transaction in relation to which the disclosure is required;
- (b) be present at any meeting of the directors while the directors are dealing with the matter; or
- (c) influence or attempt in any way to influence the voting on any resolution to approve a transaction in relation to which the disclosure is required.

PART IX—*Aspect of the Standard Accounting Practice*

General Insurance Companies

Interpretation.

87. In these Regulations —

“time apportionment method” means a method whereby each premium is apportioned over the period that it covers whereby the unearned premiums reserve is the aggregate of the unearned premiums, calculated on a pro-rata basis, in respect of the unexpired periods of the respective insurance policies at the end of the financial period;

“1/24th method” means the method —

- (a) whereby unearned premium reserve at the end of the financial period is the aggregate of the unearned premiums calculated on a monthly pro-rata basis, in respect of the unexpired periods of the insurance policies at that date; and

- (b) used for insurance policies that have a term of one year and assumes that the average date of issue of all policies written during one month is the middle of the month;

“1/365th method” is a refinement of the 1/24th method and those methods are normally not applicable to insurance policies with terms less than or exceeding one year.

88.—(1) Unearned premiums at the end of the accounting period shall be computed using one of the prescribed methods and accounted for as an unearned premium reserve.

Unearned
Premiums.

(2) Unearned premium reserve for all categories of risks, except marine and transportation, shall be computed as follows—

- (a) in the case of premiums that normally cover a period of risk of one year, the 1/24th or 1/365th method shall be used;
- (b) for policies extending coverage over a period of more or less than twelve months, the time apportionment method shall be used unless the number of such policies and their impact are not material.

(3) In the case of marine and transportation insurance, the unearned premium reserve shall be maintained at 100% of net premiums in respect of trip risks not terminated in accordance with the Act.

89.—(1) An unexpired risks provision, where applicable, shall be determined for each class of business and shall be accounted for as a premium reserve in addition to the unearned premiums reserve.

Unexpired risks
provisions.

(2) An assessment of the need for an unexpired risks provision shall be made for each grouping of business which is managed together and unexpired risks surpluses and deficits within such a grouping shall offset each other.

(3) The potential requirement for an unexpired risks provision shall be assessed on the basis of information available as at the balance sheet date and for the purposes of this paragraph—

- (a) claims occurring after the balance sheet date in relation to the unexpired period of policies in force shall not be taken into account in making the assessment;
- (b) where material, post balance sheet claims shall be disclosed in the notes to the financial statements, together with an estimate of their financial effect.

(4) In computing the expected value of future claims in relation to the unexpired periods of risk on policies in force at the balance sheet date, the future investment arising on investments supporting the unearned provision

and the existing unexpired risks provision shall be taken into account. The investment income shall be that expected to be earned by the investments held until the future claims are settled.

Disclosure

- (5) The following are to be disclosed—
- (a) the policy employed in the determination of the unearned premium reserve and the unexpired risks provision;
 - (b) the gross unearned premiums and the reinsurance ceded either on the face of the income statement or as a note to the financial statements;
 - (c) the unearned premium reserve and the unexpired risks reserve for each class of insurance business at the end of the financial period;
 - (d) acquisition costs that have been set off against gross written premium before the computation of the unearned premium reserve;
 - (e) investment assets supporting unearned premium reserve.

Unpaid claims.

90.—(1) General insurance companies shall maintain reserves for amounts estimated to provide for the expenses of loss adjustment on settlement of all claims, incurred on or prior to the end of the accounting period, whether the claims are reported or unreported, once they are unpaid at the end of the accounting period and the general insurer faces liability.

- (2) Unpaid claims shall be grouped into two types, namely—
- (a) reported; and
 - (b) incurred but not reported (IBNR).

(3) In accounting for the provision for unpaid claims that have been reported, the case basis and the paid/loss pattern shall be used.

(4) IBNR claims shall be computed in accordance with these Regulations.

(5) Claims/loss provisions, salvage realization and claims recoveries, other than reinsurance recoveries, shall be accounted for as and when received unless the realization can be determined with reasonable certainty.

Disclosure

- (6) The following shall be disclosed—
- (a) the method used in computing the provision for claims that have been incurred and reported but not yet settled;
 - (b) post balance sheet claims that are material and their financial effect, in the context of the company's operation;

- (c) the gross claims payable and the amount recoverable from the reinsurers.

91.—(1) Reinsurance recoverable shall be treated in a manner consistent with the liabilities that relate to the underlying reinsurance contracts and the assumptions used in estimating reinsurance recoverable shall be consistent with the assumptions used in estimating the related liabilities.

Facultative
reinsurance.

(2) The following provisions shall apply in relation to premiums—

- (a) unearned premium balance shall not be reduced by reinsurance premiums paid to re-insurers;
- (b) the amounts of premiums ceded and the reinsurance recoveries shall be reported in the financial statements as separate items and may be deducted respectively from premiums earned and claims and incurred costs;
- (c) premiums ceded for reinsurance but remain unpaid at the reporting date shall be treated in the financial statements as liabilities.

(3) Changes in amounts of estimated reinsurance recoverable on outstanding claims shall be treated as an increase or a reduction of gross claims liabilities and loss expenses incurred in the same accounting period.

(4) Reinsurance recoverable on paid claims shall be reported as an asset in the balance sheet.

(5) Reinsurance recoverable on unpaid claims and incurred but not reported claims and loss adjustment expenses shall be set off against the liability for gross claims and loss adjustment expenses but if the amounts paid are subject to adjustment that can be reasonably estimated, the basis for allocation shall be the estimated amount.

(6) Inward commission, which is deducted from reinsurance premium payable by the ceding company shall be deferred over the life of the insurance contract to which it relates.

Disclosure

(7) The following shall be disclosed —

- (a) the nature and significance of reinsurance and retrocession transaction entered into during the accounting period;
- (b) a statement that insurance ceded does not relieve the ceding company of its primary obligation to the policy holder;
- (c) premiums from direct business, reinsurance assumed and reinsurance ceded, on both a written and an earned basis;
- (d) the accounting policies governing income recognition on reinsurance transactions;

- (e) the amount of significant concentrations of reinsurance coverage (20% more) including the credit risk associated with reinsurance receivables and prepaid reinsurance premiums for individual reinsurers and the extent to which there is reliance on reinsurers for settlement of claims;
- (f) the amount of earned premiums ceded and reinsurance recoveries recognized as separate line items in the income statement or in the notes to the financial statements.

Other standards of standard accounting practice.

92. The standards stated in these Regulations supplement other standards of standard accounting practice which also apply to the general insurance companies unless they are specifically exempted in a standard.

Life Insurance Companies

Actuarial Liabilities.

93.—(1) The actuarial liabilities of Life and Health Insurance companies shall be computed using the policy premium method in accordance with the following general principles and the specific policy premium actuarial principles—

- (a) the actuarial liabilities shall be computed on a going concern basis that recognizes the degree of risk inherent in the obligations;
- (b) the actuarial liabilities shall include only a limited and reasonable provision for adverse deviations;
- (c) all acquisition costs, without arbitrary limitation, shall be incorporated into the computation of the actuarial liabilities, with the calculation of the actuarial liabilities being made over the full term of the policy;
- (d) the costs entering into the computation of the actuarial liabilities shall include policyholder dividends and experience refunds but related expenses and direct taxes such as premium taxes shall be excluded;
- (e) surrender privileges and policy lapses shall be accounted for in a manner similar to other policy benefits by applying normal actuarial techniques including discounting for the probability of occurrence.

(2) The effects of changes in the valuation assumptions shall be accounted for as a change in accounting estimates and not a change in accounting policy and the effect of a change in accounting estimates is to be accounted for in—

- (a) the period of the change, if the change affects the financial results of that period only; or
- (b) the period of the change and applicable future periods, if the

change affects the financial results of both current and future periods.

(3) Any excess or deficiency of the present value of actual premiums over the present value of assumed future benefits and costs, after providing for the provision for adverse deviations, shall be treated as income when the policies are issued and for the purposes of this paragraph—

- (a) actuarial liabilities during an accounting period shall be reflected in income of that period;
- (b) gains and losses arising subsequent to the date of issue as a result of differences between the actual experience and the assumed experience within the actuarial liabilities (including provision for adverse deviations) shall be treated as income when they occur.

(4) Actuarial liabilities shall be based on all the relevant underlying factors including assumed adverse deviations and accordingly, all future policy benefits and expenses shall be provided for in the actuarial liabilities, offset by the recognition of the full amount of future premiums payable.

(5) Any excess of the actual premiums over valuation premiums represents income arising from the successful sale of a product priced so as to more than cover all future benefits and expenses including the provision for adverse deviations and that income shall be recognized at the time of sale, being the time at which the related policy benefits and expenses and provision for adverse deviations initially enter into the determination of the actuarial liabilities.

(6) Actuarial liabilities and reported revenues and expenses of a ceding life insurance company shall be adjusted to reflect all the costs and revenues or re-insurance ceded transactions and retrocessions, and—

- (a) such adjustments shall include a reduction in the provision for adverse deviations to give recognition to the impact of the transfer of risks to the reinsuring company; and
- (b) the effect of the adjustments shall be reported in the period in which the risks are transferred.

Disclosure

(7) The following shall be disclosed—

- (a) the responsibilities of the appointed actuary;
- (b) the composition of actuarial liabilities and related assets which includes—
 - (i) the composition of actuarial liabilities by major lines of business;

- (ii) the types of investments that support each major line of business, as well as capital and surplus;
- (c) the nature of actuarial liabilities to convey that—
 - (i) actuarial liabilities represent the amounts which, together with estimated future premiums and investment income, will be sufficient to pay estimated future benefits, including policyholder dividends, and expenses;
 - (ii) actuarial liabilities include additional amounts to provide for possible adverse deviation from best estimate assumptions and those amounts vary based on the degree of uncertainty in the assumptions; and
 - (iii) many of the estimates used in the actuarial valuation relate to events that may occur many years into the future and are subject to revision at subsequent measurement dates;
- (d) the nature of the measurement uncertainty inherent in the computation of actuarial liabilities to describe in general terms—
 - (i) the major factors (such as future policy claims and benefits, future dividends, future investment yields, etc.) taken into account in the computation of actuarial liabilities and the major assumptions made relative to these factors;
 - (ii) the major sources of data used and key elements of methodologies applied in the computation of actuarial liabilities (such as estimate of mortality using tables developed from historical experience of the industry, amended based on studies conducted regularly of the company's own experience); and
 - (iii) the manner in which measurement uncertainty is allowed for in the actuarial valuation process, including the establishment of margins for adverse deviations;
- (e) changes in actuarial liabilities including—
 - (i) those resulting from changes in actuarial assumptions and changes in the provision for adverse deviation, by major cause; and
 - (ii) an explanation provided for each major change;
- (f) negative reserves;
- (g) credit risk including—
 - (i) the extent to which expected future investment yields have been reduced by provisions for credit losses; and

- (ii) the amount of any additional provisions for cyclical credit losses included in the computation of actuarial liabilities;
- (h) reinsurance risk including—
 - (i) the extent to which actuarial liabilities have been reduced or increased as a result of reinsurance ceded arrangements;
 - (ii) amounts recoverable from reinsurers in respect of claims already incurred to be presented as reinsurance claims receivable on the balance sheet;
 - (iii) the amounts of significant concentrations of reinsurance coverage with any one reinsurer or group of reinsurers;
 - (iv) the nature and significance of reinsurance and retrocession transactions entered into during the period;
- (i) other risks, including information on the nature and extent of other significant risks to which a company is exposed.

Accounting for Life Insurance Portfolio Investments Valuation

94.—(1) Equity portfolio investments held by life insurance enterprises shall be carried in the balance sheet at market value as follows—

Equities.

- (a) the market values for quoted ordinary and preference shares should be taken as the “last sale” price quoted by the Stock Exchange on the valuation date or on the trading date just prior to the valuation date;
- (b) unquoted ordinary and preference shares and other financial assets whose fair value cannot be reliably measured shall be valued at the lower of cost and net realizable value;
- (c) units held in unit trusts shall be valued at the bid price on the valuation date.

Fixed Term, Fixed-Interest Securities

(2) Fixed Term, Fixed-Interest Securities are divided into two categories as follows—

- (a) short term; and
 - (b) long term.
- (3) Short term securities include—
- (a) bank deposits;
 - (b) certificates of deposits;
 - (c) reverse repurchase agreements;

- (d) short term loans (one year and under);
- (e) treasury bills and other money market instruments,

and the foregoing instruments (except treasury bills) shall be recorded at the lower of cost and net realizable value.

(4) Treasury bills are government securities that are normally issued at a discount whereby the cost to the company is the discounted price, which shall be recorded as the value of the security on date of purchase and valuations subsequent to the purchase date shall be recorded at the amortized value.

(5) Long term securities, including government bonds such as local registered stocks, corporate bonds, mortgages and preference shares with fixed redemption dates, shall be carried in the balance sheet at the amortized value and any premium or discount arising on purchase of these investments should be amortized to income over the period to maturity.

(6) Purchases of securities in the market place shall be recognized either at the trade date or the settlement date with recognition of any value changes between trade and settlement dates if the settlement date accounting is used.

(7) Transaction costs shall be included in the initial measurement of all financial instruments.

(8) Investment properties shall be carried at market value less allowances for selling expenses.

(9) Market values shall be determined by qualified, independent valuers.

(10) All real estate properties, held as investments, shall be valued at least once per year but valuations shall be done more frequently where market conditions indicate that the carrying values of the assets are materially different from values on the market.

(11) Purchased mortgages shall be recorded at the lower of amortized value and the realizable value of the security.

(12) Policy loans shall be carried at cost less a provision for the excess of loans over cash surrender values.

(13) Short term loans shall be carried at cost less provisions for loans in arrears but if a non-performing loan is secured, the carrying value should not be greater than the realizable value of the security.

(14) The following provisions apply in relation to interest income from investments—

- (a) such income shall be recorded on the accrual basis;

- (b) interest shall not be accrued if there is default in payment over a period of at least 90 days;
- (c) where interest is in arrears for six months and over, a provision shall be made in the accounts for 100% of the principal amount in arrears.

Purchases cum div, cum interest

(15) Whenever purchases are made *cum* income, the dividend or interest receivable shall not be classified with the purchased investment but as income receivable.

Changes in Value

(16) On a change in market value, the carrying value of the affected investment asset shall be adjusted in the month of the change and the recording of the change in value shall not be spread over a number of months.

(17) Realized gains and losses arising on the sale of investments shall be taken directly to the Statement of Operations.

(18) Unrealized gains and losses arising from stating investments at market values shall be taken to investment reserves and not directly to the Statement of Operations.

(19) Net unrealized gains shall be transferred from the investment reserve to the Statement of Operations at the rate of—

- (a) 25% in the case of quoted equities on the reducing balance; and
- (b) 10% in the case of real estate properties on the reducing balance.

(20) Where revaluation losses are in excess of the credit balance in an investment category in the investment reserves, the net loss in total, is to be transferred to the Statement of Operations.

(21) Foreign exchange gains and losses are not to be included in investment reserves but shall be treated in accordance with Statement of Standard Accounting Practice No. 3.16.

Disclosure

- (22) The following shall be disclosed—
- (a) the policy adopted in accounting for realized gain;
 - (b) the movement in investment reserves balances for each category of investments;
 - (c) the values at which each category of investment is carried and the basis of valuation and in cases where appraisals are used to

establish carrying values, the frequency of the appraisals;

- (d) in the case of non-performing loans, including mortgages, where provisions have been made for losses, the original value of the loans and the provisions;
- (e) the provision against rental income for rental in arrears;
- (f) a statement of net income from each investment portfolio type;
- (g) the assets and liabilities of the segregated funds in a note where a life insurance company manages investments in segregated funds.

Accounting for
reinsurance.

95.—(1) Reinsurance transactions include only those which involve a transfer of risk being transactions which are in substance a form of financing that is not covered by this statement.

(2) Reinsurance may be on—

- (a) a facultative basis; or
- (b) an automatic basis.

(3) In formulating its rules for accepting applications for insurance, a company has a choice of three areas of action—

- (a) retaining;
- (b) reinsuring; or
- (c) declining the risks presented,

and the company may accept the risk in total and reinsure the amount in excess of its limit or decline the extra risk.

Premiums

(4) Reinsurance premium paid by a ceding company shall be treated as expense in the books of the ceding company and may be netted against the ceding company's gross premium income in the financial statements.

(5) In the books of the assuming company, the premium received from the ceding company shall be treated as premium income.

(6) Due but unpaid reinsurance premiums shall be classified with liabilities by the ceding company while the assuming company accounts for this as a receivable.

Claims

(7) The ceding company—

- (a) shall claim reimbursement of the reinsured portion of death claims from the assuming company;
- (b) shall set up the death claim liability and expense as soon as the death is reported;

- (c) may net the reinsured portion of the claim that is due from the assuming company against the death claim expense and the death claims liability in the financial statements.

(8) In the books of the assuming company, the claim shall be recorded as a liability immediately on being advised by the ceding company and the expense shall be recognized in the accounting period of the claim.

Actuarial Liabilities

(9) Actuarial liabilities and reported income and expenses of a ceding life insurance company shall be adjusted to reflect all the costs and revenues of reinsurance-ceded transactions.

(10) Such adjustments are to include a reduction in the provision for adverse deviations to give recognition to the impact of the transfer of risks to the assuming company.

(11) Reinsurance risks assumed are similar in substance to new business and shall be accounted for as such by the assuming company, with the actuarial liabilities being valued using the policy premium method.

Disclosure

(12) The following shall be disclosed—

- (a) the nature and significance of reinsurance and retrocession transactions entered into during the accounting period;
- (b) a statement that insurance ceded does not relieve the ceding company of its primary obligation to the policyholder;
- (c) a statement of the accounting policies governing income recognition on reinsurance transaction which shall be included in a note to the financial statements;
- (d) the amount of significant concentrations of reinsurance coverage, including the credit risk associated with reinsurance receivables and prepaid reinsurance premiums for individual reinsurers and the extent to which there is reliance on reinsurers for settlement of claims;
- (e) the amount of earned premiums ceded and reinsurance recoveries recognized as separate line items in the income statement or in the notes to the financial statements;
- (f) the retention limits or maximum exposure on insurance policies in the different categories of individual life, group life, annuities and group health.

96.—(1) Premiums for life insurance collected in cash on daily basis shall

Accounting for premiums.

be immediately taken to income.

(2) At the end of the accounting period or at shorter intervals when financial statements are being prepared, all due and outstanding premiums shall be accounted for as income.

(3) In all cases where amount received represent a combination of premiums and investment deposits—

- (a) the portion that represents the investment deposits shall be treated as liability in the accounts and not premium income;
- (b) deposits transferred to a segregated fund shall be included in the fund's income statement.

(4) Premium Income that is reversed on lapsed policies shall be recognized in the Statement of Operations at the time of the reversal.

(5) Premiums that are billed monthly for group health and personal accident insurance shall be recognized as income in the month to which the billing relates.

(6) Expenses incurred in settling non-forfeiture options, such as net paid up insurance and premium waivers shall be recognized as policy expenses and premium income.

(7) Bonus addition option for dividends shall be accounted for as dividend expense and premiums.

(8) Premiums paid in advance shall be included in liabilities as premiums paid in advance.

Provisions for Uncollectibles

(9) To reduce the risk of overstating income, the insurer shall make an adequate provision for lapses based on the advice of the actuary.

(10) The premium receivables for group and personal accident insurance shall be aged and a provision made for doubtful collections.

(11) Premiums that are due and outstanding for ninety days and over shall be provided for in full.

Disclosure

(12) The following shall be disclosed—

- (a) the policy adopted by the life insurance company in determining premium income together with the amounts provided for lapses;
- (b) the amount provided for uncollectible group health, group life and personal accident premiums;

- (c) the gross premium income and reinsurance premiums deducted for each line of business where premium income is shown net of reinsurance premiums in the financial statements.

97.—(1) Life insurance claims and benefits expenses shall be recognized when they are incurred even though they are not yet paid.

Accounting for
benefits and
claims.

(2) Unit encashments shall be treated as expenses in the segregated fund that held the units.

(3) Policy dividends shall be expensed on the date that the company declares the dividend.

(4) Maturities shall be expensed on the date that the payment is due, that is, on the maturity date of the policy.

(5) The expense shall be recognized in the month that the policy contract is surrendered.

(6) The sum of health claims received but not yet paid shall be recognized in the financial statements and allocated to the accounting period to which they belong.

(7) All claims shall be booked in total to expenses in the month that the claims were reported and—

- (a) if there is a double indemnity or other riders on the policy and there is doubt as to the applicability of the riders to the claim, the sum insured plus the sum for the riders shall be charged to expense until further information is received;
- (b) the claim shall be charged to expenses even where an opinion is being sought from the courts as to the validity of the death claim;
- (c) if the courts subsequently rule the claim invalid, then the charge to expense shall be reversed;
- (d) if the court's decision is in a subsequent accounting period the claim shall be reversed in the subsequent period.

(8) Interest that accrues to outstanding death claims (death claims payable) shall be expensed to death claims.

(9) In the cases of death and health claims that have been incurred but not reported to the insurance company at the end of its financial year, the liability shall be estimated (based on the advice of the actuary) and recorded in the accounting period.

Disclosure

(10) The following shall be disclosed—

- (a) the company's policies concerning its treatment of all categories of claims;

- (b) whether there are claims being contested in the courts, the amount of claim and the legal counsel's opinion as to the likely outcome of each case;
- (c) where death claims and death claims payable are stated net of amounts recoverable from reinsurance in the financial statements, the gross death claims and reinsurance recoverable.

Accounting for
commissions.

98.—(1) Commissions are policy expenses and shall be recorded in the accounting period to which the corresponding premiums relate and bonuses shall be recorded in the accounting period when payments are due.

(2) Commissions that are paid in full at the beginning of the policy year, such as first year Commissions, shall be recorded in the current accounting period but the prepaid portion shall be deferred and expensed in the appropriate accounting period.

(3) The following provisions shall apply in relation to the contracts of some agents that provide for the life insurance company to pay them, at the end of their contract period, commuted commission, which is based on future premium collections—

- (a) the commissions, when they are paid, shall be included in the Statement of Operation in the period of payment;
- (b) if the company has incurred an obligation to commute an agent's commission at the balance sheet date, then the obligation shall be recognized in the balance sheet as a liability for commissions due to agents.

(4) Commissions recovered on lapsed policies shall be included in the Statement of Operation at the time of recovery.

Accounting for
superannuation
funds (deposit
administration
funds).

99.—(1) A record shall be maintained of pension client's deposits and at all times there shall be available—

- (a) up to date information on the deposit balances for each pension client including the interest credited;
- (b) information for each pension fund member, where the company is contractually engaged to maintain the contribution record of pension fund members (such as employees).

(2) Withdrawal from the funds for pension payments or refund of deposits shall be accounted for as a reduction in the Deposit Administration Fund.

Disclosure

- (3) The following shall be disclosed—
 - (a) the company's policy for dealing with Deposit Administration Funds;

- (b) in the financial statements, the value of the fund, and in a note, the average interest rate paid during the year and the rate paid at year-end;
- (c) the interest paid during the year in the financial statements or in a note;
- (d) the number of pension clients.

100.—(1) The financial records of the segregated funds shall be maintained separately from those of the life insurance company's general fund and the financial statements of the policyholder's segregated funds shall not be combined with the financial statements of the life insurance company's general fund.

Segregated
funds
accounting.

(2) The financial statements of the Pension Plan Segregated Funds and the Policyholder's Segregated Funds shall be maintained separately and shall not be combined with each other.

(3) Investments of the segregated funds shall be carried at market value in the balance sheet, while realized and unrealized gains and losses on investments shall be accounted for in the income statement in the current accounting period.

(4) Deposits received from policyholders shall be included in the income statement.

(5) Deposits and withdrawals of funds in the Pension Plan Segregated Funds shall be included statement.

Disclosure

- (6) The following shall be disclosed—
- (a) Investments by the life insurance company in the segregated funds and *vice versa* in the financial statements of the life insurance company and the Segregated Funds;
 - (b) Inter-fund loans and loans made to or received from the life insurance company in the financial statements of the company and the Segregated Funds;
 - (c) the basis of valuation and in cases where appraisals are used to establish carrying values, the frequency of the appraisals;
 - (d) a schedule of investments, showing cost and market values by portfolio type and, in the case of non-performing loans where provisions have been made for losses, the original value of the loans less the provisions;
 - (e) the provision against rental income for rental in arrears;
 - (f) the income from each portfolio type.

Responsibilities of the appointed actuary and external auditors.

101.—(1) In carrying out an annual valuation of the company's policy liabilities in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and shareholders, the actuary may rely on the work of the external auditors.

Reinsurance Ceded

(2) Provision for future policy benefits (life assurance fund or policy liabilities), premiums and policy benefits are stated net of amounts ceded to, and recoverable from, reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the policy liability associated with the reinsured policy.

(3) Reinsurance ceded does not discharge the company's liability as the primary insurer.

(4) The retention limits or maximum exposure on insurance policies are as follows—

XX01	XX00
\$	\$

Individual Life Policies
 Group Life
 Group Health

102.—(1)

Provisions for Future Policy Benefits (Life Assurance Fund or Actuarial Liabilities)

Accounting Year XX01	Thousands of Dollars		
	Individual Life	Group Products	Annuities and Pension
Balance at the beginning of the year			
Increase/(decrease) in provision			
Foreign Exchange adjustment			
Balance at the end of the Year			

A similar disclosure is to be made for the previous year.

Policy Liabilities

(2) Provision for Future Policy Benefits has been calculated using the Policy Premium Method. Provision for Future Liabilities represents the present value of estimated policy benefits and costs less the present value of

future premiums adjusted by a provision for adverse deviation. These amounts, together with future premiums and investment income, will be required by the company to pay future outstanding claims and future benefits, dividends and expenses on insurance and annuity contracts. The process of calculating policy liabilities necessarily involves the use of estimates concerning such factors as mortality, morbidity rates, future investment yields, future expense levels and rates of surrender; consequently, policy liabilities include reasonable provisions for adverse deviations from those estimates. As the probability of deviation from estimates declines, these provisions will be included in future income to the extent not required.

Investment Assets Supporting Policy Liabilities

(3)

Y/E XX01	Individual Life	Group Life and Health	Annuities and Pensions	Reinsurance	Shareholders' Total	XX01 Grand Total
Corporate Shares						
Real Estate						
Fixed Interest Sec						
Mortgages						
Fixed Deposits						
Re-purchase Agreements						

Policy Assumptions

(4) The nature and method of determining the significant assumptions made by the company in the computation of policy liabilities are described in the following paragraphs. In all cases, the assumptions are supplemented by the use of margins for adverse deviation.

Policy Claims and Benefits

- (a) Estimates of the amounts and timing of future claims and benefit payments are based on both company and industry experience over extended periods. Although the pattern of claims and benefit payments may be close to that indicated by past experience some deviation in that pattern is probable.

Investment Income

- (b) The computation of policy liabilities takes into account projected net investment income on assets supporting policy liabilities and income expected to be earned or forgone on reinvestment or financing of mismatched cash flows. Uncertainties exist with respect to the projections of interest rates and the magnitude of credit losses from asset defaults. The company accounts for such uncertainties by incorporating provisions for credit losses into projections of investment income in addition to the allowances for depreciation in the carrying values of invested assets.

Policy Maintenance Expense

- (c) Amounts are included in policy liabilities to provide for the costs of administering policies in force and include the costs of premium collection, adjudication and processing of claims, periodic actuarial calculations, preparation and mailing of policy statements and related indirect expenses and overhead. The process of forecasting expenses requires estimates to be made of such factors as the rate of salary increases, productivity changes, business volumes and indirect tax rates. Estimates of future policy maintenance expenses are based on the company's experience.

Policyholder Dividends

- (d) Policy liabilities include the present value of estimated amounts of future policyholder dividends based on current dividend scales and expected future income attributable to participating policies.

Sensitivity to Assumption Changes

- (5) The assumptions that are most susceptible to change in the near term are policy lapse rates and future investment yields.

Policy lapse Rates

- (a) The policy lapse rate assumption for lapse-supported policies has been decreased by a margin of a 5%. On average, over the last five years, policy lapse rates on lapse-supported policies have been less than the rates expected in the computation of policy liabilities. For lapse-supported policies in force at December 31, XX01, each 0.1% decrease in the ultimate lapse rate would increase policy liabilities by \$mm (XX00 \$m).
- (b) The policy lapse assumption for non-lapse-supported policies has been increased by a margin of 0.5%. On average, over the last five years, policy lapse rates on non-lapse-supported policies have been greater than the rates expected in the computation of the policy liabilities. For non-lapse-supported policies in force at December

31, XX01, each 0.1% increase in the ultimate lapse rate would increase policy liabilities by \$m (XX00, \$m).

Interest Rate Risk

- (c) Based on the projected cash flows of the company as at December 31, XX01, the approximate impact of an immediate 1% increase in the general level of interest rates would reduce the value of the assets backing the policy liabilities by \$dd and reduce the value of policy liabilities by \$xx. Conversely, the impact of an immediate decrease would increase the value of the assets backing the policy liabilities by \$dd and increase the value of the policy liabilities by \$xx.

Changes in Policy Liabilities

(6) Changes in policy liabilities during the year, were caused by the following business activities and changes in actuarial assumptions:

	Individual Life	Group Life and Health	Annuities and Pensions	Reinsurance assumed	XX01 Grand Total
Decrease in assumed investment yields					
Decrease in provision for Adverse Deviation on Interest Rate Risk					
Normal increase in present value due to the passage of time					
Foreign Currency Translation					
Change due to the issuance of new policies					
Change due to other Actuarial Assumptions					

Other standards of standard accounting practice.

103. The standards stated in these Regulations supplement other standards of standard accounting practice which also apply to the life insurance companies unless they are specifically exempted in a standard.

Investment and Loan Committee.

104.—(1) An insurance business and any subsidiary of the insurance business institution shall adhere to prudent standards in making investment and lending decisions, in giving guarantees and committing itself to other financial obligations, in writing down the value of investments and loans on its books and in managing its investments and loans.

(2) The investment and loan committee of an insurance business shall—

- (a) recommend to the directors of the insurance business for their approval, a written investment and lending policy that, for the insurance business and its subsidiaries, if any, the committee considers to be consistent with the prudent standards required under paragraph (1); and
- (b) as the committee or the directors consider necessary, and at least annually, review the investment and lending policy and recommend amendments that the committee considers to be necessary or desirable.

(3) If the directors of the insurance business receive a recommendation under paragraph (2), the insurance business, consistently with the requirements of paragraph (1), shall—

- (a) adopt the recommendations and establish the recommended policy, or the recommended amendments to that policy as part of the investment and lending policy of the insurance business and of its subsidiaries, if any; or
- (b) make changes to the proposed policy or to the proposed amended policy that it considers to be necessary or desirable, and establish the policy, with those changes, as the investment and lending policy of the insurance business and of its subsidiaries, if any.

(4) An insurance business shall ensure that the investment and lending policy established under regulation 104 (2) (a)—

- (a) comprehensively deals with the management and diversification of the insurance business investment and loan portfolio, together with that of any subsidiary of the insurance business;
- (b) contains everything reasonably necessary to ensure that it is consistent with prudent standards; and
- (c) without limiting the generality of sub-paragraph (a) or (b), includes—

- (i) the powers and duties of any committees or officers to whom the power to make investments or loans is delegated from the directors and any conditions to which the delegations are subject;
 - (ii) an upper limit on the amount of money in the aggregate that the insurance business and its subsidiaries may—
 - (A) lend under all loans; and
 - (B) commit under all guarantees or other financial obligations to any combination of one person and that person's associates;
 - (iii) an upper percentage limit to be used in determining the amount that the insurance business or its subsidiaries may lend on the security of a mortgage of land to be calculated by subtracting, from the specified percentage of the fair market value of the land at the time the money is lent, the amount of indebtedness under any prior or equally ranking security that encumbers the land, except in cases which—
 - (A) the loan secured by the mortgage is approved or insured under the—
_____ Act; or
 - (B) the excess is guaranteed or insured through an agency of the Government or is insured by a policy of mortgage insurance issued by an insurer authorized to carry on business under the Act, or licensed or registered or otherwise authorized to carry on insurance business under the Insurance Act; and
 - (iv) provisions dealing with prescribed matters.
- (5) An Insurance company shall file with the Commission a copy of the investment and lending policy established under paragraph (4).

105.—(1) If—

- (a) the Commission believes on reasonable grounds that the investment and lending policy established under regulation 104 (2) (a) is inconsistent with prudent standards;
- (b) the investment and lending policy is not comprehensive; or
- (c) the investment and lending policy does not comply with the investment regulations,

the Commission may order the directors of the insurance company to review immediately the investment and lending policy in accordance with regulation 104 (2) (b), taking into account the matters specified in the Commission's order.

Commission's
powers over
investment and
lending policy.

PART X—*Association of Underwriters*

Application for registration of association of underwriters.

106.—(1) An Application for registration as an association of underwriters shall be made in the form as in Schedule 14 and where the Commission, after appropriate enquiry and the production of such documentary evidence as it may deem appropriate, is satisfied in respect of the applicant that—

- (a) the constitutive documents of the applicant permit the carrying on of the insurance business;
- (b) all applicable requirements of the Act, these Regulations and any directive of the Commission have been met by the applicant;
- (c) the applicant is or will be solvent within the meaning of the Act, these Regulations and any directive of the Commission;
- (d) the applicant is likely to be able to comply with such of the provisions of the Act, these Regulations and any directive of the Commission as are or would be applicable to it;
- (e) the name of the applicant is not identical with, nor does it so closely resemble the name of another entity as to be likely to confuse or deceive;
- (f) where applicable, the applicant has made adequate arrangements for reinsurance of the class of insurance business in which it intends to engage;
- (g) the person holding or to be appointed to hold the office of managing director; chief executive officer or principal representative of the applicant is of good character and is a fit and proper person to hold that office;
- (h) the staff which the applicant employs intends to employ in relation to any class of insurance in respect of which the application is made is or will be sufficiently competent and knowledgeable to carry on that business in an efficient manner;
- (i) a satisfactory business plan in respect of the applicant has been submitted in accordance with these Regulations;
- (j) in the case of a foreign applicant, it—
 - (i) is lawfully constituted in accordance with the laws of the country in which it is incorporated or otherwise established and has undertaken in that country insurance business of the same nature as that in respect of which it is seeking authorization in Jamaica;

- (ii) has submitted to the Commission a certificate of good standing issued by the person duly qualified in that jurisdiction to do so;
 - (iii) will appoint a person resident in Jamaica to be its principal representative in Jamaica; and
 - (iv) has submitted to the Commission the curriculum vitae, including details with respect to qualifications, experience in insurance business and references, of the proposed principal representative;
 - (v) there is, in its opinion, sufficient indication that the business will be conducted in a prudent and sound manner;
- (k) the applicant has or will have appointed an actuary and an auditor, as required by the Act, these Regulations or any directive of the Commission;
- (l) satisfactory arrangements have been made with respect to —
- (i) depositing assets with the Commission,
 - (ii) vesting assets in trust, as required by the Act, these Regulations or any directive of the Commission;
- (m) in the case of an association of underwriters which was, prior to the coming into operation of the Act, carrying on insurance business in Jamaica, it conducted such business in a sound and proper manner; and
- (n) registering the applicant would not be contrary to the public interest,

the Commission shall approve the registration of the association of underwriters in relation to the class of insurance business in respect of which the application was made, either unconditionally, or subject to such conditions as the Commission may recommend.

107.—(1) The certificate of registration of an approved company shall be in the form set out in Schedule 14.

Certificate of
Registration.

(2) Every approved company shall apply to the Commission within fourteen days of its registration or of the commencement of operation of any of its branches, agencies, or sub-agencies, as the case may be, for the number of copies of its certificate of registration required for the purpose of display in all its branches, agencies and sub-agencies in accordance with section 12 of the Act.

(3) Every application pursuant to paragraph (2) shall include the name and address of each branch, agency and sub-agencies as the case may be, and the name and address of the manager or person in charge of each such

branch, agency or sub-agency.

(4) Every application for a copy of a certificate of registration shall be accompanied by a receipt from the Commission for payment of the application fee in respect of each certificate and where the application is for more than one copy of such certificate, the receipt from the Commission shall be for an amount calculated according to the number of copies required.

(5) Any change in any of the particulars included in an application made pursuant to this regulation, shall be reported to the Commission in writing, within fourteen days of such change.

Deposits by
association of
underwriters.

108.—(1) The minimum assets required to be deposited with the Commission by an association of underwriters which proposes to carry on insurance business shall be —

- (a) in respect of an entity which proposes to carry on life or sickness and health insurance business, ninety million dollars;
- (b) in respect of an entity which proposes to carry on general insurance business forty-five million dollars.

Increase in amount of deposit

(2) The Commission may require the deposit referred to in paragraph (1) to be increased, either before or after granting the licence, to such amount as it considers necessary and for this purpose the Commission may require a reinsurer that reinsures all or part of the insurer's business to deposit balances owing to the association of underwriters with the Commission.

Excess deposit

(3) An association of underwriters may voluntarily make a deposit in excess of the amount prescribed by this regulation, but no part of a voluntary deposit shall be withdrawn without the sanction of the Commission.

Value at which securities received

(4) The value of such securities shall be estimated at their market value, not exceeding par, at the time they are deposited.

Further deposit if
below market
value.

109.—(1) If the market value of any securities that have been deposited by an association of underwriters declines below that at which they were deposited, the Commission may notify the association of underwriters to make such further deposit as will ensure the accepted value of all the securities deposited by the insurer being equal to the amount that is required by these Regulations to be deposited.

Failure to make further deposit

(2) On failure to make such further deposit within sixty days after being called upon so to do, the Commission may suspend or cancel the licence of the association of underwriters.

Titles to securities

(3) The property in any stock, bonds or debentures deposited with the Commission under this regulation or any predecessor thereof is vested in the Commission by virtue of his office without any formal transfer while such stock, bonds or debentures form the whole or any part of the deposit required by these Regulations.

Interest upon deposits

(4) So long as the conditions of these Regulations are satisfied and no notice of any final judgment against the association of underwriters or order for its winding up or for the distribution of its assets or for administration of its deposit is given to the Minister, the insurer is entitled to receive the interest upon the securities forming the deposit.

Substitution of securities

(5) Where an association of underwriters desires to substitute other approved securities for securities deposited, the Commission may permit the substitution to be made.

110.—(1) An association of underwriters that has ceased to transact business in Jamaica and desires to obtain a return of its deposit may give written notice to that effect to the Commission and shall publish in the *Gazette* a notice that it has applied to the Commission for the return of its deposit, calling upon all claimants, contingent or actual, who object to the return to file their objections with the Commission on or before a day named in the notice, which shall not be less than three months after the first publication of it.

Return of
deposit on
ceasing to do
business.

Filing list of all outstanding contracts

(2) Upon giving notice to the Commission, the insurer shall file a list of all its outstanding contracts of insurance, including contracts in respect of which claims have accrued.

Return of deposit on proof of discharge of contracts

(3) After the day named in the notice, if the Commission is satisfied that the insurer has obtained a discharge of all such outstanding contracts, the Commission may direct that the deposit be returned.

Return of part of deposit

(4) If the Commission is not satisfied that all such contracts have been discharged, the Commission may direct that a sufficient deposit be returned to meet the contracts unprovided for and thereafter, from time to time as such contracts lapse or proof is adduced, that they have been satisfied, further return of the deposit may be directed.

PART XI—Registration of Insurance Intermediaries

General.
Schedule 15.

111.—(1) An application for registration as an intermediary shall be made in the form set out in Schedule 15 and where the Commission, after appropriate enquiry and by the production of such documentary evidence as it may deem appropriate, is satisfied in respect of the applicant that—

- (a) all applicable requirements of the Act, these Regulations and any directive of the Commission have been complied with;
- (b) the applicant is not disqualified for registration under section 72 of the Act;
- (c) the applicant is likely to be able to comply with such of the provisions of the Act, these Regulations and any directive of the Commission as are or would be applicable to it;
- (d) the applicant is sufficiently competent and knowledgeable to carry on business as an insurance intermediary in respect of the relevant class of insurance;
- (e) in the case of an applicant who was, prior to the coming into operation of the Act, carrying on business in Jamaica as an insurance intermediary, he conducted such business in a sound and proper manner;
- (f) having regard to the knowledge and competence of the applicant and such staff as the applicant may employ, the applicant is, in relation to any class of insurance business in respect of which the application is made, capable of carrying on business efficiently as an insurance intermediary;
- (g) where the applicant is a natural person, he is of good character and is otherwise a fit and proper person to be an insurance intermediary;
- (h) each of the persons, if any, with whom the applicant is or is to be associated, whether as a partner or otherwise, in the business of insurance intermediation is a fit and proper person to carry on insurance business;

- (i) where the applicant is a body of persons whether incorporated or not—
 - (i) each of the persons managing or controlling the applicant or, each of the partners or members, as the case may be, is fit and proper to be an insurance intermediary, and
 - (ii) having regard to the knowledge and competence of the persons managing the applicant or of the partners and such other staff as the applicant may employ, it is, in relation to any class of insurance business in respect of which the application is made, capable of carrying on business efficiently as an insurance intermediary;
- (j) where the applicant or any of the employees of the applicant is required by regulations or directive of the Commission to pass any examination, they have passed such examination; and
- (k) the registering of the applicant would not be contrary to the public interest,

the Commission shall, either unconditionally or subject to such conditions as it may specify, register the applicant as an insurance intermediary in respect of such class of insurance as it shall specify, and shall notify the applicant in writing accordingly.

(2) Where, in relation to any or all of the classes of insurance business in respect of which the application is made, the Commission is not satisfied as to one or more of the conditions set out in paragraph (1), the Commission shall notify the applicant in writing that it proposes to refuse to register the applicant in respect of one or more of the classes of insurance business for which application was made, giving the reasons for so doing, and notifying the applicant of his right pursuant to section 140 of the Act to appeal to the Appeal Tribunal.

112. For the purposes of section 73 of the Act, the educational and experience qualification for an applicant for certificates for insurance brokers, facultative placement brokers, re-insurance brokers, sales representatives, agents, adjusters, insurance consultants and managing general agents shall be as prescribed by the Commission.

Qualifications
of inter-
mediaries.

113.—(1) Every application for registration as an insurance broker under Part IV of the Act shall be made in the form set out in the Schedule 15.

Application for
registration of
insurance
broker.
Schedule 15.

(2) Every application for registration as a broker shall be accompanied—

- (a) by a receipt from the Commission for payment of the relevant application fee; and

- (b) where the applicant is a body of persons or a partnership, by the latest balance sheet and profit and loss account of the applicant, which shall, in the case of a broker to whom permission has not been granted under paragraph (3), include the latest audited balance sheet and profit and loss account and be accompanied by the latest monthly statement;
- (c) where the applicant has operated as an insurance broker in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance companies and agents to which he provided services, indicating that they are satisfied with the applicant's competence and method of conduct of business and the ethical standards maintained by him in the performance of his work as an insurance broker;
- (d) where the applicant has not operated as an insurance broker in Jamaica immediately before the commencement of these Regulations, evidence that he has satisfied the requirements of regulation 112.

(3) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 112, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

(4) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as a broker although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such time as may be specified in the notice, either—
 - (i) to cease his activities as a broker or agent aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provisions of section 72 of the Act.

Application for
registration as
facultative
placement broker.
Schedule 15.

114.—(1) Every application for registration as a facultative placement broker under Part IV of the Act shall be made in the form set out in Schedule 15 and shall be accompanied by—

- (a) a receipt from the Commission for payment of the application fee; and

- (b) where the applicant is a body of persons or a partnership, by the applicant's latest balance sheet and profit and loss account which shall, in the case of a broker who has not been notified under paragraph (3), be accompanied by the latest monthly statement;
- (c) where the applicant has operated as a facultative placement broker in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance company to which he provided services, indicating that such company is satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of his work as a facultative placement broker; and
- (d) where the applicant has not operated as a facultative placement broker in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 112 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as a facultative placement broker although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such time as may be specified in the notice, either—
 - (i) to cease his activities as a facultative placement broker aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provisions of section 72 of the Act.

115.—(1) Every application for registration as a reinsurance broker under Part IV of the Act shall be made in the form set out in Schedule 15 and shall be accompanied by—

Application for registration as reinsurance broker.

- (a) a receipt from the Commission for payment of the application fee; and

- (b) where the applicant was employed as a reinsurance broker in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance company or agent by which he is employed, indicating that such company or agent is satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of his work as a salesman; and
- (c) where the applicant was not employed as a reinsurance broker in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 112 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as a reinsurance broker although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such time as may be specified in the notice, either—
 - (i) to cease his activities as a reinsurance broker aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provisions of section 72 of the Act.

Application for registration as sales representative.

116.—(1) Every application for registration as a sales representative under Part IV of the Act shall be in the form set out in Schedule 15 and shall be accompanied by—

- (a) a receipt from the Commission for payment of the application fee; and
- (b) where the applicant was employed as a salesman in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance company or agent by which he is employed, indicating that such company or agent is satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of his work as a sales representative; and

- (c) where the applicant was not employed as a salesman in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 107 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as a sales representative although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person require him, within such time as may be specified in the notice, either—

- (a) to cease his activities as a sales representative aforesaid; or
- (b) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (c) direct his attention to the provisions of section 72 of the Act.

117.—(1) Every application for registration as an agent under Part IV of the Act shall be made in the form set out in Schedule 15 and shall be accompanied by—

Application for
registration as
agent.

- (a) a receipt from the Commission for payment of the application fee; and
- (b) where the applicant was employed as an agent in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance company by which he is employed, indicating that such company is satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of his work as an agent; and
- (c) where the applicant was not employed as a general agent in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 112 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as an agent although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such time as may be specified in the notice, either—
 - (i) to cease his activities as an agent aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provisions of section 72 of the Act.

Application for
registration as an
adjuster.

118.—(1) Every application for registration as an adjuster under Part IV of the Act shall be made in the form set out in Schedule 15 and shall be accompanied by—

- (a) a receipt from the Commission for payment of the application fee; and
- (b) where the applicant was employed as an adjuster in Jamaica immediately before the commencement of these regulations, a certificate from the insurance company or companies by which he is employed, indicating that such company or companies are satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of work as an adjuster; and
- (c) where the applicant was not employed as an adjuster in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 107 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as an adjuster although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such time as may be specified in the notice, either—

- (i) to cease his activities as an adjuster aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provision of section 72 of the Act.

119.—(1) Every application for registration as a managing general agent under Part IV of the Act shall be made in the form set out in Schedule 15 and shall be accompanied by—

Application for
registration as
managing
general agent.

- (a) a receipt from the Commission for payment of the application fee; and
- (b) where the applicant was employed as a managing general agent in Jamaica immediately before the commencement of these Regulations, a certificate from the insurance company by which he is employed, indicating that such company is satisfied with the competence and method of conduct of business of the applicant and the ethical standards maintained by him in the performance of his work as a salesman; and
- (c) where the applicant was not employed as a managing general agent in Jamaica immediately before such commencement, evidence that he has satisfied the requirements of regulation 112.

(2) An application pursuant to paragraph (1) shall be made within sixty days of the date of the receipt by the applicant of notification that he has satisfied the requirements of regulation 112 and, if not made within that period, it shall be accompanied by a receipt from the Commission for payment of the additional fee prescribed under Schedule 20.

(3) Where the Commission has reasonable cause to believe that, in relation to insurance business of a relevant class, any person is employed, or carrying on business, as a managing general agent although his application for registration for such class has not been finalized, then, without prejudice to any other action which may be taken against that person under section 70 (2) of the Act, the Commission may, by notice in writing, to that person—

- (a) require him, within such times as may be specified in the notice, either—
 - (i) to cease his activities as a managing general agent aforesaid; or
 - (ii) to take such steps as may be necessary on his part to enable completion of his registration in the appropriate class; and
- (b) direct his attention to the provisions of section 72 of the Act.

Certificates of registration of broker, facultative placement broker, reinsurance broker, sales representative, agent, adjuster and managing general agent.

120.—(1) The certificate of registration of a broker, facultative placement broker, reinsurance broker, sales representative, agent, adjuster and managing general agent shall be in the form set out in Schedule 16.

(2) Every person registered as a broker, facultative placement broker, reinsurance broker, sales representative, agent, adjuster and managing general agent shall apply to the Commission within fourteen days of his registration, or fourteen days of the commencement of operation of any such branch, as the case may be, for the number of copies of his certificate of registration required for the purpose of display in each of his branches in accordance with section 19 of the Act.

(3) Every application pursuant to paragraph (2) shall include the name and address of each branch, and the name and address of the manager or person in charge of such branch.

(4) Every application for a copy of a certificate of registration shall be accompanied by a receipt from the Commission for payment of the application fee, which shall be as prescribed in Schedule 20. Where the application is for more than one copy of such certificate, the receipt from the Commission shall be for an amount calculated according to the number of copies required.

(5) Any change in any of the particulars included in an application made pursuant to this regulation, shall be reported to the Commission in writing, within thirty days of any such change.

Termination of agent or sales representative.

121. The termination of agents and sales representatives shall be in the form set out in Schedule 21.

PART XII—*Duties of Insurer and Agent*

Insurer's duty products.

122. Every registered insurer shall take such steps as are reasonably necessary to ensure that—

- (a) policies issued by the insurer provide fair value to policy holders and do not contain provisions which are likely to imperil the insurer's financial position; and
- (b) new policies are developed in accordance with standards of sound business and financial practices.

Replacement of life insurance contracts.

123.—(1) In this Regulation—

“replacement of a contract of life insurance” means a transaction whereby life insurance is purchased in a single contract or in several related contracts by a person from an insurer and as a consequence of the transaction one or more contracts of the insurance are—

- (a) rescinded, lapsed or surrendered;
- (b) changed to paid-up insurance or continued as extended term insurance or under automatic premium loan;
- (c) changed in any manner so as to effect a reduction in benefits;
- (d) changed so that cash values in excess of 50 per cent of the tabular cash value of the insurance contract are released; or
- (e) subjected to borrowing of any policy loan values whether in a single loan or under a schedule of borrowing over a period of time whereby an amount in excess of 50 per cent of the tabular cash value is borrowed on one or more contracts of life insurance,

but does not include a transaction where —

- (i) a new contract of life insurance is made with an insurer with whom the person has an existing contract of life insurance in furtherance of a contractual conversion privilege exercised by the person;
- (ii) a contract is replaced by an annuity; or
- (iii) contract is replaced by group insurance;

“working day” means a day other than Saturday, Sunday or a public holiday.

(2) The form for the replacement of a life insurance contract shall be as set out in Schedule 22.

124.—(1) Every agent for an insurer shall, upon receiving an application for a contract of insurance—

Duties of agent.

- (a) obtain as part of the application, a statement by the applicant that sets out whether or not replacement of a contract of life insurance is intended;
- (b) forward to the insurer with the application a statement by the agent that sets out whether or not replacement of a contract of life insurance is intended.

(2) Where replacement of a contract of life insurance is intended, the agent shall—

- (a) prior to accepting an application for a contract of insurance—
 - (i) obtain from the applicant a list of all life insurance contracts intended to be replaced;
 - (ii) complete, sign, review with the applicant and leave with the applicant a disclosure statement in the form as set out in Schedule 22 respecting each contract of life insurance intended to be replaced; and

- (iii) obtain on each completed disclosure statement referred to in sub-paragraph (ii), the signature of the applicant and the signature of the life insured, if other than the applicant, attesting to the receipt of the completed disclosure statement;
- (b) within three working days from the date of receiving the application for the contract of insurance, forward to every insurer whose contract is intended to be replaced, a copy of the completed disclosure statement as presented to and signed by the applicant without the information reported under the column entitled "Proposed Replacement Policy";
- (c) where there is borrowing on an existing contract of insurance involved in the transaction, caution the applicant that it is not usually advisable to borrow against policy loan values beyond the expected ability or intention of the applicant to repay;
- (d) forward to each insurer requested to issue a new life insurance contract—
 - (i) an application for a contract of insurance;
 - (ii) a copy of the completed disclosure statement as presented to and signed by the applicant,
 - (iii) a copy of all written proposals presented to the applicant by the agent during the solicitation of the application for a contract of insurance;
 - (iv) all written directions received from the applicant; and
- (e) deliver each new contract of life insurance to the applicant as soon as is practical in the circumstances after receiving it from the insurer, unless contrary written directions have been received from the applicant.

Duties of insurer.

125. Every insurer shall—

- (a) where the insurer receives an application that discloses that replacement of a contract of life insurance is intended, ensure that a duly completed copy of Schedule 22 is filed with the application;
- (b) maintain in its principal office or place of business in Jamaica for at least three years, copies of all material forwarded by its agent under this regulation;
- (c) upon receiving and approving an application for a new contract of life insurance, issue the new contract of life insurance as soon as is practical in the circumstances;

- (d) provide such information as is necessary to other insurers or their agents for purposes of completing the Twenty-second Schedule as soon as is practicable in the circumstances after receiving a request for such information; and
- (e) upon providing information under sub-paragraph (d), make a written record of the information and maintain the record for at least three years.

Twenty-second
Schedule.

126.—(1) The application, the policy, any document attached to the policy when issued, and any amendment to the contract agreed upon in writing after the policy is issued constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

The contract.

Waiver

(2) The insurer shall be deemed not to have waived any condition of the contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the insurer.

Copy of application

(3) The insurer shall, upon request, furnish to the insured or to a claimant under the contract a copy of the application.

Contracts containing pro rata condition of average

- (4) Where—
- (a) in the case of a new contract of insurance, it is proposed to include a *pro rata* condition of average in the contract; or
- (b) in the case of the renewal of a contract of insurance, contains a *pro rata* condition of average, except where the contract is renewed on similar terms and conditions as the expired contract,

the insurer shall, before the insured enters into the contract and before the renewal of the contract, notify the insured in writing of the nature and effect of the condition in the form set out in the Twenty-third Schedule.

Twenty-third
Schedule.

(5) Where a contract of insurance was entered into prior to the 23rd of August, 2004, the insurer shall—

- (a) before the first renewal of the contract after the 23rd day of August, 2004, notify the insured in writing of the nature and effect of the *pro rata* condition of average in the form set out in the Twenty-third Schedule; and

- (b) in the twelve-month period following the 23rd day of August, 2004, publish quarterly in a daily newspaper circulated in Jamaica, a notice stating the nature and effect of any *pro rata* condition of average contained in any contract of insurance or any class of contract of insurance offered by that insurer in such form as the Commissioner shall approve prior to publication.

Material facts.

127. No statement made by the insured or person insured at the time of application for the contract shall be used in defence of a claim or to avoid the contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

128.—(1) If after the contract is issued the person insured engages for compensation in an occupation that is classified by the insurer as more hazardous than that stated in the contract, the liability under the contract is limited to the amount that the premium paid would have purchased for the more hazardous occupation according to the limits, classification of risks, and premium rates in use by the insurer at the time the person insured engaged in the more hazardous occupation.

Changes in occupation.

(2) If the person insured changes his occupation from that stated in the contract to an occupation classified by the insurer as less hazardous and the insurer is so advised in writing, the insurer shall either—

- (a) reduce the premium rate; or
- (b) issue a policy for the unexpired term of this contract at the lower rate of premium applicable to the less hazardous occupation according to the limits, classification of risks, and premium rates used by the insurer at the date of receipt or advice of the change in occupation, and shall refund to the insured the amount by which the unearned premium on this contract exceeds the premium at the lower rate for the unexpired term.

129. When the benefits for loss of time payable hereunder, either alone or together with benefits for loss of time under another contract, including a contract of group accident insurance or group sickness insurance, or both, and a life insurance contract providing disability insurance, exceed the money value of the time of the person insured, the insurer is liable only for that proportion of the benefits for loss of time stated in this policy that the money value of the time of the person insured bears to the aggregate of the benefits for loss time payable under all such contracts, and the excess premium, if any, paid by the insured shall be returned to him by the insurer.

Relation of earnings to insurance.

130. The insured may terminate the contract at any time by giving written notice of termination to the insurer by registered post to its principal office, or by delivery thereof to an authorized agent of the insurer, and the insurer shall upon surrender of this policy refund the amount of premium paid in excess of the short rate premium calculated to the date of receipt of such notice according to the table in use by the insurer at the time of termination.

Termination by insured.

Termination
by insurer.

131.—(1) The insurer may terminate the contract at any time by giving written notice of termination to the insured and by refunding concurrently with the giving of notice the amount of premium paid in excess of the *pro rata* premium for the expired time.

(2) The notice of termination may be delivered to the insured, or it may be sent by registered post to the latest address of the insured on the records of the insurer.

(3) Where the notice of termination is—

- (a) delivered to the insured, five days' notice of termination shall be given;
- (b) posted to the insured, ten days' notice of termination shall be given, beginning on the day following the date of mailing of notice.

Insurer to
furnish
forms.

132.—(1) An insurer, immediately upon receipt of a request, and in any event not later than fifteen days after receipt of notice of a claim, shall furnish to the insured or person to whom the insurance money is payable, forms upon which to make the proof of loss required under the contract. If the claimant has not received the forms within that time, the claimant may submit the claim in the form of a written statement of the cause of the loss, accident, sickness or disability giving rise to the claim and of the extent of the claim.

(2) The furnishing by an insurer of forms to make proof of loss shall not be taken to constitute an admission by the insurer that a valid contract is in force or that the loss in question falls within the insurance provided by the contract.

133.—(1) The insured or a person insured, or a beneficiary entitled to make a claim, or the agent of any of them, shall—

Notice and
proof of claim.

- (a) give written notice of claim to the insurer—
 - (i) by delivery thereof, or by sending it by registered post to the principal office of the insurer; or
 - (ii) by delivery thereof to an authorized agent of the insurer not later than 30 days from the date a claim arises under the contract on account of an accident, sickness or disability;
- (b) within 90 days from the date a claim arises under the contract on account of a loss, accident, sickness or disability, furnish to the insurer such proof as is reasonably possible in the circumstances of the happening of the loss or accident or the commencement of the sickness or disability, and the claim occasioned thereby, the right of the claimant to receive payment, his age, and the age of the beneficiary if relevant; and
- (c) if so required by the insurer, furnish a satisfactory certificate as to the cause or nature of the loss, accident, sickness or disability for which claim may be made under the contract and as to duration of such disability.

Failure to give notice or proof

(2) Failure to give notice of claim or furnish proof of claim within the time specified in paragraph (1) does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one year from the date of the accident or the date a claim arises under the contract on account of sickness or disability if it is shown that it was not reasonably possible to give notice or furnish proof within the time so specified.

134.—(1) As a condition precedent to recovery of insurance moneys under this contract—

Rights of
examination.

- (a) in the case of accident and sickness, the claimant shall afford to the insurer an opportunity to examine the person insured when and so often as it reasonably requires while the claim hereunder is pending;
- (b) in the case of death of the person insured, the insurer may require a post mortem; and
- (c) after loss or damage to insured property, the insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured

the property, a further right of access and entry sufficient to enable them to make appraisal or estimate of the loss or damage, but the insurer is not entitled to the control or possession of the insured property, and without the consent of the insurer, there can be no abandonment to it of the insured property.

When moneys payable other than for loss of time.

135.—(1) Payment of claims shall be made with unavoidable delay if—

- (a) the insured event has been proved;
- (b) liability under the policy has been agreed;
- (c) the amount payable by the insurer agreed; and
- (d) the entitlement of the claimant to receive payment has been established.

(2) All moneys payable under the contract, other than benefits for loss of time, shall be paid by the insurer within thirty days after it has received proof of claim.

(3) When the payment of claim is delayed more than two months, the insurer shall pay interest on the cash sum due.

(4) The two month period runs from the date of the happening of the insured event and interest shall be calculated at a relevant market rate from the end of the two month period until the actual date of the payment.

When loss of income and loss of use benefits payable.

136. The initial benefits for loss of time shall be paid by the insurer within 30 days after it has received proof of claim, and payment shall be made thereafter in accordance with the terms of the contract but not less frequently than once in each succeeding sixty days while the insurer remains liable for the payments if the person insured when required to do so furnishes before payment proof of continuing disability.

Notice, application for benefits.

137.—(1) The insured person or the person otherwise entitled to make a claim, shall—

- (a) give initial notice of a claim to the insurer, in writing, within thirty days from the date of becoming eligible for benefits, or as soon as practicable thereafter; and
- (b) furnish to the insurer within ninety days of the giving of the notice under sub-paragraph (a) a completed application for statutory benefits in respect of the resulting loss.

(2) A failure to comply with a time limit set out in paragraph (1) does not invalidate a claim if the claimant has a reasonable excuse and so long as there is compliance within two years of becoming eligible for benefits.

Certificates, examinations.

138.—(1) Unless waived by the insurer, where the insured person is the

victim of an accident, the insured person or the person otherwise entitled to make a claim under regulation 137 shall furnish a certificate by a qualified medical practitioner or psychological advisor of the insured person's choice as to the cause and nature of the injury for which the claim is made, an estimate of the duration of the disability caused by the accident and a treatment plan.

(2) In respect of claims under regulation 137 and where the insured is the victim of an accident, the insurer may, on reasonable notice, require an examination of the insured person by a qualified medical practitioner, psychological advisor, or chiropractor as often as it reasonably requires, and require an autopsy of a deceased insured person in accordance with the law relating to autopsies.

(3) The insurer shall pay the reasonable cost of examinations under paragraph (1) if the cost is not payable under any insurance plan or law or under any other plan or law.

(4) The insurer shall pay the cost of all certificates under paragraph (1) and for all examinations and certificates under paragraph (2).

Payment of claims,
refusal to pay.

139.—(1) Amounts payable under regulations 137 and 138 are overdue if—

- (a) they are not mailed or otherwise delivered by the insurer within—
 - (i) thirty days after it has received a completed application for statutory benefits; or
 - (ii) ten days after it has received a completed application for statutory benefits; or
- (b) the insurer fails to make a payment required by paragraph (2).

(2) Payments under regulations 137 and 138 shall be mailed or otherwise delivered at least once every second week while the insurer remains liable to the insured person.

(3) The insurer shall pay interest on overdue payments from the date they become overdue at a relevant market rate per month.

(4) Paragraph (3) does not apply if the insurer prepays benefits owing.

(5) Notwithstanding paragraphs (1) and (2), a payment is not overdue if, at the time it would have become payable, the certificate required by regulation 138(1) has not been received by the insurer, six weeks have passed since the insurer received the completed application for statutory benefits and the insurer has not waived the requirement that the certificate be supplied.

(6) If paragraph (5) applies, the payment becomes overdue if the amount payable is not mailed or otherwise delivered by the insurer within ten days after the insurer has received the certificate.

(7) If the insurer refuses to pay an amount claimed in an application for statutory benefits, the insurer shall forthwith give written notice to the insured person giving reasons for the refusal.

140.—(1) A person shall repay to the insurer any benefit received under regulations 137, 138 and 139 that is paid to the person through error or fraud.

Repayments to insurer.

(2) A person shall repay to the insurer any benefit received under regulations 137, 138 and 139 that is paid to that person if the person or the person in respect of whom the payment was made was disqualified from payment under regulation 137 (1).

(3) A person shall repay to the insurer any benefit received under regulation 137 to the extent of any payments received by the person that are deductible from benefits under paragraph (1) or (2).

(4) The insurer may charge interest from the day the amount owing to the insurer under this regulation is determined at the bank rate on that day.

(5) In paragraph (4), “bank rate” means the bank rate established by the Bank of Jamaica as the minimum rate at which the Bank of Jamaica makes short term advances to banks.

141. An action or proceeding against the insurer for the recovery of a claim under the contract shall not be commenced more than fifteen years after the date the insurance money became payable or would have become payable if it had been a valid claim.

Limitation of actions.

142.—(1) In this Part—

“insured” means the party named on a policy or certificate as the individual with legal rights to the benefits provided by such policy;

“insurer” means any—

- (a) person, reciprocal exchange, company, underwriting group or association, and any other legal entity engaged in the business of insurance or of providing insurance in whatever capacity;
- (b) medical service plans, hospital service plans, health maintenance organizations, prepaid limited health care service plans, dental, optometry and other similar health service plans, being entities that are engaged in the business of insurance.

Unfair trade practices.

“person” means any natural or artificial entity, including but not limited to, individuals, partnerships, associations, trusts or corporations;

“policy” or “certificate” means any contract of insurance, indemnity, medical, health or hospital service, surety ship, or annuity issued, proposed for issuance, or intended for issuance by any insurer;

“producer” means a person who solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance for risks residing, located or to be performed in Jamaica.

Unfair Trade Practices Prohibited

(2) It is an unfair trade practice for any insurer to commit any practice defined in paragraph (3) if—

- (a) it is committed flagrantly and in conscious disregard of the Act or these Regulations; or
- (b) it has been committed with such frequency to indicate a general business practice to engage in that type of conduct.

(3) Any of the following practices, if committed in violation of paragraph (2), are unfair trade practices in the business of insurance—

- (a) making, issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular or statement, sales presentation, omission or comparison that—
 - (i) misrepresents the benefits, advantages, conditions or terms of any policy; or
 - (ii) misrepresents the dividends or share of the surplus to be received on any policy; or
 - (iii) makes a false or misleading statement as to the dividends or share of surplus previously paid on any policy; or
 - (iv) is misleading or is a misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates; or
 - (v) uses any name or title of any policy or class of policies misrepresenting the true nature thereof; or
 - (vi) is a misrepresentation, including any intentional misquote of premium rate, for the purpose of inducing or tending to induce the purchase, lapse, forfeiture, exchange;
 - (vii) conversion or surrender of any policy; or
 - (viii) is a misrepresentation for the purpose of effecting a pledge or assignment of or effecting a loan against any policy; or
 - (ix) represents any policy as being shares of stock;
- (b) making, publishing, disseminating, circulating or placing before the public, or causing, directly or indirectly to be made, published,

disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or through the Internet or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any insurer in the conduct of its insurance business, which is untrue, deceptive or misleading;

- (c) making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of any insurer, and is calculated to harm such insurer;
- (d) entering into any agreement to commit, or by any concerted action committing any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance;
- (e) knowingly filing with any supervisory or other public official, any false material statement of fact as to the financial condition of an insurer or knowingly making, publishing, disseminating, circulating or delivering such a statement to any person, or placing it before the public, or knowingly causing it, directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or place before the public;
- (f) knowingly making any false entry of a material fact in any book, report or statement of any insurer or knowingly omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer, or knowingly making any false material statement to any insurance regulatory official;
- (g) issuing or delivering or permitting agents, officers or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to purchase insurance;
- (h) making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any life insurance policy or annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such policy;

- (i) making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees or rates charged for any accident or health insurance policy or in the benefits payable thereunder, or in any of the terms or conditions of such policy, or in any other manner;
- (j) making or permitting any unfair discrimination between individuals or risks of the same class and of essentially the same hazard by refusing to insure, refusing to renew, cancelling or limiting the amount of insurance coverage on a property or casualty risk solely because of the geographic location of the risk, unless such action is the result of the application of sound underwriting and actuarial principles related to actual or reasonably anticipated loss experience;
- (k) making or permitting any unfair discrimination between individuals or risks of the same class and of essentially the same hazards by refusing to insure, refusing to renew, cancelling or limiting the amount of insurance coverage on the residential property risk, or the personal property contained therein, solely because of the age of the residential property;
- (l) refusing to insure, refusing to continue to insure, or limiting the amount of coverage available to an individual because of the sex, marital status, race, religion or national origin of the individual, so however, that nothing in this paragraph shall prohibit an insurer from taking marital status into account for the purpose of defining persons eligible for dependent benefits or shall prohibit or limit the operation of fraternal benefit societies;
- (m) terminate, or modify coverage or refuse to issue or refuse to renew any property or casualty policy solely because the applicant or insured or any employee of either is mentally or physically impaired:

Provided that this sub-paragraph shall not—

- (i) apply to accident and health insurance sold by a casualty insurer; and
 - (ii) be interpreted to modify any other provision of law relating to the termination, modification, issuance or renewal of any insurance policy or contract;
- (n) refusing to insure solely because another insurer has refused to write a policy, or has cancelled or has refused to renew an existing policy in which that person was the named insured but nothing

herein contained shall prevent the termination of an excess insurance policy on account of the failure of the insured to maintain any required underlying insurance;

- (o) as otherwise expressly provided by law—knowingly—
 - (i) permitting or offering to make or making any life insurance policy or annuity, or accident and health insurance or other insurance, or agreement as to such contract other than as plainly expressed in the policy issued thereon;
 - (ii) paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such policy, any rebate of premiums payable on the policy, or any special favour or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the policy; or
 - (iii) giving, selling, or purchasing or offering to give, sell or purchase as inducement to such policy or annuity or in connection therewith, any stocks, bonds or other securities of any insurance company or other corporation, association or partnership, or any dividends or profits accrued thereon, or any other thing of value not specified in the policy;
- (p) failure by an insurer to maintain, for at least the current calendar year and the two preceding years, its books, records, documents and other business records in such an order that data regarding complaints, claims, rating, underwriting and marketing are accessible and retrievable for examination by the Commission;
- (q) failure by any insurer to maintain a complete record of all the complaints it received since the date of its last examination under the Financial Services Commission Act;
- (r) making false or fraudulent statements or representations on or relative to an application for a policy, for the purpose of obtaining a fee, commission, money or other benefit from any provider or individual person;
- (s) an insurance producer—
 - (i) holding himself out, directly or indirectly, to the public as a “financial planner”, “investment adviser”, “consultant”, “financial counselor”, or any other specialist engaged in the business of giving financial planning or advice relating to investments, insurance, real estate, tax matters or trust and estate matters when such person is in fact engaged only in the sale of policies:

- (ii) engaging in the business of financial planning without disclosing to the client prior to the execution of the agreement mentioned in sub-paragraph (iii), or solicitation of the sale of a product or service that—
 - (A) the insurance producer is also an insurance salesperson; and
 - (B) a commission for the sale of an insurance product will be received in addition to a fee for financial planning, if such is the case.
- (iii) charging fees other than commissions for financial planning by insurance producer, unless such fees are based upon a written agreement, signed by the party to be charged in advance of the performance of the services under the agreement—
 - (A) a copy of which shall be retained by the producer for not less than three years and a copy given to the party to be charged at the time the agreement is signed by the party;
 - (B) which shall state the services for which the fee is to be charged, the amount of the fee to be charged or how it will be determined or calculated and that the client is under no obligation to purchase any insurance product through the insurance agent, broker or consultant after completion of services; and
 - (C) a copy of which shall be available at the Commission's request;
- (f) failure of a company issuing property and casualty insurance to provide the following loss information for the three previous policy years to the first named insured within thirty days of receipt of the first named insured's written request, that is to say information—
 - (i) on all claims, date and description of occurrence, and total amount of payments; and
 - (ii) as to the date and description of any occurrence not included in sub-paragraph (f).
- (4) Nothing in paragraph (3) (o) shall be construed as including within the definition of discrimination or rebates any of the following practices—

- (a) in the case of life insurance policies or annuities, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from non-participating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;
- (b) in the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount that fairly represents the saving in collection expenses;
- (c) readjusting the rate of premium for a group insurance policy based on the loss or expense thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year.

(5) For the purposes of paragraph (3) (i)—

- (a) a first named insured may, in writing, require a prospective insurer to provide such detailed loss information (other than loss reserve information) in addition to that required under sub-paragraph (i) of that paragraph as may be reasonably required to underwrite the same line or class of insurance;
- (b) the insurer shall provide information as soon as possible, but in no event later than twenty days of receipt of the written request;
- (c) no prospective insurer may refuse to insure an applicant solely because the prospective insurer is unable to obtain loss reserve information.

(6) Information provided under paragraph (5) (a) shall not be subject to discovery by any party other than the insured, the insurer, and the prospective insurer.

(7) No insurer shall offer more than one group policy of insurance through any person unless such person is licensed but this prohibition shall not apply to employer and employee relationships, nor to any such enrolments.

(8) No person may require as a condition precedent to the lending of money or extension of credit, or any renewal thereof, that the person to whom such money or credit is extended or whose obligation a creditor is to acquire or finance, negotiate any policy or renewal thereof through a particular insurer or group of insurers or agent or broker or group of agents or brokers.

(9) No person who lends money or extends credit may—

- (a) solicit insurance for the protection of real property, after a person indicates interest in securing a first mortgage credit extension, until such person has received a commitment in writing from the lender as to a loan or credit extension;
- (b) unreasonably reject a policy furnished by the borrower for the protection of the property securing the credit;
- (c) require that any borrower, mortgagor, purchaser, insurer, broker or agent pay a separate charge, in connection with the handling of any policy required as security for a loan on real estate, or pay a separate charge to substitute the policy of one insurer for that of another (other than the interest that may be charged on premium loans or premium advancements in accordance with the terms of the loan or credit document);
- (d) use or disclose, without the prior written consent of the borrower, mortgagor or purchaser taken at a time other than the making of the loan or extension of credit, information relative to a policy which is required by the credit transaction, for the purpose of replacing such insurance;
- (e) require any procedures or conditions of duly licensed agents, brokers or insurers not customarily required of those agents, brokers or insurers affiliated or in any way connected with the person who lends money or extends credit.

(10) A rejection referred to in paragraph (9) (b) shall not be deemed unreasonable if it is based on reasonable standards, uniformly applied, relating to the extent of coverage required and the financial soundness of the insurer. Such standards shall not discriminate against any particular type of insurer, nor shall such standards call for rejection of a policy because it contains coverage in addition to that required in the credit transaction.

(11) Every person who lends money or extends credit and who solicits insurance on real and personal property shall explain to the borrower in writing that the insurance related to such credit extension may be purchased from an insurer or agent of the borrower's choice, subject only to the lender's right to reject a given insurer or agent as provided in paragraph (9) (b). The requirement for a commitment shall not apply in cases where the premium for the required insurance is to be financed as part of the loan or extension of credit involving personal property transactions.

PART XIII—*Unregistered Insurers*

143.—(1) This regulation shall be liberally construed and applied to promote its underlying purposes which include—

- (a) protecting persons seeking insurance in Jamaica;
- (b) permitting facultative insurance placements to be placed with reputable and financially sound unregistered insurers and exported from Jamaica pursuant to the Act;
- (c) establishing a system of regulation which will permit orderly access to facultative insurance placements in Jamaica and encourage registered insurers to provide new and innovative types of insurance available to consumers in Jamaica;
- (d) providing a system through which persons may purchase insurance other than facultative insurance placements, from unregistered insurers pursuant to the Act;
- (e) protecting revenues of Jamaica; and
- (f) providing a system pursuant to the Act which subjects unregistered insurance activities in Jamaica to the jurisdiction of the Commission and courts in suits by or on behalf of Jamaica.

(2) The provisions of this regulation shall not operate to prohibit employees, officers, directors or partners of a business entity from acting in the capacity of an insurance manager or buyer in placing insurance on behalf of the employer, provided that the person's compensation is not based on buying insurance.

144.—(1) An insurer shall not engage in the transaction of insurance unless registered in Jamaica or exempted by these Regulations or the Act. A person shall not engage in a transaction of insurance or shall in Jamaica directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, an unregistered insurer in—

Placement of
insurance
business.

- (a) solicitation, negotiation, procurement or effectuation of insurance, or renewals thereof;
- (b) forwarding of applications, or delivery of policies or contracts or inspection of risks;
- (c) fixing of rates, or investigation or adjustment of claims or losses; or
- (d) collection or forwarding of premiums,

or in any other manner represent or assist the unregistered insurer in the transaction of insurance.

(3) A person who represents or aids an unregistered insurer in contravention of this regulation shall be subject to the penalties set out in section 148 of the Act.

(4) No insurance contract entered into in contravention of this

regulation shall preclude the policyholder from enforcing his rights under the contract in accordance with the terms and provisions of the contract of insurance and the laws of Jamaica, to the same degree those rights would have been enforceable had the contract been lawfully procured.

(5) If the unregistered insurer fails to pay a claim or loss within the provisions of the insurance contract and the laws of Jamaica, a person who assisted or in any manner aided directly or indirectly in the procurement of the insurance contract, shall be liable to the policyholder for the full amount under the provisions of the insurance contract.

(6) Paragraph (3) shall not apply to a person in regard to a policyholder who independently procures insurance as provided under paragraph (20).

(7) This regulation shall not apply to a person, registered as an agent or broker in Jamaica who, for a fee and pursuant to a written agreement, is engaged solely to offer to the policyholder advice, counsel or opinion, or service with respect to the benefits, advantages or disadvantages promised under any proposed or in-force policy of insurance if the person does not, directly or indirectly, participate in the solicitation, negotiation or procurement of insurance on behalf of the policyholder.

(8) This regulation shall not apply to a person acting in material compliance with the insurance laws of Jamaica in the placement of the types of insurance specified in sub-paragraphs (a), (b), (c), (d) and (e)—

- (a) insurance as provided in regulation 144 and for the purposes of this sub-paragraph, a licensee shall be deemed to be in material compliance with the insurance laws of Jamaica, unless the licensee contravened paragraph (e) that proximately caused loss to the policyholder;
- (b) transactions for which registration is not required of an insurer under the insurance laws of Jamaica;
- (c) reinsurance provided that, unless the Commission waives the requirements of this sub-paragraph—
 - (i) the reinsurer is authorized to do an insurance or reinsurance business by its domiciliary jurisdiction and is authorized to write the type of reinsurance in its domiciliary jurisdiction; and
 - (ii) the reinsurer satisfies all legal requirements for such reinsurance in Jamaica;
- (d) the property and operation of aircraft engaged in foreign commerce, wet marine and transportation insurance;

- (e) transactions subsequent to issuance of policy not covering properties, risks or exposures located, or to be performed in Jamaica at the time of issuance, and lawfully solicited, written or delivered outside Jamaica.

145.—(1) Facultative insurance placements may be placed by a facultative placement licensee if—

Facultative
insurance
placements.

- (a) each insurer is an eligible facultative placement insurer;
- (b) each insurer is authorized to write the class or type of insurance in its domiciliary jurisdiction;
- (c) the full amount or type of insurance cannot be obtained from insurers who are registered to do business in Jamaica;
- (d) the type of insurance is one included on a list promulgated by the Commission deeming the class or type of coverage eligible for export without a diligent search; and
- (e) all other requirements of the Act are met.

(2) The full amount or type of insurance may be procured from eligible facultative placement insurers, provided that a diligent search is made among the insurers who are registered to transact and are actually writing the particular type of insurance in Jamaica if any are writing it.

146.—(1) A facultative placement broker shall not place coverage with an unregistered insurer, unless, at the time of placement, that broker has determined that the unregistered insurer —

Facultative
placement
broker.

- (a) meets the fit and proper criteria as defined under the Act; and
- (b) has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction which equals the greater of —
 - (i) the minimum capital and surplus requirements under the Act; or
 - (ii) an amount as prescribed by regulation 23, in the case of a general insurer or regulation 24 in the case of a long term insurer.

(2) The requirements of paragraph (1) (a) may be satisfied by an insurer possessing less than the minimum capital and surplus upon an affirmative finding of acceptability by the Commission, based upon such factors as—

- (a) quality of management, capital and surplus of any parent company;
- (b) company underwriting profit and investment income trends;

- (c) market availability and company record and reputation within the industry,

but in no event shall the Commission make an affirmative finding of acceptability when the unregistered insurer's capital and surplus is less than a prescribed amount.

(3) In the case of an Association of Underwriters —

- (a) the syndicates of the exchange shall maintain under terms acceptable to the Commission capital and surplus, or its equivalent under the laws of its domiciliary jurisdiction, of not less than or such amount as may be prescribed; and
- (b) the exchange shall maintain under terms acceptable to the Commission not less than fifty per cent of the policyholder surplus of each syndicate in a custodial account accessible to the exchange or its domiciliary regulator in the event of insolvency or impairment of the individual syndicate; and
- (c) in addition, each individual syndicate to be eligible to accept facultative insurance placements from Jamaica shall meet any of the following requirements —
 - (i) for insurance exchanges which maintain funds in an amount of not less than or such amount as may be prescribed for the protection of all exchange policyholders, the syndicate shall maintain under terms acceptable to the Commission minimum capital and surplus, or its equivalent under the laws of the domiciliary jurisdiction, of not less than or such amount as may be prescribed; or
 - (ii) for insurance exchanges which do not maintain funds in an amount of not less than or such amount as may be prescribed for the protection of all exchange policyholders, the syndicate shall maintain under terms acceptable to the Commission minimum capital and surplus, or its equivalent under the laws of its domiciliary jurisdiction, of not less than the minimum capital and surplus requirements under the laws of its domiciliary jurisdiction or such amount as is specified in these Regulations; or
 - (iii) in the case of a group of incorporated insurers under common administration, which has continuously transacted an insurance business for at least three years—
 - (A) the group shall maintain an aggregate policyholders' surplus of such amount as may be prescribed; and

- (B) the group shall maintain in trust a surplus in such amount as may be set forth in prescribed regulations; which shall be available for the benefit of Jamaican facultative placement policyholders of any member of the group; and
- (C) each insurer shall individually maintain capital and surplus of not less than or such amount as may be prescribed per company;
- (D) the trust funds shall satisfy the requirements of a Standard Trust Agreement approved by the Commission and shall be maintained in an irrevocable trust account in Jamaica in a qualified financial services institution, and shall consist of cash, securities, letters of credit or investments of substantially the same character and quality as those which are eligible investments for the capital and statutory reserves of registered insurers to write like classes of insurance in Jamaica;
- (E) each member of the group shall make available to the Commission an annual certification of the member's solvency by the member's domiciliary regulator and its independent public accountant; or
- (F) except for an underwriting association or plan complying with sub-paragraph (B) or (C), an insurer shall satisfy the capital and surplus requirements of paragraph (2) (a) and shall have in force a trust fund of not less than the greater of—
 - (aa) five million dollars;
 - (bb) 30% of the Jamaica facultative placement gross liabilities, excluding aviation, wet marine and transportation insurance liabilities, where—
 - (aaa) the liabilities are maintained in an irrevocable trust account in Jamaica in a qualified financial services institution, on behalf of Jamaica policyholders consisting of cash,

securities, letters of credit or other investments of substantially the same character and quality as those which are eligible investments pursuant to section 23 of the Act. The trust fund, which shall be included in any calculation of capital and surplus or its equivalent, shall satisfy the requirements of the Standard Trust Agreement approved by the Commission;

(bbb) the insurer may request approval from the Commission to use the trust fund to pay valid facultative placement claims; provided, however, that the balance of the trust fund is never less than the greater of five million dollars or thirty per cent of the insurer's Jamaica facultative placement gross liabilities, excluding aviation, wet marine and transportation insurance liabilities; and

(ccc) an insurer or group of insurers covering risk located or to be performed in Jamaica at the effective date of this law shall have two years from the date of enactment to meet the requirements of sub-paragraph (D), as follows—

Year Following Enactment	Trust Fund Requirement
1	15% of Jamaica facultative placement liabilities, excluding aviation, wet marine and transportation insurance.
2	30% of Jamaica facultative placement liabilities, excluding aviation, wet marine and transportation insurance.

(3) The Commission may waive the requirements of sub-paragraph (D) or may be satisfied by an insurer's possessing less than the trust fund amount specified in that paragraph upon an affirmative finding of acceptability by the Commission if the Commission is satisfied that the

placement of insurance with the insurer is necessary and will not be detrimental to the public and the policyholder. In determining whether business may be placed with the insurer, the Commission may consider such factors as—

- (a) the interests of the public and policyholders;
- (b) the length of time the insurer has been authorized in its domicile and elsewhere;
- (c) unavailability of particular coverages from registered insurers or unregistered insurers meeting the requirements of this regulation;
- (d) the size of the company as measured by its assets, capital and surplus, reserves, premium writings, insurance in force or other appropriate criteria;
- (e) the class of business the company writes, its net exposure and the extent to which the company's business is diversified among several lines of insurance and geographic locations;
- (f) the past and projected trend in the size of the company's capital and surplus considering such factors as premium growth, operating history, loss and expense ratios, or other appropriate criteria; and
- (g) whether the insurer has caused to be provided to the Commission a copy of its current annual statement certified by the insurer's actuary and an actuarial opinion as to the adequacy of, and methodology used to determine the insurer's loss reserves.

(4) The statement shall be provided at the same time it is provided to the insurer's domicile, but in no event more than eight months after the close of the period reported upon, and shall be certified as a true and correct copy by an accounting or auditing firm licensed in the jurisdiction of the insurer's domicile and certified by a senior officer of the unregistered insurer as a true and correct copy of the statement filed with the regulatory authority in the domicile of the unregistered insurer.

(5) In the case of an association of underwriters, the statement may be an aggregate combined statement of all underwriting syndicates operating during the period reported.

(6) Insurance procured under this regulation shall be valid and enforceable as to all parties.

147. If at any time the Commission has reason to believe that a facultative placement insurer—

- (a) is in unsound financial condition or has acted in an untrustworthy manner;
- (b) no longer meets standards set out in sections 73 and 75 of the Act;

Withdrawal of
eligibility as a
facultative
placement
insurer.

- (c) has wilfully violated the laws of Jamaica; or
- (d) does not conduct a proper claims practice,

the Commission may declare it ineligible and shall promptly mail notice of all such declarations to each facultative placement broker.

Actions against eligible facultative placement insurers transacting facultative placement business.

148.—(1) An eligible facultative placement insurer may be sued upon a cause of action arising in Jamaica under a facultative insurance placements contract made by it or evidence of insurance issued or delivered by the facultative placement broker.

(2) A policy issued by the eligible facultative placement insurer shall contain a provision stating the substance of this regulation and designating the person to whom the Commission shall mail process.

(3) The remedies provided in this regulation are in addition to any other methods provided by law for service of process upon insurers.

Duty to file evidence of insurance and affidavits.

149. Within thirty days after the placing of any facultative insurance placements, each producing broker shall execute and each facultative placement broker shall execute where appropriate, and file a written report regarding the insurance which shall be kept confidential by the Commission, including the following—

- (a) the name and address of the policyholder;
- (b) the identity of the insurer or insurers;
- (c) a description of the subject and location of the risk;
- (d) the amount of premium charged for the insurance;
- (e) such other pertinent information as the Commission may reasonably require; and
- (f) affidavit on a standardized form promulgated by the Commission as to the diligent efforts to place the coverage with registered insurers, if required by this regulation, and the results of that effort and affirming that the policyholder was expressly advised in writing prior to placement of the insurance that—
 - (i) the facultative placement insurer with whom the insurance was to be placed is not registered in Jamaica and is not subject to its supervision; and
 - (ii) in the event of the insolvency of the facultative placement insurer, claims may have to be pursued in other jurisdictions.

Evidence of the Insurance.

150.—(1) Upon placing facultative insurance placements, the facultative placement broker shall promptly deliver to the policyholder or the producing

broker the policy, or if the policy is not then available, a certificate as described in paragraph (5), cover note, binder or other evidence of insurance.

(2) The certificate described in paragraph (5), cover note, binder or other evidence of insurance shall be executed by the facultative placement licensee and shall show—

- (a) the description and location of the subject of the insurance;
- (b) coverages, including any material limitations other than those in standard forms;
- (c) general description of the coverages of the insurance, the premium and rate charged and taxes to be collected from the policyholder; and
- (d) the name and address of the policyholder and facultative placement insurer or insurers and proportion of the entire risk assumed by each, and the name of the facultative placement broker and the registration number.

(3) A facultative placement broker shall not issue or deliver any evidence of insurance or purport to insure or represent that insurance will be or has been written by any eligible facultative placement insurer, or an unregistered insurer, unless the broker has authority from the insurer to cause the risk to be insured, or has received information from the insurer in the regular course of business that the insurance has been granted.

(4) If, after delivery of any evidence of insurance, there is any change in the identity of the insurers, or the proportion of the risk assumed by any insurer, or any other material change in coverage as stated in the facultative placement broker's original evidence of insurance, or in any other material as to the insurance coverage so evidenced, the broker shall within seven days deliver to the policyholder or the original producing broker an appropriate substitute for, or endorsement of the original document, accurately showing the current status of the coverage and the insurers responsible for the coverage.

(5) As soon as reasonably possible after the placement of the insurance, the facultative placement broker shall deliver a copy of the policy or, if not available, a certificate of insurance to the policyholder or producing broker to replace any evidence of insurance previously issued and each certificate or policy of insurance shall contain or have attached a complete record of all policy insuring agreements, conditions, exclusions, clauses, endorsements or any other material facts that would regularly be included in the policy.

(6) A facultative placement broker who fails to comply with the requirements of this subsection shall be subject to the penalties provided in the Act.

Evidence of insurance negotiated.

151. Every evidence of insurance negotiated, placed or procured under the facultative placement provisions of these Regulations, issued by the facultative placement licensee shall bear the name of the licensee and the following legend in bold, ten point type: "This is evidence of insurance procured and developed under the facultative placement provisions in the insurance laws of Jamaica. The insurer(s) are not regulated by the Commission".

Facultative Placement broker's duty to notify policyholder.

152.—(1) No contract of insurance placed by a facultative placement broker under the Act shall be binding upon the policyholder and no premium charged shall be due and payable until the facultative placement broker or the producing broker has notified the policyholder in writing, in a form acceptable to the Commission, a copy of which shall be maintained by the broker or the producing broker with the records of the contract and available for possible examination, that—

- (a) the insurer with which the broker places the insurance is not registered with the Commission and is not subject to its supervision; and
- (b) in the event of the insolvency of the facultative placement broker, losses may have to be pursued in other jurisdictions.

(2) Nothing herein contained shall nullify any agreement by any insurer to provide insurance.

Effect of payment to facultative placement broker.

153. A payment of premium to a facultative placement broker acting for a person other than itself in procuring, continuing or renewing any policy of insurance procured under regulation 154 shall be deemed to be payment to the insurer, whatever conditions or stipulations may be inserted in the policy or contract notwithstanding.

Facultative placement brokers may accept business from other producer.

154. A facultative placement broker may originate facultative insurance placements or accept such insurance from any other producing broker duly registered as to the class of insurance involved, and the facultative placement broker may compensate the producing broker for the business.

Records of facultative placement licensee.

155.—(1) Each facultative placement broker shall keep in Jamaica a full and true record of each facultative insurance placements contract placed by or through the broker, including a copy of the policy, certificate, cover note or other evidence of insurance showing each of the following items applicable—

- (a) amount of the insurance, risks and perils insured;
- (b) brief description of the property insured and its location;
- (c) gross premium charged;
- (d) any return premium paid;
- (e) rate of premium charged upon the several items of property;

- (f) effective date and terms of the contract;
- (g) name and address of the policyholder;
- (h) name and address of the insurer;
- (i) amount of tax and other sums to be collected from the policyholder;
- (j) identity of the producing broker, any confirming correspondence from the insurer or its representative, and the application.

(2) The record of each contract shall be maintained and available for examination by the Commission for a period not less than five years following termination of the contract.

(3) In lieu of maintaining offices in Jamaica, each non-resident facultative placement broker shall make available to the Commission any and all records that the Commission deems necessary for examination.

156. On or before the end of the month following the end of each quarter, each facultative placement broker shall file with the Commission, on forms prescribed by the Commission, a verified report in duplicate of all facultative insurance placements transacted during the preceding period, showing—

Reports
summary of
exported
business.

- (a) aggregate gross premiums written;
- (b) aggregate return premiums;
- (c) amount of aggregate tax remitted to Jamaica.

PART XIV—Miscellaneous Provisions

157.—(1) A policy is not liable to be forfeited only because of the non-payment of a premium (the *overdue premium*) if—

Non-forfeiture
of ordinary
policies in
certain cases of
non-payments
of premiums.

- (a) at least 3 years' premiums have been paid on the policy; and
- (b) the surrender value of the policy exceeds the total of—
 - (i) the amount of the overdue premium; and
 - (ii) the total of any other amounts owed to the company under, or secured by, the policy.

(2) For purposes of paragraph (1) (b), the surrender value of the policy is to be worked out as at the day immediately before the day on which the overdue premium falls due.

(3) Until the overdue premium is paid, the company may charge interest on it on terms not less favourable to the policy owner than such terms (if any) as are prescribed in these Regulations.

(4) The overdue premium and any unpaid interest charged on it are taken, for the purposes of the Act, to be a debt owing to the company under the policy.

(5) A life company may only forfeit a policy because of the non-payment of a premium if—

- (a) the company has given the policy owner a written notice—
 - (i) setting out the amount of the premium and the day on which it became, or will become, due; and
 - (ii) stating that the policy will be forfeited at the end of 28 days after the giving of the notice or 28 days after the day on which the premium became, or will become, due, whichever is the later if the amount due to the company has not been paid; and
- (b) at least 28 days have elapsed since—
 - (i) the day on which the notice was given; or
 - (ii) the day on which the premium became due; whichever is the later.

Unclaimed
moneys.

158. The statement of all unclaimed moneys in the possession or under the control of the company shall be delivered to the Commission on March 31 of each year in respect of December 31 of the preceding year.

Conversion into
mutual companies
and vice versa.

159. The plan for the conversion of the company into a mutual company shall be done in accordance with the conditions prescribed by the Commission.

Register to be kept.

160.—(1) The register of policies to be kept by a company at its principal office in Jamaica in accordance with section 124 of the Act shall contain—

- (a) the name of each policyholder;
- (b) the date on which each policy became effective and the number thereof;
- (c) the relevant class of insurance for which each policy was issued;
- (d) the extent to which each policy became effective and the number thereof;
- (e) the date of renewal of each renewable policy and, in the case of a policy relating to long-term business the anniversary date and the date of final payment, if any, a copy of the loan agreement in respect of any loan made by the insurance company on the security of the policy, the loan outstanding on the policy and the interest rate applicable to each policy loan;

- (f) where any claim has been made against any policy, the nature, amount and date of the claim whether payment was made and if not, the reason for the failure or refusal;
- (g) the policies in respect of which there is default in the payment of premiums, and whether the default has been brought to the attention of the policy holder;
- (h) as respects any local policy which ceased to have force within the preceding three years, the name of the policy holder, the reason for termination and the date of termination;
- (i) as respects any local policy, a list of the persons to whom cover note books have been issued, the number of cover note books so issued, the serial numbers of such cover note books and the class of insurance business to which each such cover note book relates;
- (j) particulars of the stock of cover note books not issued in respect of each class of insurance business, including the serial numbers of such cover note books;
- (k) a list of the completed cover note books returned to the company, showing the class of insurance business to which each returned book relates, the serial number of each such book and the date on which it was received by the company;
- (l) a list of all the persons authorized in writing by the insurance company to sign or effectuate cover note books on behalf of the company, so, however, that the list shall be maintained in the form of a register;
- (m) a list of all binding authorities issued by the insurance company to any broker in respect of each class of insurance business;
- (n) all accounting and financial details including vouchers, cash book, journal, registers and such other books of account or records as may be necessary to ascertain the financial position of the company in Jamaica in relation to policies issued in Jamaica by it.

(2) An insurance company carrying on long-term business in Jamaica shall maintain the particulars specified in paragraph (1) (f) for a period of not less than three years if the claim is not disputed, or, if the claim is disputed, until the dispute has been determined.

(3) An insurance company carrying on general business in Jamaica shall maintain the particulars specified in paragraph (1) (f)—

- (a) in the case of any claim relating to death or personal injury, for a period of not less than seven years;
- (b) in any other case, for a period of not less than three years if the claim is not disputed, or if the claim is disputed, until the dispute has been determined.

(4) Where a claim is made in respect of any insurance policy, the company which issued the policy shall maintain at its principal office in Jamaica, in addition to the particulars specified in paragraph (1), the following—

- (a) full particulars of all investigations and reports relating to such claim;
- (b) the revised amount reserved semi-annually against each such claim until the claim is settled, abandoned, becomes statute-barred or becomes incapable of payment for any reason;
- (c) a list compiled on a monthly basis of all claims reported during the month, the claim number and the date thereof, the nature of the claim and the amount reserved against each such claim, the amount, if any, paid in respect thereof and the amount, if any, to be recovered from reinsurers; and
- (d) a list compiled on a monthly basis of all claims reported prior to that month which remain unpaid at that date, the date of every such claim, the nature of each claim, the amount originally reserved with respect thereto, the revised, amount reserved (if any), and the date the amount was reserved, the amount if any, actually paid in respect of each claim and the amount to be recovered from reinsurers.

(5) Notwithstanding the provisions of paragraph (4), a company need not maintain at its principal office in Jamaica, particulars of claims made—

- (a) where such particulars are maintained by an agent or sub-agent of that company in Jamaica and such agent or sub-agent, as the case may be, is empowered to settle such claims; or
- (b) where such particulars are maintained by an organization operating in relation to pooling arrangements and settlement of the claim concerned are effected by that organization; or
- (c) where the claims concerned arise out of marine, aviation and transport insurance business and settlement of same is effected on behalf of the company by another insurance company or settling agent outside of Jamaica.

161.—(1) The statistics to be collected by the Commission in relation to insurance business shall be as prescribed from time to time by the Commission.

(2) Every company shall furnish to the Commission such particulars as are specified in paragraph (1) in the form prescribed for the purpose of enabling the Commission to collect statistics for a period as established by the Commission.

162.—(1) Every appeal to the Appeal Tribunal shall be brought by notice in writing in accordance with section 140 of the Act.

Notice of appeal.

(2) There shall be paid to the Commission in respect of every such appeal, the fee set out in Schedule 20 and the receipt evidencing payment of the fee shall be attached to the request for appeal.

(3) Every memorandum setting out the grounds for request of appeal shall—

- (a) set out the name and address of the appellant;
- (b) state the grounds of appeal;
- (c) be accompanied by copies of any documents on which the appellant relies in support of the appeal,

and a copy of the memorandum, together with copies of the documents referred to in paragraph (c) (if any) shall be served on the Commission, within the thirty day period mentioned in section 140 of the Act.

(4) The Commission shall, not more than twenty-one days after service on it of the documents referred to in paragraph (3), transmit to the Appeal Tribunal, as the case may require, a written statement of the reasons for the decision in respect of which the appeal is brought and of the respects (if any) in which it controverts the contents of any documents of which copies had been served on it.

(5) The Appeal Tribunal may require the appellant or the Commission to furnish in writing within a specified time such further particulars as may be specified in such requirement.

(6) The Appeal Tribunal, if it appears necessary so to do, may give the appellant and the Commission and their respective witnesses (if any) an opportunity to appear at a hearing and be heard on matters arising out of the documents referred to in paragraph (3).

(7) An appellant may be represented at a hearing referred to in paragraph (6) by any person authorized in writing by him in that behalf.

(8) A record of the evidence given by each witness at a hearing shall be made and shall be signed by the Chairman of the Appeal Tribunal, who shall mark, date and initial all documents produced at the hearing and attach such documents to the other papers pertaining to the appeal.

(9) Subject to the provisions of the Act and of this regulation the procedure at a hearing shall be such as may be determined by the Appeal Tribunal.

163.—(1) Where it appears to the Commission that any statement or document furnished pursuant to the Act, these Regulations or any directive of the Commission by a registered insurer, a registered insurance erroneous

Amending erroneous statements or documents.

intermediary or any other person is any way incomplete, inaccurate, misleading, or otherwise fails to comply with any requirement of the Act, these Regulations or any directive of the Commission, the Commission may, after considering any explanation made by or on behalf of the person furnishing the statement or document, require, by notice in writing, that the registered insurer, the registered insurance intermediary, or the person filing or completing such statement amend the document or furnish a correct or complete document or, as the case may be, a document prepared in accordance with the Act, these Regulations or any directive of the Commission, within such time as the Commission may specify.

(2) Where a registered insurer, a registered insurance intermediary or the person filing or completing such statement fails to comply with a notice referred to in paragraph (1), within the time specified, to the satisfaction of the Commission, the Commission may reject the document or may amend the document, giving the registered insurer, registered insurance intermediary or person filing or completing such statement particulars of the amendments.

(3) A document amended by the Commission pursuant to this regulation shall be treated as having been submitted to the Commission in its amended form.

(4) Where a document furnished by a registered insurer, a registered insurance intermediary or any other person has been rejected by the Commission pursuant to paragraph (2), the registered insurer, registered insurance intermediary or such person shall be treated as having failed to comply with this regulation in relation to that document unless and until it has furnished another document in accordance with the directive of the Commission.

Fees.

164. The fees to be paid in respect of the various provisions of the Act are as set out in Schedule 20.

THE INSURANCE ACT

SCHEDULES

FIRST SCHEDULE

(Regulations 3 and 4)

CLASSES OF INSURANCE BUSINESS

Classes	Definitions
1. Accident Insurance Business	The business of effecting and carrying out contracts of insurance (excluding contracts falling within paragraph (c) of the definition of "ordinary long-term insurance business") against risks of the persons insured sustaining injury or dying as the result of an accident, or of an accident of a specified class, which provides for fixed pecuniary benefits or benefits in the nature of an indemnity (or both).
2. Liability Insurance Business	The business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of, motor vehicles or out of, or in connection with the use of, vessels or aircraft or risks incidental to the construction, repair or docking of vessels or aircraft.
3. Marine Aviation and Transport	<p>The business of effecting and carrying out contracts of insurance—</p> <ul style="list-style-type: none"> (a) upon vessels or aircraft or upon the machinery, tackle, furniture or equipment of vessels or aircraft; (b) upon goods, merchandise or property of any description whatever on board of vessels or aircraft; (c) upon freight of, or any other interest in or relating to, vessels or aircraft; (d) against damage arising out of, or in connection with, the use of vessels, or aircraft, including third-party risks; (e) against risks incidental to the construction, repair or docking of vessels, including third-party risks;

FIRST SCHEDULE, *contd.*

Classes	Definitions
	<p>(f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another), including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance; or</p> <p>(g) against any other risks insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing paragraphs.</p>
4. Motor Vehicle Insurance Business	The business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
5. Pecuniary Loss Insurance Business	<p>The business of effecting and carrying out contracts of insurance against any of the following risks, namely—</p> <p>(a) risks of loss to the person insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due;</p> <p>(b) risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them;</p> <p>(c) risks of loss to the persons insured attributable to their incurring unforeseen expense; and</p> <p>(d) risks neither falling within any of the foregoing paragraphs nor being of a kind such that carrying on of the business effecting and carrying out contracts of insurance against them constitutes</p>

FIRST SCHEDULE, *contd.*

Classes	Definitions
	<p>the carrying on of insurance business of some other class and;</p> <p>excludes risks of loss to the persons insured attributable to interruptions of the carrying on of business carried on by them or to reductions of the scope of business so carried on.</p>
6. Property Insurance Business	The business of effecting and carrying out contracts of insurance against risks of loss of, or damage to, real or personal property, not being risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business or motor vehicle insurance business and includes risks of loss to the persons insured attributable to interruptions of the carrying on of business carried on by them or to reductions of the scope of business so carried on.
7. Industrial Insurance Business	The business of effecting and carrying out contracts of insurance upon human life, premiums in respect of which are payable at intervals of less than two months in each case and are contracted to be received or are usually received, by means of collectors.
8. Ordinary Long-Term Insurance Business	<p>The business (excluding industrial insurance business) of any of the following kinds, namely effecting and carrying out contracts of insurance—</p> <p>(a) on human life or contracts to pay annuities on human life;</p> <p>(b) against the risk of the persons insured sustaining injury or dying as a result of an accident, or of an accident of a specific type;</p> <p>(c) against loss resulting from the illness or disability of a person other than loss resulting from death.</p>

FIRST SCHEDULE, *contd.*

Classes	Definitions
	<p>(d) whereby an insurer undertakes to pay a certain sum or sums of money in the event of the illness or disability of a person;</p> <p>(e) against expenses incurred for vision or dental care, laboratory or x-ray services, hospitalization, and all other medical or healthcare services whatsoever; or</p> <p>(f) whether effected by the issue of policies, bonds or endowment certificates or otherwise whereby, in return for one or more premiums paid to the insurer, a sum or a series of sums is to become payable to the insured in the future, not being contracts falling within paragraph (a), (b), (c) or (d).</p>
9. Sickness and Health Insurance Business	<p>The business of any of the following kinds, namely, effecting and carrying out contracts of insurance—</p> <p>(a) against loss resulting from the illness or disability of a person other than loss resulting from death;</p> <p>(b) whereby an insurer undertakes to pay a certain sum or sums of money in the event of the illness or disability of a person; or</p> <p>(c) against expenses incurred for vision or dental care, laboratory or x-ray services, hospitalization, other than for illness or disability arising out of an accident.</p>

SECOND SCHEDULE

(Regulation 5)

REGISTER OF INSURANCE COMPANIES

Entry in Register		Registered Insurance Companies		Certificate of Registration		Conditions of Registration	Classes of Insurance for which Registered	AGENCY ARRANGEMENTS (if any)			CANCELLATION	
No.	Date	Name	Address	Date	Number			(1) Attorney and/or Principal Officer	(2) Name and Address of Agents	Changes in Agency Arrangements (i.e.) (1) or (2)	Date	Grounds

THIRD SCHEDULE

(Regulation 6)

APPLICATION FOR REGISTRATION OF INSURANCE COMPANIES

Application by an Insurance Company for registration under Part II of the Act to carry on in Jamaica insurance business of a relevant class or relevant classes

A—PARTICULARS OF COMPANY BUSINESS AND REGISTRATION REQUIRED

1. Name of Company.
2. Full address of the principal office of the company in Jamaica where service of notice may be effected.
3. Date and place of incorporation.
4. The name of the principal officer of the company in Jamaica.
5. Summary of main objects of company (attach statement where necessary).
6. The authorized and paid-up capital. If paid-up capital will be increased before registration under the Act give details.
7. The amount by which the assets of the company exceed liabilities (including all contingent or prospective liabilities but not liabilities in respect of share capital).
8. The relevant class or classes of insurance business which the company carries on (a) in Jamaica and (b) elsewhere at the present time and the amount of business undertaken outside Jamaica.
9. Particulars of any business other than insurance business which the company carries on at present or proposes to carry on anywhere, indicating how such other business will be separated from the insurance business.
10. The class or classes of insurance business for which registration is sought. Has the company been refused permission to carry on such class (or any, and if so, which, of such classes) of insurance business in any other country?
11. If the company intends to limit its activities to insuring only some of the risks of the class or classes of business for which registration is being sought: particulars of the risks to be insured.
12. Does the company carry on any class of long term business with any class of general business in (a) Jamaica (b) elsewhere? If yes, state classes involved. If in addition to ordinary long-term business the company at present carries on in Jamaica any class of general business other than accident insurance business the transitional period required before cessation of ordinary long-term classes or general classes, is:
 - (a) if cessation is of the ordinary long-term classes, then 5 years; or
 - (b) if cessation is of the general classes, 3 years.

THIRD SCHEDULE, *contd.*

13. Is the company carrying on business in Jamaica as a broker? State whether or not the company's directors have or propose to hold any beneficial ownership in any insurance brokerage business in Jamaica: full details should be given.

B—BUSINESS PLAN

14. The estimated amount of premium income (both gross and net of reinsurance) during each of the next three years in respect of each class of insurance business which the company will carry on set out hereunder:

	Gross			Net of Reinsurance		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	\$	\$	\$	\$	\$	\$

- (a) from direct insurance in Jamaica
 (b) from direct insurance elsewhere
 (c) from reinsurance accepted in Jamaica
 (d) from reinsurances accepted elsewhere
 (e) Total (a) to (d).
15. Audited Financial Statements for the past three years.
16. The amount (if any) by which it is intended to increase the paid-up capital of the company during the next three years.
17. The sum expected to be spent during each of the next three years on new premises, office equipment, motor vehicles, etc.
18. The sum expected to be spent during each of the next three years on advertising or other methods of promoting business.
19. For each and every class of insurance business to be carried on by the company in Jamaica during the next three years:
- (a) The method or methods by which the policies will be marketed (e.g. by the company's own organization, by brokers, salesmen, agents, or by all methods).
 - (b) If more than one method is proposed under (a) the expected proportions to be marketed by each method.
 - (c) The rates of commission which will be paid to the categories indicated at (a) above; and
 - (d) The extent to which and the conditions under which any of the categories at (a) will have binding authority to commit the company.
20. Where an overseas company operates or proposes to operate in Jamaica through the medium of a local agent or agents a summary of the main arrangements pertaining to the agency agreement(s) and the extent and system of supervision and control to be exercised by the principal. (Attach statement if necessary).

THIRD SCHEDULE, *contd.*

21. Where the company proposes to operate in Jamaica on a Branch basis details of the organization and structure of the Branch arrangements. (Attach statement if necessary).
22. The way in which the settlement of claims will be handled (e.g., by the company, by outside loss adjusters or assessors or by other persons with authority to settle claims).
23. The company's policy and practice or proposed policy and practice relating to the settlement of claims. (Attach statement where necessary).
24. Particulars of any association which exists between any of the brokers, agents, loss adjusters or assessors and any director of the company, any director it is proposed at present to appoint, any person having a majority shareholding in the company or any other person on whose directions the directors of the company or any of them act or will act.
25. The name or names of the company's agent, or agents in Jamaica, their address or addresses and the classes of insurance business for which they will be responsible.
26. In respect of each class of business for which registration is being sought:
 - (a) The proposed premium rates before deduction of commission.
 - (b) The percentage of premiums (net of reinsurance) which claims are expected to form and any other relevant information on which premium rates are based.
 - (c) The percentage of premium (net of reinsurance) which management expenses are expected to form.
 - (d) The proposed selection of risks; and
 - (e) Attach copies of the standard forms of policies. Where applications for registration to carry on industrial insurance business or ordinary long-term insurance business are being made the information requested at (b) and (c) need not be given but the company should provide a statement of the actuarial bases of the premium rates and, in the case of equity-linked business the proportion of premiums to be invested in or related to the fund. Applicants should also supply a certificate by an actuary stating that he considers that premium rates are satisfactory in the light of the information disclosed in the application and that the proposed amount of capital is adequate to support the amount of business.

C—REINSURANCE CEDED

27. The nature and extent of the existing or proposed reinsurance arrangements for each class of business indicating clearly the amount of the applicant company's retention in each case. (Attach supporting statement, reinsurance treaties, etc.).

THIRD SCHEDULE, *contd.*

28. Names of the insurance companies or associations of underwriters which will reinsure each class of the company's business and the amount which will be reinsured by each. (Attach supporting statement, if necessary).

D—CONTROL OF COMPANY

29. In respect of (i) *each of the promoters of the company, (ii) each of the present directors of the company, (iii) any directors it is proposed to appoint (iv) any other persons in accordance with whose directions the directors of the company or any of them act or will act and (v) each person who at the present time, either has an interest in or it is proposed at present will have an interest in, shares of the company having a nominal value of 10% or more of the company's total share and which carry voting rights—
- (a) Full names (including any previous name or names by which known).
 - (b) Address.
 - (c) Nationality (indicating whether by birth or acquired by registration or naturalization).
 - (d) Date of birth.
 - (e) Place of birth.
 - (f) Present occupation, previous occupations, organizations to which employed during last ten years and reasons for leaving.
 - (g) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in Jamaica or elsewhere.
 - (h) Whether the person has been adjudicated bankrupt during the last ten years and particulars of any company with which the person was associated during the last ten years and which was compulsorily wound up whilst he was associated with it. If adjudicated a bankrupt, state whether or not the person has been discharged and if so, when.
 - (i) Percentage of share capital of company in which the person has an interest at present or will have an interest.
 - (j) Other directorships (if any) held at present and former directorships held during the last ten years; and
 - (k) Names of any other companies in which the person is entitled to exercise or control the exercise of one-third or more of the voting power at a general meeting.

[*The information about the promoters of the company specified above is only required where the officers of the company have not yet been appointed.]

30. In respect of the company's actuary and each of the persons who will be in charge of one or more of the following departments of the company, viz., fire, accident, life, marine, aviation, claims, agency, investment, accounting and underwriting, by whatever title he may be known—

THIRD SCHEDULE, *contd.*

- (a) Full names (including any previous name or names by which known):
- (b) Address:
- (c) Date of birth:
- (d) Place of birth:
- (e) Position held in applicant company:
- (f) Qualifications and experience:
- (g) Present occupation, previous occupations, organizations to which employed during last ten years and reasons for leaving:
- (h) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in Jamaica and elsewhere. (If the company's actuary is a consulting actuary the name of the partnership to which he belongs, together with any directorships he holds at present and any former directorships held during the last ten years must be stated).

E—INVESTMENTS AND BROKERS

- 31. A list of the investments under suitable headings at present held by the company, the value of each investment at the end of the last financial year and the method of valuation.
- 32. The categories of investments in which the insurance funds in respect of the business for which registration is being sought will be held and the approximate proportions in each category. If it is intended that any of the insurance funds will be invested in currencies other than Jamaican dollars, the approximate percentage of each fund which will be invested in each currency should be given.
- 33. Details of (a) any unpaid loans which the company has made, and (b) any loans which the company proposes to make to any officer of the company and any proposed loans to or investments in an associate company or any company in which any officer of or other person controlling the applicant company is entitled to exercise, or control the exercise of one-third or more of the voting power at any general meeting of the company.
- 34. The place or places at which the documents of title in respect of the company's present investments are held and the names of the persons authorized to deal with such, the place or places at which it is proposed to hold the documents of title in respect of the company's present and future investments and particulars of any of the documents which are or will be held outside Jamaica.
- 35. The names and addresses of all banks in which the company has accounts at present or intends to have accounts.

THIRD SCHEDULE, *contd.*

F—FINANCIAL YEAR AND AUDITORS

36. The date on which the company's financial year will end; if other than December 31 the approval of the Commission is required.
37. The name, address and qualifications of each of the company's auditors, both in Jamaica and elsewhere.

G—DOCUMENTATION

38. The above application is hereby accompanied by the following—
 - (a) Certified copies of the Memorandum and Articles of Association, or charter, or Act of incorporation or other instrument constituting the company.
 - (b) Certified copies of the latest audited Balance Sheet, Profit and Loss Accounts and Revenue Accounts and the aforementioned Financial Statements over the previous three financial years of the company.
 - (c) Certified copies of the latest annual report.
 - (d) Specimens of all categories of insurance policies issuable by the applicant in respect of all classes of insurance business to be undertaken in Jamaica.
 - (e) Latest actuarial report of the company where it proposes to undertake or has undertaken any class of long-term business in Jamaica.
 - (f) Original receipt from the Financial Services Commission evidencing payment of registration fee.
 - (g) A certificate signed by the Chairman, a Director and Chief Financial Officer of the company stating that the company has fulfilled the capital and solvency requirements indicated at sections 9 and 53 of the Act. (Where the company undertakes any class of long-term business along with general business the certificate should also be signed by an actuary).
 - (h) A detailed memorandum indicating the organization of the company and/or its agency, agencies in Jamaica. The memorandum should be signed by the Chairman of the Board of Directors, a Director and the Secretary of the company and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in Jamaica whether of the applicant company, its agency or agencies.

THIRD SCHEDULE, *contd.*

APPLICATION AND CERTIFICATE OF TRUTH AND CORRECTNESS

We hereby apply on behalf of
(Insurance Company) for registration under Part II of the Insurance Act, to carry on in
Jamaica insurance business of the class or classes indicated at regulations 3 and 4. We
certify that to the best of our knowledge and belief all the information given in this
application and contained in supporting statements and documentation submitted is true
and correct.

.....
Name (Print) Director

.....
Director

.....
General Manager or Secretary

.....
Principal Officer in Jamaica

Date.....20.....

FOURTH SCHEDULE

(Regulation 7)

THE INSURANCE ACT

Certificate of Registration for Company

Certificate of Registration No.

Date of Certificate

This is to certify that
(Name of company)

Whose principal office in Jamaica is situated at
.....has been registered
(address of principal office)

to carry on in Jamaica the following classes of insurance business—

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- Etc.

The registration of the company is subject to the following conditions:

- 1.
- 2.
- 3.
- 4.
- Etc.

(See attachment where above space is inadequate)

Dated thisday of 2001.

.....
The Financial Services Commission

FIFTH SCHEDULE

(Regulation 28)

Insurance Co.
Insurer

30.10

Year

THE MINIMUM ASSET TEST
(MAT)

Reference		Current Year (01)	Prior Year (02)
	Assets Available for Test Purposes		
20.10.89.01	Total assets.....	01 0	0
	Plus: Excess of Market Value over Book Value.....	02	
	.....	03	
30.15.19.01	Less: Non-admitted Assets	04 0	0
30.15.29.01	Investment Assets: Excess book value over market value ...	05	
	Foreign Exchange Reserve.....	06 0	0
30.15.94.01	Deferred Policy Acquisition Expenses	07	
	.....	28	
	Assets Available for Test Purposes	39	
	Assets Required for Test Purposes		
20.20	Total Liabilities.....	40	
30.15.32.01	Plus: Reserve for Reinsurance Ceded to Ineligible/Unlicensed Insurers..	43	
30.11.19.01	Margin required for Accident and Sickness policies.....	46	
30.11	Margin required for policies other than Accident and Sickness (the greatest of page 30.11, lines 29, 39 and 49).....	47	
	.....	48	
30.15	Unearned Commission adjustment	55	
	.....	58	
	Assets Required for Test Purposes	69	
	Excess of Assets Available over Assets Required for Test Purposes (line 39 minus line 69)	89 0	0
	Line 89 as a % of line 69	90	

Next Page is 30.11

FIFTH SCHEDULE, *contd.*

Insurance Co.
Insurer

30.11

Year

MINIMUM ASSET TEST (*continued*)
CALCULATION OF MARGINS AND REINSURANCE RATIO

Reference		Current Year (01)	Prior Year (02)
	Reinsurance ratio (Accident and Sickness claims are excluded from the calculation)		
60.20	Gross claims incurred during preceding 12 months (page 60.20, line 89 minus line 70, column 08+09)	01	
60.20	Portion of line 01 in respect of reinsurance ceded during preceding 12 months (page 60.20, line 89 minus line 70, column 10).....	02	
	.....	08	
	Reinsurance Ratio: lesser of (line 02/line 01 x 100) and 70%	09	
	Margins required for Test Purposes*		
65.11	(a) Accident and Sickness Policies Margin on claims (15% of net unpaid claims and adjustment expenses other than those in respect of instalment claims)	10	
	Plus: Margin on unearned premiums (15% of net unearned premiums other than those in respect of non-cancellable policies or, if applicable, page 30.30, line 70, column 06)...	11	
	.....	18	
	Margin required for Accident and Sickness Policies.....	19	
60.30	(b) Policies other than Accident and Sickness Policies (1) Unpaid Claims and unearned Premiums (Net) Margin on claims (15% of unpaid claims and adjustment expenses)	20	
	Plus: Margin on unearned premiums (15% of unearned premiums or, if applicable, page 30.30, line 69, column 06).....	21	
70.30	Excess of "Required Coverage" over "Reserve" for Reinsurance Ceded to Unregistered Insurers (page 70.30, line 89 + 95, column 16 minus column 15).....	22	
	28	

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FIFTH SCHEDULE, *contd.*
 THE MINIMUM ASSET TEST, *contd.*
 30.11, *contd.*

<u>Insurance Co.</u> Insurer		Year	
Reference		Current Year (01)	Prior Year (02)
	Margin required for Unpaid Claims and Unearned Premiums.....	29	
	(ii) Premiums Written		
60.20	Basic margin (15% of gross premiums written during preceding 12 months).....	30	
	Plus: Supplementary margin on gross premiums (lesser of 5% of gross premiums written during preceding 12 months and \$15,000,000)	31	
	Gross margin.....	32	
	Less: Margin reduction for reinsurance (Gross margin x Reinsurance Ratio)	33	
	.....	38	
	Margin required for Premiums Written	39	
	(iii) Claims Insured		
	Basic margin (22% of average annual gross claims incurred during preceding 36 months)	40	
	Plus: Supplementary margin (lesser of 7% of average annual gross claims incurred during preceding 36 months and \$15,000,000)	41	
	Gross Margin	42	
	Less: Margin reduction for reinsurance (Gross margin x Reinsurance Ratio)	43	
	.....	48	
	Margin required for Claims Incurred	49	

TENTH SCHEDULE, *contd.*
30.15

Insurance Co.
Insurer

Year

RESERVES REQUIRED
(\$'000)

Reference		Current Year (01)	Prior Year (02)
Non-admitted Assets			
50.20	Receivables from Agents and Brokers in arrears	01	
	Premiums receivable from Policyholders in arrears.....	02	
	Instalment Premiums in arrears.....	03	
	Less: Total amount deducted from the foregoing items as		
	Allowance for Doubtful Accounts	04	
50.50	Other Assets	05	
	Computer Hardware adjustment	06	
20.10.44.01	Deferred Income Tax Debits	07	
	Less: Admitted Deferred Income Tax Debits	08	
	Total Non-admitted Assets	19	
		(04)	
	Investment Assets: Excess book value over market value	20	
	Foreign Exchange Reserve	21	
	Total Investment and Foreign Exchange Reserves	29	
70.30	Reserve for Reinsurance Ceded to Unlicensed or ineligible Insurers (page 70.30, line 89 + 95, column 15)	32	
	Additional Policy Provisions	34	
	.....	35	
	TOTAL RESERVES REQUIRED	89	

DEFERRED POLICY ACQUISITION EXPENSES
and
UNEARNED COMMISSION ADJUSTMENT
(\$'000)

		Current Year (01)	Prior Year (02)
Deferred Policy Acquisition Expenses			
80.10.79.08	Deferred Commissions	90	
	Deferred Premiums Taxes	91	
80.20.89.01	Deferred Acquisition Expenses (other)	92	
20.10.43.01	Total Deferred Policy Acquisition Expenses	94	
80.10.79.09	Less: Unearned Commissions	95	
30.40.15.01	Net Deferred Policy Acquisition Expenses adjustment (where positive) ..	96	
30.10.55.01	Unearned Commission adjustment (the lesser of line 94 and 95)	99	

FSC-G-2001
Next Page is 30.30

SIXTH SCHEDULE

(Regulation 29)

THE MINIMUM CONTINUING CAPITAL AND SURPLUS REQUIREMENT
(MCCSR)

MCCSR Form

SIXTH SCHEDULE, *contd.*

MCCSR RATIO CALCULATIONS

SUMMARY PAGE

Capital		
Capital Required :		
Asset Default Risk	1	—
Mortality Risk	2	—
Morbidity Risk	3	—
Lapse Risk	4	—
Interest Margin Pricing Risk	5	—
Changes in Interest Environment Risk	6	—
Foreign Exchange Risk	7	—
Other (specify)	8	—
Total Capital Required sum of 1 to 8	A	—
Total Capital Available	B	—
MCCSR Ratio (B/A) x 100	N/A	

MCCSR Form

SIXTH SCHEDULE, *contd.*

CAPITAL ELEMENTS

Ordinary Share		
Retained Earnings		
Participating Account		
Non-participating account (mutual companies)		
Non-cumulative perpetual/irredeemable preference shares		
Adjusted ¹ Investment Reserves (realized) — Real Estate		
Adjusted ¹ Investment Reserves (realized) — Stocks		
Currency Translation Account		
Qualifying Minority Interests		
Other		
Gross Tier 1 Capital		B
Deduct: Goodwill		
Cash surrender value deficiencies calculated on an aggregate basis		
Negative Reserves		
Adjusted ¹ Investment Reserves (realized) — Real Estate and Stocks backing liabilities		
Net Tier 1 Capital	C	D

Tier 2 — Supplementary Capital		
Tier 2A — Hybrid (debt/equity) Capital Instruments		
Preference Shares		
Subordinated debt		
Other debentures		
Minority Interest		
Gross Tier 2A Capital	D	E
Tier 2B—Limited Life Instruments		
Preference Shares		
Subordinated debt		
Other debentures		
Minority interest		
Gross Tier 2B Capital	E	F
50% of Net Tier 1 Capital (line C)	F	G
Tier 2B Capital Allowed lesser of E and F or zero if negative	G	H

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SIXTH SCHEDULE, *contd.*
CAPITAL ELEMENTS, *contd.*

Tier 2C — Other Capital Items		
Negative Reserves x 75% ²	H	
33% of Net Tier 1 Capital (line C)	J	0
Negative reserves allowed for capital lesser of H and J or zero if negative		0
Cash surrender value deficiencies on an aggregate basis x 75% ²		
Adjusted ¹ Investment Reserves (unrealized) — Real Estate and Stocks		
Less: Adjusted ¹ Investment Reserves (unrealized) — Real Estate and and Stocks backing liabilities		
Other (specify)		
Gross Tier 2C Capital	K	0
Total Tier 2 Capital	L	0
Tier 2 Capital Allowed lesser of C and L or zero if negative	M	0
Total Tier 1 and 2 Capital	N	0
Deduct: Investments in non-life financial corporations controlled by the company	P	
Substantial investments in corporations	Q	
Other (specify)	R	
Total Capital Available	N-(P+Q+R)	0

¹ Adjusted means net of disposition costs and any taxes payable (actual or assumed).

² Use 62.5% in year 2 and 50% in year 3

MCCSR Form

SIXTH SCHEDULE, *contd.*
ASSET DEFAULT (C-1) RISK

Assets ¹	Balance A	Adjustment for Collateral/ Guarantee B	Net Assets (A-B) C	Factor D	Capital Required (CxD) E
Cash			0	0%	0
Investment Income—due and accrued			0	0%	0
Policy Loans			0	0%	0
Receivables: Reinsurers			0	0%	0
Goodwill and substantial investments			0	0%	0
Miscellaneous Items:					
Agents' debit balances			0	15%	0
Outstanding premiums			0	15%	0
Other receivables			0	15%	0
Furniture and fixtures			0	15%	0
Other fixed assets			0	15%	0
Other (specify)			0	15%	0
Subtotal Miscellaneous Items					0
Short Term Securities (1 year or less):					
Securities issued or guaranteed by the Govern- ment of Jamaica at amortized value			0	0%	0
Bank certificates of deposit			0	0.25%	0
Commercial paper guaranteed by bank deposit			0	0.25%	0
Commercial paper rated "R3", "A-3" or higher			0	2%	0
Other commercial paper			0	15%	0
Other (specify)			0	15%	0
Subtotal Short Term Securities					0
Bonds/Debentures/Loans					
Securities issued or guaranteed by the Govern- ment of Jamaica at amortized value			0	0%	0
FINSAC bonds (held to maturity)			0	0%	0
Commercial bonds/debentures guaranteed by bank deposit			0	0.25%	0
Bonds rated "A" or higher			0	2%	0
Bonds rated less than "A" and higher than "C"			0	8%	0
Other commercial bonds/debentures			0	15%	0
Bonds/debentures/loans (non-performing/ in default ²)			0	35%	0
Other (specify)			0	15%	0
Subtotal Bonds/Debentures/Loans					0

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SIXTH SCHEDULE, *contd.*
 ASSET DEFAULT C-1 RISK, *contd.*

Assets ¹	Balance A	Adjustment for Collateral/ Guarantee B	Net Assets (A-B) C	Factor D	Capital Required (CxD) E
Mortgages					
First mortgage on residential units			0	2%	0
Commercial mortgages			0	8%	0
Restructured loans and mortgages			0	15%	0
Non-performing mortgages ²			0	35%	0
Other (specify)			0	5%	0
Subtotal Mortgages					0
Equity Investments					
Preference Shares			0	10%	0
Ordinary Shares			0	15%	0
Mutual Funds, Segregated Funds, Unit Trusts and Similar Investments			0	15%	0
Subtotal Equity Investments					0
Real Estate					
Company occupied			0	5%	0
Income producing			0	10%	0
Mining properties			0	35%	0
Other			0	15%	0
Subtotal Real Estate					0
Leases					
Lessee: financial leases (insert appropriate factor for the asset leased)			0		0
Lessor: financial leases			0	15%	0
Subtotal Leases					0
Foreign Life Subsidiaries³			0	15%	0
Other (specify and insert appropriate factor)			0		0
Total Capital Required for Asset Default Risk					0

¹ All assets are net of provisions and depreciation

² Between 90 to 180 days overdue. This factor is in addition to the factor for performing assets.

³ Valued using the equity method of accounting

SIXTH SCHEDULE, contd.
MORTALITY RISK

MORTALITY RISK

MCCSR Form

Mortality Risk Class	Direct & Assumed				Reinsurance Ceded				Qualified Stop-Loss Arrangement assumed/ceded		Required Component (F-K+L)		
	A Sum Insured	B Reserves	C Net Amount at Risk (A-B)	D Deductions	E Factor	F Component (C-D) x E	G Sum Insured	H Reserves	I Net Amount at Risk (G-H)	J Factor		K Component (I x J)	L L	M M
A. Individual Insurance (excluding AD&D)													
Participating	0	0	0	0	0.00125	0	0	0	0	0.00125	0	0	0
Non-Participating													
Adjustable Life & UL	0	0	0	0	0.00188	0	0	0	0	0.00188	0	0	0
Traditional	0	0	0	0	0.00250	0	0	0	0	0.00250	0	0	0
Total Individual Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
B. Group Insurance (excluding AD&D)													
Participating	0	0	0	0	0.00963	0	0	0	0	0.00963	0	0	0
Non-Participating	0	0	0	0	0.00125	0	0	0	0	0.00125	0	0	0
Total Group Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
C. Accidental Death & Dismemberment													
Individual	0	0	0	0	0.00056	0	0	0	0	0.00056	0	0	0
Group	0	0	0	0	0.00019	0	0	0	0	0.00019	0	0	0
Total AD&D Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
D. Annuities Involving Life Contingencies													
Individual	0	0	0	0	0.01250	0	0	0	0	0.01250	0	0	0
Group	0	0	0	0	0.01250	0	0	0	0	0.01250	0	0	0
Total Annuities	0	0	0	0	0	0	0	0	0	0	0	0	0
E. Other (Specify & insert factor)													
Total Capital Required for Mortality Risk													

SIXTH SCHEDULE, contd.
MORBIDITY RISK

MCCSR Form

MORBIDITY RISK

	Direct & Assumed			Reinsurance Ceded			Required Component (C-F)
	Annual Earned Premium	Factor	Component (AxB)	Annual Premium Ceded	Factor	Component (DxE)	
A. New Claims Risk	A	B	C	D	E	F	G
Death/Disability Waiver Riders							
Individual		0.200	0		0.200	0	0
Group		0.150	0		0.150	0	0
Total Waivers	0		0	0		0	0
Disability Income/Personal Accident Insurance							
Individual		0.200	0		0.200	0	0
Group		0.150	0		0.150	0	0
Total Disability Income/P. A.	0		0	0		0	0
Health Insurance							
Individual		0.200	0		0.200	0	0
Group		0.150	0		0.150	0	0
Total Health Insurance	0		0	0		0	0
Total New Claims Risk	0		0	0		0	0
B. Continuing Claims Risk							
	Reserve	Factor	Component (AxB)	Amount Ceded	Factor	Component (DxE)	Required Component (C-F)
	A	B	C	D	E	F	G
Disabled Lives reserve		0.060	0		0.060	0	0
IBNR reserve		0.100	0		0.100	0	0
Total Continuing Claims Risk	0		0	0		0	0
Total Capital Required for Morbidity Risk							0

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LAPSE RISK

Risk Factor			Net Actuarial Reserves A	Recalculated Net Actuarial Reserves B	Capital Required (B-A) C
Individual Life	A. Participating and Adjustable Premium policy series	Group A			-
		Group B			-
	B. Other policy series	Group A			-
		Group B			-
Total Capital Required for Lapse Risk					-

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SIXTH SCHEDULE, *contd.*
LAPSE RISK

MCSR Form

FOREIGN EXCHANGE RISK

Currency	Assets (backing liabilities) denominated in Currency A	Liabilities denominated in Currency B	Exchange Rate used for conversion to Jamaican dollars C	Net Assets or Liabilities in J\$ (A-B)x C (absolute value) D	Factor E	Capital Required (DxE) F
United States Dollars				-	0.050	-
Pounds Sterling				-	0.050	-
Canadian Dollars				-	0.050	-
Others (List below):				-	0.050	-
				-	0.050	-
				-	0.050	-
				-	0.050	-
				-	0.050	-
				-	0.050	-
Total Capital Required for Foreign Exchange Risk				-		-

SIXTH SCHEDULE, *contd.*
FOREIGN EXCHANGE RISK

[The inclusion of this page is authorized by L.N. 33A/2005]

CHANGES IN INTEREST RATE ENVIRONMENT RISK

Risk Factor	Policy Liabilities A	Factor B	Capital Required (Ax B) C
A. Life & Health Insurance other than Universal Life		0.020	0
B. Endowment Insurance other than Universal Life		0.030	0
C. Single premium immediate annuities		0.010	0
Disability claims payable in installments		0.010	0
D. Accumulation Funds			
Daily interest, or 6 months remaining		0.005	0
<10 years for types A & B		0.010	0
>= 18 months < 10 years for type C		0.050	0
>= 10 years for types A & B		0.020	0
>= 10 years for type C		0.100	0
>= 6 months < 18 months for type C		0.020	0
E. Other (specify & insert factor)			0
Total Capital Required for Interest Rate Environment Risk			0

[The inclusion of this page is authorized by L.N. 33A(2005)]

SIXTH SCHEDULE, cont'd
CHANGES IN INTEREST RATE, etc.

THE INSURANCE REGULATIONS, 2001

SEVENTH SCHEDULE

(Regulation 30)

SEGREGATED FUNDS REPORT
0.001

Insurer _____

Year _____

LIST OF SEGREGATED FUNDS

	Fund I.D. # (01)	Name of Fund (02)	Total Assets in Fund Ja. Dollars (\$) (03)	Assets Covering Policies issued in Jamaica Ja. Dollars (\$) (04)
001				
002				
003				
004				
005				
006				
007				
008				
009				
010				
011				
012				
013				
014				
015				
016				
017				
018				
019				
020				
021				
022				
023				
024				
099		Total		

Next page: 2.000

SEVENTH SCHEDULE, *contd.*

Insurer

0.003

Year

ASSETS AT MARKET VALUE (TOTAL FUNDS)
Ja. Dollars (\$)

	Current (01)	Prior Year (02)
Cash 001		
Receivables for Investments Sold 004		
Investment Income Due and Accrued 006		
Receivable from Contractholders 008		
Other Receivables 010		
Short Term Investments 014		
Bonds and Debentures 018		
Mortgage Loans 020		
Other Loans 024		
Preferred Shares 028		
Common Shares 030		
Segregated Fund or Mutual Fund Units 035		
Real Estate 038		
Other Investments 042		
Other Assets 044		
Assets before Adjustment 046		
Less: Interfund Adjustment 048		
TOTAL ASSETS 049		

LIABILITIES AND CONTRACTHOLDERS' EQUITY (TOTAL FUNDS)

Ja. Dollars (\$)

	Current (01)	Prior Year (02)
Payable for Investments Purchased 052		
Payable to Contractholders 054		
Management Fees Payable 058		
Other Fees and Expenses Payable 060		
Other Liabilities 068		
Total Liabilities 069		
Contractholders' Equity 075		
Total Liabilities and Equity 099		

Next page: 3.000

SEVENTH SCHEDULE, *contd.*
0.007

Insurer

Year

STATEMENT OF OPERATIONS (TOTAL FUNDS)
Ja. Dollars (\$)

	Current Year (01)	Prior Year (02)
Dividend Income	001	
Interest: – Bonds and Debentures	010	
– Mortgages	020	
– Loans	025	
Net Rental Income	030	
Realized Gains (Losses)	035	
Unrealized Gains (Losses)	040	
Other Revenue	045	
Total Revenue Before Adjustment.....	046	
Less: Interfund Adjustment.....	047	
Total Revenue	049	

Management Fees	055	
Investment Advisory Fees	060	
Custodian Fees	065	
Investment Dealer Fees	070	
Audit, Legal and Other Fees	075	
Filing and License Fees.....	080	
Other Expenses	085	
Total Expenses	089	
Net Income	099	

Next page: 4.000

SEVENTH SCHEDULE, *contd.*

0.009

Insurer

Year

CONTRACT HOLDERS' EQUITY RECONCILIATION AT YEAR END BY
INDIVIDUAL FUND

In Dollars (\$)

	Fund I.D. # (01)	Equity Beginning of Year (02)	Premium and Other Receipts (03)	Withdrawals Redemption (04)	Transfers Between Seg. Funds (05)	Net Income (06)	Dividends Paid (07)	Currency Translation Account (08)	Equity End of Year (09)	No. of Units o/s (10)	Equity Value Per Unit* (11)
001											
002											
003											
004											
005											
006											
007											
008											
009											
010											
011											
012											
013											
014											
015											
016											
017											
018											
019											
020											
021											
022											
023											
024											
099	Total										
150	Interfund adjustment										

Next page: 5.000

SEVENTH SCHEDULE, *contd.*

0.010

Insurer _____

Year _____

LIFE INSURER'S EQUITY RECONCILIATION AT YEAR END
BY INDIVIDUAL FUND

Ja Dollars (\$)									
Fund I.D. #	Original Seed Money	Insurer's Equity Beginning of Year	Additional Transfers from General Fund	Withdrawals/Redemption	Net Income	Dividends Paid	Currency Translation Account	Total Insurer's Equity	% of Insurer's Equity of Tot. Fund-Equity (10)
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)
001									
002									
003									
004									
005									
006									
007									
008									
009									
010									
011									
012									
013									
014									
015									
016									
017									
018									
019									
020									
021									
022									
023									
024									
999	Total								

Next page: 6.000

SEVENTH SCHEDULE, *contd.*

0.040

Insurer

Year

INTERROGATORIES TO SEGREGATED FUND RETURN

1. In respect of all major types of transactions or services entered into between the life insurer and the segregated funds, please disclose the nature, total amount for each transaction, the basis of calculation for such an amount and any debt or receivable outstanding at year end for each segregated fund.

2. If the insurer has transferred funds between the general fund and the segregated funds for other than initial seed money and liquidity maintenance purposes, disclose how the insurer accounts for all amounts it has transferred to its own segregated funds (specify how it values in its general fund the amounts transferred):
 (i) book value; (ii) market value; (iii) amortized to markets values.
 (Please disclose rate of amortized).

SEVENTH SCHEDULE, *contd.*
0.041

Insurer

Year

INTERROGATORIES TO SEGREGATED FUND RETURN, *contd.*

3. (a) Does the insurer sell variable policies or contracts out of its general fund which are matched against units of its segregated funds?

001 Yes: _____ No: _____

If yes, explain why the policy is held in the general fund.

- (b) Are the units against which the general fund variable contracts are matched held in the general fund?

011 Yes: _____ No: _____

If yes, describe the manner in which the units are valued in the general fund and how the value is matched to the liability.

If question 3(b) is answered with a "No", describe how the liability is matched.

Next page: 8.000

Insurer _____

Year _____

INTERROGATORIES TO SEGREGATED FUND RETURN

5. Please disclose the actuarial reserve amounts held in the general fund for each segregated fund that has a guarantee attached to it.

	Fund I.D. # (01)	Individual or Group (I or G) (02)	Minimum Term for Guarantee to Come Into Effect		Refundable Guarantee % of Premiums Paid-In		Total Actuarial Reserve in General Fund (\$'000) (07)
			Death (03)	Maturity (04)	Death (05)	Maturity (06)	
001							
002							
003							
004							
005							
006							
007							
008							
009							
010							
011							
012							
013							
014							
015							
016							
017							
018							
019							
020							
021							
022							
023							
024							
029	Total						

[The inclusion of this page is authorized by L.N. 33A/2003]

SEVENTH SCHEDULE, cont'd.

THE INSURANCE REGULATIONS, 2001

Next page: 9.000

SEVENTH SCHEDULE, *contd.*
0.043

Insurer

Year

INTERROGATORIES TO SEGREGATED FUND RETURN, *contd.*

- 6. Does the fund employ off-balance sheet financial contracts such as options, futures, forward and other derivative transactions?
001 Yes: _____ No: _____

If yes, please provide details by fund outlining the purpose, arrangements and contract amount for all such transactions outstanding at any time during the current year. Also, disclose by type, the income derived from the specified transactions.

- 7 (a) Has the fund given a security interest on any of its assets, provided a guarantee or arranged for the general fund to give a guarantee on its behalf ?
011 Yes: _____ No: _____

If yes, please provide details outlining the purpose and arrangements for such security interest.

- (b) Have the contractholders been informed of the fact that off-balance sheet activity and security interest arrangements may be entered into by the funds?
021 Yes: _____ No: _____

- (c) Are contractholders provided with an explanation of such activity for the current year?
022 Yes: _____ No: _____

- 8. Will all segregated funds with individual contracts be audited and will financial statements for the current year of such funds be available to the contractholders?
031 Yes: _____ No: _____

Next page: none

EIGHTH SCHEDULE

(Regulation 31)

ANNUAL STATEMENTS FOR LIFE AND HEALTH INSURERS

EIGHTH SCHEDULE, *contd.*

JAMAICAN LIFE INSURANCE COMPANIES

FINANCIAL SERVICES COMMISSION ANNUAL RETURN FORM

Table of Contents

	FSC Form
10.000	10.001
Corporate Information	
Annual Corporate Information	10.010
Other Jurisdictions in which the insurer is Licensed	10.010
Executive Officers, appointed Actuary and Appointed Auditor	10.020
Directors	10.030
Changes of Directors, Executive Officers, Actuary and Auditor	10.040
Shareholders—By Class of Shares	10.050–051
Capital Stock; Contributions to Surplus	10.060
Corporate Organization Chart	10.070
Corporate History	10.080
Assets	20.010
Liabilities, Policyholders' and Shareholders' Equity	20.020
Income Statement	20.030
Statement of Participating Account	20.040
Statement of Non-Participating Account	20.040
Statement of Retained Earnings	20.040
Statement of Change in Financial Position	20.045
Notes to the Financial Statements	20.055
Auditor's Report	20.060
Reconciliation of the Consolidated Financial Statements to the Non-Consolidated Financial Statements	20.061
Regulatory Capital	20.062–063
Segmented Information	20.064
Summary of Investments—Consolidated	20.075
Real Estate—Geographic Distribution by Type—Consolidated	20.076
Insured Mortgage Loans—Summary by Type—Consolidated	20.077
Uninsured Mortgage Loans—Summary by Type—Consolidated	20.078
Mortgage Loans—Geographic Distribution—Consolidated	20.079
Investments—Consolidated (By Group)	20.080
Substantial Investments	20.081
Summary of Provisions—Consolidated	20.085

EIGHTH SCHEDULE, *contd.*Table of Contents, *contd.*

	FSC Form
Location of Cash and Invested Assets—Consolidated	OSI-L-2000 20.090
Actuarial Liabilities Summary—Consolidated	20.091
Supplementary Actuarial Exhibit—Consolidated	20.091
Subordinated Debt—Consolidated Basis	20.093-094
Other Debt—Consolidated Basis	20.095
Non-Consolidated Financial Statements	
Assets	30.010
Liabilities, Policyholders' and Shareholders' Equity	30.020
Income Statement	30.030
Statement of Participating Account	30.040
Statement of Non-Participating Account	30.040
Statement of Retained Earnings	30.040
Notes on Annual Return	30.055
Analysis of Income by Line of Business	30.060-061
Reconciliation of Funds	30.070
Allocation of Funds	30.070
General Interrogatories	30.080-084
Insurance Exhibits	
Premiums and Commission—Life	40.010
Policyholder Dividends and Experience rating Refunds—Life	40.011
Policyholder Benefits Paid and Incurred and Outstanding Claims—Life	40.020
Health Business	
Premiums, Claims, Policyholder Dividends & Experience Rating Refunds	40.030
Claims Liabilities—Other than Installment Claims	40.040
Outstanding Premiums	40.050
Other Revenue and Expense Exhibits	
Net Investment Income	40.060
Other Revenue	40.070
General expenses and Taxes	40.070
Additional Insurance Exhibits	
Movement of Life Insurance Policies	50.010
Analysis of Amounts of life Insurance—Effected, in Force and Ceased	50.020
Gross Amount of Life Insurance Effected	
Classified by Plan of Policy	50.020
Gross Amount of Life Insurance in Force	
Classified by Plan of Policy	50.020
Gross Amount of Group Life Insurance in Force	
Classified by Type of Group Covered	50.020
Movement of Annuities (Gross)	
Individual and Settlement Annuities	50.040
Group and Disability Annuities	50.041
Reinsurance Exhibits	

EIGHTH SCHEDULE, *contd.*Table of Contents, *contd.*

	FSC Form
Reinsurance Ceded to Unregistered Companies—Life	
In Jamaica Business	50.055
Out of Jamaica Business	50.056
Reinsurance ceded to Unregistered Companies—Health	
In Jamaica Business	50.057
Out of Jamaica Business	50.058
Reinsurance Ceded	50.059
Actuarial Liabilities Exhibits	
Actuarial Liabilities-Summary	50.070
Other Liabilities Exhibits	
Other Insurance Policy and Contract Liabilities	60.011
Accounts Payable	60.011
Other Liabilities	60.011
Policy Claims Resisted- Net of Reinsurance	60.030
Assets Exhibits	
Summary of Investments	70.000
Summary of Commercial Loans (Consolidated & Non-Consolidated)	70.001
Capital Gains and Losses on Investments	70.003
Investments in Affiliated Corporations	
Bonds, Debentures, Loans and Shares	70.010
Investments in Subsidiaries	
Bonds, Debentures, Loans and Advances	70.011
Shares	70.012
Summary of Investments in Financial Institutions Sector (non-affiliates)	70.013
Other Invested Assets	70.014
Interests in Joint Ventures	70.014
Mortgage Loans—Geographic Distribution by Type	70.021
Insured Mortgage Loans—Summary by Type	70.022
Uninsured Mortgage Loans—Summary by Type	70.023
25 Largest Uninsured Mortgage Loans	70.024
Real Estate—Geographic Distribution by Type	70.029
Real Estate	
Valuation and Amortization of Unrealized Gains and Losses	70.031–032
Real Estate—15 Largest—Foreclosed Properties	70.037
Real estate—15 Largest—Own use	70.038
Real Estate—15 Largest—Investments/Income Producing	70.039
Summary of Provisions (Write-Downs)	70.050
Accounts Receivable and Other Assets	70.060
"In Jamaica Only Exhibits"	
Non-Consolidated Financial Statements	

EIGHTH SCHEDULE, *contd.*Table of Contents, *contd.*

	FSC Form
Assets	83.010
Liabilities	83.020
Income Statement	83.030
Insurance Exhibits	
Premiums and Commissions—Life	84.010
Policyholder Dividends and Experience Rating Refunds—Life	84.011
Policyholder Benefits Paid and Incurred and Outstanding Claims—Life	84.020
Health Business	
Premiums, Claims, Policyholder Dividends and Experience Rating Refunds	84.030
Claims Liabilities—Other than Instalment Claims	84.040
Additional Insurance Exhibits	
Movement of Life Insurance Policies	85.010
Analysis of Amounts of Life Insurance—Effected, in Force and Ceased	85.020
Gross Amount of Life Insurance Effected	
Classified by plan of Policy	85.020
Gross Amount of Life Insurance in Force	
Classified by Plan of Policy	85.020
Gross Amount of Group Life Insurance in Force	
Classified by Type of Group Covered	85.020
Movement of Annuities (Gross)	
Individual and Settlement Annuities	85.040
Group and Disability Annuities	5.041
Actuarial Liabilities—Summary	85.070

EIGHTH SCHEDULE, *contd.*

10.000

Insurer

AFFIDAVIT VERIFYING ANNUAL RETURN

Year

We, _____ of the _____

Of _____ in the Parish of _____

_____ of the _____

Of _____ in the Parish of _____

Being _____ and _____

Respectively of _____ (Hereinafter called

"The Company") do severally make oath and say as follows:

1. That we are the above described officers of the company.
2. That the attached annual return of the condition and affairs of the company, together with the related exhibits, schedules and explanations filed or to be filed as part thereof, is a full and correct statement of all the assets and liabilities as at _____ And of the income and
(Day, Month, Year)
expenditures for the year ended on that day, as respects the business of the company.
3. That all the assets reported in the said annual return and schedules were as at _____
(Day, Month, Year)
The absolute property of the company, free and clear from any liens and claims except as therein stated.
4. That the insurer is in compliance with the applicable insurance Act and accompanying regulations.

Severally sworn to before me in the _____

Of _____ in the Parish

Of _____ this _____

Day of _____ 20 _____

(State whether Justice of the Peace and Affix seal)

FSC 2001
Next Page is 10.001

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, contd.

10.020

Insurer

Year

EXECUTIVE OFFICERS as at _____
(Year End Date)

	Name (02)	Date of Appointment (03)	Permanent Home Address (City and Country) (04)	Citizenship (05)
(01)				
Chief Executive Officer				

Appointed Actuary	Appointed Auditor
Name _____	Firm _____
Mailing Address _____ (if different from company's)	Partner _____
Telephone _____	Address _____
Fax _____	Telephone _____
	Fax _____

FSC-L-2001
Next Page is 10.030

EIGHTH SCHEDULE, *contd.*

10.030

Insurer _____ Year _____ DIRECTORS as at _____ (Year End Date)				
(01)	Legend * (02)	Date of Appointment (03)	Permanent Home Address (City and Country) (04)	Citizenship (05)
Chairperson of the Board				
Chairperson of the Audit Committee				
Review Committee				
Investment & Loan Committee				

***Legend:**

(1) Shareholder Director	(4) Member of Investment & Loan Committee
(2) Policyholder Director	(5) Member of Audit Committee
(3) Member of Executive Committee	(6) Member of Conduct Review Committee

FSC-L-2001
Next Page is 10.040

[The Inclusion of this page is authorized by L.N. 33A/2005]

EIGHTH SCHEDULE, *contd.*

10.040

Insurer

CHANGES OF DIRECTORS, EXECUTIVE OFFICERS

Year

<i>New Appointments Made During the Year</i>			
Name (01)	Title (02)	Date of Appointment (03)	Other Directorships (04)

<i>Retirements, Resignations, and Other Departures from Office</i>			
(01)	Title (02)	Last Known Address (City and Country) (03)	Specify whether Retirement, Resignation or Other Departures (04)

<i>Changes to Board Committees</i>			
Name (01)	Committee * (02)	Last Known Address (City and Country) (03)	Specify whether Retirements, Resignation or Other Departures (04)

• Indicate if Chairperson with an asterisk

FSC-L-2001
Next Page is 10.050

EIGHTH SCHEDULE, *contd.*

10.050

Insurer

Year

SHAREHOLDERS*— BY CLASS OF SHARES

	Name of Beneficial Shareholder (01)	Address (02)	Citizenship or —for corporate Shareholders— Jurisdiction of Incorporation (03)	Number of Shares held (04)	% of Total by Number & Voting Rights (05)
Part I— Common Shares					
003					
004					
005					
006					
007					
008					
009					
010					
011					
012					
013					
014					
015					
016					
017					
018					
019					
020					
021	Shares held by Employees not included above				
022	All other Shareholders (Number)				
099	TOTAL				

* Beneficial owners of at least 5% of any class.

FSC-L-2001
next page is 10.051

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, contd.

10.051

Insurer

SHAREHOLDERS*— BY CLASS OF SHARES

Year

	Name of Beneficial Shareholder (01)	Address (02)	Citizenship or —for Corporate Shareholders— Jurisdiction of Incorporation (03)	Number of Shares held (04)	% of Total (05)
Part 2—Preferred Shares**					
Provide a Description of the Class of Shares: _____					
002					
003					
004					
005					
006					
007					
008					
009					
010					
011					
012					
013					
014					
015					
016					
017					
018					
019					
020					
021	Shares Held by Employees not included above				
022	All other Shareholders (Number)				
099	TOTAL				

* Beneficial owners of at least 5% of any class.

** Provide a separate page for each series of preferred shares.

FSC-L-2001

Next Page is 10.060

EIGHTH SCHEDULE, *contd.*

10.060

Insurer	CAPITAL STOCK (JA\$'000)				Year
	Description of Class of Shares				
	Common				
	(01)	(02)	(03)	(04)	
Authorized					
Number of shares..... 001					
Amount (JA\$000)..... 002					
Issued					
Beginning of Year					
Number of shares..... 010					
Amount (JA\$000).....					
Calls Received					
Number of shares..... 020					
Amount (JA\$000)..... 021					
Shares Issued					
Number of shares..... 030					
Amount (JA\$000)..... 031					
Foreign Currency Adjustment. 033					
Forfeitures or Cancellations					
Number of shares..... 040					
Amount (JA\$000)..... 041					
End of Year					
Number of shares..... 050					
Amount (JA\$000)..... 051					
Balance Counted as MCCSR Capital* 055					
060					

EIGHTH SCHEDULE, *contd.*

*If remaining period to redemption is 5 years or less, the balance (if qualifying) should be amortized in accordance with the MCCSR rules.

CONTRIBUTION TO SURPLUS
(JA\$000)

Balance at Beginning of Year.....	070				
Change during Year**.....	071				
Balance at End of Year.....	072				

1. Have any shares been paid for in consideration other than Cash?
 (01) (02)
 075 Yes _____ No _____

If yes, specify the type of consideration given the market value of that consideration, the amount recorded in the books of the company and the number of shares issued.

Type of consideration _____

Market Value of Consideration.....	080	
Amount Recorded in the Books of the Company.....	081	
Number of Shares Issued.....	082	

**Please provide details of changes to surplus

FSC-L-2001
Next Page is 10.070

EIGHTH SCHEDULE, *contd.*

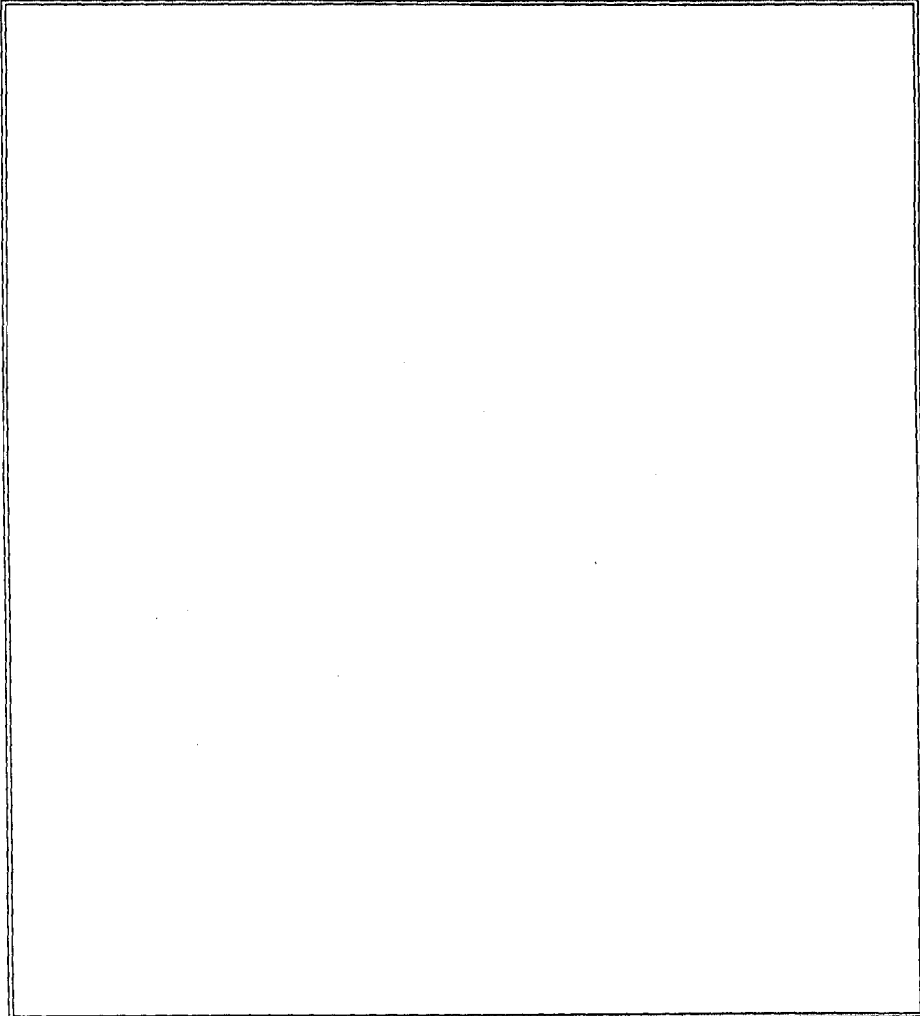
10.070

Insurer

CORPORATE ORGANIZATION CHART

Year

parent, if applicable, and all other affiliated corporations (upstream and downstream),
identifying the percentage of beneficial ownership of each.



FSC-L-2001
Next Page is 10.080

EIGHTH SCHEDULE, *contd.*

10.080

Insurer	CORPORATE HISTORY	Year
---------	-------------------	------

Date of Incorporation _____
 If an amalgamated company provide details regarding incorporation of predecessor companies. _____

2. Date of Registration _____
3. Date commenced business in Jamaica _____
4. If mutual company, date when mutualization completed _____
 If formerly a mutual company date when demutualization completed _____
6. Instrument of incorporation and amendments, including continuance.
 (Types of Instruments, Acts of Parliament and Dates) _____

7. Have any part of the articles of association been enacted, amended or repealed during the year or subsequent thereto, up to the date of completion of this Return 007 Yes _____
 No _____
8. Have copies of all changes/additions to the articles of association been filed with the Office of the Superintendent of Insurance? 008 Yes _____
 (If not yet filed, please enclose.) No _____
9. If stock company, have there been any changes in ownership of voting shares of 5% or more of outstanding shares during the year? 009 Yes _____
 If yes, give details: No _____

10. Have there been any transactions or series of transactions with any party or group in any twelve month period ending during the company's last fiscal year that exceeded 10% of the company's total assets? 010 Yes _____
 If yes, give details No _____

FSC-L-2001
 Next Page is 20.010

EIGHTH SCHEDULE, *contd.*

20.020

Insurer	CONSOLIDATED FINANCIAL STATEMENTS		Year
	Current Year (01)	Prior Year (02)	
Net Actuarial Liabilities			
Life Assurance Fund..... 002			
Individual Life..... 003			
Group..... 004			
Annuity Contracts..... 005			
Policyholder Funds on Deposit..... 010			
Provisions for Policyholder Dividends..... 011			
..... 012			
Policyholder Amounts on Deposit..... 013			
Other Insurance Policy & Contract Liabilities..... 014			
Accounts Payable..... 031			
.....			
Estate Encumbrances..... 033			
Other Liabilities..... 039			
Net Deferred Gains (Losses) on Disposal of			
Portfolio Investments..... 040			
Minority Interest..... 050			
Subordinated Debt..... 051			
Other Debt..... 052			
..... 053			
Total Liabilities..... 059	0	0	
Reserves			
Capital Reserve..... 065			
Investment Reserve..... 067			
Total Reserves..... 069	0	0	
Shareholders' Equity			
Share Capital..... 070			
Share Premium..... 071			
Retained Earnings..... 072			
Currency Translation Account..... 072			
Total Shareholders' Equity..... 075	0	0	
TOTAL LIABILITIES AND EQUITY..... 089	0	0	
Total Liabilities in Segregated Funds..... 099			

FSC-L-2001
next Page is 20.030

EIGHTH SCHEDULE, *contd.*

20.030

Insurer	CONSOLIDATED FINANCIAL STATEMENTS LIFE INSURANCE COMPANY		Year
	Current Year (01)	Prior Year (02)	
Revenue			
Premium Income..... 001			
Net Investment Income..... 002			
Other Revenue..... 003			
019	0	0	
Policy Benefits and Expenses			
Claims..... 020			
Annuity Payments..... 021			
Policy Surrenders..... 022			
Other..... 023			
Commissions..... 024			
Other Sales Expenses..... 025			
Bad Debt Expenses..... 026			
Management Expenses (Segregated Funds)..... 027			
Provisions Increase/(Decrease)..... 028			
Interest on Policyholder Amounts on Deposit..... 029			
Reinsurance Premiums..... 030			
035			
049	0	0	
(Increase)/Decrease in Actuarial Reserve..... 050			
Transfer (to)/from Reserves..... 051			
Net income Before interest Expense and Tax..... 059	0	0	
Interest on Subordinated Debt..... 060			
Other Interest Expense..... 061			
Net income Before Tax and Extraordinary Items..... 069	0	0	
Provision for Taxes..... 070			
Net income (Loss) from Subsidiaries..... 071			
Net Operating Income Before Extraordinary Items... 079	0	0	
Extraordinary Items net of taxes of..... 080			
Net income..... 089	0	0	

FSC-L-2001
Next Page is 20.031

EIGHTH SCHEDULE, *contd.*

20.031

Insurer	CONSOLIDATED FINANCIAL STATEMENTS LIFE INSURANCE COMPANY		Year
	Current Year (01)	Prior Year (02)	
	Earned/(Incurred)		
Interest..... 001			
Accrual of Discount and Amortization of Premium..... 003			
Dividends..... 011			
Realized Gains and (Losses)..... 013			
Mortgage Loans:			
Interest..... 021			
Net Realized Gains and (Losses)..... 023			
Real Estate:			
Rent & Maintenance income including for Company's Own use..... 031			
Realized Gains and (Losses)*..... 033			
	040		
	041		
Interest on Overdue Premiums..... 042			
Income from Derivative Activities..... 043			
Income from Other Investments..... 044			
Less:			
Provisions for Losses..... 050			
Write-Downs..... 051			
Gross Investment Income.....	0	0	
Less:			
Investment Expenses (other than Investment Taxes): 060			
Investment Taxes..... 061			
Net Investment Income..... 079	0	0	

*Net income (loss) from subsidiaries as reported on the income statement, line 071, is net of the amount included here in respect of real estate owned by subsidiaries.

**Includes maintenance expenses incurred on real estate.

FSC-L-2001
Next Page is 20.032

EIGHTH SCHEDULE, *contd.*

20.032

Insurer

CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY

Year

		Current Year (01)	Prior Year (02)
Management Fees for Segregated Funds.....	001		
Net Settlement Annuities.....	002		
	007		
	008		
	009		
Total Other Revenue.....	019	0	0

FSC-L-2001
Next Page is 20.040

EIGHTH SCHEDULE, contd.

20.040

Insurer	Year	
CONSOLIDATED FINANCIAL STATEMENTS		
STATEMENT OF PARTICIPATING ACCOUNT		
	Current Year (03)	Prior Year (04)
..... 001		
..... 002		
..... 003		
Share of Net Income (Loss)..... 010		
Transfer from (to) Retained Earnings..... 020		
..... 021		
End of Year..... 029		

Mutual Insurance Companies Only
(JA\$000)

	Current Year (03)	Prior Year (04)
Beginning of Year..... 030		
..... 031		
..... 032		
Share of Net Income (Loss)..... 040		
Transfer from (to) Par Account..... 051		
Dividends to Preferred shareholders..... 052		
..... 059		

STATEMENT OF RETAINED EARNINGS

Stock Insurance Companies Only
(JA\$000)

	Current Year (03)	Prior Year (04)
Beginning of Year..... 060		
..... 061		
..... 062		
Share of Net Income (Loss)..... 070		
Transfer from (to) Par Account..... 080		
Dividends to Shareholders:		
Preferred..... 081		
Common..... 082		
End of Year..... 089		

FSC-L-2001
Next Page is 20.045

EIGHTH SCHEDULE, *contd.*

20.045

Insurer

Year

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CHANGE IN FINANCIAL POSITION*

	Current Year (01)	Prior Year (02)
OPERATIONS		
Net Income..... 001		
Adjustments to convert income to a cash basis:		
Increase (decrease) in policy benefit liabilities..... 004		
Increase (decrease) in policyholders' funds..... 007		
Increase (decrease) in deferred income taxes..... 010		
Other Adjustments..... 013		
..... 016		
..... 019		
Cash provided by (applied to) operations..... 029		
Sale of Investments..... 033		
..... 036		
..... 039		
Purchase of Investments..... 042		
..... 045		
..... 048		
Cash provided by (applied to) investments..... 059		
FINANCING ACTIVITIES		
Issue of Shares..... 062		
Issue of Debentures..... 065		
Increase (Decrease) in Long Term Debt..... 068		
..... 072		
Redemption of Shares..... 075		
Redemption of Debentures..... 078		
Shareholders Dividends..... 081		
..... 084		
Cash provided by (applied to) Financing Activities..... 089		
Cash and Short Term Investments at beginning of year..... 090		
Cash and Short Term Investments at end of year..... 099		

*This Statement is provided as a guide only. Companies may complete this page or attach a statement of Change in Financial Position as prepared for the company's financial statements.

FSC-L-2001

Next Page is 20.055

EIGHTH SCHEDULE, *contd.*

20.055

Insurer

CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS *

Year

***If notes to the financial statements are not finalized when filing the statement, please provide draft notes and indicate clearly that they are draft notes.**

FSC-L-2001
Next Page is 20.060

EIGHTH SCHEDULE, *contd.*

20.060

Insurer

CONSOLIDATED FINANCIAL STATEMENTS
AUDITOR'S REPORT

Year

FSC-L-2001
Next Page is 20.061

EIGHTH SCHEDULE, *contd.*

20.061

Insurer

Year

RECONCILIATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

FSC-L-2001
Next Page is 20.062

EIGHTH SCHEDULE, *contd.*

20.062

Insurer	REGULATORY CAPITAL		Year
	Current Year (01)	Prior Year (02)	
Assets (Page 20.10 line 89).....	001		
Liabilities (Page 20.20 line 69).....	002		
Assets less Liabilities.....	003		
The amount of the total deferred realized capital gains less the total deferred realized capital losses from real estate and share transactions of the company or any other life company controlled by.....	004		
Non Controlling Interest.....	005		
Subordinated indebtedness.....	006		
Less:			
The amount of consolidated goodwill.....	007		
(a) Subordinated indebtedness or a share, issued by the company or a designated entity controlled by the company, that is not:			
(i) by its term subordinate in right of payment to all policy liabilities and all other liabilities of the entity that issued the security, other than such liabilities that by their terms, rank equally with or are subordinate to that subordinated indebtedness or share.....	008		
(ii) fully paid up.....			
(b) Subordinated indebtedness or a preferred share, issued by the company or a designated entity controlled by the company, that:			
(i) has an initial term of less than five years.....	010		
(ii) can be redeemed or purchased for cancellation in the first five years after it is issued.....	011		
TOTAL REGULATORY CAPITAL.....	012		

FSC-L-2001
Next Page is 20.063

EIGHTH SCHEDULE, *contd.*

20.063

Insurer	REGULATORY CAPITAL (JA\$)		Year
	Current Year (01)	Prior Year (02)	
Total Regulatory Capital for purposes of subsection x (x) and section xxx of the 1A. (Page xx, line xx)	001		
Less:			
(i) the amount of the excess of the assets of any financial institution controlled by the company, and of any entity controlled by such a financial institution, over the liabilities of the financial institution and the entity	002		
(ii) an amount equal to the total deferred realized capital gain less the total deferred realized capital losses from real estate and share transactions of a financial institution referred to in subparagraph (i) that is a life company	003		
(iii) subordinated indebtedness issued by a financial institution or entity referred to in subparagraph (i), that are included in the amount of regulatory capital included in line 01 above	004		
(d) The amount of investments, other than subordinated indebtedness referred to in subparagraph (c) (iii), of the company or a designated entity controlled by the company in a financial institution controlled by the company or in an entity controlled by such a financial institution, where the investments are part of the capital of the financial institution.....	005		
(e) The amount of loans, other than subordinated indebtedness referred to in subparagraph (c) (iii), made by the company or by a designated entity controlled by company to an insurance company or securities dealer controlled by the company or to an entity controlled by the company or to an entity controlled by such an insurance company or securities dealer, where the loans are part of the insurance company or securities dealer	006		
(f) The amount of minority interest in a financial institution controlled by the company, or in an entity controlled by such a financial institution, that is included in the amount of regulatory capital of the company on line 01 above	007		
Total Regulatory Capital for purposes of sections xxx, xxx and xxx	008		

For the purposes of paragraph (d), capital means

- (a) in respect of a financial institution that is a company, regulatory capital within the meaning of these Regulations;
- (b) in respect of any other financial institution, an amount that would be treated as capital by a regulatory body that regulates that financial institution.

EIGHTH SCHEDULE, *contd.*

20.065

Insurer	PLEDGING ACTIVITY (JA\$000)				Year
By Activity	Unconsolidated		Consolidated		
	Outstanding End of Period (01)	Maximum Outstanding During the Period (02)	Outstanding End of period (03)	Maximum Outstanding During the Period (04)	
Governments, Government Agencies and Central Banks	001				
Direct Clearers	003				
(a) In Jamaica	005				
(b) Outside Jamaica	006				
(a) Exchanges	008				
(b) Over the Counter	009				
In respect of Securities Borrowed	011				
In respect of Securities Lent	012				
Agreements (REPOS)	013				
In respect of Real Estate	014				
Other	039				
Total	049				

LIQUID ASSETS AND AMOUNT PLEDGED

	Unconsolidated - Non Pledged			Consolidated - Non Pledged		
	Total Liquid Assets (01)	Liquid Assets Pledged (02)	Liquid Assets (03)	Total Liquid Assets (04)	Liquid Assets Pledged (05)	Liquid Assets (06)
Cash.....	051					
Short Term Investments.....	053					
Bonds and Debentures.....	055					
Preferred and Common Shares.....	057					
Other Liquid Assets.....	069					
Total Liquid Assets.....	079					

FSC-L-2001
Next Page is 20.070

20.070

Insurer Year

**CONSOLIDATED
DERIVATIVE INSTRUMENTS RISK PROFILE
OFF BALANCE SHEET INSTRUMENTS**

	Employed by the Company		Gross Notional Principal Amount at year end							Credit Risk** (Positive Mark to Market Exposure)	Credit Equivalent Amount	
			Total Notional Amount	Notional Amount in Life Company	Over the Counter Amount	Amount held for Trading	Remaining Term of Exposure					
	Yes/No (01)	Risk* Role (02)					(03)	(04)	(05)	(06)	Less than 1 Year (07)	1 - 5 Years (08)	Over 5 Years (09)	(10)	(11)
Interest Rate Contracts:												
Forward rate agreements.....	001											
Futures contracts.....	002											
Swap contracts.....	003											
Options purchased.....	004											
Options written.....	005											
Sub-Total.....	009											
Foreign Exchange Contracts:												
Foreign exchange spot and forward contracts.....	021											
Futures contracts.....	022											
Swap contracts.....	023											
Options purchased.....	024											
Options written.....	025											
Sub-Total.....	029											
Other:												
Equity Related.....	031											
Commodity Related.....	032											
Other.....	033											
Sub-Total.....	039											
Total.....	049											
Adjustment for master netting agreements.....	070											
Total - Net of Adjustment.....	099											

EIGHTH SCHEDULE, contd.

*Legend - Risk Role
 1. Hedging 2. Trading 3. Market-maker 4. Other

** Refer to instructions regarding netting of amounts

FSC-L-2001
 Next Page is 20 072

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EIGHTH SCHEDULE, *contd.*

CONSOLIDATED BASIS
DERIVATIVE INSTRUMENTS RISK PROFILE
GROSS/NET MARK TO MARKET EXPOSURES
(JA\$000)

Insurer

Year

	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
AAA												
A												
BBB												
Below BBB												
Unrated												
Total												
Interest Rate Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Foreign Exchange Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Equity Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Commodity Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Other	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Total												

Total Net Positive Mark to Market Exposures by Credit Rating and Contract Class

	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
AAA												
A												
BBB												
Below BBB												
Unrated												
Total												
Interest Rate Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Foreign Exchange Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Equity Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Commodity Contracts	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Other	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length	Related	Arm's Length
Total												

Total Gross Positive Mark to Market Exposures by Credit Rating and Contract Class

(01)	(02)	(03)	(04)
Type	Company Name	Net Positive Mark to Market	Rating

Identify the five largest net positive mark to market exposure amounts by arm's length counterparty regardless of contract class. Beside each of those five identify the current counterparty credit rating.

FSC-2001
Next Page is 20.075

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THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, contd.

20.076

Insurer	SUMMARY OF INVESTMENTS - CONSOLIDATED (JAS000)					Year
	Impaired Amount (Before Provisions) (01)	Specific Provisions (02)	General Provisions (03)	Book Value (Before Provisions) (04)	Market Value (05)	
Short Term Investments.....	001					
Government						
Jamaica	002					
CARICOM	003					
Canada	004					
United States Of America.....	005					
Other.....	009					
Municipal, Public Authority, Schools						
Jamaica	010					
CARICOM	011					
Canada	012					
United States Of America.....	013					
Other.....	019					
Jamaica	020					
CARICOM	021					
Canada	022					
United States Of America.....	023					
Other.....	024					
Total Bonds and Debentures.....	027					
Mortgage Loans.....	030					
Jamaica	035					
CARICOM	036					
Canada	037					
United States Of America.....	038					
Other.....	038					
Total Preferred Shares.....	041					
Common Shares						
Jamaica	042					
CARICOM	043					
Canada	044					
United States Of America.....	044					
Other.....	045					
Total Common Shares.....	047					
Total Shares.....	048					
Other Equity Investments.....	049					
Sub-Total (Lines 48+49).....	050					
Real Estate						
Jamaica	051					
CARICOM	052					
Canada	052					
United States Of America.....	053					
Other.....	054					
Total Real Estate.....	055					
Total Equity and Real Estate (Lines 50+55)	059					
Other Loans and Invested Assets						
Other Loans.....	061					
Other.....	062					
Total Other Loans and Invested Assets.....	069					
Total.....	099					
SUPPLEMENTARY EXHIBIT*						
Fixed Term Bonds & Debentures.....	101					
Convertible Bonds & Debentures.....	102					
Fixed Term Preferred Shares.....	103					

* Detail of Items Reported Above

FSC-L-2001
Next Page is 20.076,

EIGHTH SCHEDULE, *contd.*

20.076

Year

Insurer

**CONSOLIDATED
REAL ESTATE - GEOGRAPHIC DISTRIBUTION BY TYPE
Gross (Before Provisions)**

	Residential (01)	Multiple Residential (02)	Office (03)	Retail Stores (04)	Industrial (05)	Other (06)	Total Real Estate (07)	Total Foreclosed Real Estate (08)
Jamaica.....	001							
CARICOM.....	005							
Canada.....	010							
Other.....	011							
	012							
	015							

FSC-L-2001
Next Page is 20.077

EIGHTH SCHEDULE, contd.

Impaired Amount	Provisions: (Before)	Secured by Properties Located							Mortgage Loans (net of provisions) (02)	Gross Mortgage Loans (before provisions) (01)	Part A - In Jamaica							Part B - Outside Jamaica													
		Over 90 days		61 - 90 days		Gross Amount		Net Amount			Gross Amount		Net Amount		Single		Multiple		Non-Residential		Total - In Jamaica		Single		Multiple		Non-Residential		Total - Outside Jamaica		
		(08)	(09)	(06)	(07)	(03)	(04)	(05)			(06)	(01)	(02)	(001)	(002)	(010)	(019)	(020)	(021)	(022)	(023)	(030)	(031)	(040)	(049)	(050)	(051)	(052)	(053)		

Insurer Year

20.077

CONSOLIDATED INSURED MORTGAGE LOANS - SUMMARY BY TYPE - ARREARS AND PROVISIONS (J\$5000)

*** Vendor Take Back Mortgage Loans
FSC-2001
Next Page is 20.078

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Insurer

Year

**CONSOLIDATED
UNINSURED MORTGAGE LOANS - SUMMARY BY TYPE - ARREARS, PROVISIONS AND FORECLOSURES IN PROCESS
(JA\$000)**

Secured by Properties Located	Gross Mortgage Loans (before provisions) (01)	Net Mortgage Loans (net of provisions)* (02)	Loans in Arrears						Total Foreclosures/ Collections in Process		Impaired Amount (Before Provisions) (11)
			31 - 60 days		61 - 90 days		Over 90 days		Gross Amount (09)	Net Amount** (10)	
			Gross Amount (03)	Net Amount** (04)	Gross Amount (05)	Net Amount** (06)	Gross Amount (07)	Net Amount** (08)			
Residential											
Single..... 001											
Multiple..... 002											
Non-Residential 010											
..... 019											
Of Which:											
Second and Subsequent Mortgage Loans..... 020											
Residential VTB's*** 021											
Non-Residential VTB's*** 022											
Restructured Loans..... 023											
Part B - Outside Jamaica											
Residential											
Single..... 030											
Multiple..... 031											
Non-Residential 040											
Total - Outside Jamaica 049											
Of Which:											
Second and Subsequent Mortgage Loans..... 050											
Residential VTB's*** 051											
Non-Residential VTB's*** 052											
Restructured Loans..... 053											

* Net of general and specific provisions
 ** Net of specific provisions
 *** Vendor Take Back Mortgage Loans

OSIA-3000	Summary	080	081	082	083	084	085	086	087	088	089
Next Page is 20.079	Total - Uninsured										
	Total - Insured										
	Total Mortgage Loans										

FSC-1 2001
 Next Page is 20.079

[The inclusion of this page is authorized by L.N. 33(A/2005)]

EIGHTH SCHEDULE, contd.

20.079

Insurer _____
Year

Consolidated
MORTGAGE LOANS - GEOGRAPHIC DISTRIBUTION
Gross (Before Provisions)

Location of Property	INSURED Mortgage Total	UNINSURED MORTGAGES						Total Mortgages	Gross Amount (Before Provisions) where Loan in Arrears > 90 days		Total Specific Provisions	
		Residential	Multiple Residential	Office	Retail Stores	Industrial	Other		Insured	Uninsured		
		(01)	(02)	(03)	(04)	(05)	(06)		(07)	(08)		(09)	(10)	(11)
Kingston	001											
St. Andrew	002											
St. Catherine	003											
Other Parishes	004											
Total Jamaica	019											
Other	048											
Grand Total	059											

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EIGHTH SCHEDULE, *contd.*
20.080

Insurer

Year

INVESTMENTS - CONSOLIDATED BASIS
(by Companies*)

Name of Group	Company Name (02)		Bonds and Debentures (03)	Stock (04)	Mortgage Loans (05)	Other Loans and Investments (06)
		001				
		002				
		003				
		004				
		005				
		006				
		007				
		008				
		009				
		010				
		011				
		012				
		013				
		014				
		015				
		016				
		017				
		018				
		019				
		020				
		021				
		022				
		023				
		024				
		025				
		026				
		027				
		028				
		029				
		030				
		031				
		032				
		033				
		034				
		035				
		036				
		037				
		038				
		039				
		040				
		041				
		042				
		043				
		044				
		045				

*Investments made and loans advanced to individual corporations or a group of related companies where the total amounts invested and advanced exceeds 5% of the company's equity or JA\$10,000,000, whichever is greater. Please provide subtotals for each group if applicable. Include investments in and loans to controlling shareholders, whether individuals or corporations. Attach a separate schedule should additional space be required.

FSC-L-2001
Next Page is 20.061

EIGHTH SCHEDULE, *contd.*

20 081

Year

Insurer

SUBSTANTIAL INVESTMENTS

	(01)	(02)	(03)	(04)	(05)	(06)	(07)	Amount of Investment in Corporation		(10)	(11)	(12)	(13)
								Bonds, Debentures and Loans	Shares				
Principal Business Activity	Direct or Indirect Investment	Date of Acquisition	Section of Act under which Direct Investment Made	Country of Incorporation	Total Investment in Corporation at cost (\$'000)	Total Investment in Corporation	Guarantees	Total Assets of Corporation	Equity of Corporation	% of Voting Rights Attached to Shares Held			
	001												
	002												
	003												
	004												
	005												
	006												
	007												
	008												
	009												
	010												
	011												
	012												
	013												
	014												
	015												
	016												
	017												
	018												
	019												
	020												
	021												
	022												

*Excluding Subsidiaries and Affiliates

Note: Indicate with an asterisk corporations included on a consolidated basis in the consolidated financial statements.

FSC-1-2001
Next Page is 20.085

Insurer

Year

**CONSOLIDATED
SUMMARY OF PROVISIONS**

	Cumulative Provisions Prior Period End			Movement Current Year				Foreign Currency Adjustment	Cumulative Provisions Current Period End			Current Period Additional Write-downs			
	General	Specific	Total	General	Specific	Release of Provisions	Total		General	Specific	Total				
	(01)	(02)	(03)	(04)	(05)	(06)	(07)		(Col 04+05 -06-07)	(08)	(09)		(10)	(11)	(Col 10+11)	(12)	(13)
Bonds & Debentures.....	001														
	002														
Other Loans.....	009														
Real Estate.....	010														
Other Equity Investments.....	019														
Total.....	029														

Asset Default Included in
Actuarial Reserves..... 039

FSC-L-2001
Next Page is 20.060

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THE INSURANCE REGULATIONS, 2001
EIGHTH SCHEDULE, contd.

20.090

Insurer
Year

LOCATION OF CASH AND INVESTED ASSETS - CONSOLIDATED
 (excluding Real Estate)

Ownership	Name of Custodian (Include Banks, Nominees, Brokers or Other Depositories) (01)	Type of Custodian and Depository Trustee (02)	Type of Asset at Custodian (03)	Full Address of Location Where Invested Assets Held (04)	Book Value of Assets Held at Location (JA\$) (05)
	Part 1 - In Jamaica				
Total In Jamaica.....	069				
	Part 2 - Out of Jamaica *				
	089				

* Indicate if vested with foreign regulator

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EIGHTH SCHEDULE, *contd.*

20.091

Insurer	Consolidated		Year	
			Gross	Net
ACTUARIAL LIABILITIES - SUMMARY (JA\$000)				
			Current Year	Prior Year
			Gross (01)	Net (02)
			Gross (03)	Net (04)
Life Insurance				
Par Individual.....	001			
Group.....	002			
Subtotal.....	003			
Non-Par Individual.....	004			
Group.....	005			
Subtotal.....	006			
Total Insurance.....	009			
Annuities **				
Par Individual.....	011			
Group.....	012			
Subtotal.....	013			
Non-Par Individual.....	014			
Group.....	015			
Subtotal.....	016			
Total Annuities.....	019			
Total Life Actuarial Liabilities.....	029			
Health				
Individual.....	031			
Group.....	032			
Total Health Actuarial Liabilities.....	039			
	045			

** Property and Casualty Subsidiaries

Supplementary Consolidated Actuarial Exhibit
(JA\$000)

	Current Year (01)	Prior Year
Cash Surrender Value Deficiencies		
Calculated on: Aggregate Basis.....	020	
Policy by Policy.....	021	
Transitional Solvency Provision.....	022	
Negative Reserves.....	023	
Reserves Required by Other Jurisdictions.....	024	
* Net Liabilities in respect of Prescribed Annuities.....	030	

FSC-L-2001
Next Page is 20.093

EIGHTH SCHEDULE, *contd.*
20.083

Insurer	SUBORDINATED DEBT - CONSOLIDATED INCLUDED IN MCCSR CAPITAL AT YEAR END (JA\$000)					Year	
	Balance Outstanding (01)	Interest Accrued (02)		Rate % (03)	Maturity Date (04)	Balance Counted as MCCSR Capital** (05)	Date of Approval as MCCSR Capital** (06)
Subordinated Shareholder Loans Issued by Company:							
Subtotal.....	009						
Issued by Subsidiaries:							
Subtotal.....	049						
Total Shareholder Loans.....	059						
Debentures and Other Issued by Company:							
Subtotal.....	069						
Issued by Subsidiaries:							
Subtotal.....	079						
Total Loans, Notes & Debentures.....	089						
Total.....	099						

*Beneficial Holders of at Least 5% of Total Subordinated Debt should be listed.

**If remaining term to maturity is 5 years or less, the balance should be amortized in accordance with the MCCSR rules.

FSC-L-2001
Next Page is 20.084

EIGHTH SCHEDULE, contd.
20.084

Insurer _____ Year _____

**SUBORDINATED DEBT – CONSOLIDATED BASIS
NOT INCLUDED IN MCCSR CAPITAL AT YEAR END
(JA\$000)**

	Balance Outstanding (01)	Interest		Maturity Date (04)	Date of Approval as MCCSR Capital (if applicable) (05)
		Accrued (02)	Rate % (03)		
Part 1					
Subordinated Shareholder Loans issued by Company:					
Subtotal.....	009				
Issued by Subsidiaries:					
Subtotal.....	049				
Total Shareholder Loans.....	089				

Part 2					
Subtotal.....	069				
Issued by Subsidiaries:					
Subtotal.....	079				
Total Loans, Notes & Debentures.....	080				
Total.....	089				

Indicate the total amount of above noted loans, notes and debentures that has been approved as MCCSR capital but which was not included in MCCSR capital this year. 090

*Beneficial Holders of at Least 5% of Total Shareholder Loans, Subordinated Notes or Debentures should be listed.

Summary-Subordinated Debt	Issued by Company (01)	Issued by Subsidiaries (02)	Total (03)
Total included in MCCSR Capital.....	081		
Total Not-Included in MCCSR Capital.....	092		
Total.....	089		

F8C-L-2001
Next Page is 20.085

EIGHTH SCHEDULE, *contd.*

Insurer	Other Debt -- Consolidated basis (JA\$000)					Year
Name of Lender (01)	Type (02)	Redemption Value (03)	Interest Rate % (04)	Maturity Date (05)	Balance Outstanding (06)	
Issued by Company:						
Subtotal						.075
Issued by Subsidiaries:						
Subtotal						.095
Total						.170

FSC-1-2001
next page is 310.010

EIGHTH SCHEDULE, *contd.*

30.010

Insurer

Year

NON-CONSOLIDATED FINANCIAL STATEMENTS

Reference Page			Current Year (01)	Prior Year (02)
	Cash.....	002		
40.060	Accrued Investment Income.....	007		
70.060	Accounts Receivable.....	010		
	Investments and Loans:			
	Fixed Term Investments:			
		015		
	Policy Loans.....	020		
	Other Loans.....	021		
	Bonds and Debentures:			
	Fixed Term	023		
	Convertible	024		
	Other	028		
70.021	Mortgage Loans.....	030		
	Preferred Shares-Fixed Term.....	031		
	Total Fixed Term Investments.....	039		
70.029	Real Estate.....	051		
	Equity Investments:			
	Preferred Shares.....	042		
	Common Shares.....	045		
	Other Equity Investments.....	059		
	Total Equity Investments.....	060		
70.014	Other Invested Assets.....	062		
	Total Investments and Loans.....	070		
70.014	Interests in Related Companies.....	078		
70.011-012	Investments in Subsidiaries.....	079		
	Deferred Income Taxes.....	080		
70.060	Goodwill and Other Assets.....	081		
	TOTAL ASSETS.....	089		

Total Assets in Segregated Funds..... 099

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FSC-L-2001
Next Page is 30.020

30.020

Insurer

Year

NON-CONSOLIDATED FINANCIAL STATEMENTS

		Current Year (01)	Prior Year (02)
Net Actuarial Liabilities			
Life Assurance Fund.....	002		
Individual Life.....	003		
Group.....	004		
Annuity Contracts.....	005		
Policyholder Funds on Deposit.....	010		
Provisions for Policyholder Dividends.....	011		
	012		
Policyholder Amounts on Deposit.....	013		
Other Insurance Policy & Contract Liabilities.....	014		
Accounts Payable.....	031		
Real Estate Encumbrances.....	033		
Other Liabilities.....	039		
Net Deferred Gains (Losses) on Disposal of			
Portfolio Investments.....	040		
Minority Interest.....	050		
Subordinated Debt.....	051		
Other Debt.....	052		
	053		
Total Liabilities.....	059	0	0
Reserves			
Capital Reserve.....	065		
Investment Reserve.....	067		
Total Reserves.....	069	0	0
Shareholders' Equity			
Share Capital.....	070		
Share Premium.....	071		
Retained Earnings.....	072		
Currency Translation Account.....	072		
Total Shareholders' Equity.....	075		
TOTAL LIABILITIES AND EQUITY.....	089	0	0
Total Liabilities in Segregated Funds.....	099		

FSC-L-2001
Next Page is 30.030

EIGHTH SCHEDULE, *contd.*

30.030

Insurer Year
NON-CONSOLIDATED FINANCIAL STATEMENTS
INCOME STATEMENT

	Current Year (01)	Prior Year (02)
Revenue		
Premium Income..... 001		
..... 002		
Other Revenue..... 003		
Total Revenue..... 019	0	0
Policy Benefits and Expenses		
Claims..... 020		
Annuity Payments..... 021		
Policy Surrenders..... 022		
Other..... 023		
Expenses		
Commissions..... 024		
Other Sales Expenses..... 025		
Bad Debt Expenses..... 026		
Management Expense (Segregated Fund)..... 027		
Provisions Increase(Decrease)..... 028		
Interest on Policyholder Amounts on Deposit 029		
Reinsurance Premiums..... 030		
Administrative Expenses and Taxes..... 035		
Operating Expenses.....049		
(Increase)/Decrease in Actuarial Reserve..... 050		
..... 051		
and Tax..... 059		
Interest on Subordinated Debt..... 060		
Other Interest Expense..... 061		
Net income Before Tax		
and Extraordinary Items..... 069		
Provision for Taxes..... 070		
Net income (Loss from Subsidiaries)..... 071		
Net Operating Income Before Extraordinary Items.... 079		
Extraordinary Items net of taxes of..... 080		
Net income..... 089	0	0

EIGHTH SCHEDULE, *contd.*

30.040

Insurer Year

NON-CONSOLIDATED FINANCIAL STATEMENTS

Reference Page		Current Year (03)	Prior Year (04)
	Beginning of Year..... 001		
	..... 002		
	..... 003		
	Share of Net Income (Loss)..... 010		
30.040	Transfer from (to) Retained Earnings..... 020		
30.040	Transfer from (to) Non-Par Account..... 021		
	End of Year..... 029		

STATEMENT OF NON-PARTICIPATING ACCOUNT

Mutual Insurance Companies Only

(JA\$000)

Page		Current Year (03)	Prior Year (04)
	Beginning of Year..... 030		
	..... 031		
	..... 032		
	Share of Net Income (Loss)..... 040		
	Transfer from (to) Par Account..... 051		
	Dividends to Preferred Shareholders..... 052		
	End of Year..... 059		

STATEMENT OF RETAINED EARNINGS

Stock Insurance Companies Only

(JA\$000)

Reference Page		Current Year (03)	Prior Year (04)
	Beginning of Year..... 060		
	..... 061		
	..... 062		
30.030	Share of Net Income (Loss)..... 070		
30.040	Transfer from (to) Par Account..... 080		
	Dividends to Shareholders:		
	Preferred..... 081		
	Common..... 082		
	End of Year..... 089		

FSC-L-2001
Next Page is 30.055

Insurer

NON-CONSOLIDATED FINANCIAL STATEMENTS
ANALYSIS OF INCOME BY LINE OF BUSINESS

	Life - Participating				Life - Non-Participating				Health		Other (11)	Total (12)
	Individual		Group		Individual		Group		Individual	Group		
	Insurance (01)	Annuity (02)	Insurance (03)	Annuity (04)	Insurance (05)	Annuity (06)	Insurance (07)	Annuity (08)	(09)	(10)		
Premiums												
Insurance.....001												
Annuities.....003												
Net Investment Income.....010												
Total Revenue.....029												
Policy Benefits and Expenses												
Claims.....030												
Annuity Payments.....031												
Other (Includes Surrenders).....032												
Net Changes to Policy Liabilities												
Insurance.....033												
Annuities.....034												
Policyholder Dividends and Experience Rating Refunds.....035												

EIGHTH SCHEDULE, cont'd.

THE INSURANCE REGULATIONS, 2001

[The inclusion of this page is authorized by L.N. 33(A/2005)]

EIGHTH SCHEDULE, *contd.*

	NON-CONSOLIDATED FINANCIAL STATEMENTS												Year
	ANALYSIS OF INCOME BY LINE OF BUSINESS (continued)												
	Life - Participating		Life - Non-Participating		Health		Other		Total				
	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Total
	Insurance	Annuity	Insurance	Annuity	Insurance	Annuity	Insurance	Annuity	Insurance	Annuity	Insurance	Annuity	
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	
040													
Interest on Policyholder Amounts on Deposit.....													
051													
Interest on Subordinated Debt.....													
052													
Other Interest Expense.....													
053													
(excl. Income Taxes).....													
060													
Total Benefits and Expenses.....													
068													
and Extraordinary Items.....													
069													
Provision for Income Taxes													
Current.....													
071													
Deferred.....													
072													
073													
Net Operating Income													
(Before Extraordinary Items).....													
080													
Extraordinary Items.....													
085													
Net Income.....													
089													

FSCJ-2001
Next Page is 30.070

[The Inclusion of this page is authorized by L.N. 33A/2005]

EIGHTH SCHEDULE, contd.
30.070

Insurer

Year

NON-CONSOLIDATED FINANCIAL STATEMENTS
RECONCILIATION OF FUNDS

	Par Fund (01)	Non-Par and Shareholders Fund (02)	Total (03)
Funds at Beginning of Year.....	001		
Net Income (from analysis of income).....	002		
Increase (Decrease) in:			
Actuarial Liabilities.....	010		
Staff Pension and Insurance Funds.....	011		
Provision for Policyholder Dividends and Experience Rating Refunds.....	013		
Other.....	020		
Currency Adjustment of Funds.....	022		
Total.....	029		
Transfers of Surplus to Other Funds (provide details)*.....	031		
Dividends to Shareholders.....	032		
Total Funds at end of Year.....	039		

	Par Fund (01)	Non-Par and Shareholders Fund (02)	Total (03)
Actuarial Liabilities.....	040		
Staff Pension and Insurance Funds.....	041		
Policyholder Amounts on Deposit.....	042		
Provision for Policyholder Dividends and Experience Rating Refunds.....	043		
Provision for Asset Default.....	045		
Deferred Income Taxes.....	051		
.....	052		
.....	053		
Shareholders Capital.....	080		
Contributed Surplus.....	081		
Retained Earnings.....	082		
Currency Translation Account.....	083		
Total Funds at end of Year.....	089		

* Details of Line 31

FSC-L-2001
Next Page is 30.080

EIGHTH SCHEDULE, contd.

30.080

Insurer _____ Year _____

NON-CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INTERROGATORIES

INVESTMENT POLICIES - PORTFOLIO AND LONG TERM INVESTMENTS

- 1 Does the company have policies with respect to:
- (a) limits and authorities? 001 Yes _____ No _____
 - (b) concentration limits? e.g. industry, geographic, single entity, etc. 002 Yes _____ No _____
 - (c) quality of investments? 003 Yes _____ No _____
 - (d) use of derivatives? 004 Yes _____ No _____
 - (e) asset/liability management? 005 Yes _____ No _____
 - (f) establishing provisions and writing down investments? 006 Yes _____ No _____

Have these policies been approved by the Board of Directors or a subordinate committee of the Board? 011 Yes _____ No _____

Were all the bonds, shares and other securities owned at fiscal year end over which the company has exclusive control in the actual possession of the company or with an approved custodian? 012 Yes _____ No _____
If No, Amount (JA\$000) _____

If not, please explain. _____

- 1 Were all other assets of the company owned at fiscal year end under the exclusive control of the company? 013 Yes _____ No _____
If No, Amount (JA\$000) _____

If not, please describe the circumstances and give the amounts of such assets. _____

- 1 Are all purchases and sales of investments of the company approved by the Board of Directors or a subordinate committee of the Board? 014 Yes _____ No _____

- 2 Does the company engage in the activity of lending securities to brokers or other financial institutions? 015 Yes _____ No _____

If Yes, Total Market Value of Securities Lent (JA\$000) _____
If yes, please provide, as at year end, a list of the names of all institutions and the total value of securities lent and collateral held for each institution. (Separately identify letters of credit held as collateral and the issuer) _____

- 2 Does the company enter into agreements to sell and repurchase securities (and purchase and resell securities)? 016 Yes _____ No _____

If Yes, Total Value (JA\$000) _____
If yes, please provide, as at year end, a list of all institutions with which these transactions have been made and the total value of such transactions for each institution. _____

- 2 Have any of the assets of the company been pledged as security or lodged as collateral? 017 Yes _____ No _____

If yes, provide details on a separate page and list amounts here: (JA\$000)

- a) In Jamaica 020 _____
- b) Out of Jamaica 021 _____
- c) Total Assets pledged or lodged as collateral 022 _____

- 2 Does the Company invest in any of the following.

				Book Value (JA\$000)		
If so please indicate total amounts:				Yes	No	
a) Mortgage Backed Securities	041	Yes	_____	No	_____	_____
b) Collateralized Mortgage Obligations:	Jamaica	042	Yes _____	No	_____	_____
	CARICOM	043	Yes _____	No	_____	_____
	Other	044	Yes _____	No	_____	_____
c) Other Asset Backed Securities	045	Yes	_____	No	_____	_____
d) Zero Coupon Bonds:	Corporate	046	Yes _____	No	_____	_____
	Government	047	Yes _____	No	_____	_____
e) Floating Rate Bonds	048	Yes	_____	No	_____	_____
f) _____	049	Yes	_____	No	_____	_____
g) Leases	050	Yes	_____	No	_____	_____

FSC-L-2001
Next Page is 30.081

EIGHTH SCHEDULE, *contd.*

30.081

Insurer

Year

NON-CONSOLIDATED FINANCIAL STATEMENTS
GENERAL INTERROGATORIES (*contd.*)

Please indicate the total amount of the indemnity bond (s) pursuant to the protection of securities regulations covering the company against any loss in respect of the securities of the company and the date up to which the policy coverage is in effect.

Coverage (JAS000) 001 _____

Insurer: _____

Effective Dates _____

2 CONTINGENT LIABILITIES

- 2.1 Has the company provided a letter (s) of credit against which funds can be drawn by the beneficiary? 011 Yes _____ No _____

If Yes, Amount (JAS000) _____

If yes, please provide details. _____

- 2.2 Does the company have any material contingent liabilities or contractual obligations or other off-balance sheet liabilities that have not otherwise been disclosed?

021 Yes _____ No _____

If Yes, Amount (JAS000) _____

If yes, please provide details. _____

- 2.3 Has the company guaranteed the liabilities or other transactions (e.g. derivatives) of any other corporations, including subsidiaries?

031 Yes _____ No _____

If Yes, Amount (JAS000) _____

If yes, please provide details. _____

- 2.4 Does the company have any unfunded liabilities in respect of pensions plans?

041 Yes _____ No _____

If Yes, Amount (JAS000) _____

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, *contd.*
30.081, *contd.*

Insurer _____
Year

NON-CONSOLIDATED FINANCIAL STATEMENTS
GENERAL INTERROGATORIES, *contd.*

If yes, please provide the amounts and outline the manner in which the company will fund these liabilities over time _____

3 CREDIT POLICIES—COMMERCIAL LENDING POLICIES

- 3.1 Does the company have policies with respect to:
- (a) concentration limits? e.g. industry, geographic, single entity, etc. 051 Yes _____ No _____
 - (b) loan limits and authorities? 052 Yes _____ No _____
 - (c) rating or credit risks? 053 Yes _____ No _____
 - (d) establishing provisions for losses? 054 Yes _____ No _____
 - (e) use of derivatives? 055 Yes _____ No _____
- Have these policies been approved by the Board of Directors or a subordinate committee of the Board? 059 Yes _____ No _____

FSC-L-2001
Next Page is 30.082

EIGHTH SCHEDULE, *contd.*
30.082

Insurer

Year
NON-CONSOLIDATED FINANCIAL STATEMENTS
GENERAL INTERROGATORIES, *contd.*

SOURCES OF BUSINESS

4.1. During the period covered by this Return, did any agent, general agent, broker, sales representative, sales/service organisation or any combination thereof under common control receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

(a) sales or new business? 001 Yes _____ No _____
(b) renewals? 002 Yes _____ No _____

If yes, please indentify the individual (s) or organization (s).

4.2 Has the company entered into any networking arrangements with other financial institutions?

0011 Yes _____ No _____

If yes, please provide the names and types of products sold through such arrangements.

4.3 Does the company have written policies with respect to market conduct practices, including a code of ethical sales practices?

015 Yes _____ No _____

5 OTHER DISCLOSURE

Have any limitations, restrictions, cease and desist orders, appropriations of surplus or other regulatory constraints been placed on the company or been required by another jurisdiction ?

021 Yes _____ No _____

If yes, please provide details.

EIGHTH SCHEDULE, *contd.*

30.082, *contd.*

Insurer

Year

NON-CONSOLIDATED FINANCIAL STATEMENTS
GENERAL INTERROGATORIES, *contd.*

- 5.2 In the last fiscal year, has any individual been granted stock options, either preferred or common, that are material (i.e. 5% and over)? **031** Yes _____ No _____
If yes, please provide the name of the officer, director or other individual and the details of the options.
- _____
- _____
- _____

- 5.3 Is the company rated by credit agencies? **041** Yes _____ No _____
If yes, please provide details of the rating history below:*

Rating as December 31,

Name of Rating Agency:	CY-4	CY-3	CY-2	CY-1	CY
	(03)	(04)	(05)		(07)
051					
052					
053					
054					
055					

* If rated for items other than "claims paying ability" please provide these details on a separate page with the purpose of each rating.

EIGHTH SCHEDULE, *contd.*

30.083

Insurer NON-CONSOLIDATED FINANCIAL STATEMENTS _____
Year

5.4 Please provide a description of the methods used in apportioning items of income and expenditure by fund and line of business. _____

5.5 Has the company issued any policies in Jamaica in other than Jamaican Currency?
051 Yes _____ No _____

If Yes provide the following:

	Type of Currency (01)	Number of Policies in Jamaica (02)	Jamaican \$ Net Actuarial Liabilities (03)
052	(U.S.)		
053	(U.K.)		
054	CAN.		
055			
056			
057			

5.6. Does the insurer sell variable policies or contracts out of its general fund which are matched against:

- (1) other institutions' variable units 061 Yes: _____ No: _____
 (2) other market indexes 062 Yes: _____ No: _____

If yes, either instance, provide a detailed explanation of the arrangement including amounts by policy type and how the matched assets are valued in the general fund.

FSC-L-2001
Next Page is 30.084

EIGHTH SCHEDULE, contd.

PREMIUMS AND COMMISSIONS - LIFE
(JA\$000)

	Participating Group				Non-Participating				Total		
	Individual		Annuity		Individual		Annuity				
	Insurance	Group	Insurance	Group	Insurance	Group	Insurance	Group			
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
PREMIUMS											
Single	001										
First Year	002										
Renewal	003										
Subtotal - Direct	004										
Single	010										
First Year	011										
Renewal	012										
Subtotal - Assumed	013										
Reinsurance Credited											
Single	020										
First Year	021										
Renewal	022										
Subtotal - Credited	023										
Total Net Premiums	039										
COMMISSIONS											
Direct											
Single	040										
First Year	041										
Renewal	042										
	043										
Commissions and Allowances Received on Reinsurance Credited	044										
Total Net Commissions Incurred	049										

F.S.C.I. 2001
Next Page is 40/011

EIGHTH SCHEDULE, contd.

40.011

(JA\$000)

POLICYHOLDER DIVIDENDS AND EXPERIENCE RATING REFUNDS - LIFE

Insurer	Year	Participating				Non-Participating				Total
		Individual Insurance (01)	Group Annuity (02)	Group Insurance (03)	Group Annuity (04)	Individual Insurance (05)	Group Annuity (06)	Group Insurance (07)	Group Annuity (08)		Total Non-Par (09)
Direct										
Paid or Payable in Cash.....	060									
Left with Company at Interest.....	061									
Deposited in Segregated Funds.....	062									
Applied as Single Premiums for Paid-up Additions.....	063									
Reducing Premiums.....	064									
Other.....	065									
Total Direct.....	069									
Received on Reinsurance Ceded.....	070									
Subtotal.....	071									
Change in Provision for Dividends and Experience Rating Refunds.....	078									
Experience Rating Refunds.....	080									
Rating Refunds.....	089									
										(11)

FSC L-2001
Next Page is 40.020

40 030

Year

Insurer

ACCIDENT AND SICKNESS BUSINESS
PREMIUMS, CLAIMS, AND POLICYHOLDER DIVIDENDS AND EXPERIENCE RATINGS REFUNDS
 (JA\$000)

	Individual Cancellable			Individual Non-cancellable			Group			Total			Total	
	Premiums		Claims*	Premiums		Claims*	Premiums		Claims*	Premiums		Claims*	Claims Incurred	Dividends & ERR
	Written (01)	Earned (02)	(03)	Written (04)	Earned (05)	(06)	Written (07)	Earned (08)	(09)	Written (10)	Earned (11)	(12)	(13)	(14)
Direct														
Income Replacement..... 001														
Creditor Disability..... 002														
Accidental Death and Dismemberment..... 003														
Medical Care..... 004														
Dental..... 005														
Other..... 006														
Total Direct..... 009														
..... 011														
Reinsurance Ceded..... 012														
Total Net (Benefits on Paid Basis)..... 019														
Change in Net Claim Liabilities														
Instalment Claims														
at end of year..... 020														
at beginning of year..... 021														
Currency Adjustment..... 022														
Change..... 023														
Other than Instalment Claims														
at end of year..... 024														
at beginning of year..... 025														
Currency Adjustment..... 026														
Change..... 027														
..... 029														
Change in Provision for Dividends & ERR..... 030														
Net Incurred..... 049														

*Enter amounts paid in rows 001 to 009, columns 03, 06, 09 and 12.

	Individual (05)	Group (06)	Total (07)
Total Direct Premiums Written			
First Year.....055			
Renewal.....056			
Claims Ratio.....090			

FSC-L-2001
 Next Page is 40 040

[The inclusion of this page is authorized by L.N.: 33A/2005]

EIGHTH SCHEDULE, contd.

	CLAIMS LIABILITIES (OTHER THAN INSTALMENT CLAIMS)												Total Net			
	Direct			Reinsurance Assumed			Reinsurance Ceded			Net		Group				
	Individual Cancellable (01)	Non- Cancellable (02)	Group (03)	Individual Cancellable (04)	Non- Cancellable (05)	Group (06)	Individual Cancellable (07)	Non- Cancellable (08)	Group (09)	Individual				Group		
										Individual Cancellable (10)	Non- Cancellable (11)					
Insurer												Year				
40 040																
Amounts due on Reported Claims																
Amounts not yet due																
Provision for incurred but not reported claims																
expenses																
Other																
Total	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)			

FSCJ-2001
Next Page is 40.050

EIGHTH SCHEDULE, *contd.*

40.060

Insurer	NET INVESTMENT INCOME (JA\$000)		Year	
			Earned/ Incurred (01)	Accrued at Year End (02)
	Bonds.			
	Interest.....	001		
	Amortization of Net Realized Gains and (Losses).....	003		
	Equities:			
	Dividends.....	010		
	Amortization of Realized and	011		
	Mortgage Loans:			
	Interest.....	020		
	Amortization of Net Realized Gains and (Losses).....	023		
	Real Estate:			
	Rental Income Including \$ _____ for Company's Own use.....	030		
	Amortization of Realized and Unrealized Gains and (Losses)*.....	031		
	Interest on Policy Loans.....	038		
	Interest on Deposits and Certificates.....	041		
	Interest on Overdue Premiums.....	047		
	Income from Derivative Activities.....	048		
	Income from Other Investments.....	050		
	Less:			
	Provision for Losses.....	053		
	Write-Downs.....	056		
	Non-Amortizable Capital Gains and (Losses).....	060		
	Gross Investment Income.....	069		
	Less:			
	Investment Expenses (other than Investment Taxes).....	070		
	Investment Taxes.....	079		
	Net Investment Income.....	089		

* Net income (loss) from subsidiaries as reported on the income statement, page 30.030, line 073 is net of the amount included here in respect of real estate owned by subsidiaries.

FSC-L-2001
Next Page is 40.070

EIGHTH SCHEDULE, *contd.*

40.070

Insurer	OTHER REVENUE (JA\$000)		Year
		Current Year (01)	Prior Year (02)
Management Fees for Segregated Funds.....	001		
Net Settlement Annuities.....	004		
Specify Other Revenue Items			
.....	005		
.....	006		
Total Other Revenue.....	019		

GENERAL EXPENSES AND TAXES
(EXCLUDING INVESTMENT EXPENSES AND INCOME TAXES)
(JA\$000)

		Current Year (01)	Prior Year (02)
Rent.....	020		
Salaries, Wages and Allowances.....	023		
Employees' and Agents' Welfare.....	026		
Professional and Service Fees and Expenses.....	030		
Miscellaneous Expenses.....	039		
Stamp Duties.....	040		
Supervision and Examination.....	043		
Licences and Fees.....	046		
Miscellaneous Taxes.....	050		
Total General Expenses and Taxes.....	069		

FSC-L-2001
Next Page is 50.010

50 010

Insurer

Year

MOVEMENT OF LIFE INSURANCE POLICIES (GROSS)

(JA\$000)

		Individual				Group				Total Amount (10)
		Written		Reinsurance Assumed		Written		Reinsurance Assumed		
		Number of Policies (01)	Amount (02)	Number of Policies (03)	Amount (04)	Number of Policies (05)	Number of Certificates* (06)	Amount (07)	Number of Certificates (08)		Amount (09)
In Force - Beginning of Year.....	001									
New Business.....	002									
Reinstatements.....	003									
New Bonus Additions.....	004									
Old Increased (net).....	005									
.....	006									
Total.....	019									
Less Terminated by										
Death.....	020									
Maturity.....	021									
Disability.....	022									
Expiry.....	023									
Surrender.....	024									
Lapse.....	025									
Withdrawal with conversion.....	025									
Decrease (net).....	027									
.....	028									
Total Terminated.....	039									
Currency Revaluation.....	040									
In Force - End of Year.....	049									

*Include Number of Certificates Under Shared Groups Counted on a Pro Rata Basis.

FSC-L-2001

Next Page is 50.020

[The inclusion of this page is authorized by L.N. 33/A/2003]

EIGHTH SCHEDULE, *contd.*

50.020

#N/A
Insurer

#N/A
Year

ANALYSIS OF AMOUNTS OF LIFE INSURANCE
EFFECTED, IN FORCE AND CEASED
(JA\$000)

	Participating		Non-Participating		Total (05)
	Individual (01)	Group (02)	Individual (03)	Group (04)	
New Effected					
Written Business..... 001					
Reinsurance Assumed..... 002					
Reinsurance Ceded..... 003					
Net..... 004					
In Force					
Written Business.....					
Reinsurance Assumed..... 011					
Reinsurance Ceded..... 012					
Net..... 013					
Net Amount Ceased					
By Death..... 020					
By Maturity..... 021					
By Lapse 022					
By Surrender 023					
Other..... 024					

GROSS AMOUNT OF LIFE INSURANCE WRITTEN
CLASSIFIED BY PLAN OF POLICY
(JA\$000)

	Participating		Non-Participating		Total (05)
	Individual (01)	Group (02)	Individual (03)	Group (04)	
Life..... 030					
Traditional 031					
Interest Sensitive..... 032					
Equity Linked 033					
Term..... 034					
Other..... 035					
Total..... 039					

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, *contd.*

50.020, *contd.*

 #N/A
Insurer

 #N/A
Year

GROSS AMOUNT OF LIFE INSURANCE IN FORCE
CLASSIFIED BY PLAN OF POLICY
(JA\$000)

		Participating		Non-Participating		Total (05)
		Individual (01)	Group (02)	Individual (03)	Group (04)	
Life.....	030					
Traditional.....	031					
Interest Sensitive.....	032					
Equity Linked.....	033					
Term.....	034					
Other.....	035					
Total.....	039					

GROSS AMOUNT OF GROUP LIFE INSURANCE IN FORCE
CLASSIFIED BY TYPE OF GROUP COVERED
(JA\$000)

Type of Group Covered		Group Term (01)	Group Permanent (02)	Total (03)
Employees.....	050			
Creditors of Banks, Trust Companies				
Finance Companies, Credit Unions, etc.....	051			
Members of Unions, Associations, etc.....	052			
.....	053			
Total.....	059			

FSC-L-2001
Next Page is 50.040

#N/A
Insurer

50 041

#N/A
Year

**MOVEMENT OF ANNUITIES (GROSS)
GROUP AND DISABILITY ANNUITIES
(JA\$000)**

	Group annuities					Disability Annuities	
	Number of Contracts (01)	Deferred		Immediate		Number (07)	Annual Payment (08)
		Number of Certificates (02)	Account Value (03)	Annual Payment (04)	Number of Certificates (05)			Annual Payment (06)
In Force - Beginning of year.....	001						
Deposits.....	003						
Written.....	004						
Old Revived.....	005						
Old Increased (net).....							
Interest Credited.....	007						
Corrections.....	010						
Transfers in from Annuity Accounts.....	012						
Total.....	019						
Less Ceased By:							
Payment.....	021						
Surrender.....	022						
Other.....	023						
Transfers out of Annuity Accounts.....	025						
Corrections.....	030						
Total Ceased.....	039						
Currency Revaluation.....	049						
In Force, End of Year.....	059						
Reinsurance in Force:							
Assumed.....	069						
Ceded.....	079						

Number of Group Annuity Certificates in Force if the Number Under Shared Groups is Counted on a Pro-Rata Basis:

Deferred...089 Immediate...089

FSC-L-2001
Next Page is 50.055

[The inclusion of this page is authorized by L.N. 33A/2003]

Insurer

Year

REINSURANCE CEDED TO UNREGISTERED COMPANIES - LIFE *

IN JAMAICA BUSINESS
By Block of Reinsured Business
(JA\$000)

Name of Assuming Company	Country of Origin of Assuming Company	Ceded or Retro Ceded (C or R)	Effective Date or Date of Latest Revision of Contract	Insurance and Annuity Premiums	Amount of Insurance In Force Ceded	Amount Recoverable		Reserves Ceded to Reinsurer	Amounts Due to Assuming Company and included in Liabilities	Security Held from Assuming Company	
						On Claims Paid	On Claims Due and Unpaid			Amounts Held in Trust	Amounts of Acceptable LOC
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
Affiliated Companies											
Sub-Total	048										
Non-Affiliated Companies											
Sub-Total	079										
Grand Total	099										
** Including a Total Provision for Claims Incurred but not Reported of.....089											

FSC-4-2001
Next Page is 50.056

* Refer to Guideline B-3 - Unregistered Reinsurance

[The inclusion of this page is authorized by L.N. 33A/2005]

EIGHTH SCHEDULE, contd.

EIGHTH SCHEDULE, *contd.*

Name of Assuring Company and Category of Reinsurance ...	OUT OF JAMAICA BUSINESS										
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
Country of Origin of Assuring Company (C or R)	Ceded or Reversion Latest Date of Contract	Insurance and Annuity Premiums Ceded	Amount of Insurance Ceded	On Claims Paid	On Claims Due and Unpaid	Reserves Ceded to Reinsurers	Amounts Due to Assuring Company	Amounts Incurred in Liabilities	Amounts Held in Trust	Accounts of Security Held from Assuring Company	LOC
Sub-Total Affiliated Companies & Category											
Sub-Total Non-Affiliated Companies & Category											
Sub-Total											
Grand Total											

By Block of Reinsured Business (JA\$000)

REINSURANCE CEDED TO UNREGISTERED COMPANIES - LIFE -

Year

... Refer to Page 4 of Guideline B-3, Section B(i) or B(ii)

Next Page is 50 057

FSC-1-2001

Insurer

Year

REINSURANCE CEDED TO UNREGISTERED COMPANIES - ACCIDENT AND SICKNESS *

IN JAMAICA BUSINESS
By Block of Reinsured Business
(JA\$000)

Name of Assuming Company	Effective Date of Latest Revision of Contract	Ceded or Retro Ceded (C or R)	Premiums Ceded to Assuming Company	Claims and Adjustment Expenses Incurred by Assuming Company	Reserves for Individual Non-Cancellable Policies Ceded to Reinsurers	Reserves for Other A & S Policies Ceded to Reinsurers	Amounts Recoverable From Assuming Company		Amounts Due to Assuming Company Included in Liabilities	Security Held from Assuming Company	
							Respecting Claims Payable in Instalments	Respecting Other Claims		Amounts Held in Trust	Amounts of Acceptable LOC
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
Affiliated Companies											
Sub-Total	049										
Non-Affiliated Companies											
Sub-Total	079										
Grand Total	099										
**Including a Total Provision for Claims Incurred but not Reported of				089							

[The inclusion of this page is authorized by L.N. 33A/2005]

FSC-2001
 Next Page is 50.058

* Refer to Guideline B-3

EIGHTH SCHEDULE, contd.

THE INSURANCE REGULATIONS, 2001

50.058

Insurer

Year

REINSURANCE CEDED TO UNREGISTERED COMPANIES - ACCIDENT AND SICKNESS *

OUT OF JAMAICA BUSINESS
By Block of Reinsured Business
(JA3000)

Name of Assuming Company and Category of Reinsurance ...	Effective Date or Date of Latest Revision of Contract	Ceded or Retro Ceded (C or R)	Premiums Ceded to Assuming Company	Claims and Adjustment Expenses Incurred by Assuming Company	Reserves for Individual Non-Cancellable Policies Ceded to Reinsurers	Reserves for Other A & S Policies Ceded to Reinsurers	Amounts Recoverable From Assuming Company		Amounts Due to Assuming Company Included in Liabilities	Security Held from Assuming Company	
							Respecting Claims Payable in Instalments **	Respecting Other Claims		Amounts Held in Trust	Amounts of Acceptable LOC
	(01)		(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
Affiliated Companies & Category											
Sub-Total	049										
Non-Affiliated Companies & Category											
Sub-Total	079										
Grand Total	059										
*Including a Total Provision for Claims Incurred but not Reported of 069											

FSC-I-2001
Next Page is 50.059

* Refer to Guideline B-3
** Refer to Page 4 of Guideline B-3, Section B(i) or B(ii)

[The Inclusion of this page is authorized by L.N. 33A/2005]

Insurer _____

Year _____

REINSURANCE CEDED *

(JA\$000)

	Life				Accident & Sickness			Total		
	Face Amount of In Force Insurance Ceded	Insurance and Annuity Premiums Ceded	Claims Incurred by Assuming Company	Reserves Ceded to Reinsurers	Premiums Ceded	Claims Incurred by Assuming Company	Reserves Ceded to Reinsurers	Premiums Ceded (02 + 05)	Claims Incurred by Assuming Company (03 + 06)	Reserves Ceded to Reinsurers (04+07)
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)
In Jamaica Business Ceded										
To Registered Companies.....	001									
To Unregistered Companies										
Approved by the Superintendent.....	002									
Not Approved by the Superintendent.....	003									
To unregistered non-Caricom Companies										
With Security.....	006									
Without Security.....	007									
Total Ceded to Unregistered Companies.....	009									
Total.....	019									
Out of Jamaica Business Ceded										
To Registered Companies.....	020									
To unregistered Caricom Companies										
Approved by the Superintendent.....	021									
Not Approved by the Superintendent.....	022									
To Unregistered Foreign Companies										
No Occurrence of Unregistered Reinsurance.....	025									
Occurrence of Unregistered Reinsurance.....	026									
Total Ceded to Unregistered Companies.....	029									
Total.....	039									

[The inclusion of this page is authorized by L.N. 33/A/2005]

FSC-L-2001
 Next Page is 50.070
 * Refer to Guideline B-3

EIGHTH SCHEDULE, contd.

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, *contd.*

50.070

Insurer	ACTUARIAL LIABILITIES – SUMMARY (JA\$000)				Year
	Current Year		Prior Year		
	Gross (01)	Net (02)	Gross (03)	Net (04)	
Life Insurance					
Par Individual.....	001				
Group.....	002				
Subtotal.....	003				
Non-Par Individual.....	004				
Group.....	005				
Subtotal.....	006				
Total Insurance.....	009				
Annuities					
Par Individual.....	011				
Group.....	012				
Subtotal.....	013				
Non-Par Individual.....	014				
Group.....	015				
Subtotal.....	016				
Total Annuities.....	019				
Total Life Actuarial Liabilities...	029				
Health					
Individual.....	031				
Group.....	032				
Total A&S Actuarial Liabilities...	039				

FSC-L-2001
Next Page is 60.011

EIGHTH SCHEDULE, *contd.*

60.011

Insurer _____
Year

OTHER INSURANCE POLICY AND CONTRACT LIABILITIES

(JA\$000)

	Par (01)	Non-Par (02)	Total Current Year (03)	Total Prior Year (04)
Outstanding Payments Under Settlement Annuities..... 001				
Premiums Received In Advance..... 002				
Policyholder Dividends and Experience Rating Refunds, Due and Unpaid..... 003				
Other..... 004				
Total..... 009				

ACCOUNTS PAYABLE

(JA\$000)

	Current Year (01)	Prior Year (02)
Overdraft..... 010		
Agents and Brokers..... 012		
Subsidiaries and Affiliates..... 013		
Other Insurers..... 014		
Other Payables..... 015		
Expenses Due and Accrued..... 016		
Reinsurers..... 017		
Staff/Directors..... 018		
Total..... 019		

OTHER LIABILITIES

(JA\$000)

	Current Year (01)	Prior Year (02)
Investment Income Received in Advance..... 022		
Accrued Interest on Outstanding Claims..... 023		
Dividends to Shareholders Declared and Unpaid..... 024		
Amounts Received but Not Yet Allocated..... 025		
Fees and Other Taxes (excl. Income Taxes)..... 026		
Amounts Due in respect of Staff Pension Plans..... 027		
Security Repurchase Transactions (Repos)..... 028		
Other..... 038		
Total..... 039		

FSC-L 2001
Next Page is 60.030

EIGHTH SCHEDULE, contd.

60 030

Insurer Year

POLICY CLAIMS RESISTED -- NET OF REINSURANCE
(JA\$000)

Type of Claim	Net Resisted at Beginning of Year		Resisted During Year		Resolved During Year		Foreign Currency Adjustment	Net Resisted at End of Year	
	Amount \$'000 (10)	Number of Claims (11)	Amount \$'000 (12)	Number of Claims (13)	Amount \$'000 (14)	Number of Claims (15)	\$'000 (16)	Amount \$'000 (17)	Number of Claims (18)
Life Insurance..... 001									
Annuities..... 005									
Accident & Sickness.. 010									
Total..... 099									

Total Net Provision for Resisted Claims at end of Year.....089 (17)

FSC-4-2001
Next Page is 70.000

[The inclusion of this page is authorized by L.N. 33A/2005]

EIGHTH SCHEDULE, contd.

70.000

Insurer	SUMMARY OF INVESTMENTS * (JA\$000)					Year
	Impaired Amount (Before Provisions) (01)	Specific Provisions (02)	General Provisions (03)	Book Value (Before Provisions) (04)	Market Value (05)	
Short Term Investments.....	001					
Bonds and Debentures						
Government						
Jamaica.....	002					
Canada.....	003					
United Kingdom.....	004					
United States of America.....	005					
Caricom.....	006					
Other.....	008					
Corporate						
Jamaica.....	019					
Canada.....	020					
United Kingdom.....	021					
United States of America.....	022					
Caricom.....	023					
Other.....	024					
Total Bonds and Debentures.....	027					
Mortgage Loans.....	030					
Equity and Real Estate						
Preferred Shares						
Jamaica.....	034					
Canada.....	035					
United Kingdom.....	036					
United States of America.....	037					
Caribbean Basin.....	038					
Other.....	039					
Total Preferred Shares.....	041					
Common Shares						
Jamaica.....	042					
Canada.....	043					
United Kingdom.....	044					
United States of America.....	045					
Caricom.....	046					
Other.....	047					
Total Common Shares.....	048					
Total Shares.....	049					
Other Equity Investments.....	050					
Sub-Total (Lines 48+49).....	051					
Real Estate						
Jamaica.....	052					
Canada.....	053					
United Kingdom.....	054					
United States of America.....	055					
Caricom.....	056					
Other.....	057					
Total Real Estate.....	058					
Total Equity and Real Estate (Lines 50+58)	059					
Other Loans and Invested Assets						
Other Loans.....	061					
Other.....	062					
Total Other Loans and Invested Assets.....	069					
Total.....	099					
Supplementary Exhibit**						
Fixed Term Bonds & Debentures.....	101					
Convertible Bonds & Debentures.....	102					
Fixed Term Preferred Shares.....	103					

* Excluding investments in Subsidiaries and Joint Ventures

** Details of Items Reported Above

FSC-L-2001

Next Page is 70.001

70.001

Insurer	Year																																																			
SUMMARY OF COMMERCIAL LOANS CONSOLIDATED BASIS (JA\$000)																																																				
	<table border="1"> <thead> <tr> <th>Par Value (01)</th> <th>Book Value (02)</th> <th>Market Value (03)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Commercial Loans Included in:</td> </tr> <tr> <td colspan="3">Bonds and Debentures</td> </tr> <tr> <td>Fixed Term</td> <td>001</td> <td></td> </tr> <tr> <td>Other</td> <td>002</td> <td></td> </tr> <tr> <td>Total Bonds and Debentures</td> <td>008</td> <td></td> </tr> <tr> <td colspan="3">Other Fixed Term Investments</td> </tr> <tr> <td>.....</td> <td>009</td> <td></td> </tr> <tr> <td colspan="3">Mortgage Loans</td> </tr> <tr> <td>Residential</td> <td>010</td> <td></td> </tr> <tr> <td>Non-Residential</td> <td>011</td> <td></td> </tr> <tr> <td>Total Mortgage Loans</td> <td>019</td> <td></td> </tr> <tr> <td>Other Investments</td> <td>020</td> <td></td> </tr> <tr> <td>Other Loans</td> <td>021</td> <td></td> </tr> <tr> <td>Total Commercial Loans</td> <td>038</td> <td></td> </tr> <tr> <td>*Commercial Loans as a percent of</td> <td></td> <td></td> </tr> <tr> <td>Total Assets at Book Value</td> <td>039</td> <td style="text-align: center;">%</td> </tr> </tbody> </table>	Par Value (01)	Book Value (02)	Market Value (03)	Commercial Loans Included in:			Bonds and Debentures			Fixed Term	001		Other	002		Total Bonds and Debentures	008		Other Fixed Term Investments			009		Mortgage Loans			Residential	010		Non-Residential	011		Total Mortgage Loans	019		Other Investments	020		Other Loans	021		Total Commercial Loans	038		*Commercial Loans as a percent of			Total Assets at Book Value	039	%
Par Value (01)	Book Value (02)	Market Value (03)																																																		
Commercial Loans Included in:																																																				
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*Commercial Loans as a percent of																																																				
Total Assets at Book Value	039	%																																																		

* If ratio exceeds 5% provide date of approval by Superintendent in accordance with Section 504 of IA

Date Approved 029
dd,mm,yy

SUMMARY OF COMMERCIAL LOANS NON-CONSOLIDATED BASIS (JA\$000)																																																				
	<table border="1"> <thead> <tr> <th>Par Value (01)</th> <th>Book Value (02)</th> <th>Market Value (03)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Commercial Loans Included in:</td> </tr> <tr> <td colspan="3">Bonds and Debentures</td> </tr> <tr> <td>Fixed Term</td> <td>040</td> <td></td> </tr> <tr> <td>Other</td> <td>041</td> <td></td> </tr> <tr> <td>Total Bonds and Debentures</td> <td>048</td> <td></td> </tr> <tr> <td colspan="3">Other Fixed Term Investments</td> </tr> <tr> <td>.....</td> <td>049</td> <td></td> </tr> <tr> <td colspan="3">Mortgage Loans</td> </tr> <tr> <td>Residential</td> <td>050</td> <td></td> </tr> <tr> <td>Non-Residential</td> <td>051</td> <td></td> </tr> <tr> <td>Total Mortgage Loans</td> <td>059</td> <td></td> </tr> <tr> <td>Other Investments</td> <td>060</td> <td></td> </tr> <tr> <td>Other Loans</td> <td>061</td> <td></td> </tr> <tr> <td>Total Commercial Loans</td> <td>089</td> <td></td> </tr> <tr> <td>*Commercial Loans as a percent of</td> <td></td> <td></td> </tr> <tr> <td>Total Assets at Book Value</td> <td>099</td> <td style="text-align: center;">%</td> </tr> </tbody> </table>	Par Value (01)	Book Value (02)	Market Value (03)	Commercial Loans Included in:			Bonds and Debentures			Fixed Term	040		Other	041		Total Bonds and Debentures	048		Other Fixed Term Investments			049		Mortgage Loans			Residential	050		Non-Residential	051		Total Mortgage Loans	059		Other Investments	060		Other Loans	061		Total Commercial Loans	089		*Commercial Loans as a percent of			Total Assets at Book Value	099	%
Par Value (01)	Book Value (02)	Market Value (03)																																																		
Commercial Loans Included in:																																																				
Bonds and Debentures																																																				
Fixed Term	040																																																			
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Total Bonds and Debentures	048																																																			
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Mortgage Loans																																																				
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Other Investments	060																																																			
Other Loans	061																																																			
Total Commercial Loans	089																																																			
*Commercial Loans as a percent of																																																				
Total Assets at Book Value	099	%																																																		

FSC-L-2001
Next Page is 70.003

EIGHTH SCHEDULE, *contd.*

70 003

Year _____

Insurer _____

**CAPITAL GAINS AND LOSSES ON INVESTMENTS
REALIZED, NET REALIZED DEFERRED AND NET UNREALIZED AMORTIZED
(JA\$000)**

	Bonds (01)	Mortgage Loans (02)	Equities (03)	Real Estate		Total (06)
				Owned Directly (04)	Owned by Subsidiaries (05)	
001 Realized Gains on Sale or Disposal.....						
002 Realized Loss on Sale or Disposal.....						
003 Net Gain (Loss).....						
007 Writing Up (Down) of Book Value.....						
008 Currency Adjustment.....						
009 Non-Amortizable Gains (Losses).....						
Net Realized Deferred						
010 Balance of Deferred Items - Beginning of Year.....						
014 Adjusted Realized Gain (Loss).....						
017 Subtotal.....						
020 Amortized to Revenue in Year.....						
021 Currency Adjustment.....						
029 Net Deferred Balance - End of Year.....						
Net Unrealized Amortized Gains and Losses						
030 Balance - Beginning of Year.....						
031 Amortized to Revenue in Year.....						
035 Market Value Increase (Decrease)						
038 Less: Amounts Realized During Year.....						
039 Net Amortized During Year.....						
039 Currency Adjustment.....						
049 Balance - End of Year.....						

FSC-L-2001

Next Page is 70.010

EIGHTH SCHEDULE, contd.

		(01)	(02)	(03)	(04)	(05)	(06)
		Bonds	Mortgage Loans	Equities	Owned Directly	Owned by Subsidiaries	Total
		Real Estate					
001	Realized Gains on Sale or Disposal						
002	Realized Loss on Sale or Disposal						
003	Net Gain (Loss)						
007	Writing Up (Down) of Book Value						
008	Current Adjustment						
009	Non-Amortizable Gains (Losses)						
010	Net Realized Deferred						
014	Balance of Deferred Items - Beginning of Year						
017	Adjusted Realized Gain (Loss)						
020	Subtotal						
021	Amortized to Revenue in Year						
029	Net Deferred Balance - End of Year						
030	Net Unrealized Amortized Gains and Losses						
030	Balance - Beginning of Year						
031	Market Value Increase (Decrease)						
035	Less: Amounts Realized During Year						
036	Net Amortized During Year						
039	Current Adjustment						
049	Balance - End of Year						

CAPITAL GAINS AND LOSSES ON INVESTMENTS
 REALIZED, NET REALIZED DEFERRED AND NET UNREALIZED AMORTIZED
 (JA\$000)

Year _____

70 003

Insurer _____

EIGHTH SCHEDULE, contd.

70.021

Insurer

Year

Non-Consolidated
MORTGAGE LOANS - GEOGRAPHIC DISTRIBUTION
Gross (Before Provisions)
(JA\$000)

Location of Property	UNINSURED MORTGAGES						Total Mortgages	Gross Amount (Before Provisions) where Loan in Arrears > 90 days		Total Specific Provisions	
	INSURED Mortgage Total	Residential	Multiple Residential	Office	Retail Stores	Industrial		Other	Insured		Uninsured
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)
Jamaica											
Kingston.....	001										
St. Andrew.....	002										
St. Catherine.....	003										
Clarendon.....	004										
Manchester.....	005										
SE Fitzhugh.....	006										
Westmoreland.....	007										
Hanover.....	008										
St. James.....	009										
Trelawny.....	010										
St. Ann.....	011										
St. Mary.....	012										
Portland.....	013										
St. Thomas.....	014										
Total Jamaica.....	019										
Canada.....	030										
United Kingdom.....	040										
United States of Amer.....	050										
Caribbean Basin.....	060										
Other.....	070										
Grand Total.....	090										

FSC-L-2001
Next Page is 70.022

EIGHTH SCHEDULE, *contd.*

10.021

NON-CONSOLIDATED
UNINSURED MORTGAGE LOANS - SUMMARY BY TYPE - ARREARS, PROVISIONS AND FORECLOSURES IN PROCESS

Year

Insurer

	Gross Mortgage Loans (before provisions) (01)	Net Mortgage Loans (net of provisions) (02)	Loans in Arrears (J\$1000)				Total Foreclosures/ Collections in Process				Impaired Amount (Before Provisions) (11)	
			31 - 60 days		61 - 90 days		Over 90 days		Gross			Net Amount** (10)
			Gross Amount (03)	Net Amount** (04)	Gross Amount (05)	Net Amount** (06)	Gross Amount (07)	Net Amount** (08)	Gross Amount (09)	Net Amount** (10)		
Secured by Properties Located												
Part A - In Jamaica												
Residential												
Single	001											
Multiple	002											
Non-Residential	010											
Total - In Jamaica	018											
Of Which:												
Second and Subsequent Mortgage Loans	020											
Residential VTBs***	021											
Non-Residential VTBs***	022											
Restructured Loans	023											
Part B - Outside Jamaica												
Residential												
Single	030											
Multiple	031											
Non-Residential	040											
Total - Outside Jamaica	046											
Of Which:												
Second and Subsequent Mortgage Loans	050											
Residential VTBs***	051											
Non-Residential VTBs***	052											
Restructured Loans	053											

* Net of general and specific provisions
 ** Net of specific provisions
 *** Vendor Take Back Mortgage Loans

Summary	
FSL-2001	090
Total - Uninsured	091
Total - Insured	091
Total Mortgage Loans	099

EIGHTH SCHEDULE, contd.

Year _____

25 LARGEST UNINSURED MORTGAGE LOANS
(JA1000)

Account Number (01)	Name of Borrower (02)	Number of Days in Arrears (03)	Rate of Interest (04)	Maturity Date (05)	Balance of Loan (Before Provisions) (06)	Specific Provisions (07)	Amount of Cumulative Prior Encumbrances (08)	Address of Property (09)	Security Property Type (10)	Market Value of Property (11)	Year Property Appraised (12)
001											
002											
003											
004											
005											
006											
007											
008											
009											
010											
011											
012											
013											
014											
015											
016											
017											
018											
019											
020											
021											
022											
023											
024											
025											

Insurer _____

FSC-1_2001
Next Page is 70.029

70 029

Insurer

Year

Non-Consolidated
REAL ESTATE - GEOGRAPHIC DISTRIBUTION BY TYPE
 Gross (Before Provisions)
 (JA\$000)

Location of Property

	Residential	Multiple Residential	Office	Retail Stores	Industrial	Other	Total Real Estate	Total Foreclosed Real Estate
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)
Jamaica								
Kingston.....	001							
St. Andrew.....								
St. Catherine.....	003							
Clarendon.....	004							
Manchester.....	005							
St. Elizabeth.....	006							
Westmoreland.....	007							
Hanover.....	008							
St. James.....	009							
Trelawny.....	010							
St. Ann.....	011							
St. Mary.....	012							
Portland.....	013							
St. Thomas.....	014							
Total Jamaica.....	019							
Canada.....	030							
United Kingdom.....	040							
United States of America.....	050							
Caribbean Basin.....	060							
Other.....	070							
Grand Total.....	090							

FSOSI-L-2000
 Next Page is 70.031

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EIGHTH SCHEDULE, contd.

(01)	(02)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(17)	(18)	(19)	(20)	(21)
Address of Property / Part Type	Property Acquired	Year	Book Value	Year of (Write-downs)	Capital Additions	Sum of Capital Additions	Year of Appraisal	Year of Appraised Value	Adjusted Appraised Value (08 + 10)	Amortized Revenue (11-07) x 10%	Foreign Currency Adjustment	Book Value End of Year (07 + 12 + 17)	Specific Provisions	Net Income (including amortization)	Mortgage Loans Outstanding

REAL ESTATE - VALUATION AND AMORTIZATION OF UNREALIZED GAINS AND (LOSSES)

REAL ESTATE OWNED DIRECTLY BY THE COMPANY

(A45000)

70 031

Year

Insurer

Total: 099

FSC-L-2001

Next Page is 70 032

Total Amount (Property Basis) Where Adjusted Appraised Value is Less Than Book Value

080

(01)

Identify with an asterisk properties acquired by foreclosure

[The Inclusion of this page is authorized by L.N. 33A/2001]

Insurer _____

Year _____

REAL ESTATE - 15 LARGEST - FORECLOSED PROPERTIES
(JAS000)

Account Number (01)	Description of Property		Percent Ownership (04)	Date Foreclosed (dd,mm,yy) (05)	Book Value after Write-down (06)	Appraised Value (07)	Date of Appraisal (08)	
	Address (02)	Type (03)						
Part A - Owned Directly by Company								
001								
002								
003								
004								
005								
006								
007								
008								
009								
010								
011								
012								
013								
014								
015								
016	All Others							
017	Total Owned Directly by Company							
Part B - Owned by Subsidiaries								
020								
021								
022								
023								
024								
025								
026								
027								
028								
029								
030								
031								
032								
033								
034								
035	All Others							
036	Total Owned by Subsidiaries							
Total Owned Directly by Company and Owned by Subsidiaries					099			

FSC-L-2001
Next Page is 70.038

[The inclusion of this page is authorized by L.N. 33A/20051]

EIGHTH SCHEDULE, contd.

REAL ESTATE - 16 LARGEST - OWN USE (IN \$000)											
Account Number	Description of Property	Address	Type	Percent Ownership	Date Acquired	Book Value	Appraised Value	Date of Appraisal (dd/mm/yy)	Mortgage Loans Payable	Part A - Owned Directly by Company	
										(01)	(02)
001											
002											
003											
004											
005											
006											
007											
008											
009											
010											
011											
012											
013											
014											
015											
016											
Part B - Owned Directly by Company											
Total Owned Directly by Company											
017											
Part C - Owned by Subsidiaries											
Total Owned by Subsidiaries											
018											
019											
020											
021											
022											
023											
024											
025											
026											
027											
028											
029											
030											
031											
032											
033											
034											
035											
Total Owned Directly by Company and Owned by Subsidiaries											
036											
Total Owned Directly by Company											
037											
038											
039											
040											
041											
042											
043											
044											
045											
046											
047											
048											
049											
050											
051											
052											
053											
054											
055											
056											
057											
058											
059											
060											
061											
062											
063											
064											
065											
066											
067											
068											
069											
070											
071											
072											
073											
074											
075											
076											
077											
078											
079											
080											
081											
082											
083											
084											
085											
086											
087											
088											
089											
090											
091											
092											
093											
094											
095											
096											
097											
098											
099											
100											

[The inclusion of this page is authorized by L.N. 33/V/2005]

Insurer _____ Year _____

EIGHTH SCHEDULE, contd.

REAL ESTATE - 15 LARGEST - INVESTMENT/INCOME PRODUCING										
Account Number	Description of Property	Address	Type	Percent Ownership (04)	Date Acquired (dd.mm.yy) (05)	Book Value (06)	Specific Provisions (07)	Appraised Value (08)	Date of Appraisal (09)	Mortgage Loans Payable (10)
001	Part A - Owned Directly by Company									
002										
003										
004										
005										
006										
007										
008										
009										
010										
011										
012										
013										
014										
015										
016	All Others									
017	Total Owned Directly by Company									
Part B - Owned by Subsidiaries										
020										
021										
022										
023										
024										
025										
026										
027										
028										
029										
030										
031										
032										
033										
034										
035	All Others									
036	Total Owned by Subsidiaries									
Total Owned Directly by Company and Owned by Subsidiaries										
099										

Form Page 8 of 050
FSC-1-2001

[The inclusion of this page is authorized by L.N. 33/A/2005]

EIGHTH SCHEDULE, contd.

70 050

Year

NON-CONSOLIDATED
SUMMARY OF PROVISIONS

(JAS000)

	Cumulative Provision- Prior Year End		Movement				Foreign Currency Adjustment	Cumulative Provisions Current Year End		Current Year Additional Write-downs	
	General	Total	Additional Provisions		Release of Provisions			General	Specific		Total (Col 10+11)
			General	Specific	General	Specific					
	(01)	(02)	(04)	(05)	(06)	(07)	(08)	(10)	(11)	(12)	
										(13)	

001 Bonds & Debentures.....
 002 Mortgage Loans.....
 003 Other Loans.....
 010 Real Estate.....
 011 Shares.....
 019 Other Equity Investments.....
 029 Total.....

039 Total Valuation Margin for
 Asset Default Included in
 Actuarial Reserves.....

FSC-1-2001
 Next Page is 70 050

EIGHTH SCHEDULE, contd.

70.060

Insurer _____ Year _____

ACCOUNTS RECEIVABLE AND OTHER ASSETS

(JA\$000)

Reference Page	Description of Assets	Amount Due		Provision for Unpaid Balances (03)
		Current (01)	In Arrears (02)	
	Accounts Receivable from Subsidiaries and Affiliates			
	Name of Subsidiary or Affiliate			
	..... 001			
	..... 002			
	..... 003			
	..... 004			
	..... 005			
	..... 006			
	..... 007			
	..... 008			
	Total Receivable from Subsidiaries and Affiliates..... 019			
	Other Accounts Receivable			
40.050	Outstanding Premiums..... 020			
	Agents' Debit Balances..... 021			
	Brokers' Balances..... 022			
	Registered Insurers & Approved Reinsurers... 023			
	Other Insurers..... 025			
	Other Receivables..... 029			
	Total Other Accounts Receivable..... 039			

	Balance Beg. of Year (01)	Additions/ Dispositions & Expensed During Year (02)	Balance End of Year (03)
GOODWILL AND OTHER ASSETS			
Goodwill..... 040			
Furniture and Equipment (less accumulated depreciation)..... 050			
Prepaid and Deferred Charges..... 051			
Intangibles (excluding Goodwill)..... 052			
Transfer to Company's own Segregated Funds... 055			
Other (specify)..... 060			
..... 061			
..... 062			
Total..... 069			

FSC-L-2001
Next Page is 53.010

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, contd.

83.010

Insurer	IN JAMAICA ONLY NON-CONSOLIDATED FINANCIAL STATEMENTS	Year
ASSETS		
(JA\$000)		
Cash.....	002	
Accrued Investment Income.....	007	
Accounts Receivable.....	010	
Investments and Loans:		
Fixed Term Investments:		
	015	
Policy Loans.....	020	
Other Loans.....	021	
Bonds and Debentures:		
Fixed Term.....	023	
Convertible.....	024	
Other.....	028	
Mortgage Loans.....	030	
Preferred Shares-Fixed Term.....	031	
Total Fixed Term Investments.....	039	
Equity Investments:		
Preferred Shares.....	042	
Common Shares.....	045	
Real Estate.....	051	
Other Equity Investments.....	059	
Total Equity Investments.....	060	
Other Invested Assets.....	062	
Total Investments and Loans.....	070	
Interest in Joint Ventures.....	078	
Investments in Subsidiaries.....	079	
Deferred Income Taxes.....	080	
Goodwill and Other Assets.....	081	
TOTAL ASSETS.....	089	
Total Assets in Segregated Funds.....	099	

Note: If a Company does not transact any business outside of Jamaica, Pages 83.010 to 85.070 need not be completed but should be marked "N/A"

FSC-L-2001
Next Page is 83.020

EIGHTH SCHEDULE, *contd.*

83.020

Insurer

Year

IN JAMAICA ONLY
NON-CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES

(JA\$000)

Reference Page		Current Year (01)	Prior Year (02)
	Liabilities		
	Net Actuarial Liabilities		
85.070	Under Insurance Policies..... 002		
85.070	Under Annuity Contracts..... 003		
	Provision for Policyholder Dividends and		
	..... 011		
	Outstanding Claims and Adjustment Expenses..... 012		
	Policyholder Amounts on Deposit..... 013		
	Other Insurance Policy & Contract Liabilities..... 014		
	Accounts Payable..... 031		
	Income Taxes Payable..... 032		
	Mortgage Loans and Other Real Estate Encumbrances 033		
	Other Liabilities..... 039		
	Net Deferred Gains (Losses) on Disposal of		
	Portfolio Investments..... 040		
	Deferred Income Taxes..... 049		
	Subordinated Debt..... 050		
	Other Debt..... 052		
	TOTAL LIABILITIES..... 069		

Total Liabilities in Segregated Funds..... 099

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FSC-L-2001
Next Page is 83.030

THE INSURANCE REGULATIONS, 2001

EIGHTH SCHEDULE, *contd.*
83.030

Insurer

Year

IN JAMAICA ONLY
NON-CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

(JA\$000)

Reference Page		Current Year (01)	Prior Year (02)
	Revenue		
	Premiums		
	Insurance.....001		
	Annuities.....003		
	Net Investment Income.....010		
	Other Revenue.....023		
	Total Revenue.....029		
	Policy Benefits and Expenses		
	Policyholder Benefits		
	Claims.....030		
	Annuity Payments.....031		
	Other.....032		
	Net Changes to Policy Liabilities		
	Insurance.....033		
	Annuities.....034		
	Policyholder Dividends and Experience		
	Rating Refunds.....035		
	Transfer to and (Transfer from) Other Funds.....036		
	Commissions.....040		
	Interest on Policyholder Amounts on Deposit.....051		
	Interest on Subordinated Debt.....052		
	Other Interest Expense.....053		
	General Expenses and Taxes (excl. Income Taxes).....060		
	Total Benefits and Expenses.....068		
	Net Income Before Income Tax		
	and Extraordinary Items.....069		
	Provision for Income Taxes		
	Current.....071		
	Deferred.....072		
	Net Income (Loss) from Subsidiaries.....073		
	Net Operating Income Before Extraordinary Items.....080		
	Extraordinary Items (net of income taxes of \$ OSIL-2000).....085		
	Net Income.....089		

Net Income is Attributable to:			
Participating Policyholders.....	101		
Non-Participating Account (Mutual Cos. Only).....	103		
Shareholders.....	105		
Total.....	109		

FSC-L-2001
Next Page is 84.010

Insurer

Year

IN JAMAICA ONLY

POLICYHOLDER BENEFITS PAID AND INCURRED AND OUTSTANDING CLAIMS* - LIFE
 Net of Reinsurance Ceded

(JA\$000)

	Participating					Non-Participating				Total (11)	
	Individual		Group		Total Par (05)	Individual		Group			
	Insurance (01)	Annuity (02)	Insurance (03)	Annuity (04)		Insurance (06)	Annuity (07)	Insurance (08)	Annuity (09)		Total Non-Par (10)
POLICYHOLDER BENEFITS PAID AND INCURRED											
Claims: Death Claims	001										
Accidental Death Claims	002										
Disability Claims	003										
Matured Endowments	004										
Annuity Payments	005										
Surrender Values	006										
Other	007										
Total Net Claims Incurred	019										
Total Reinsurance Ceded-Claims	029										
OUTSTANDING CLAIMS*											
Death Claims	030										
Accidental Death Claims	031										
Disability Claims	032										
Matured Endowments	033										
Annuity Payments	034										
Surrender Values	035										
.....	036										
Provision for Unreported Claims	049										
Total	059										
Due from other Companies on Reinsured Contracts for Claims Paid	069										

*Including Provision for Unreported Claims

FSC-L-2001
 Next Page is 84 030

[The inclusion of this page is authorized by L.N. 33/A/2003]

84 010

Insurer

Year

**IN JAMAICA ONLY
ACCIDENT AND SICKNESS BUSINESS
PREMIUMS, CLAIMS, AND POLICYHOLDER DIVIDENDS AND EXPERIENCE RATINGS REFUNDS
(JA\$000)**

	Individual Cancellable			Individual Non-cancellable			Group			Total			Total	
	Premiums		Claims*	Premiums		Claims*	Premiums		Claims*	Premiums		Claims*	Claims Incurred	Dividends & LRR
	Written (01)	Earned (02)	(03)	Written (04)	Earned (05)	(06)	Written (07)	Earned (08)	(09)	Written (10)	Earned (11)	(12)	(13)	(14)
Written Business														
Income Replacement	001													
Creditor Disability	002													
Accidental Death and Dismemberment	003													
Medical Care	004													
Dental	005													
Other	006													
Total Direct	009													
Reinsurance Assumed	011													
Reinsurance Ceded	012													
Total Net (Benefits on Paid Basis)	019													
Change in Net Claim Liabilities														
Instalment Claims														
At end of year	020													
At beginning of year	021													
Currency Adjustment	022													
Change	023													
Other than Instalment Claims														
At end of year	024													
At beginning of year	025													
Currency Adjustment	026													
Change	027													
Total change in Claim Liabilities	029													
Change in Provision for Dividends & ERR	030													
Net Incurred	049													

*Enter amounts paid in rows 001 to 009, columns 03, 06, 09 and 12.

Total Direct Premiums Written	Individual (05)	Group (06)	Total (07)
First Year	055		
Renewal	056		
Claims Ratio	090		

FSC4-2001
Next Page is 84 040

[The inclusion of this page is authorized by L.N. 33A/2005]

EIGHTH SCHEDULE, contd.

Insurer	Year	IN JAMAICA ONLY										Total Net	
		ACCIDENT AND SICKNESS BUSINESS											
		CLAIMS LIABILITIES (OTHER THAN INSTALMENT CLAIMS)											
		(JA\$'000)											
Direct		Reinsurance Assumed			Reinsurance Ceded			Net		Total Net			
Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group				
Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable	Non-Cancellable			
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)	
Amounts due on Reported Claims	001												
Amounts not yet due on Reported Claims	002												
Provision for incurred but not reported claims	003												
Provision for adjustment expenses	004												
Other	005												
Total	019												

FSC-L-2001
Next Page is 35.010

[The inclusion of this page is authorized by L.N. 33A/2005]

85.010

Insurer _____

Year _____

IN JAMAICA ONLY
 MOVEMENT OF LIFE INSURANCE POLICIES (GROSS)
 (JAS000)

		Individual				Number of Policies	Number of Certificates*	Group		Total Amount	
		Direct Written		Reinsurance Assumed				Amount	Reinsurance Assumed		
		Number of Policies (01)	Amount (02)	Number of Policies (03)	Amount (04)				Number of Certificates (08)		Amount (09)
In Force - Beginning of Year.....	001										
Written.....	002										
Old Revived.....	003										
New Bonus Additions.....	004										
Old Increased (net).....	006										
.....	007										
Total.....	019										
Less Ceased by											
Death.....	020										
Maturity.....	021										
Disability.....	022										
Expiry.....	023										
Surrender.....	024										
Lapse.....	025										
Withdrawal with conversion.....	026										
Decrease (net).....	027										
.....	028										
Total Ceased.....	039										
Currency Revaluation.....	040										
In Force - End of Year.....	049										

*Include Number of Certificates Under Shared Groups Counted on a Pro Rata Basis.
 FSC-L-2001
 Next Page is 85.020

[The inclusion of this page is authorized by L.N. 33A/2003]

EIGHTH SCHEDULE, contd.

#N/A Insurer 85 020 #N/A Year

IN JAMAICA ONLY

ANALYSIS OF AMOUNTS OF LIFE INSURANCE EFFECTED, IN FORCE AND CEASED (JA\$000)

	Participating		Non-Participating		Total (05)
	Individual (01)	Group (02)	Individual (03)	Group (04)	
New Effected					
Written	001				
Reinsurance Assumed	002				
Reinsurance Ceded	003				
Net					
In Force					
Written	010				
Reinsurance Assumed	011				
Reinsurance Ceded	012				
Net	013				
Net Amount Ceased					
By Death	020				
By Maturity	021				
Other	022				

GROSS AMOUNT OF LIFE INSURANCE EFFECTED CLASSIFIED BY PLAN OF POLICY (JA\$000)

	Participating		Non-Participating		Total (05)
	Individual (01)	Group (02)	Individual (03)	Group (04)	
Life	030				
Endowment	031				
Term	032				
Other	033				
Total	039				

GROSS AMOUNT OF LIFE INSURANCE IN FORCE CLASSIFIED BY PLAN OF POLICY (JA\$000)

	Participating		Non-Participating		Total (05)
	Individual (01)	Group (02)	Individual (03)	Group (04)	
Life	040				
Endowment	041				
Term	042				
Other	043				
Total	049				

GROSS AMOUNT OF GROUP LIFE INSURANCE IN FORCE CLASSIFIED BY TYPE OF GROUP COVERED (JA\$000)

Type of Group Covered	Group Term (01)	Group Permanent (02)	Total (03)
	Employees	050	
Creditors of Banks, Trust Companies			
Finance Companies, Credit Unions, etc	051		
Members of Unions, Associations, etc	052		
.....	053		
Total	059		

FSC-L-2001
Next Page is 85.040

85 040

#N/A
Insurer

#N/A
Year

IN JAMAICA ONLY
MOVEMENT OF ANNUITIES (GROSS)
INDIVIDUAL AND SETTLEMENT ANNUITIES

(JA\$000)

	Individual Annuities						Settlement Annuities		
	Deferred			Immediate			Number	Annual Payment	
	Number	Account Value	Annual Payment	Annuity Certain		Life Annuities			
(01)	(02)	(03)	Number	Annual Payment	Number	Annual Payment	(08)	(09)	
In Force - Beg. of year.....	001								
Deposits.....	003								
Written.....	004								
Old Revived.....									
Old Increased (net).....	006								
Interest Credited.....	007								
Corrections.....	010								
Transfers in from Annuity Accounts.....	012								
Total.....	019								
Less Ceased By:									
Payment.....	021								
Surrender.....	022								
Other.....	023								
Transfers out of Annuity Accounts.....	025								
Corrections.....	030								
Total Ceased.....	039								
Currency Revaluation.....	049								
In Force, End of Year.....	059								
Reinsurance In Force:									
Assumed.....	069								
Ceded.....	079								

FSC-L-2001
Next Page is 85,041

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EIGHTH SCHEDULE, *contd.*

85.041

#N/A
Insurer

#N/A
Year

IN JAMAICA ONLY
MOVEMENT OF ANNUITIES (GROSS)
GROUP AND DISABILITY ANNUITIES
(JAS000)

	Group annuities						Disability Annuities	
	Deferred				Immediate		Number (07)	Annual Payment (08)
	Number of Contracts (01)	Number of Certificates (02)	Account Value (03)	Annual Payment (04)	Number of Certificates (05)	Annual Payment (06)		
In Force—Beg. of year	001							
Deposits	003							
Written	004							
Old Revived								
Old Increased (net)	006							
Interest Credited	007							
Corrections	010							
Transfers in from Annuity Accounts ..	012							
Total	019							
Less Ceased By:								
Payment	021							
Surrender	022							
Other	023							
Transfers out of Annuity Accounts	025							
Corrections	030							
Total Ceased	039							
Currency Revaluation	049							
In Force, End of Year	059							
Reinsurance in Force:								
Assumed	069							
Ceded	079							

Number of Group Annuity Certificates in Force if the Number Under Shared Groups is Counted on a Pro-Rata Basis:

Deferred.....089 (02) Immediate.....089 (05)

FSC-L-2001
Next Page is 85.70

SH-30

EIGHTH SCHEDULE, *contd.*

85.070

Insurer

Year

IN JAMAICA ONLY
ACTUARIAL LIABILITIES—SUMMARY

(JA\$000)

	Current Year		Prior Year	
	Gross (01)	Net (02)	Gross (03)	Net (04)
Life Insurance				
Par Individual..... 001				
Group..... 002				
Subtotal..... 003				
Non-Par Individual..... 004				
Group..... 005				
Subtotal..... 006				
Total Insurance..... 009				
Annuities				
Par Individual..... 011				
Group..... 012				
Subtotal..... 013				
Non-Par Individual..... 014				
Group..... 015				
Subtotal..... 016				
Total Annuities..... 019				
Total Life Actuarial Liabilities..... 029				
Health				
Individual..... 031				
Group..... 032				
Total Health Actuarial Liabilities..... 039				

FSC-L-2001
This is the last page

NINTH SCHEDULE

(Regulation 32)

QUARTERLY FINANCIAL STATEMENTS FOR LIFE AND HEALTH INSURERS

..... Insurer Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
INCOME STATEMENT
(JA\$)

	Current Quarter (Y-T-D)	Prior Quarter (Y-T-D)	Prev/Pre Quarter (03)
	(01)	(02)	Enter Prem. Inc. Only
Revenue			
Premium Income..... 001			
Net Investment Income..... 002			
Other Revenue..... 003			
Total Revenue..... 019			
Policy Benefits and Expenses			
Policy Benefits			
Claims..... 020			
Annuity Payments..... 021			
Policy Surrenders..... 022			
Other..... 023			
Expenses			
Commissions..... 024			
Other Sales Expenses..... 025			
Bad Debt Expenses..... 026			
Management Expenses (Segregated Fund.... 027			
Provisions Increase/(Decrease)..... 028			
Interest on Policyholder Amounts on Deposit 029			
Reinsurance Premiums..... 030			
Administrative Expenses and Taxes..... 035			
Operating Expenses..... 049			
(Increase)/Decrease in Actuarial Reserve..... 050			
Transfer (to)/from Reserves..... 051			
Net Income Before Interest Expenses			
and Tax..... 059			
Interest on Subordinated Debt..... 060			
Other Interest Expense..... 061			
Net Income Before Tax			
and Extraordinary Items..... 069			
Provisions for Taxes..... 070			
Net income (Loss) From Subsidiaries..... 071			
Net Operating Income Before Extraordinary Items... 079			
Extraordinary Items net of taxes..... 080			
Net Income..... 089			

THE INSURANCE REGULATIONS, 2001

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
OTHER REVENUE STATEMENT
(JAS)

	Current Quarter (Y-T-D)	Prior Quarter (Y-T-D)
	(01)	(02)
Management Fees for Segregated Funds.....001		
Net Settlement Annuities..... 002		
Specify Other Revenue Items		
..... 007		
..... 008		
..... 009		
Total Other Revenue.....019		

NINTH SCHEDULE, *contd.*

Insurer

Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
NET INVESTMENT INCOME STATEMENT
(JA\$)

	Current Quarter (Y-T-D)	Prior Quarter (Y-T-D)
	(01)	(02)
Bonds:		
Interest 001		
Accrual of Discount and Amortization of Premium 003		
Equities		
Dividends 011		
Realized Gains and (Losses) 013		
Mortgage Loans:		
Interest 021		
Net Realized Gains and (Losses) 023		
Real Estate:		
Rent & Maintenance Income including for Company's Own use 031		
Realized Gains and (Losses)* 033		
Interest on Policy Loans 040		
Interest on Deposits and Certificates 041		
Interest on Overdue Premiums 042		
Income from Derivative Activities 043		
Income from Other Investments 044		
Less:		
Provisions for Losses 050		
Write-Downs 051		
Gross Investments Income 059		
Less:		
Investments Expenses (other than Investment Taxes) 060		
Investments Taxes 061		
Net Investment Income 079		

*Net income (loss from subsidiaries as reported on the income statement, line 071, is net, of the amount included here in respect of real estate owned by subsidiaries).

**Includes maintenance expenses incurred on real estate.

OSI-L (1998)

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
ADMINISTRATIVE EXPENSES & TAXES STATEMENTS
(JA\$)

	Current Quarter (Y-T-D)	Prior Quarter (Y-T-D)
	(01)	(02)
Rent..... 010		
Salaries, Wages and Allowances..... 020		
Employee's and Agents' Welfare..... 023		
Professional and Service Fees and Expenses..... 030		
Miscellaneous Expenses..... 035		
Stamp Duty on Policy Contracts..... 040		
Premium Taxes..... 050		
Supervision and Examination..... 060		
Licences and Fees..... 070		
Miscellaneous Taxes..... 080		
Total Administrative Expenses and Taxes..... 090		

OSI-L (1998)

NINTH SCHEDULE, contd.

Insurer	Quarter		
NON-CONSOLIDATED FINANCIAL STATEMENTS LIFE INSURANCE COMPANY ADMINISTRATIVE EXPENSES & TAXES STATEMENTS (IAS)			
	Current Quarter (Y-T-D)	Prior Quarter (Y-T-D)	Prev/Pre Quarter (Y-T-D)
	(01)	(02)	(03)
Cash..... 002			
Accrued Investment Income..... 005			
Accounts Receivable..... 009			
INVESTMENTS & LOANS			
Fixed Term Investments:			
Short Term Investments..... 010			
Policy Loans..... 015			
Other Loans..... 016			
Bonds and Debentures:			
Fixed Term..... 020			
Convertible..... 024			
Other..... 025			
Mortgage Loans..... 030			
Preferred Shares-Fixed Term..... 031			
Total Fixed Term Investments..... 039			
Real Estate..... 040			
Equity Investments			
Preferred Shares..... 052			
Common Shares..... 055			
Other Equity Investments..... 059			
Total Equity Investments..... 060			
Other Invested Assets..... 062			
TOTAL INVESTMENTS & LOANS.. 070			
Investments in Related Companies..... 078			
Investments in Subsidiaries..... 079			
Fixed Assets..... 080			
Statutory Receivables..... 081			
Other Assets..... 082			
TOTAL ASSETS..... 089			
Total Assets in Segregated Funds..... 099			

OSI-L (1998)

NINTH SCHEDULE, *contd.*

Insurer

Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
STATEMENT OF LIABILITIES, POLICYHOLDERS' & SHAREHOLDERS' EQUITY
(JA\$)

	Current Quarter (Y-T-D) (01)	Prior Quarter (Y-T-D) (02)	
Liabilities			
Net Actuarial Liabilities			
Life Assurance Fund..... 002			
Annuity Contracts..... 003			
Policyholder Funds on Deposit..... 010			
Provisions for Policyholder Dividends..... 011			
Outstanding Claims and Adjustments Expenses 012			
Policyholder Amounts on Deposit..... 013			
Other Insurance Policy & Contract Liabilities 014			
Accounts Payable..... 031			
Mortgage Loans and Other Real			
Estate Encumbrances..... 033			
Other Liabilities..... 039			
Net Deferred Gains (Losses) on Disposal of Portfolio Investments..... 040			
Subordinated Debt..... 050			
Other Debt..... 052			
Taxes Payable..... 053			
Total Liabilities..... 059			
Reserves			Prev/Pre qtr. Figures
Capital Reserve..... 065			
Investment Reserve..... 067			
Total Reserve..... 069			
Policyholders' Equity			
Participating Account..... 061			
Non-Participating Account (Mutual Companies Only)... 062			
Total Policyholders Equity..... 065			
Shareholders' Equity			
Capital Stock..... 070			
Share Premium..... 071			
Profit/Loss Account..... 072			
Total Shareholders' Equity..... 075			
TOTAL LIABILITIES AND EQUITY..... 089			
Total Liabilities in Segregated Funds..... 099			

OSI-L (1998)

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
INSURANCE IN FORCE SUMMARY
(Units)

	Current Quarter (01)	Prior Quarter (02)
Balance from Prior Quarter 001		
ADDITIONS		
Issue..... 002		
Reinstatements..... 003		
Adjustments..... 004		
Total On..... 009		
REDUCTIONS		
Death..... 010		
Maturities..... 011		
Expiries..... 012		
Surrenders..... 013		
Lapses..... 014		
Conversions..... 015		
Total Off..... 019		
Net Increase/(Decrease)..... 020		
Balance at Current Quarter 029		

THE INSURANCE REGULATIONS, 2001

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

NON-CONSOLIDATED FINANCIAL STATEMENTS
LIFE INSURANCE COMPANY
EARLY WARNING TEST RESULTS & RATIO ANALYSIS

	Current Quarter (01)	Standard Met?	Prior Quarter (02)	Standard Met?	FSC Standard
<u>Insurance Risk Ratio</u>					
<u>Investment in Real Estate</u>					
<u>Change in NPW</u>					
<u>Test of Receivables</u>					
<u>Return on Investment</u>					
<u>Earnings Ratio</u>					
<u>Solvency Ratio</u>					
<u>Solvency Margin</u>					
<u>Net Investment Income Ratio</u>					
<u>Change in Capital & Surplus</u>					
<u>Profitability</u>					
<u>Liquid Assets/Total Liabilities</u>					
<u>Lapses & Surrenders</u>					

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

NOTES TO RATIO ANALYSIS

Test/Ratio

Line Items

<p>Insurance Risk Ratio: <u>Net Premiums Written</u> Capital & Surplus</p>	<p>Current Quarter</p>	<p>Prior Quarter</p>
<p>This is a measure of the company's ability to absorb financial shocks. The higher the ratio of premiums surplus, the greater is the potential risk borne by the company in relation to the surplus available to absorb loss variations. It is used only to judge the magnitude of an insurer's exposure to risk through policy issuance in excess of the surplus strain the company may be able to absorb.</p>		

<p>Investment in Real Estate: <u>Real Estate Investments</u> Capital & Surplus</p>	<p>Current Quarter</p>	<p>Prior Quarter</p>
<p>Measures company's ability to absorb potential financial losses due to real estate investments. Real estate for personal use has not been included in the real estate investments.</p>		

<p>Change in NPW: <u>Present Mth NPW-Prior Mth NPW</u> Prior Mth. NPW</p>	<p>Current Quarter</p>	<p>Prior Quarter</p>
<p>Significant increases in the volume of net premiums written could indicate the company's adoption of lenient underwriting practices by accepting higher risks at an insufficient price, thus not collecting enough premiums for future claims. Major decreases in premiums may indicate the company's insufficient influx of premium cash to cover present claims liabilities.</p>		

<p>Test of Receivables: <u>Account Receivable</u> Capital & Surplus</p>	<p>Current Quarter</p>	<p>Prior Quarter</p>
<p>Measures the company's solvency, should receivables become unrecoverable or delayed. Any amount exceeding 100% indicates a potential financial strain on the company's operating funds due to exhaustion of capital and surplus being used to compensate for delayed or unrecoverable accounts receivable.</p>		

Notes to Ratios

NINTH SCHEDULE, *contd.*.....
Insurer.....
Quarter

NOTES TO RATIO ANALYSIS

Return on Investments:	Current Quarter	Prior Quarter
-------------------------------	-----------------	---------------

<u>Investment Income</u>		
--------------------------	--	--

Avg. Investments for last two mths.		
-------------------------------------	--	--

ROI can help counterbalance poor underwriting. If ROI is lower than industry average, this may indicate that the company is mismanaging assets.

Earnings Ratio:	Current Quarter	Prior Quarter
------------------------	-----------------	---------------

<u>Net Income</u>		
-------------------	--	--

Capital & Surplus.		
--------------------	--	--

Determines financial performance of the company by calculating the present rate of return of capital and surplus.

Solvency Ratio:	Current Quarter	Prior Quarter
------------------------	-----------------	---------------

<u>Capital & Surplus</u>		
------------------------------	--	--

Total Liabilities		
-------------------	--	--

Measures the company's leverage. The higher the ratio, the more the company is able to absorb financial distress and withstand difficult periods.

Solvency Margin	Current Quarter	Prior Quarter
------------------------	-----------------	---------------

<u>Retained Earnings-Minimum Required Capital</u>		
---	--	--

1% Life Reserves + 10% Annuity & Supp. Contracts		
--	--	--

Reserve + 10% other Premiums Earned		
-------------------------------------	--	--

This measures the ability of the life insurer to withstand adverse experience in underwriting or investments. Using this ratio, a margin is being required in addition to the minimum capital required by law. Since the minimum capital requirement is static, it is being supplemented with a measurement that is tied to the degree of risk to which the insurer is exposed.

NINTH SCHEDULE, *contd.*.....
Insurer.....
Quarter

NOTES TO RATIO ANALYSIS

Net Investment Income Ratio:	Current Quarter	Prior Quarter
<u>Net Investment Income</u>		
Average Cash + Avg. investments		
<p>This is a more stringent investment return criterion which is being compared to the risk free return available on BOJ instruments. The company is seeking to earn a specified amount of income to pay expected benefits. Non-performing Investments call into question the safety of the entire investment.</p>		

Change in Capital & Surplus:	Current Quarter	Prior Quarter
<u>Current Period C & S - Prior Period C & S</u>		
Prior Period Capital & Surplus		
<p>This objectively measures the performance of management, investment operations and insurance underwriting. It is a fundamental measure of a company's financial condition, indicating trends in an insurer's capital and surplus.</p>		

Profitability	Current Quarter	Prior Quarter
<u>Net Operating Income Before Taxes</u>		
Premium Income		
<p>This ratio picture a life insurer's success in operating its business. It focuses on the insurer's results from its business operations. Note that a negative value may simply be as a result of short term losses arising from selling a new product. Likewise, a larger than usual short term profit may mean the insurer does not have the ability to withstand a long term rise in claim costs.</p>		

Notes of Ratios

NINTH SCHEDULE, *contd.*

..... Insurer Quarter

Lapses & Surrenders	Current Quarter	Prior Quarter
<u>Annualized (Lapses + Surrenders)</u>		
Existing + Net New Business		
<p>Failure to retain business will eventually lead to net losses from operations because most of the costs associated with the new business are not recoverable. A high value for this ratio suggests people are buying policies which they are later not happy with. Note that lapses and surrenders have been annualized.</p>		

TENTH SCHEDULE

(Regulation 33)

ANNUAL STATEMENTS FOR GENERAL INSURERS

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.10

Year

ANNUAL RETURN
for the year ended

01

02	Insurer	Insurance Co.	
03	Head Office Address	_____	
04		_____	
05	Mailing Address	_____	_____
06	(if different)	_____	_____
07	Telephone	_____	
08	Fax	_____	
20	Contact	_____	
21	Title	_____	
22	Telephone	_____	
23	Fax	_____	

30	Officers as at (date of filing return)		
36	President/Chief Executive Officer	_____	
37	Citizenship	_____	
38	Address	_____	
39		_____	_____
41	Chief Financial Officer	_____	
42	Citizenship	_____	
43	Address	_____	
44		_____	_____
51	Secretary	_____	
52	Citizenship	_____	
53	Address	_____	
54		_____	_____

61	External Auditor*	_____	
62	Partner	_____	
63	Address	_____	
64		_____	_____
65	Telephone	_____	
66	Fax	_____	

72	Actuary*	_____	
73	Address	_____	
74		_____	_____
75	Telephone	_____	
76	Fax	_____	

* An Auditor's Report and an Actuary's Report are Required to be Filed with the Annual Return.

FSC-G-2001
Next Page is 10.15

TENTH SCHEDULE. *contd.*

Insurance Co.
Insurer

10.15

Year

01

DIRECTORS as at:

(Date of filing return)

Chairperson of the Board		
10	Name	_____
11	Citizenship	_____
12	Address	_____
13		_____
Chairperson of the Audit Committee		
15	Name	_____
16	Citizenship	_____
17	Address	_____
18		_____
Chairperson of the Conduct Review Committee		
20	Name	_____
21	Citizenship	_____
22	Address	_____
23		_____
25	Name	_____
26	Citizenship	_____
27	Address	_____
28		_____
30	Name	_____
31	Citizenship	_____
32	Address	_____
33		_____
35	Name	_____
36	Citizenship	_____
37	Address	_____
38		_____
40	Name	_____
41	Citizenship	_____
42	Address	_____
43		_____

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.15, *contd.*

Year

01

DIRECTORS, *contd.*

(Date of filing return)

45	Name	_____	
46	Citizenship	_____	
47	Address	_____	
48		_____	
50	Name	_____	_____
51	Citizenship	_____	
52	Address	_____	
53		_____	
55	Name	_____	_____
56	Citizenship	_____	
57	Address	_____	
58		_____	
60	Name	_____	_____
61	Citizenship	_____	
62	Address	_____	
63		_____	_____

OSI-G (Revised 2000)
Next Page is 10.30

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.16

Year

DIRECTORS, *contd.*

10	Name	_____	
11	Citizenship	_____	
12	Address	_____	
13		_____	
15	Name	_____	
16	Citizenship	_____	
17	Address	_____	
18		_____	
20	Name	_____	
21	Citizenship	_____	
22	Address	_____	
23		_____	
25	Name	_____	
26	Citizenship	_____	
27	Address	_____	
28		_____	
30	Name	_____	
31	Citizenship	_____	
32	Address	_____	
33		_____	
35	Name	_____	
36	Citizenship	_____	
37	Address	_____	
38		_____	
40	Name	_____	
41	Citizenship	_____	
42	Address	_____	
43		_____	
45	Name	_____	
46	Citizenship	_____	
47	Address	_____	
48		_____	

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.16, *contd.*

Year

DIRECTORS, *contd.*

50	Name	_____	
51	Citizenship	_____	
52	Address	_____	
53		_____	
55	Name	_____	_____
56	Citizenship	_____	
57	Address	_____	
58		_____	
60	Name	_____	_____
61	Citizenship	_____	
62	Address	_____	
63		_____	_____

FSC-G-2001
Next Page is 10.20

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.20

Year

SHARE CAPITAL

Class and Full Description (01)	Authorized		Issued		
	Number (02)	Amount (03)	Number (04)	Amount Paid (05)	Amount Unpaid (06)
Ordinary		\$'000		\$'000	\$'000
01 _____					
02 _____					
03 _____					
Preference					
04 _____					
05 _____					
06 _____					
Total	09				

SHAREHOLDERS
(MAJOR PREFERENCE)

	Name (01)	Location Address (02)	Number of Shares Held (03)	% of Voting Rights (04)	Amount Paid (05)
					\$'000
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
Total	59			100%	

TENTH SCHEDULE, *contd.*

Insurance Co.
Insure

10.20

Year

**SHAREHOLDERS
(MAJOR ORDINARY)**

	Name (01)	Location Address (02)	Number of Shares Held (03)	% of Voting Rights (04)	Amount Paid (05) \$'000	% of Total Shares Held
61						
62						
63						
64						
65						
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
Total			89	100%		

FSC-G-2001
Next Page is 10.30

TENTH SCHEDULE, *contd.*

10.30

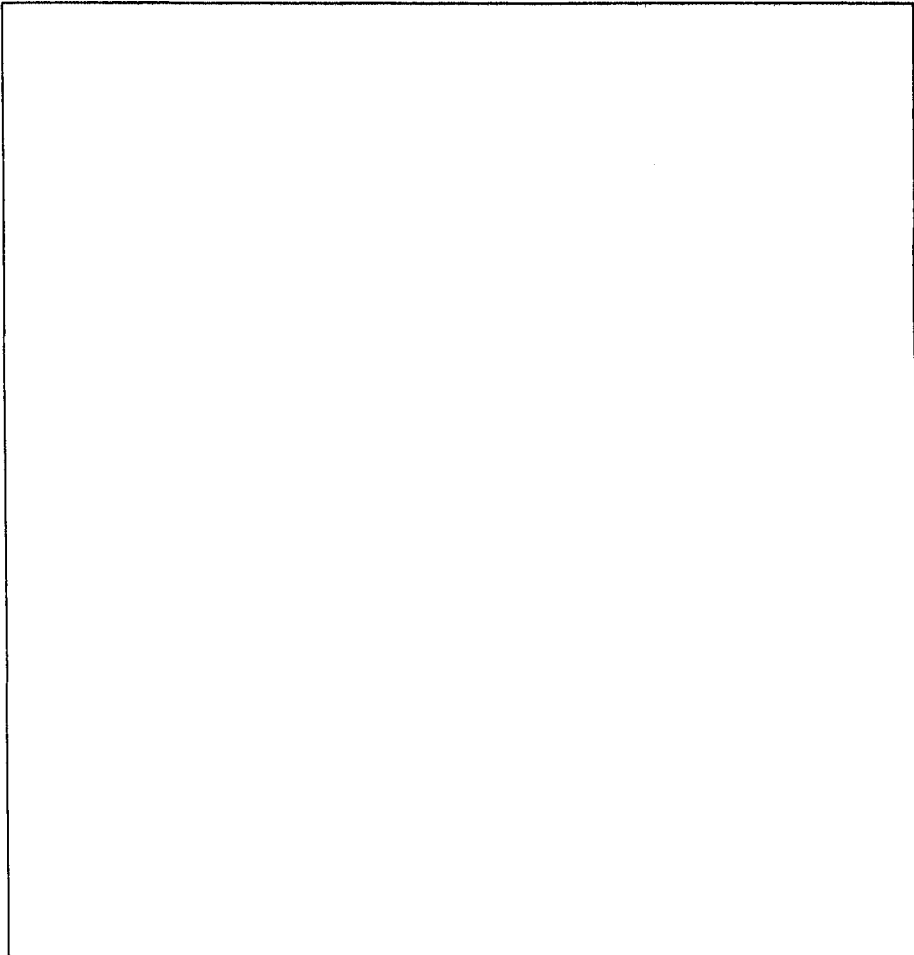
Insurance Co.
Insurer

2001
Year

CORPORATE ORGANIZATION CHART

Complete the following, showing the interrelationships between the insurer, its immediate and ultimate parent, and all other affiliated corporations (upstream and downstream), identifying the percentage ownership of each.

(See section VI of the Annual Return Instructions)



FSC-G-2001
Next Page is 10.31

TENTH SCHEDULE, *contd.*

10.31

Insurance Co.
Insurer

2001
Year

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FSC-G-2001
Next Page is 10.40

TENTH SCHEDULE, *contd.*

10.40

Insurance Co.

Year

Insurer

OTHER INFORMATION

01	Date of incorporation
02	Document incorporating company
03	Country of incorporation
04	Date of registration (if applicable)
05	Date of commencement of business

10	Have there been any amendments to the instrument of incorporation since the date of filing the last Annual Return?	<input type="checkbox"/>	Y/N
	If yes, give details:		
11	.....	
12	.....	
13	.....	

20	Have there been any substantial changes in ownership since the date of filing the last Annual Return?	<input type="checkbox"/>	Y/N
	If yes, give details:		
21	.....	
22	.....	
23	.....	

30	Indicate the name and percentage of ownership of each corporation in which the insurer held 10% or more of the voting rights as at year-end. If necessary, provide details on an additional page.
31	.....
32	.....
33	.....

TENTH SCHEDULE, *contd.*

10.40, *contd.*

Insurance Co.
Insurer

Year

OTHER INFORMATION, *contd.*

40 Has the insurer contracted for any management services? <input type="checkbox"/> Y/N	
If yes, give details	
(01)	(02)
41 Name	Type of service
42 Address	Affiliated <input type="checkbox"/> Y/N
43	
44 Name	Type of service
45 Address	Affiliated <input type="checkbox"/> Y/N
46	
47 Name	Type of service
48 Address	Affiliated <input type="checkbox"/> Y/N
49	

FSC-G-2001
Next Page is 10.41

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

10.41

Year

OTHER INFORMATION, *contd.*

Maximum net retention of any one risk for each class of insurance (\$'000):			
Class of Insurance	Policy Limit (01)	Net retention	
		Current Year (02)	Prior Year (03)
Liability	01		
Property— Personal			
- Householders	10		
- Other	11		
— Commercial			
- Fire	12		
- Consequential Loss	13		
- Burglary	14		
- Boiler and Machinery	15		
- Money	16		
- Goods in Transit	17		
- Glass	18		
- Engineering	19		
- All Risk	20		
- Other	21		
Property—Total	29		
Motor Vehicle			
- private	30		
- commercial	31		
- other	32		
Motor Vehicle—Total	39		
Pecuniary Loss –			
- Credit	57		
- Fidelity	58		
- Legal Expenses	59		
- Surety/Bonds	60		
- Title	61		
- Mortgage	62		
- Other	63		
Pecuniary Loss—Total	64		
Marine Aviation and Transport			
- Transport	66		
- Aviation	67		
- Marine	68		
Marine Aviation and Transport—Total	69		
Personal Accident and Sickness			
- Travel	70		

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, *contd.*

10.41, *contd.*

Insurance Co.
Insurer

Year

OTHER INFORMATION, *contd.*

75	Has the insurer made any significant changes regarding reinsurance arrangements during the year?	<input style="width: 80%; height: 20px;" type="text"/>	Y/N
If yes, attach details.			
76	Has the insurer made any portfolio transfer, and/or commutation reinsurance treaties during the year?	<input style="width: 80%; height: 20px;" type="text"/>	Y/N
If yes, attach details (see Section of the Annual Return Instruction).			
77	Number of policies in force, as at year end (Co-Insurance and Facultative Insurance).....		
Assessable Income information:		Current Year (Actual) (02)	Next Year (Estimated) (03)
Jamaica registered insurers:			
Premium tax	80		
All insurers:			
Accident and Sickness net premiums written in Jamaica	85		

FSC-G-2001
Next Page is 10.41A

TENTH SCHEDULE, contd.

DSI-G (Revised 2000)
Next Page is 10 42

Year
OTHER INFORMATION (continued)

10 41A

Insurance Co.
Insurer

Class of Insurance*	Classes offered †	Premiums			
		(01)	(02)	(03)	(04)
	Yes/No	No of Policies	Sum Insured	Gross Premium	Net Premium
	(01)	(02)	(03)	(04)	(05)
Liability					
Property - Personal					
- Householders					
- Other					
- Fire					
- Consequential Loss					
- Burglary					
- Boiler and Machinery					
- Motor					
- Money					
- Goods in Transit					
- Class					
- Engineering					
- All Risk					
- Other					
Property - Total					
Motor Vehicle					
- private					
- commercial					
- other					
Motor Vehicle - Total					
Pecuniary Loss-					
- Credit					
- Fidelity					
- Legal Expense					
- Surety/Bonds					
- Title					
- Mortgage					
- other					
Pecuniary Loss- Total					
Marine Aviation & Transport					
- Transport					
- Aviation					
- Marine					
Marine Aviation & Transport- Total					
Personal Accident and Sickness					
- Travel					
Total					

* The in accordance with of insurance business are to be further categorised in accordance with the insurance regulations

[The inclusion of this page is authorized by L.N. 33/A/2005]

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

10.42

Year

OTHER INFORMATION, contd.

1 Were any of the assets of the insurer pledged as security or lodged as collateral as of year end? Y/N

If yes, give details:

2

3

4

Has the insurer recognized the time value of money in:

10 establishing provisions for unpaid claims and adjustment expenses? Y/N

11

12

13

and/or

15 determining deferred policy acquisition expenses and premium deficiencies? Y/N

16

17

18

If yes to either 10 or 15, please indicate the undiscounted and discounted amounts and provide details of the circumstances. Please ensure that the details include the dollar impact on the Income Statement and Balance Sheet.

(In requesting this information, the Regulatory recognizes that the Institute of Chartered Accountants has not taken a position as to the appropriateness of discounting under Generally Accepted Accounting Principles).

20 Does the insurer have any significant dependencies not already disclosed in answer(s) to previous questions or in the Notes to Financial Statements? Y/N

If yes, describe these dependencies. i.e. name of organization, nature of dependency, etc. For example, 10% or more of total premium from one source or fundamental operations or systems (claims, computer, policy issuance) being provided by others. This question is not restricted to related party transactions.

21

22

23

24

25

TENTH SCHEDULE, *contd.*

10.42, *contd.*

Insurance Co.
Insurer

Year

OTHER INFORMATION, *contd.*

30	Has the insurer been involved in any transactions relating to derivative instruments (e.g. forwards, futures, swaps or options contracts) or any other off-balance sheet instruments during the year?	<input type="checkbox"/>	Y/N
31	If yes:—were any of these instruments held for other than hedging purposes?	<input type="checkbox"/>	Y/N
	— attach details	<input type="checkbox"/>	Y/N

FSC-G-2001
Next Page is 10.50

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

10.50

Year

FOREIGN JURISDICTIONS IN WHICH THE INSURER IS LICENSED

		Address of Chief Agent
Jurisdiction		
12	Chief Agent _____	_____
13	Date first licensed _____	_____
Jurisdiction		
17	Chief Agent _____	_____
18	Date first licensed _____	_____
Jurisdiction		
22	Chief Agent _____	_____
23	Date first licensed _____	_____
Jurisdiction		
27	Chief Agent _____	_____
28	Date first licensed _____	_____
Jurisdiction		
32	Chief Agent _____	_____
33	Date first licensed _____	_____
Jurisdiction		
37	Chief Agent _____	_____
38	Date first licensed _____	_____
Jurisdiction		
42	Chief Agent _____	_____
43	Date first licensed _____	_____
Jurisdiction		
47	Chief Agent _____	_____
48	Date first licensed _____	_____
Jurisdiction		
52	Chief Agent _____	_____
53	Date first licensed _____	_____
Jurisdiction		
57	Chief Agent _____	_____
58	Date first licensed _____	_____
Jurisdiction		
62	Chief Agent _____	_____
63	Date first licensed _____	_____
Jurisdiction		
67	Chief Agent _____	_____
68	Date first licensed _____	_____
Jurisdiction		
72	Chief Agent _____	_____
73	Date first licensed _____	_____
79	Is the insurer licensed to transact business in any foreign jurisdiction? If yes, please provide details on page 90.10	<input type="checkbox"/> Y/N
80	Is the insurer's license in a foreign jurisdiction subject to any limitation? If yes, please provide details.	<input type="checkbox"/> Y/N

Next Page is 10.60

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

10.60

Year

SUMMARY OF SELECTED FINANCIAL DATA FOR FIVE YEARS
(\$000)

	19.. (01)	19.. (02)	19.. (03)	20.. (04)	20.. (Current) (05)
OPERATIONS					
Total Assets	01				
Total Liabilities	02				
Reserves Required	03				
Assets minus liabilities minus Reserved Required (equals "statutory capital and surplus")	04				
Gross premiums written	05				
Net premiums written	06				
Net premiums earned	07				
Gross claims incurred (excluding Accident and Sickness	08				
PROFITABILITY					
Claims ratio					
— by financial year	09				
— by year of underwriting	10				
Expense ratio	11				
Underwriting income	12				
— as a % of net premiums earned	13				
Net investment income	14				
— as a % of net premiums earned	15				
Investment yield	16				
Net income (loss) for the year	17				
Return on equity	18				
FINANCIAL					
Dividends to shareholders	19				
Capital and surplus paid during the year	20				
Capital redeemed during the year	21				
OTHER RATIOS					
Statutory capital and surplus as a % of and reserves required (Line 04/(line 02+03) x 100	22				
Gross risk ratio (line 05/line 04).....	23				
Net risk ratio (line 06/line 04).....	24				
Agents and brokers balances and amounts due from subsidiaries and affiliates as a % of statutory capital and surplus	25	%	%	%	%
Claims development as a % of statutory capital and surplus	26	%	%	%	%
MINIMUM ASSET TEST					
Excess of assets available over assets required for test purposes	27				
— as a % of assets required for test purposes	28	%	%	%	%

FSC-G-2001
Next Page is 10.70

TENTH SCHEDULE, *contd.*

10.70

Insurance Co.
Insurer

Year

AUDITOR'S REPORT

FSC-G-2001
Next Page is 10.80

TENTH SCHEDULE, *contd.*

10.80

Insurance Co.
Insurer

Year

ACTUARY'S REPORT

FSC-G-2001
Next Page is 20.10

TENTH SCHEDULE, *contd.*

<u>Insurance Co.</u> Insurer	20.10	Year
ASSETS (J\$'000)		
Reference Page		Current (01) Prior (02)
	Cash	01
	Accrued Investments Income	02
	Investments:	
50.10	Term Deposits expiring in one year or less	03
40.20	Term Deposits expiring in more than one	04
	Promissory Notes	05
	Government securities:	
	Jamaica	06
	Others	07
40.30+.35	Bonds and Debentures	08
	Unit Trust Funds	09
40.60	Ordinary Shares	10
40.50	Preference Shares	11
40.40+.45	Mortgage Loans	12
40.70	Real Estate	13
40.80	Other Investments	14
40.10	Total Investments (line 03 to 14)	19 0 0
	Receivables:	
50.20	Agents and Brokers	20
	Policyholders	21
	Instalment Premiums	22
50.30	Other Insurers	23
50.40	Subsidiaries and Affiliates	25
	Income Taxes	26
	Interest Receivable	27
50.20	Other Receivables	28
	Recoverable from Reinsurers:	
60.10	Unearned Premiums	30
60.30	Unpaid Claims and Adjustment Expenses	31
	Other Recoverables and Unpaid Claims	37 0 0
50.40	Investment in Subsidiaries and Affiliates	40
40.70	Real Estate for Insurer's own use	41
50.50	Other Assets	42
30.15	Deferred Policy Acquisition Expenses	43
	Deferred Income Taxes	44
	Total Assets	89 0 0

FSC-G-2001
Next Page is 20.20

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

20.20

Year

LIABILITIES, CAPITAL AND SURPLUS
(J\$'000)

Reference Page		Current (01)	Prior (02)
	LIABILITIES		
	Overdrafts.....	01	
	Loans and Accrued Interest.....	02	
	Payables:		
50.20	Agents and Brokers.....	03	
	Policyholders.....	04	
	Payable to reinsurers.....	05	
50.30	Other Insurers.....	06	
50.40	Subsidiaries and Affiliates.....	07	
	Expenses due and accrued.....	08	
40.70	Encumbrances on Real Estate.....	09	
	PROVISIONS		
	Provision for Corporation Tax—Prior Year.....	10	
	Provision for Corporation Tax—Current Year.....	11	
	Provision for Stamp Duty.....	12	
	INSURANCE LIABILITIES		
60.30	Incurred But not Reported.....	13	
60.10	Unearned Premium.....	15	
	Unexpired Risk.....	16	
60.30	Unpaid Claims and Adjustment Expenses (claims outstanding).....	17	
80.10	Unearned Commission.....	18	
	Total Insurance Liabilities	19	
50.50	Other Liabilities.....	20	
	Total Liabilities	29	
	Subordinated Indebtedness.....	30	
	Deferred Taxes.....	31	
	CAPITAL AND SURPLUS		
30.15	Reserves Required.....	40	
10.20	Share Capital.....	41	
	Share Premium.....	42	
20.40	Retained Earnings brought forward.....	44	
20.40	Current Profits.....	48	
	Capital Reserves.....	49	
	Other Reserves.....	50	
	Total Capital, Surplus and Reserves	59	
	TOTAL LIABILITIES, CAPITAL AND SURPLUS	89	

FSC-G-2001
Next Page is 20.30

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

20.30

Year

PROFIT AND LOSS ACCOUNT
(J \$ '000)

Reference Page		Current Period (01)	Prior Period (03)
	UNDERWRITING OPERATIONS		
	Underwriting Revenue		
	Gross Premium Written .....01		
	Reinsurance Assumed .....02		
	Reinsurance Ceded .....03		
60.20	Net Premiums Written .....04		
	Decrease (increase) in Net Unearned Premiums .....05		
60.20	Net Premiums Earned .....06		
	Service Charge/Customers .....07		
	Other .....08		
	Total Underwriting Revenue .....09		
60.20	Net Claims and Adjustment Expenses (Incl. IBNR Claims Outstanding) .....10		
	Underwriting Expenses		
	Acquisition Expenses:		
80.10	Commissions .....11		
	Taxes (Stamp Duty) .....12		
80.20	Other .....14		
80.20	Operating Expenses .....16		
	Total Claims and Expenses .....19		
	Unexpired Risk Adjustment .....20		
	Underwriting Profit (Loss) .....29		
40.10	INVESTMENT OPERATIONS		
	Income .....32		
	Realized Gains (Losses) .....33		
	Expenses .....34		
	Net Investment Income .....39		
	OTHER REVENUE AND EXPENSES		
	Income (Loss) from Ancillary Operations (net of Expenses of \$.....)40		
	Share of Net Income (Loss) of Subsidiaries and Affiliates .....41		
	Gains (Losses) from Fluctuations in Foreign Exchange Rates .....42		
	Other .....43		
	Income (Loss) before Income Taxes and Extraordinary Items .....49		
	INCOME TAXES		
	Current .....50		
	Deferred .....51		
	Total Income Taxes .....59		
	Extraordinary Items (Net of income Taxes \$.....)60		
	NET INCOME (LOSS) FOR THE PERIOD .....89		

FSC-G-2001
Next Page is 20.40

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

20.40

Year

STATEMENT OF RETAINED EARNINGS

Reference Page		Current Year (01)	Prior Year (02)
	Balance at beginning of year	01	
	Prior period adjustments:	02	
	.....	03	
	Adjusted balance at beginning of year	09	
20.30	Net Income (loss) for the year	10	0
	Dividends declares to shareholders	11	
30.15	Decrease (increase) in Reserves Required	12	0
	Decrease (increase) in General and Contingency Reserves	13	
	.....	14	
	Net increase (decrease) in earned surplus during the year	15	
	Balance at end of year	89	

FSC-G-2001
Next Page is 20.52

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

20.52

Year

STATEMENT OF CASH FLOWS

	Current Year (01)	Prior Year (02)
Cash flows from (used in) operating activities:		
Net Income (loss) for the year	01	
Adjustment for:		
Decrease (increase) in Investment Income due and accrued	05	
Decrease (increase) in Receivables	06	
Decrease (increase) in Recoverables from Reinsurers, and in		
Other Recoverable	07	
Decrease (increase) in Deferred Policy Acquisition Expenses	08	
Increase (decrease) Unexpired Risk	09	
Future (deferred) Income Tax Expense (Recovery)	10	
Increase (decrease) in Unearned Premiums	12	
Increase (decrease) in Unpaid Claims and Adjustment Expenses	13	
Increase (decrease) in Unearned Commissions (Reinsurance)	14	
Increase (decrease) in all other liabilities*	15	
Depreciation	20	
Amortization of (discount) on Investments	21	
Recognized losses (gains) on Investments	22	
.....	28	
Net Cash flows from (used in) operating activities	29	
Cash flows from (used in) investing activities:		
Term Deposits (purchases)	30	
proceeds on maturity/sale	31	
Bonds and Debentures (purchases)	32	
proceeds on maturity/sale	33	
Mortgage Loans (purchases)	34	
proceeds on maturity/sale	35	
Preferred Shares (purchase)	36	
proceeds on disposition	37	
Common Shares (purchases)	38	
proceeds on sale	39	
Real Estate (purchases)	40	
proceeds on sale	41	
Other Investment (purchases)	42	
proceeds on sale	43	
Amortization of premium on Investments	50	
(Purchase)/sale of Other Assets and Real Estate for Insurer's own		
use	51	
.....	58	
Net Cash flows from (used in) investing activities	59	
Cash flows from (used in) financing activities:		
Increase in (repayment of) borrowed money	60	
Issue (redemption) of shares	61	
Dividends to Shareholders	62	
.....	68	
Net Cash flows from (used in) financing activities	69	
Net Increase (decrease) in cash and cash equivalents (lines 29+59+69)	79	
Cash and cash equivalents at beginning of year	80	
Cash and cash equivalents at end of year (lines 79+80)	89	
Increase (decrease) in cash and Cash Equivalents (Line 89-80)	90	
Cash and cash equivalents at end of year consist of:		
Cash	91	
Cash equivalents	92	
(Overdrafts)	93	

*Includes Payable to Reinsurers (2020 05 02-2020 05 01)

FSC-G-2001
Next Page is 20.60

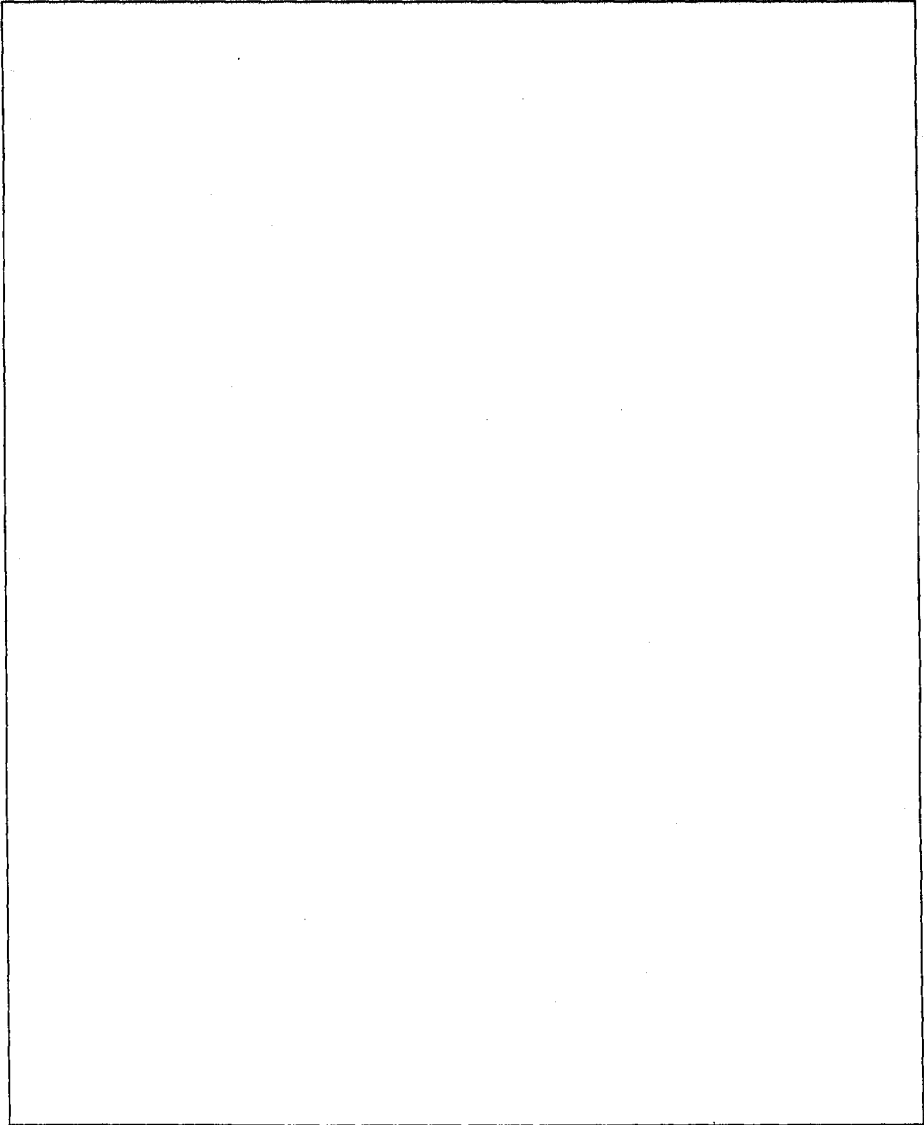
TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

20.60

Year

NOTES TO FINANCIAL STATEMENTS



FSC-G-2001
Next Page is 30.10

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

30.10

Year

MINIMUM ASSET TEST

Reference		Current Year (01)	Prior Year (02)
	Assets Available for Test Purposes		
20.10.89.01	Total assets.....	0	0
	Plus: Excess of Market Value over Book Value.....		
		
30.15.19.01	Less: Non-admitted Assets	0	0
30.15.29.01	Investment Assets: Excess book value over market value ...		
	Foreign Exchange Reserve.....	0	
30.15.94.01	Deferred Policy Acquisition Expenses		
		
	Assets Available for Test Purposes		
	Assets Required for Test Purposes		
20.20	Total Liabilities.....		
30.15.32.01	Plus: Reserve for Reinsurance Ceded to Ineligible/Unlicensed Insurers..		
30.11.19.01	Margin required for Accident and Sickness policies.....		
30.11	Margin required for policies other than Accident and Sickness (the greatest of page 30.11, lines 29, 39 and 49).....		
		
30.15	Unearned Commission adjustment		
		
	Assets Required for Test Purposes		
	Excess of Assets Available over Assets Required for Test Purposes (line 39 minus line 69)	0	0
	Line 89 as a % of line 69		

FSC-G-2001
Next Page is 30.11

FIFTH SCHEDULE, *contd.*

Insurance Co.
Insurer

30.11

Year

MINIMUM ASSET TEST (*continued*)
CALCULATION OF MARGINS AND REINSURANCE RATIO

Reference		Current Year (01)	Prior Year (02)
	Reinsurance ratio (Accident and Sickness claims are excluded from the calculation)		
60.20	Gross claims incurred during preceding 12 months (page 60.20, line 89 minus line 70, column 08+09) 01		
60.20	Portion of line 01 in respect of reinsurance ceded during preceding 12 months (page 60.20, line 89 minus line 70, column 10)..... 02		
	..... 08		
	Reinsurance Ratio: lesser of (line 02/line 01 x 100) and 70% 09		
	Margins required for Test Purposes		
65.11	(a) Accident and Sickness Policies Margin on claims (15% of net unpaid claims and adjustment expenses other than those in respect of instalment claims) 10		
	Plus: Margin on unearned premiums (15% of net unearned premiums other than those in respect of non-cancellable policies or, if applicable, page 30.30, line 70, column 06)... 11		
	..... 18		
	Margin required for Accident and Sickness Policies..... 19		
60.30	(b) Policies other than Accident and Sickness Policies (1) Unpaid Claims and unearned Premiums (Net) Margin on claims (15% of unpaid claims and adjustment expenses) 20		
	Plus: Margin on unearned premiums (15% of unearned premiums or, if applicable, page 30.30, line 69, column 06)..... 21		
70.30	Excess of "Required Coverage" over "Reserve" for Reinsurance Ceded to Unregistered Insurers (page 70.30, line 89 + 95, column 16 minus column 15)..... 22		
 28		

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TENTH SCHEDULE, *contd.*

30.11, *contd.*

THE MINIMUM ASSET TEST (*contd.*)

Calculation of margins and reinsurance ratio, *contd.*

Insurance Co. Insurer	Reference	Year	
		Current Year (01)	Prior Year (02)
	Margin required for Unpaid Claims and Unearned Premiums....	29	
	(ii) Premiums Written		
60.20	Basic margin (15% of gross premiums written during preceding 12 months).....	30	
	Plus: Supplementary margin on gross premiums (lesser of 5% of gross premiums written during preceding 12 months and \$15,000,000)	31	
	Gross margin.....	32	
	Less: Margin reduction for reinsurance (Gross margin x Reinsurance Ratio)	33	
	.....	38	
	Margin required for Premiums Written	39	
	(iii) Claims Insured		
	Basic margin (22% of average annual gross claims incurred during preceding 36 months)	40	
	Plus: Supplementary margin (lesser of 7% of average annual gross claims incurred during preceding 36 months and \$15,000,000)	41	
	Gross Margin	42	
	Less: Margin reduction for reinsurance (Gross margin x Reinsurance Ratio)	43	
	.....	48	
	Margin required for Claims Incurred	49	

TENTH SCHEDULE, *contd.*
30.15

Insurance Co.
Insurer

Year

RESERVES REQUIRED
(\$'000)

Reference		Current Year (01)	Prior Year (02)
Non-admitted Assets			
50.20	Receivables from Agents and Brokers in arrears	01	
	Premiums receivable from Policyholders in arrears.....	02	
	Instalment Premiums in arrears.....	03	
	Less: Total amount deducted from the foregoing items as		
	Allowance for Doubtful Accounts	04	
50.50	Other Assets	05	
	Computer Hardware adjustment	06	
20.10.44.01	Deferred Income Tax Debits	07	
	Less: Admitted Deferred Income Tax Debits	08	
	Total Non-admitted Assets	19	
		(04)	
	Investment Assets: Excess book value over market value.....	20	
	Foreign Exchange Reserve	21	
	Total Investment and Foreign Exchange Reserves	29	
70.30	Reserve for Reinsurance Ceded to Unlicensed or ineligible Insurers (page 70.30, line 89 + 95, column 15)	32	
	Additional Policy Provisions	34	
	.....	35	
	TOTAL RESERVES REQUIRED	89	

DEFERRED POLICY ACQUISITION EXPENSES
and
UNEARNED COMMISSION ADJUSTMENT
(\$'000)

		Current Year (01)	Prior Year (02)
Deferred Policy Acquisition Expenses			
80.10.79.08	Deferred Commissions	90	
	Deferred Premiums Taxes	91	
80.20.89.01	Deferred Acquisition Expenses (other)	92	
20.10.43.01	Total Deferred Policy Acquisition Expenses	94	
80.10.79.09	Less: Unearned Commissions	95	
30.40.15.01	Net Deferred Policy Acquisition Expenses adjustment (where positive) ..	96	
30.10.55.01	Unearned Commission adjustment (the lesser of line 94 and 95)	99	

FSC-G-2001

Next Page is 30.30

TENTH SCHEDULE, *contd.*

Year

30.30

CALCULATION OF REQUIRED MARGIN ON
 NET UNEARNED PREMIUMS AND OUTSTANDING CLAIMS

Class of Insurance	Unearned Premiums (Net) (01)	Margin on Unearned Premiums (col 1*0.15, if claims ratio >95%)* (02)	Expected Claims Ratio (Decimal)** (03)	Unpaid Claims and adjustment Expenses (04)	Margin on unpaid claims and adjustment Expenses (col 4 * 0.15) (05)	Total Margin Required (col 2 + col 5) (06)
Liability.....	01					
Property - Personal	10					
- Householders.....	11					
- Other.....	12					
- Commercial	13					
- Fire.....	14					
- Consequential Loss.....	15					
- Burglary.....	16					
- Boiler and Machinery.....	17					
- Money.....	18					
- Goods in Transit.....	19					
- Glass.....	20					
- Engineering.....	21					
- All Risk.....	22					
- Other.....	29					
Property - Total.....	30					
Motor Vehicle	31					
- Private.....	32					
- Commercial.....	33					
- Other.....	39					
Motor Vehicle - Total.....	30					
Premiums Loss	57					
- Credit.....	58					
- Facility.....	59					
- Legal Expense.....	60					
- Surety/Bonds.....	61					
- Title.....	62					
- Mortgage.....	63					
- Other.....	64					
Pecuniary Loss-Total.....	65					
Marine Aviation & Transport	66					
- Aviation.....	67					
- Maritime.....	68					
TOTAL.....	69					
Accident and Sickness.....	70					

*See instructions on minimum asset test.
 The claims ratios shown in column (03) are the claims ratios expected under policies issued by the insurer for the classes of insurance shown, during the unexpired terms of such policies.

Signature

Name of Actuary

TENTH SCHEDULE, contd.

40.10

Insurance Co.
Insurer

Year

SUMMARY OF INVESTMENTS
(J\$'000)

	Market Value (01)	Book Value (02)	Income (03)	Unrealized Gains (Losses) (04)
Term Deposits expiring in one year or less	01			
Term Deposits expiring in more than one year	02			
Promissory Notes	03			
Government Securities:				
Jamaica	04			
Others	05			
Total Government Securities	09			
Bonds and Debentures				
Government				
Jamaica	10			
Caribbean	11			
Other (Specify)	12			
Total Bonds and Debentures	19			
Unit Trust Funds	29			
Shares				
Preference				
Jamaica	30			
Others	31			
Total Preference Shares	39			
Ordinary				
Jamaica	40			
Others	41			
Total Ordinary Shares	49			
Total Shares	59			
Mortgage Loans	60			
Investment in Real Estate	61			
Other Investments	62			
Total (lines 01, 02, 03, 09, 19, 29, 39, 49, 60, 61, 62) ..	69	0	0	0
Expenses				
Investment Real Estate	80			
Other direct expenses	81			
Investment Expenses (page 80.20, line 89, column ..	82		0	
Net Investment Income including Recognized Gains (Losses) (line 69+70, column 03+04, Plus line 71 minus lines 80, 81, 82, 89)				
Total Foreign Pay Securities	99			

FSC-G-2001
Next Page is 40.20

40.20

Insurance Co.
Insurer

Year

TERM DEPOSITS EXPIRING IN MORE THAN ONE YEAR

Where/By whom kept (01)	Description (02)	Interest		Date of Issue (05)	Date of maturity (06)	Par Value (07)	Market Value (08)	Book Value (09)
		Rate (03)	Due dates (04)					
						\$'000	\$'000	\$'000
Total term deposits expiring in more than one year.....								

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TENTH SCHEDULE, *contd.*

40 40

INSURANCE CO.
Insurer

MORTGAGE LOANS WHOSE PRINCIPAL AMOUNTS ARE DUE IN 5 YEARS OR LESS (SHORT TERM)

Year

(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)
Here By whom kept	Description	Identification Number	Date of issue	Interest Rate	Original Amount	Value of Property	Market Value	Book Value
	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)
				%	\$1000	\$1000	\$1000	\$1000
all short term mortgage loans.....BY								

FSC-G-2001
Revised Page 20 of 45

TENTH SCHEDULE, *contd.*

40.49

Insurance Co.
Insurer

Year

SUMMARY OF MORTGAGE LOANS
(J\$'000)

	Market Value (01)	Book Value (02)
Jamaica	01	
Other Jurisdictions	02	
	03	
	04	
	05	
	06	
	07	
	08	
	09	
	10	
	11	
	12	
	13	
	14	
Total	89	

FSC-G-2001
Next Page is 40.50

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

40.50

Year

PREFERENCE SHARES
(Excluding investments in Subsidiaries and Affiliates)

Where/By whom kept (01)	Description (02)	Number of Shares (03)	Market Value (04)	Book Value (05)
Total preferred shares				89

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TENTH SCHEDULE, contd.

Insurance Co.
Insurer

40.70

Year

REAL ESTATE
(\$'000)

Description of Property (01)	Year Acquired (02)	Amount of Encumbrance (03)	Actual Cost (Gross) (04)	Market Value (Gross) (05)	Book Value (Gross) (06)
INVESTMENT REAL ESTATE					
Total Investment Real Estate			49		
REAL ESTATE FOR OWN USE					
Total Real Estate for Own Use			69		
Total Real Estate			89		

FSC-G-2001
Next Page is 40.90

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

40.90

Year

SUMMARY OF INVESTMENTS AND INSURER'S PORTFOLIO LIMITS

Portfolio mix	Book Value (01) \$'000	Market Value (02) \$'000	% of Total Portfolio		Insurer's Portfolio Limits (% of Total Portfolio)	
			Book Value (03) %	Market Value (04) %	Minimum (05) %	Maximum (06) %
Cash and Term Deposits expiring in one year ... 01						
Term Deposits expiring in more than one year ... 03						
Promissory Notes 04						
Government Securities						
Jamaica						
Other (specify)						
Bonds and Debentures						
Government and Government Guaranteed ... 05						
Corporate—						
Other (specify) 15						
Mortgage Loans - residential 20						
- other 22						
- total 29						
Preferred shares 39						
Common shares 49						
Consumer and Commercial Loans 50						
Investment Real Estate 60						
Other portfolio investments (specify) 61						
..... 62						
..... 63						
+						
Total Portfolio 69			100%	100%		
Total Foreign Pay Securities 75						
Total Assets 79						

SUMMARY INVESTMENTS AND PRESCRIBED PORTFOLIO LIMITS

Type of Investment	Book Value (01)	% of Total Assets Book Value (02)	Statutory Portfolio Limits % of Total Assets at Book Value
			<i>For Example:</i>
Preferred or Guaranteed stocks 80			15
Foreign Securities 81			20
Equities 83			10
Real Estate (total) 84			30
Government Securities 85			40
Aggregate Total 89			75
Consumer and Commercial Loans 90			10
Aggregate Holding in a Single Corporate Group	Name of Corporate Group	Book Value	% of Total Assets Book Value
Third Largest	..... 97		5
Second Largest	..... 98		5
Largest	..... 99		5

FSC-G-2001
Next Page is 50.10

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

50.30

Year

RECEIVABLE FROM/PAYABLE TO OTHER INSURERS

Name of Insurers (01)	Receivable		Payable
	In Arrears (02)	Total (03)	Total (04)
Licensed or Eligible			
Total Licensed or Eligible.....	49		
Unlicensed or Ineligible			
Total Unlicensed or Ineligible.....	79		
Less: Allowance for Doubtful Accounts.....	80		
Total	89		

FSC-G-2001
Next Page is 50.40

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Insurance Co.
Insurer

Year

INVESTMENT IN AND AMOUNTS RECEIVABLE FROM/PAYABLE TO SUBSIDIARIES AND AFFILIATES

Name of Corporation and Description of Shares (01)	Investment							Receivable		Payable (11)
	Number of Shares (02)	% Owned (03)	% of Voting Rights (04)	Acquisition Cost (05)	Market Value (06)	Book Value (07)	Increase (Decrease) in Book Value (08)	In Arrears (09)	Total (10)	
Licensed or Eligible (Insurance Affiliates)										
Licensed or Eligible.....										49
UnLicensed or Ineligible (Insurance Affiliates, Non-Insurance Affiliates)										
Total UnLicensed or Ineligible and Other.....										79
Total.....										89

CSLR (Revise
FSC-G-2001

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TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

50.50

Year

OTHER ASSETS*

Description (01)	(02)
Automobiles	01
Furniture, Fixtures and equipment	02
Leasehold improvements	03
Land, Building for office use	04
Computer software	05
Computer hardware/Equipment	06
Intangible assets	07
Prepaid expenses	08
Formation Expenses	09
Deferred Expenses	10
NHT Recoverable	11
Investment Adjustment (where lower of cost or market value not used	12
Amounts due from related bodies	13
Assets in entities in Liquidation or facing possible closure	14
Work-in-Progress	15
Keyman Insurance	16
.....	
.....	
.....	
.....	
.....	
.....	
Total	49

* Net of depreciation or amortization

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, *contd.*

50.50, *contd.*

OTHER LIABILITIES
(\$'000)

Description (01)	(02)
Self-Insured Retention (SIR) portion of unpaid claims 50	
Total 89	0

FSC-G-2001
Next Page is 60.10

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

60.10

Year

UNEARNED PREMIUMS—TOTAL

Class of Insurance	Unearned Premiums			
	Gross Premiums Written (01)	Reinsurance assumed (02)	Reinsurance Ceded (03)	Net (01 + 02 - 03) (04)
Liability 01				
Property—Person				
— Householders 10				
— Other 11				
— Fire 12				
— Consequential Loss 13				
— Burglary 14				
— Boiler and Machinery 15				
— Money 16				
— Goods in Transit 17				
— Glass 18				
— Engineering 19				
— All Risk 20				
— Other 21				
Property—Total 29				
Motor Vehicle				
— Private 30				
— Commercial 31				
— Other 32				
Motor Vehicle—Total 39				
Pecuniary Loss				
— Credit 57				
— Fidelity 58				
— Legal Expense 59				
— Surety/Bonds 60				
— Title 61				
— Mortgage 62				
— other 63				
Pecuniary Loss—Total 64				
Marine Aviation				
— Transport 66				
— Aviation 67				
— Marine 68				
Marine Aviation and Transport—Total 69				
Accident and Sickness 70				
TOTAL 89				
Retrocessions included in line 89, column 03 99				

FSC-G-2001
Next Page is 60.20

Insurance Co.
Insurer

6020

Year

PREMIUM AND CLAIMS -TOTAL
(S'000)

	Premiums written less return premiums							Claims incurred including adjustment expenses				
	Gross Premium Written	Reinsurance assumed	Reinsurance ceded	Net written (01+02-03)	Net Unearned Premiums at beginning of year (05)	Net Unearned premiums at end of year (06)	Net premiums earned (04+05-06)	Gross Claims Incurred	Reinsurance Assumed	Reinsurance ceded	Net incurred (08+09-10)	Claims ratio (11/07)
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
Liability.....	01											%
Property - Pers.												
- Householders.....	10											
- Other.....	11											
- Fire.....	12											
- Consequential Loss.....	13											
- Burglary.....	14											
- Boiler and Machinery.....	15											
- Money.....	16											
- Goods in Transit.....	17											
- Glass.....	18											
- Engineering.....	19											
- All Risk.....	20											
- Other.....	21											
Property - Total.....	29											
Motor Vehicle												
- Private.....	30											
- Commercial.....	31											
- Other.....	32											
Motor Vehicle - Total.....	39											
Pecuniary Loss												
- Credit.....	57											
- Fidelity.....	58											
- Legal Expense.....	59											
- Surety/Bonds.....	60											
- Title.....	61											
- Mortgage.....	62											
- Other.....	63											
Pecuniary Loss-Total.....	64											
Marine Aviation												
- Transport.....	66											
- Aviation.....	67											
- Marine.....	68											
Marine Aviation & Transport-Total.....	68											
Accident and Sickness.....	70											
TOTAL	87											
Restorations included in line 89, columns 03 and column 10.....												99

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TENTH SCHEDULE, contd.

Class of Insurance	S 9000											
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
Net amount	Net amount for unpaid claims at close year end											
	Direct	Reinsurance assumed	Reinsurance ceded	Net	Direct	Reinsurance assumed	Reinsurance ceded	Net	Net provision at prior year end	Net amount paid during the year for claims of the class or (Recovery)	Margin or (Deficiency)	
Claims and adjustment expenses paid - current year												
Provision for unpaid claims (including unreported) and adjustment expense - current year												
01												
02												
03												
04												
05												
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FSC-C-2001
Form Page 4 of 40

Year

60 20

Insurance Co.
Insurer

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TENTH SCHEDULE, contd.

FSC-G-2001
 Part Page is 60.50

NET CLAIMS AND ADJUSTMENT EXPENSES - RUN-OFF - TOTAL BUSINESS		(\$'000)											
Year		(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
		5 and prior years	4 and prior (02+03)	3 and prior (04+05)	2 and prior (06+07)	1 and prior (08+09)	0 and prior (10+11)						
	5 - UCAE, end of year												
	IBNR, end of year												
	01												
	4 - UCAE, end of year												
	IBNR, end of year												
	10												
	11												
	12												
	Ratio: excess (deficiency)												
	19												
	3 - UCAE, end of year												
	IBNR, end of year												
	20												
	21												
	22												
	Ratio: excess (deficiency)												
	29												
	2 - UCAE, end of year												
	IBNR, end of year												
	30												
	31												
	32												
	Ratio: excess (deficiency)												
	38												
	1 - UCAE, end of year												
	IBNR, end of year												
	40												
	41												
	42												
	Ratio: excess (deficiency)												
	48												
	0 - UCAE, end of year												
	IBNR, end of year												
	50												
	51												
	52												
	Ratio: excess (deficiency)												
	59												

-UCAE: Unpaid Claims & Adjustment Expenses (excluding IBNR)

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TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

60.50

Year

ADJUSTMENT EXPENSES—TOTAL
(\$'000)

	(01)
PAID ADJUSTMENT EXPENSES	
Internal adjustment expenses 01	
Reinsurance Ceded 02	
Net internal adjustment expenses (line 01 – 02) 09	0
External adjustment expenses	
a. Adjusters and Appraisers 10	
b. Legal 11	
c. Other 12	
Total (lines 10 + 11 + 12) 19	0
Reinsurance Ceded 20	
Net external adjustment expenses (line 19 – 20) 29	0
Total (lines 09 + 29) 39	0
UNPAID ADJUSTMENT EXPENSES	
Provision for internal adjustment expenses net of reinsurance—end of year 40	
Provisions for external adjustment expenses net of reinsurance—end of year 41	
Provision for internal adjustment expenses net of reinsurance—beginning of year 42	
Provision for external adjustment expenses net of reinsurance—beginning of year 43	
Total (lines 40 + 41 – 42 – 43) 49	0
TOTAL NET ADJUSTMENT EXPENSES INCURRED (LINE 39 + 49) 59	0
Net Internal Adjustment Expenses incurred (lines 09 + 40 – 42) 69	0
Net External Adjustment Expenses incurred (lines 29 + 41 – 43) 79	0

FSC-G-2001
Next Page is 65.10

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

65.10

Year

ACCIDENT AND SICKNESS INSURANCE—TOTAL, PART A

	Group (01)	Individual Cancellable (02)	Individual Non-Cancellable (03)
DIRECT PREMIUMS EARNED			
Premiums written 01			
Unearned premiums including mid terminal reserves for non-cancellable policies at beginning of year..... 02			
Unearned premiums including mid terminal reserves for non-cancellable policies at end of year..... 03			
Premiums earned (line 01 + 02-03)..... 09			
PAYMENTS MADE ON DIRECT CLAIMS INCLUDING ADJUSTMENT EXPENSES			
Accidental death and dismemberment 10			
Income replacement 11			
Creditors 12			
Medical care 13			
Total payments 19			
CALCULATION OF INCURRED CLAIMS			
Provision for future payments on direct claims and adjustment expenses at beginning of year 20			
..... 21			
..... 22			
Provision for future payments on direct claims and adjustment expenses at end of year 27			
Claims incurred (line 19-20+21+22+27) 29			
Claims ratio (line 29/09 89			%

FSC-G-2001
Next Page is 65.11

Insurance Co.
Insurer

Year

ACCIDENT AND SICKNESS INSURANCE TOTAL—PART B

	Direct			Reinsurance Assumed			Reinsurance Coded			Net			
	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Total (10+(11)-(12))
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)
UNEARNED PREMIUMS AND RESERVES													
Unearned Premium..... 01													
Mid Terminal Reserves..... 02													
Total Unearned Premiums and Reserves (line 01+02)..... 09													
PROVISIONS FOR FUTURE PAYMENTS ON CLAIMS AND ADJUSTMENT EXPENSES													
Claims Payable in Instalments													
Reported Claims..... 10													
Unreported Expenses..... 11													
Adjustment Expenses..... 12													
Total Claims Payable in Instalments (line 10+11+12)..... 19													
Other Claims..... 20													
Total provision (line 19+20)..... 29													
Total Liabilities..... 89													

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TENTH SCHEDULE, contd.

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, contd.

Year:

OSI-G (Part 200)
Next Page is 70.35

Required Coverage	(17)	(16)	(15)	(14)	(13)	(12)	(8)	(7)	(6)	(5)	(4)	(3)	(2)	(1)
	including "excess" LOCs (04+05+06-07-14-08-12-13)	excluding "excess" LOCs (04+05+06-07-14-08-12-13)	where positive (16)	where positive (15)	where positive (13-06)	where positive (13)	where positive (12)	where positive (8)	where positive (7)	where positive (6)	where positive (5)	where positive (4)	where positive (3)	where positive (2)
Name of assuming insurer	(101)													
Premiums ceded to assuming insurer														
Claims and adjustments incurred by insurer														
Liabilities assumed by additional provisions														
Outstanding losses on unearned premiums														
15% margin recoverable														
Payable to depositors														
Non-owned credit held														
Letters of credit held														
Reserve required														
Excess letters of credit (04+05+07-08-12-13)														
LOCs "excess" (04+05+06-07-14-08-12-13)														
where positive (17)														
where positive (16)														
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Insurance Co.
Insurer

Year

REINSURANCE CEDED TO UNLICENSED AND INELIGIBLE INSURERS - TOTAL BUSINESS

Name of assuming insurer (01)	Premiums ceded to assuming insurer (02)	Claims and adjustment expenses incurred by assuming insurer (03)	Unearned premiums and additional policy provisions (04)	Outstanding losses recoverable from assuming insurer (05)	15% margin on unearned premiums and outstanding losses recoverable (06)	Receivable from assuming insurer (07)	Payable to assuming insurer (08)	Non-owned deposits held as security from assuming insurer (12)	Letters of credit held as security from assuming insurer (13)	*Excess letters of credit (13-06) where positive (14)	Reserve required (04+05+07-08-12-13) where positive (15)	Required Coverage		
												excluding "excess" LOC's (04+05+06-07-12-13) where positive (16)	including "excess" LOC's (04+05+06-08-12-13) where positive (17)	
OUT OF JAMAICA BUSINESS														
Affiliated														
Total Affiliated	49													
Non-affiliated														
Total Non-affiliated	60													
Total Out of Jamaica	79													
Total Jamaican Business	80													
TOTAL BUSINESS (lines 79+80)	89													
Provisions for claims incurred but not reported included in line 89 column 0599														

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TENTH SCHEDULE, contd.

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, *contd.*

70.40

Insurance Co.
Insurer

Year

NON-OWNED DEPOSITS AND LETTERS OF CREDIT

	Custodian	Type of Investment	Expiry date	Amount (01)
NON-OWNED DEPOSITS AND LETTERS OF CREDIT PROVIDED BY:				
Non-owned Deposits				
Total Non-owned Deposits				09
Letters of Credit				
Total Letters of Credit held				29

	Expiry Date	Amount (01)
LETTERS OF CREDIT PROVIDED TO:		
Total Letters of Credit Provided		89

FSC-G-2001
Next Page is 80.10

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TENTH SCHEDULE, *contd.*

80 10

Insurance Ex.
Number

COMMISSIONS - TOTAL
(1998)

Year

Class of Insurance	COMMISSIONS IN RESPECT OF PARTICULAR YEARS								Net Commissions to be made (90-94-99) (1-99)	
	Direct	Reinsurance assumed	Reinsurance ceded	Net	Deferred Commissions end of year	Deferred Commissions beginning of year	Unearned Commissions beginning of year	Unearned Commissions end of year		
Liability										
Property										
Marine										
Motor Vehicle										
Other										
TOTAL										
Secondary Commissions										
Commissions Earned (see 79 column (1)-(4) of 80)										
Commissions Earned (see 79 column (1)-(4) of 80)										
Net Commissions (see 79 column (1)-(4) of 80)										
Net Commissions (see 79 column (1)-(4) of 80)										
Other Net Commissions										
TOTAL Net Commissions (see 79 column (1)-(4) of 80)										

FSC-G-2001
Form Page 4 of 20

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

80.20

Year

EXPENSES — TOTAL

Expense Classification	Applicable to Insurance Operations				Investment Expenses (08)
	Acquisition Expenses		Operating Expenses (04)	Net Internal Adjustment Expenses* (06)	
	Deferred at End of Year (01)	Attributable to the Year* (02)			
Salaries 02					
Employee benefits 04					
Employee Recruitment Costs 06					
Advertising 08					
Agency Expenses (excluding commissions) 10					
Audit & Accountancy 12					
Automobile and travel 14					
Allowance for doubtful accounts 16					
Bank Charges 18					
Building Repairs and Maintenance 20					
Bureaus and Associations 22					
Directors remuneration 24					
Depreciation 26					
Donations 28					
Electricity 30					
EDP and statistical 32					
Furniture and Equipment 34					
Inspections and investigations 36					
Insurance 38					
Management fees 40					
Postage and courier 42					
Printing and Stationery 44					
Professional fees 46					
Rates and Taxes 48					
Rent 50					
Telephone and other communication 52					
Travelling—Local 54					
Travelling—Foreign 56					
Water 58					
Miscellaneous 60					
.....					
.....					
Regulatory assessments 62					
Total 89					

* Total on line 89 to be reported on page 20.30, line 14.

FSC-G-2001
Next Page is 90.10

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

90.15

Year

SUMMARY OF PREMIUMS AND CLAIMS—OUT OF JAMAICA

	Direct		Premiums through Reinsurance assumed		Net claims & expenses incurred
	(01)	(02)	(03)	(04)	
01					
10					
11					
12					
13					
14					
15					
16					
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OUT OF JAMAICA EXHIBITS

Assets	92.1
Liabilities	92.2
Statement of Income	92.3
Statement of Premiums	92.4
Statement of Expenses	92.5
Claims Incurred	92.6
Claims Paid and Unpaid	92.7
Net Claims and Adjustments	92.8
Equities - Run-off	92.9
Admitted Equities	92.10
Admitted Schemes	92.11
Insurance	92.12-17
Reinsurance Ceded	92.18
Commissions	92.19
Operating Expenses	92.20

Note: Pages 30-31 - 92.22 to be completed only, if business concerning risks outside of Jamaica continues more than 10% of total gross or net claims incurred or unpaid, or 10% of gross or net premiums written.

GLS Form 2001
Year Page 10 of 27

TENTH SCHEDULE, *contd.*

90.21

Insurance Co.
Insurer

ASSETS—OUT OF JAMAICA
(J\$'000)

	Year	
	Current Year (01)	Prior Year (02)
Cash		
Accrued Investments Income		
Investments:		
Term Deposits expiring in one year or less		
Term Deposits expiring in more than one year		
Promissory Notes		
Government securities:		
Jamaica		
Others		
Bonds and Debentures		
Unit Trust Funds		
Ordinary Shares		
Preference Shares		
Mortgage Loans		
Real Estate		
Other Investments		
Total Investments (line 03 to 14)	0	0
Receivables:		
Agents and Brokers		
Policyholders		
Instalment Premiums		
Other Insurers		
Subsidiaries and Affiliates		
Income Taxes		
Interest Receivable		
Other Receivables		
Recoverable from Reinsurers:		
Unearned Premiums		
Unpaid Claims and Adjustment Expenses		
Other Recoverables and Unpaid Claims	0	0
Investment in Subsidiaries and Affiliates		
Real Estate for Insurer's own use		
Other Assets		
Deferred Policy Acquisition Expenses		
Deferred Income Taxes		
Total Assets	0	0

FSC-G-2001
Next Page is 90.22

TENTH SCHEDULE, *contd.*

90.22

Insurance Co.
Insurer

2001
Year

LIABILITIES OUT OF JAMAICA
JS

	Current (01)	Prior (02)
LIABILITIES		
Overdrafts.....	01	
Loans and Accrued Interest.....	02	
Payables:		
Agents and Brokers.....	03	
Policyholders.....	04	
Payable to reinsurers.....	05	
Other Insurers.....	06	
Subsidiaries and Affiliates.....	07	
Expenses due and accrued.....	08	
Encumbrances on Real Estate.....	09	
PROVISIONS		
Provision for Corporation Tax-Prior Year.....	10	
Provision for Corporation Tax-Current Year.....	11	
Provision for Stamp duty.....	12	
INSURANCE LIABILITIES:		
Unpaid Claims and Adjustment Expenses.....	13	
Claims Equalization.....	14	
Unearned Premium.....	15	
Unexpired Risk.....	16	
Claims Outstanding	17	
Unearned Commission.....	18	
Total Insurance Liabilities.....	19	0 0
Other Liabilities.....	20	
Total Liabilities.....	29	

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

90.23

Year

STATEMENT OF INCOME-OUT OF JAMAICA

	Current Period (01)	Prior Period (03)
UNDERWRITING OPERATIONS		
Underwriting Revenue		
Gross Premium Written.....	01	
Reinsurance Assumed.....	02	
Reinsurance Ceded.....	03	
Net Premiums Written	04	0
Decrease (increase) in Net Unearned Premiums.....	05	
Net Premiums Earned	06	0
Service Charge/Customers.....	07	
Other.....	08	
Total Underwriting Revenue	09	0
Net Claims and Adjustment Expenses(Incl.IBNR,.....	10	
Claims Outstanding)		
Underwriting Expenses		
Acquisition Expenses :		
Commissions.....	11	0
Taxes(Stamp Duty).....	12	
Other.....	14	0
Operating Expenses.....	16	0
Total Claims and Expenses	19	0
Unexpired Risk Adjustmen ^a	20	
Underwriting Profit (Loss)	29	0

OSI-G (Revised 2000)
Next Page is 90.61

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

90.61

Year

UNEARNED PREMIUMS—OUT OF JAMAICA

Class of Insurance	Unearned Premiums			
	Direct (01)	Reinsurance assumed (02)	Reinsurance Ceded (03)	Net (01 + 02 -03) (04)
Liability 01				
Property—Personal				
- Householders 10				
- Other 11				
- Fire 12				
- Consequential Loss 13				
- Burglary 14				
- Boiler and Machinery 15				
- Money 16				
- Goods in Transit 17				
- Glass 18				
- Engineering 19				
- All Risk 20				
- Other 21				
Property—Total 29				
Motor Vehicle				
- Private 30				
- Commercial 31				
- Other 32				
Motor Vehicle—Total 39				
Pecuniary Loss—				
- Credit 57				
- Fidelity 58				
- Legal Expense 59				
- Surety/Bonds 60				
- Title 61				
- Mortgage 62				
- other 63				
Pecuniary Loss—Total 64				
Marine Aviation and Transport				
- Transport 66				
- Aviation 67				
- Marine 68				
Marine Aviation and Transport—Total 69				
Accident and Sickness 70				
TOTAL 89				
Retrocessions included in line 89, column 03 99				

FSC-G-2001
Next Page is 90.62

TENTH SCHEDULE, contd.

90 62

PREMIUMS AND CLAIMS OF INSURERS

Sl. No.	Class	Premiums received			Not estimated premium at end of year	Not estimated premium at end of year (100% of 100%)	Direct	Premiums received		Claims (11/11)
		Direct	Reinsurance received	Reinsurance received				Reinsurance received		
1	Life									
2	Fire									
3	Marine									
4	Accident and Sickness									
5	Motor Vehicle									
6	Health									
7	Other									
8	Property - Fire									
9	Motor Vehicle									
10	Health									
11	Other									
12	Life									
13	Fire									
14	Marine									
15	Accident and Sickness									
16	Motor Vehicle									
17	Health									
18	Other									
19	Property - Fire									
20	Motor Vehicle									
21	Health									
22	Other									
23	Life									
24	Fire									
25	Marine									
26	Accident and Sickness									
27	Motor Vehicle									
28	Health									
29	Other									
30	Property - Fire									
31	Motor Vehicle									
32	Health									
33	Other									
34	Life									
35	Fire									
36	Marine									
37	Accident and Sickness									
38	Motor Vehicle									
39	Health									
40	Other									
41	Property - Fire									
42	Motor Vehicle									
43	Health									
44	Other									
45	Life									
46	Fire									
47	Marine									
48	Accident and Sickness									
49	Motor Vehicle									
50	Health									
51	Other									
52	Property - Fire									
53	Motor Vehicle									
54	Health									
55	Other									
56	Life									
57	Fire									
58	Marine									
59	Accident and Sickness									
60	Motor Vehicle									
61	Health									
62	Other									
63	Property - Fire									
64	Motor Vehicle									
65	Health									
66	Other									
67	Life									
68	Fire									
69	Marine									
70	Accident and Sickness									
71	Motor Vehicle									
72	Health									
73	Other									
74	Property - Fire									
75	Motor Vehicle									
76	Health									
77	Other									
78	Life									
79	Fire									
80	Marine									
81	Accident and Sickness									
82	Motor Vehicle									
83	Health									
84	Other									
85	Property - Fire									
86	Motor Vehicle									
87	Health									
88	Other									
89	Life									
90	Fire									
91	Marine									
92	Accident and Sickness									
93	Motor Vehicle									
94	Health									
95	Other									
96	Property - Fire									
97	Motor Vehicle									
98	Health									
99	Other									
100	Life									

FSC-0-2001
Form Page 10 of 12

TENTH SCHEDULE, contd.

FSC-G-2001
and Page 4 of 5

Class of Insurance	Claims and adjustments expenses paid							Provision for unpaid claims (including unearned) and adjustment expenses - current year		
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)
	Direct	Reinsurance assumed	Reinsurance ceded	Net	Direct	Reinsurance assumed	Reinsurance ceded	Net		
Liability										
Property - Personal										
10 - Household										
11 - Other										
12 - Fire										
13 - Commercial Loss										
14 - Burglary										
15 - Theft and Machinery										
16 - Motor										
17 - Goods in Transit										
18 - Marine										
19 - Equipment										
20 - All Risk										
21 - Other										
22 - Property - Total										
Motor Vehicle										
30 - Private										
31 - Commercial										
32 - Other										
33 - Motor Vehicle - Total										
Recurrence Loss										
57 - Credit										
58 - Fidelity										
59 - Legal Expense										
60 - Surety/Bond										
61 - Title										
62 - Mortgage										
63 - Other										
64 - Recurrence Loss - Total										
Marine Aviation & Transport										
66 - Transport										
67 - Aviation										
68 - Marine										
69 - Marine Aviation & Transport - Total										
70 - Accidents and Sickness										
71 - TOTAL										
Recessions excluded in line 89 columns 01 and column 02										

Year

CLAIMS AND ADJUSTMENT EXPENSES - PAID AND PAID - OUT OF JANUARY

(\$'000)

Insurance Co.
Number

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TENTH SCHEDULE, *contd.*

NET CLAIMS AND ADJUSTMENT EXPENSES - RUN-OFF - OUT OF JAMAICA
(\$'000)

Insurance Co Insurer	Year	Year																			
		-5 and prior years (02)	-4 (03)	-4 and prior (02+03) (04)	-3 (05)	-3 and prior (05) (06)	-2 (07)	-2 and prior (07) (08)	-1 (09)	-1 and prior (09+08) (10)	0 (11)	0 and prior (10+11) (12)									
5 - LCAE, end of year IBNR, end of year	01																				
	02																				
	10																				
	11																				
	12																				
	19	0.00%																			
	20																				
	21																				
	22																				
	29	0.00%			0.00%																
3 - Paid during year LCAE, end of year IBNR, end of year Ratio excess (deficiency)	30																				
	31																				
	32																				
	35	0.00%		0.00%																	
2 - Paid during year LCAE, end of year IBNR, end of year Ratio excess (deficiency)	40																				
	41																				
	42																				
	49	0.00%		0.00%																	
1 - Paid during year LCAE, end of year IBNR, end of year Ratio excess (deficiency)	50																				
	51																				
	52																				
	53	0.00%		0.00%																	
0 - Paid during year LCAE, end of year IBNR, end of year Ratio excess (deficiency)	54																				
	55																				
	56																				
	58	0.00%		0.00%																	

*LCAE: Unpaid Claims & Adjustment Expenses (excluding IBNR)

FSC-G-2001
Revised Page is 80 05

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

90.65

Year

ADJUSTMENT EXPENSES—OUT OF JAMAICA

	(01)
PAID ADJUSTMENT EXPENSES	
Internal adjustment expenses	01
Reinsurance Ceded	02
Net internal adjustment expenses (line 01 – 02)	09
External adjustment expenses	
a. Adjusters and Appraisers	10
b. Legal	11
c. Other	12
Total (lines 10 + 11 + 12)	19
Reinsurance Ceded	20
Net external adjustment expenses (line 19 – 20)	29
Total (lines 09 + 29)	39
UNPAID ADJUSTMENT EXPENSES	
Provision for internal adjustment expenses net of reinsurance—end of year	40
Provisions for external adjustment expenses net of reinsurance—end of year	41
Provision for internal adjustment expenses net of reinsurance—beginning of year	42
Provision for internal adjustment expenses net of reinsurance—beginning of year	43
Total (lines 40 + 41 – 42 – 43)	49
TOTAL NET ADJUSTMENT EXPENSES INCURRED (LINE 39 + 49)	59
Net Internal Adjustment Expenses incurred (lines 09 + 40 – 42)	69
Net External Adjustment Expenses incurred (lines 29 + 41 – 43)	79

FSC–G–2001
Next Page is 90.66

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

90.66

Year

ACCIDENT AND SICKNESS INSURANCE—OUT OF JAMAICA, PART A

	Group (01)	Individual Cancellable (02)	Individual Non-Cancellable (03)
DIRECT PREMIUMS EARNED			
Premiums written 01			
Unearned premiums including mid terminal reserves for non-cancellable policies at beginning of year..... 02			
Unearned premiums including mid terminal reserves for non-cancellable policies at end of year..... 03			
Premiums earned (line 01 + 02-03)..... 09			
PAYMENTS MADE ON DIRECT CLAIMS INCLUDING ADJUSTMENT EXPENSES			
Accidental death and disbursement 10			
Income replacement 11			
Creditors 12			
Medical care 13			
Total payments 19			
CALCULATION OF INCURRED CLAIMS			
Provision for future payments on direct claims and adjustment expenses at beginning of year 20			
..... 21			
..... 22			
Provision for future payments on direct claims and adjustment expenses at end of... 13, 15 27			
..... 16			
Claims incurred (line 19-20+21x2)..... 17 29			
..... 18			
Claims ratio (line 29/09)..... 89	%	%	%

FSC-G-2001
Next Page is 90.67

Insurance Co.
Insurer

Year

ACCIDENT AND SICKNESS INSURANCE TOTAL—PART B

	Direct			Reinsurance Assumed			Reinsurance Coded			Net			
	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Group	Individual Cancellable	Individual Non-Cancellable	Total (10+(11)-(12))
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)
UNEARNED PREMIUMS AND RESERVES													
Unearned Premium..... 01													
Mid Terminal Reserves..... 02													
Total Unearned Premiums and Reserves (line 01-02)..... 09													
PROVISIONS FOR FUTURE PAYMENTS ON CLAIMS AND ADJUSTMENT EXPENSES													
Claims Payable in Instalments													
Reported Claims..... 10													
Unreported Expenses..... 11													
Adjustment Expenses..... 12													
Total Claims Payable in Instalments (line 10+11+12)..... 19													
Other Claims..... 20													
Total provision (line 19+20)..... 29													
Total Liabilities..... 89													

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TENTH SCHEDULE, cont'd.

THE INSURANCE REGULATIONS, 2001

TENTH SCHEDULE, *contd.*

90 B1

COMMISSIONS - TOTAL

- Commissions in respect of premiums written

Insurance Co. Insurer	Year	COMMISSIONS - TOTAL						Net Commissions attributable to the end of period (01)+(02)-(03)-(04)-(05)-(06)		
		Class of Insurance (01)	Deferred Commissions at beginning of year (02)	Unearned Commissions at beginning of year (03)	Direct (04)	Reinsurance assumed (05)	Reinsurance ceded (06)		Net (07)	Deferred Commissions end of period (08)	Unearned Commissions end of period (09)
Property - non										
Automobile - non										
Liability										
Other										
TOTAL										
Summary Commissions										
Commissions Expense (line 79, column 01)-(01)-(01-08)										
Deduct: Commissions Income (line 79, column 01)-(01-09)										
Net Commissions (equal line 79, column 01)										
Other Non-Deferrable Commissions										
TOTAL COMMISSIONS (line 87)-(87)-(84)										

FSC-0-2001
Next Page is 90 B2

TENTH SCHEDULE, contd.

Insurance Co.
Insurer

90.82

Year

EXPENSES — OUT OF JAMAICA
(\$'000)

Expense Classification	Applicable to Insurance Operations				Investment Expenses (08)
	Acquisition Expenses		General Expenses (04)	Net Internal Adjustment Expenses (06)	
	Deferred at End of Year (01)	Attributable to the Year* (02)			
Salaries 02					
Employee benefits 04					
Employee acquisition 06					
Occupancy 08					
Advertising 10					
Agency (excluding commissions) 12					
Automobile and travel 14					
Allowance for doubtful accounts 16					
Bureaus and Associations 18					
Directors remuneration 20					
Donations 22					
EDP and statistical 24					
Furniture and Equipment 26					
Home Office overhead 28					
Inspections and investigations 30					
Insurance 32					
Management fees 34					
Postage and courier 36					
Printing and Stationery 38					
Professional fees 40					
Telephone and other communication 42					
Miscellaneous 44					
..... 46					
Regulatory assessments 48					
Total 89					

* Total on line 89 to be reported on page 20.30, line 14.

FSC-G-2001
Next Page is 100.20

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

100.20

Year

CONSOLIDATED FINANCIAL STATEMENTS,
LIABILITIES, CAPITAL AND SURPLUS
(J\$'000)

		Current (01)	Prior (02)
LIABILITIES			
Overdrafts	01		
Loans and Accrued Interest	02		
Payables:			
Agents and Brokers	03		
Policyholders	04		
Payable to reinsurers	05		
Other Insurers	06		
Subsidiaries and Affiliates	07		
Expenses due and accrued	08		
Encumbrances on Real Estate	09		
PROVISIONS			
Provision for Corporation Tax-Prior Year	10		
Provision for Corporation Tax-Current Year	11		
Provision for Stamp Duty	12		
INSURANCE LIABILITIES			
Incurred But Not Reported	13		
Unearned Premium	15		
Unexpired Risk	16		
Unpaid Claims and Adjustment Expenses (claims outstanding)	17		
Unearned Commission	18		
Total Insurance Liabilities	19	# REF!	# REF!
Other Liabilities	20		
Total Liabilities	29		
Subordinated Indebtedness	30		
Deferred Taxes	31		
CAPITAL & SURPLUS			
Reserves Required	40		
Share Capital	41		
Share Premium	42		
Retained Earnings brought forward	44		
Current Profits	48		
Capital Reserves	49		
Other Reserves	50		
Total Capital, Surplus and Reserves	59		
TOTAL LIABILITIES, CAPITAL AND SURPLUS	89		

TENTH SCHEDULE, *contd.*

Insurance Co.
Insurer

100.52

Year

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

	Current Year (01)	Prior Year (02)
Cash flows from (used in) operating activities:		
Net Income (loss) for the year	01	
Adjustment for:		
Decrease (increase) in Investment Income due and accrued	05	
Decrease (increase) in Receivables	06	
Decrease (increase) in Recoverables from Reinsurers, and in Other Recoverables	07	
Decrease (increase) in Deferred Policy Acquisition Expenses	08	
Increase (decrease) Unexpired Risk	09	
Future (deferred) Income Tax Expense (Recovery)	10	
Increase (decrease) in Unearned Premiums	12	
Increase (decrease) in Unpaid Claims and Adjustment Expenses ..	13	
Increase (decrease) in Unearned Commissions (Reinsurers)	14	
Increase (decrease) in all other liabilities*	15	
Depreciation	20	
Amortization of (discount) on Investments	21	
Recognized losses (gains) on Investments	22	
.....	28	
Net Cash flows from (used in) operating activities	29	
Cash flows from (used in) investing activities:		
Term Deposits (purchases)	30	
proceeds on maturity/sale	31	
Bonds and Debenture (purchases)	32	
proceeds on maturity/sale	33	
Mortgage Loans (purchases)	34	
proceeds on maturity/sale	35	
Preferred Shares (purchases)	36	
proceeds on disposition	37	
Common Shares (purchases)	38	
proceeds on sale	39	
Real Estate (purchases)	40	
proceeds on sale	41	
Other Investment (purchases)	42	
proceeds on sale	43	
Amortization of premium on Investments	50	
(Purchase)/sale of Other Assets and Real Estate for Insurer's own use	51	
.....	58	
Net Cash flows from (used in) investing activities	59	
Cash flows from (used in) financing activities:		
Increase in (repayment of) borrowed money	60	
Issue (redemption) of shares	61	
Dividends to Shareholders	62	
.....	68	
Net Cash flows from (used in) financing activities	69	
Net Increase (decrease) in cash and cash equivalents (lines 29+59+69)	79	
Cash and cash equivalents at beginning of year	80	
Cash and cash equivalents at end of year (line 79+80)	89	
Increase (decrease) in cash and Cash Equivalents (Line 89-80)	90	
Cash and cash equivalents at end of year consist of:		
Cash	91	
Cash equivalents	92	
(Overdrafts)	93	

ELEVENTH SCHEDULE (Regulation 34)
QUARTERLY STATEMENTS FOR GENERAL INSURERS

ANNUAL RETURN

Table of Contents

Year

Insurance Co.

Insurer

CONTENTS

Financial Statements

Assets

Liabilities, Capital Surplus and Reserves

Statements of Income

Statements of Earned Surplus

Ratios

Notes to Ratios

ELEVENTH SCHEDULE, *contd.*

Insurer	ASSETS (J\$,000)	Date	
		Current Quarter (01)	Prior Quarter (02)
Cash	01		
Accrued Investments Income	02		
Investments:			
Term Deposit expiring in one year or less	03		
Term Deposits expiring in more than one year	04		
Promissory Notes	05		
Government securities:			
Jamaica	06		
Others	07		
Bonds and Debentures	08		
Unit Trust Funds	09		
Ordinary Shares	10		
Preference Shares	11		
Mortgage Loans	12		
Real Estate	13		
Other Investments	14		
Total Investments (line 03 to 14)	19		
Receivables:			
Agents and Brokers	20		
Policy holders	21		
Instalment Premiums	22		
Other Insurers	23		
Subsidiaries and Affiliates	25		
Income Taxes	26		
Interest Receivables	27		
Other Receivables	28		
Recoverable from Reinsurers:			
Unearned Premiums	30		
Unpaid Claims and Adjustments Expenses	31		
Other Recoverables and Unpaid Claims	37		
Investment in Subsidiaries and Affiliates	40		
Real Estates for Insurer's own use	41		
Other Assets	42		
Deferred Policy Aquisition Expenses	43		
Deferred Income Taxes	44		
TOTALASSETS	89		

ELEVENTH SCHEDULE, *contd.*

Insurer	Date	
LIABILITIES, CAPITAL AND SURPLUS (J\$'000)		
	Current Quarter (01)	Prior Quarter (02)
LIABILITIES		
Overdrafts.....	01	
Loans and Accrued Interest.....	02	
Payables:		
Agents and Brokers	03	
Policyholders	04	
Payable to reinsurers	05	
Other Insurers	06	
Subsidiaries and Affiliates	07	
Expenses due and accrued	08	
Encumbrances on Real Estate	09	
PROVISIONS		
Provision for Corporation Tax-Current Year	11	
Provision for Stamp duty	12	
INSURANCE LIABILITIES:		
Incurred But Not Reported	13	
Unearned Premium	15	
Unexpired Risk	16	
Unpaid Claims and Adjustment Expenses (claims outstanding)	17	
Unearned Commission	18	
Total Insurance Liabilities	19	#REF!
Other Liabilities	20	
Total Liabilities	29	0
Subordinated Indebtedness	30	
Deferred Taxes	31	
CAPITAL & SURPLUS		
Reserves Required	40	
Share Capital	41	
Share Premium	42	
Retained Earnings brought forward	44	
Current Profits	48	
Capital Reserves	49	
Other Reserves	50	
Total Capital & Surplus & Reserves	59	0
TOTAL LIABILITIES, CAPITAL AND SURPLUS	89	0

Insurer ELEVENTH SCHEDULE, *contd.* Date

PROFIT & LOSS ACCOUNT
(J\$'000)

	Current Quarter (01)	Prior Quarter (02)
UNDERWRITING OPERATIONS		
Underwriting Revenue		
Gross Premium Written		
Reinsurance Assumed		
Reinsurance Ceded		
Net Premiums Written	0	0
Decrease (increase) in Net Unearned Premiums		
Net Premiums Earned	0	0
Service Charge/Customers		
Other		
Total Underwriting Revenue	0	0
Net Claims and Adjustment Expenses (incl. IBNR claims Outstanding)		
Underwriting Expenses		
Acquisition Expenses:		
Commissions		
Taxes (Stamp Duty)		
Other		
Operating Expenses		
Total Claims and Expenses	0	0
Unexpired Risk Adjustment		
Underwriting Profit (Loss)	0	0
INVESTMENT OPERATIONS		
Income		
Realised Gains (Losses)		
Expenses		
Net Investment Income	0	0
OTHER REVENUE AND EXPENSES		
Income (Loss) from Ancillary Operations (net of Expenses of \$.....)		
Share of Net Income (Loss) of Subsidiaries and Affiliates		
Gains (Losses) from Fluctuations in Foreign Exchange Rates		
Other		
Income (Loss) before Income Taxes and Extraordinary items	0	0
INCOME TAXES		
Current		
Deferred		
Total Income Taxes	0	0
Extraordinary Items (Net of income Taxes \$.....)		
NET INCOME (LOSS) FOR THE PERIOD	0	0

ELEVENTH SCHEDULE, *contd.*

Insurer

Date

EARNED SURPLUS

		Current Quarter (01)	Prior Quarter (02)
Balance at beginning of year	01	0.00	
Prior period adjustments	02		
.....	03		
Adjusted balance at beginning of year	09	0.00	0.00
Net Income (loss) for the year	10	0.00	0.00
Dividends declared to shareholders	11		
Decrease (increase) in Reserves Required	12		
Decrease (increase) in General and Contingency Reserves	13		
.....	14		
Net increase (decrease) in earned surplus during the year	15	0.00	0.00
Balance at end of year	89	0.00	0.00

ELEVENTH SCHEDULE, *contd.*

Insurer

Date

FINANCIAL RATIO ANALYSIS

STANDARD

	Current Quarter (01)	Prior Quarter (02)
Change in NPW FSC Standard Met?		
Underwriting Ratio FSC Standard Met?		
Insurance Risk Ratio FSC Standard Met?		
Ret. on Investments FSC Standard Met?		
Investment in Real Estate FSC Standard Met?		
Earnings Ratio FSC Standard Met?		
Test of Receivables FSC Standard Met?		
Solvency Ratio FSC Standard Met?		
Change in Capital and Surplus FSC Standard Met?		
Loss Reserves/Capital and Surplus FSC Standard Met?		
Liquid Assets/Total Liabilities FSC Standard Met?		
Amounts Due from Agents FSC Standard Met?		

ELEVENTH SCHEDULE, *contd.*

Insurer

Date

FINANCIAL RATIO ANALYSIS

Millennium General Insurance Co. Ltd.

Balance Sheet Summary

	Current Quarter (01)	Prior Quarter (02)
Assets		
Cash and Short-term Investments		
Other Investments		
Real Estate Investments		
Due for Associated Companies		
Accounts Receivable		
Due from Agents		
Other Assets		
TOTAL ASSETS	\$ -	\$ -
LIABILITIES		
Policyholder's Fund		
Outstanding Claims		
Other Liabilities		
Capital and Other Reserves		
TOTAL LIABILITIES		
CAPITAL AND SURPLUS		
Undistributed Profits		
Share Capital		
TOTAL CAPITAL AND SURPLUS		
TOTAL LIABILITIES, CAPITAL AND SURPLUS	#REF!	#REF!
	Current Quarter (01)	Prior Quarter (02)
Profit and Loss Summary Year		
Net Premiums Written		
Net Premiums Earned		
Investment Income		
Other Income		
TOTAL REVENUE	\$ -	\$ -
EXPENSES		
Underwriting Expenses		
Other Expenses		
Interest Expenses		
Taxes		
TOTAL EXPENSES		
Net Income before Unusual Items	\$ -	\$ -
Unusual Items	\$ -	\$ -
Net Transfer (to) from reserves		
NET INCOME	\$ -	\$ -
Change in Undistributed Surplus		
Underwriting profit (loss)	\$ -	\$ -

ELEVENTH SCHEDULE, *contd.*

NOTES TO RATIOS

Change In NPW**Present Mth NPW-Prior Mth NPW**

Prior Mth. NPW

Significant increases in the volume of net premiums written could indicate the company's adoption of lenient underwriting practices by accepting higher risks at an insufficient price, thus not collecting enough premiums for future claims. Major decreases in premiums may indicate the company's insufficient influx of premium cash to cover present claims liabilities.

Underwriting Ratio**Total Claims and Expenses Incurred**

Net Premiums Earned

Measures underwriting performance. Any amount exceeding 100% demonstrates an underwriting loss.

Insurance Risk Ratio**Net Premiums Written**

Capital and Surplus

This is a measure of the company's ability to absorb financial shocks. The higher the ratio of premiums to surplus, the greater is the potential risk borne by the company in relation to the surplus available to absorb loss variations. It is used only to judge the magnitude of an insurer's exposure to risk through policy issuance in excess of the surplus strain the company may be able to absorb.

Return on Investments**Investment Income**

Avg. Investments for last two mths.

ROI can help counterbalance poor underwriting. If ROI is lower than industry average, this may indicate that the company is mismanaging assets.

Investment in Real Estate**Real Estate Investments**

Total Assets

This measures the company's ability to absorb potential financial losses due to real estate investments. Real estate for personal use are not included in the real estate investment.

Earnings Ratio**Net Income**

Capital and Surplus

Determines financial performance of the company by calculating the present rate of return of capital and surplus.

ELEVENTH SCHEDULE, *contd.***Test of Receivables**Accounts Receivable

Capital and Surplus

Measures the company's solvency, should receivables become unrecoverable or delayed. Any amount exceeding 100% indicates a potential financial strain on operating funds due to exhaustion of capital and surplus being used to compensate for delayed or unrecoverable accounts receivable.

Solvency RatioCapital and Surplus

Total Liabilities

Measures the company's leverage. The higher the ratio, the more the company is able to absorb financial distress and withstand difficult periods.

Change in Capital and SurplusCurrent Mth. Capital and Surplus—Prior Mth. Capital and Surplus

Prior Mth. Capital and Surplus

May signal instability of management principles. Studies suggest that a number of insolvent companies had a significant increase in surplus prior to insolvency.

Loss Reserves to Capital and SurplusActuarial Reserves

Capital and Surplus

This demonstrates the company's leveraged position. If a general company's leverage exceeds 250%, deficiencies in the actuarial loss reserves may have a severe effect on the company's capital and surplus position.

Liquid Assets to Total LiabilitiesLiquid Assets

Total Liabilities

A large portion of an insurer's liabilities may be subject to demands for payments in a relatively short period of time. This ratio measures the company's ability to meet short-term cash requirements. A prudent insurer will have a high level of liquidity in its investment portfolio.

Amounts Due from Agents to Capital and SurplusDue from Agents

Capital and Surplus

A method of measuring the company's solvency, should amounts due from agents become delayed. Any amount exceeding 100% indicates a potential financial strain on the company's operating funds due to exhaustion of capital and surplus being used to compensate for delayed amounts from agents.

TWELFTH SCHEDULE

(Regulation 36)

Auditor's Certificate for Brokers, Corporate Agents

We have examined the books of _____
(broker, agent—delete where appropriate)

for the period ended _____ (hereinafter referred to as the said date)
 and enclosed herewith is a copy of the audited accounts as at the said date.

We report and certify that, to the best of our knowledge and belief—

- (a) the books have been kept properly;
- (b) it is not the practice of the broker or agent, as the case may be, to debit clients with premiums without correspondingly crediting underwriters and insurance companies therewith;
- (c) monies received from underwriters and insurance companies for claims and returns have been duly paid to, or settled in account with clients;
- (d) at the said date—
 - (i) the total net realizable value of the broker's or agent's permissible assets exceeded its net indebtedness to insurance creditors;
 - (ii) the total realizable value of the broker's or agent's current assets exceeded its current liabilities;
 - (iii) the total net realizable value of the broker's or agent's assets exceeded its total liabilities by the amount specified in Regulation [for capital and bonding of brokers/agents];
 - (iv) the errors and omissions and fidelity insurance policies conform to the requirements specified in Regulation [for capital and bonding of brokers/agents];
- (e) during the course of our audit we met with nothing to lead us to believe that the statements in paragraph (d) above would not be true if made in respect of any day in the period ended on the said date;
- (f) that the funds received by _____
(name of broker or agent)

from clients for onward transmission as premiums to insurers have been maintained at all times during the financial year separately from other funds of the said broker or agent as the case may be, and have not been hypothecated or utilised in any way directly or indirectly, other than for limited investments in short-term deposits with commercial banks or for other investments approved in writing by the Commission.

 Signature of Auditor

 Date

TWELFTH SCHEDULE, *contd.*

NOTES FOR THE AUDITOR—

The auditor shall act in conformity with the following and shall be guided accordingly—

1. No firm of accountants who keeps the books of a broker or of an agent, as the case may be, may conduct the audit of those accounts or issue the audited certificates required herein.
2. Where the auditor may not in every case be able to complete the required report and the certification he should submit a qualified report in a separate statement indicating as fully as possible his findings concerning the financial affairs of the broker or agent as the case may be, and the extent to which there are deficiencies in meeting the financial requirements.
3. Where the broker, or agent, as the case may be, is a subsidiary of another company or forms part of a larger association or group, the audited accounts of its ultimate holding company, or that larger association of group must also be submitted to the Commission.
4. If the end of a broker's or agent's, as the case may be, financial period is more than twelve months after the end of the previous period (or in the case of its first financial period, more than twelve months after it commenced business) audited accounts as required above are to be submitted to the Commission for a period ending not more than twelve months after the end of the previous financial year or the date it commenced business, as the case may be, unless the prior agreement of the Commissioned is obtained. Such audited accounts shall be submitted within sixty (60) days of the date to which the accounts are made up.
5. In determining the total net realisable value of the broker's or agent's assets no account shall be taken of intangible assets such as goodwill or deferred expenses and no account shall be taken of premiums paid on insurance policies on the life of any director or senior officer or other employee or any cash surrender values relating to such policies or, any related party transaction unless specifically allowed in the legislation. In regard to furniture fixtures and equipment and motor vehicles, account shall only be taken of 50% of their value after depreciation.
6. National Housing Trust contributions shall be expenses and an appropriate note shall be made in the annual accounts indicating the contribution for the year of account and the accumulated contributions to the end of the year of account.

In this Schedule—

"current assets" shall not include—

- (a) any unquoted investment other than permissible assets;
- (b) any investment in, or loan to, any related company or partnership;
- (c) any other amount due from any related company or partnership other than balances which are permissible assets or current debts arising from normal insurance broking or agency activities, as the case may be, or any current debts which the auditor is satisfied can and will be received in cash within three months of the date when the debt becomes due and is not in substance a continuance of a previous

TWELFTH SCHEDULE, *contd.*

debt or likely to be replaced by a debt which is, in substance, a continuance of the debt;

"current liabilities" includes all liabilities other than long-term liabilities. Contingent liabilities and capital expenditure authorized but not provided for shall be taken into account and, where appropriate, reasonable provision included therefor;

"long-term liabilities" means debentures and loans for an initial term of more than three years;

"net indebtedness to insurance creditors" means the difference between the aggregate of the amounts due to insurers and clients, and the aggregate of the amounts due from clients and insurers, after making proper provision for bad and doubtful debts and any allowances or other amounts properly deductible therefrom. Amounts due to insurers and clients and amounts due from clients and insurers shall only include debts arising from normal insurance activities of the broker, or from normal insurance activities of the agent, as the case may be;

"permissible assets" means assets which are readily realisable and fall into any of the following categories—

- (a) monies or deposits or current accounts with any commercial bank licensed under the Banking Act including certificates of deposit from those banks or from any other bank approved by the Commission for the purpose;
- (b) Treasury Bills issued by the Government of Jamaica or by a government specified in a notice published in the *Gazette* by the Commission or securities acceptable by the Commission as short-term and issued by a government specified in a notice published in the *Gazette* by the Commission;
- (c) loans to and deposits with any local authority in Jamaica or in any country specified in a notice published in the *Gazette* by the Commission and deposits with any institution specified in a notice published in the *Gazette* by the Commission;
- (d) fixed interest marketable securities which will mature for repayment within five years from the relevant date and are issued or guaranteed by the Government of Jamaica or any other Government or are issued in Jamaica or in any country by any public authority, or Government-owned organization or the International Bank of Reconstruction and Development, being securities that are physically located in Jamaica and are negotiable therein or in a country acceptable to the Commission;
- (e) debts arising within twenty-one days, and settled within twenty-one days after the date to which the audited accounts are made up and arising from the sale redemption, conversion or realization of any asset set out in paragraph (d);
- (f) deposits with a building society specified by the Commission in a notice published in the *Gazette*, and no asset shall be regarded as readily realisable unless it is

TWELFTH SCHEDULE, *contd.*

unencumbered, and can, within a period of not more than one month, be readily and easily converted into, or sold or realised for cash;

"related company" means in relation to any broker, or agent, any company which is the broker's or agent's fellow subsidiary or holding company or ultimate holding company; or a subsidiary (directly or indirectly) of any such holding company or ultimate holding company or of the broker, or agent, as the case may be; or an associated company of any group of companies of which the broker, or agent is a member and includes a related person, that is to say, where there are common directorates or common proprietorship connected back to individuals or the spouse or children of such individuals;

"related partnership" is a partnership which would fall into the definition of related company if such a partnership was a body corporate.

THIRTEENTH SCHEDULE

(Regulation 77)

Actuary's Report

See section 8 of the Actuarial Regulations for Life Insurance Companies and for General Insurance Companies.

FOURTEENTH SCHEDULE

(Regulation 106)

Application for Registration of Association of Underwriters

Application by an Association of Underwriters for registration under Part III of the Act to carry on in Jamaica insurance business of a relevant class or relevant classes.

A—PARTICULARS OF BUSINESS AND REGISTRATION REQUIRED

1. Name of the association.
2. Full address of the principal office of the association in Jamaica where service of notice may be effected.
3. Date and place of commencement of the association.
4. Summary of main objects of association (attach statement where necessary).
5. The authorized and paid-up capital. If paid-up capital will be increased before registration under the Act give details.
6. The amount by which the assets of the association exceed liabilities (including all contingent or prospective liabilities but not liabilities in respect of share capital).
7. The relevant class or classes of insurance business which the association carries on (a) in Jamaica and (b) elsewhere at the present time and the amount of business undertaken outside Jamaica.

FOURTEENTH SCHEDULE, *contd.*

8. Particulars of any business other than insurance business which the association carries on at present or proposes to carry on any where, indicating how such other business will be separated from the insurance business.

9. The class or classes of insurance business for which registration is sought. Has the association been refused permission to carry on such class (or any, and if so, which, of such classes) of insurance business in any other country?

10. If the company intends to limit its activities to insuring only some of the risks of the class or classes of business for which registration is being sought: particulars of the risks to be insured.

11. Does the association carry on any class of long-term business with any class of general business in (a) Jamaica (b) elsewhere. State classes involved. If in addition to long-term business the company at present carries on in Jamaica any class of general business other than accident insurance business state the transitional period required before cessation of long-term classes or general classes, as the case may be, can be effected. (Attach statement where necessary).

12. Is the association carrying on business in Jamaica as a broker? State whether or not the association's directors have, or propose to hold, any beneficial ownership in any insurance brokerage business in Jamaica: full details should be given.

B—BUSINESS PLAN

13. The estimated amount of premium income (both gross and net of reinsurance) during each of the next three years in respect of each class of insurance business which the association will carry on set out hereunder:

	Gross			Net of Reinsurance		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	\$	\$	\$	\$	\$	\$
(a) from direct insurance in Jamaica						
(b) from direct insurance elsewhere						
(c) from reinsurance accepted in Jamaica						
(d) from reinsurances accepted elsewhere						
(e) Total (a) to (d)						

14. The amount (if any) by which it is intended to increase the paid-up capital of the association during the next three years.

15. The sum expected to be spent during each of the next three years on new premises, office equipment, motor vehicles, etc.

16. The sum expected to be spent during each of the next three years on advertising or other methods of promoting business.

FOURTEENTH SCHEDULE, *contd.*

17. For each and every class of insurance business to be carried on by the association in Jamaica during the next three years:

- (a) The method or methods by which the policies will be marketed (e.g. by the association's own organization, by brokers, sales representatives, agents, or by all methods).
- (b) If more than one method is proposed under (a) the expected proportions to be marketed by each method.
- (c) The rates of commission which will be paid to the categories indicated at (a) above; and
- (d) The extent to which and the conditions under which any of the categories at (a) will have binding authority to commit the association.

18. Where an overseas association operates or proposes to operate in Jamaica through the medium of a local agent or agents a summary of the main arrangements pertaining to the agency agreement(s) and the extent and system of supervision and control to be exercised by the principal. (Attach statement if necessary).

19. Where the company proposes to operate in Jamaica on a Branch basis details of the organization and structure of the Branch arrangements (Attach statement if necessary).

20. The way in which the settlement of claims will be handled (e.g. by the association, by outside loss adjusters or assessors or by other persons with authority to settle claims).

21. The association's policy and practice or proposed policy and practice relating to the settlement of claims. (Attach statement where necessary).

22. Particulars of any association which exists between any of the brokers, agents, loss adjusters or assessors and any director of the association, any director it is proposed at present to appoint, any person having a majority shareholding in the association or any other person on whose directions the directors of the association or any of them act or will act.

23. The name of the principal officer of the association in Jamaica.

24. The name or names of the association's agent, or agents in Jamaica, their address or addresses and the classes of insurance business for which they will be responsible.

25. In respect of each class of business for which registration is being sought:

- (a) the proposed premium rates before deduction of commission;
- (b) the percentage of premiums (net of reinsurance) which claims are expected to form and any other relevant information on which premium rates are based;
- (c) the percentage of premium (net of reinsurance) which management expenses are expected to form;
- (d) the proposed selection of risks; and

FOURTEENTH SCHEDULE, *contd.*

- (c) attach copies of the standard forms of policies. Where applications for registration to carry on industrial insurance business or ordinary long-term business are being made the information requested in (b) and (c) need not be given but the association should provide a statement of the actuarial bases of the premium rates and, in the case of equity-linked business, the proportion of premiums to be invested in or related to the fund. Applicants should also supply a certificate by an actuary stating that he considers that premium rates are satisfactory in the light of the information disclosed in the application and that the proposed amount of capital is adequate to support the amount of business.

C—REINSURANCE CEDED

26. The nature and extent of the existing or proposed reinsurance arrangements for each class of business indicating clearly the amount of the applicant association's retention in each case. (Attach supporting statement, reinsurance treaties, etc.).

27. Names of the insurance companies or associations of underwriters which will reinsure each class of the association's business and the amount which will be reinsured by each. (Attach supporting statement, if necessary).

D—SYNDICATES OF AN EXCHANGE

28. (a) Full names (including any previous name or names by which known):
- (b) Address:
- (c) Nationality
- (d) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in Jamaica or elsewhere:
- (e) Whether the syndicate has been adjudicated bankrupt during the last ten years and particulars of any company or association with which the person was associated during the last ten years and which was compulsorily wound up whilst he was associated with it:
- (f) Percentage of interest at present
- (g) Other associations held at present and former associations held during the last ten years; and
- (h) Names of any other associations or companies in which the person is entitled to exercise or control the exercise of one third or more of the voting power at a general meeting.

29. In respect of the association's actuary and each of the persons who will be in charge of one or more of the following departments of the company, viz., fire, accident, life, marine, aviation, claims, agency, investment, accounting and underwriting, by whatever title he may be known—

- (a) Full names (including any previous name or names by which known):
- (b) Address:

FOURTEENTH SCHEDULE, *contd.*

- (c) Date of Birth:
- (d) Place of birth:
- (e) Position held in applicant company:
- (f) Qualifications and experience:
- (g) Companies by which employed during the last ten years and position held:
- (h) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in Jamaica and elsewhere. (If the association's actuary is a consulting actuary the name of the partnership to which he belongs, together with any directorships he holds at present and any former directorships held during the last ten years must be stated).

E—INVESTMENTS AND BROKERS

30. A list of the investments under suitable headings at present held by the association, the value of each investment at the end of the last financial year and the method of valuation.

31. The categories of investments in which the insurance funds in respect of the business for which registration is being sought will be held and the approximate proportions in each category. If it is intended that any of the insurance funds will be invested in currencies other than Jamaican dollars, the approximate percentage of each fund which will be invested in each currency should be given.

32. Details of (a) any unpaid loans which the company has made, and (b) any loans which the company proposes to make to any officer of the company and any proposed loans to or investments in an associate company or any company in which any officer of or other person controlling the applicant company is entitled to exercise, or control the exercise of one-third or more of the voting power at any general meeting of the association.

33. The place or places at which the documents of title in respect of the association's present investments are held, the place or places at which it is proposed to hold the documents of title in respect of the company's present and future investments and particulars of any of the documents which are or will be held outside Jamaica.

34. The names and addresses of all banks in which the association has accounts at present or intends to have accounts.

F—FINANCIAL YEAR AND AUDITORS

35. The date on which the association's financial year will end.

36. The name, address and qualifications of each of the association's auditors, both in Jamaica and elsewhere.

G—DOCUMENTATION

37. The above application is hereby accompanied by the following—

- (a) Certified copies of the deeds and agreements or other instrument constituting the association.

FOURTEENTH SCHEDULE, *contd.*

- (b) Certified copies of the latest audited Balance Sheet, Profit and Loss Accounts and Revenue Accounts and the aforementioned Financial Statements over the previous three financial years of the association.
- (c) Certified copies of the latest annual report.
- (d) Specimens of all categories of insurance policies issuable by the applicant in respect of all classes of insurance business to be undertaken in Jamaica.
- (e) Latest actuarial report of the association where it proposes to undertake or has undertaken any class of long-term business in Jamaica.
- (f) Official receipt from Commission evidencing payment of registration fee.
- (g) A certificate signed by the executive officers of the association stating that the association has fulfilled the capital and solvency requirements indicated at sections 9 and 55 of the Act. (Where the association undertakes any class of long-term business along with general business the certificate should also be signed by an actuary).
- (h) A detailed memorandum indicating the organization of the association and/or its agency, or agencies in Jamaica. The memorandum should be signed by the individual syndicates and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in Jamaica whether of the applicant association, its agency, agencies or sub-agencies.

APPLICATION AND CERTIFICATE OF TRUTH AND CORRECTNESS

We hereby apply on behalf of.....
 (Association of Underwriters) for registration under Part III of the Insurance Act, to carry on in Jamaica insurance business of the class or classes indicated at Section 3. We certify that to the best of our knowledge and belief all the information given in this application and contained in supporting statements and documentation submitted is true and correct.

.....

General Manager or Secretary

Principal Officer in Jamaica

Date.....2001

SF-37

FIFTEENTH SCHEDULE

(Regulations 111-119)

Application for Registration of Insurance Brokers, Sales Representatives, Loss Adjusters and Insurance Agents

Part A-Applicable to Individuals Only

- 1. Name of applicant
- 2. Business address
- 3. Date of birth..... Place of birth
- 4. Relevant classes of business for which it is hoped to carry on business as a broker in Jamaica
 - Accident Insurance Business Liability Insurance Business
 - Marine Aviation and Transport Motor Vehicle Insurance Business
 - Pecuniary Loss Insurance Business Property Insurance Business
 - Industrial Insurance Business Ordinary Long-Term Insurance Business
 - Sickness and Health Insurance Business
- 5. Are you an undischarged bankrupt?
- 6. If so, have you received leave by the Court by which you were adjusted bankrupt, to be an insurance broker?
- 7. Are you registered or have you applied for registration as a sales representative or agent under Part III of the Insurance Act?
- 8. Were you carrying on business as a broker within the last 12 months?
.....
- 9. If so for which class or classes of business?
- 10. Give details of all training and qualifications held (including copies of certificates, diplomas, etc.)
- 11. Give full details of all experience and employment in insurance business as a broker or in any other category (from date of entry to date)
.....
- 12. Will you be a full time or part time broker?
- 13. Have you ever been convicted of any offence involving fraud or dishonesty?
.....
- 14. Do you own shares in any insurance company or in any company which acts as an agent of an insurance company?

FIFTEENTH SCHEDULE, *contd.*

- 15. If you are a member of a brokers' association or other professional body, state name of association or body, and address
- 16. If you are not such a member, give reasons
- 17. If you, or your wife/husband or children or parents hold shares in any insurance company or any company acting as agent of an insurance company, state the name of each company, the name of the holder and the number of shares held

I declare that the replies given in this application form are to the best of my knowledge and belief true and correct. I further declare that no agreement relating to the preferential offer of insurance has been made between me and any person carrying on insurance business as might impair my impartiality in placing insurance business.

Signed Date

Witnessed by Date

(Testimonial to be signed by (J.P.)))

I.....certify

that is known to me. He/she is a person of good character and is otherwise a fit and proper person to be a broker registered under the Insurance Act.

Signed..... Qualification

Date

Part B—Applicable to Companies or Partnerships

Application for registration as a broker by a company or partnership or other body of persons

- 1. Name of company or other body
- 2. Principal address in Jamaica
- 3. Date and place of incorporation or formation
- 4. Give registration number of the company under the Companies Act, if any
- 5. Summary of main or proposed main objects of the company (attach statement where necessary)
- 6. Amount of authorized and paid-up capital (attach latest audited Profit and Loss Account and Balance Sheet)
- 7. Gives names, place and date of birth of each director, manager or partner and senior officer

FIFTEENTH SCHEDULE, *contd.*

8. Relevant classes of business for which it is hoped to carry on business as a broker in Jamaica

- Accident Insurance Business
- Liability Insurance Business
- Marine Aviation and Transport
- Motor Vehicle Insurance Business
- Pecuniary Loss Insurance Business
- Property Insurance Business
- Industrial Insurance Business
- Ordinary Long-Term Insurance Business
- Sickness and Health Insurance Business

9. Is any director, manager or partner an undischarged bankrupt?

10. If so, has he (they) received leave by the Court by which he (they) were adjudged bankrupt, to carry on business as an insurance broker in Jamaica?

11. Does any director, partner, manager or senior officer of the organization hold shares in an insurance company or a company which is an agent for an insurance company?

12. Give details

13. Was the company carrying on business within the last 12 months as an insurance broker in Jamaica?

14. If so for which relevant classes of insurance business?

15. Give details of all training and qualifications held by each director manager or partner including copies of certificates, diplomas, etc.)

Declaration: (to be signed by each director, manager, or partner as the case may be).

We the undersigned, being directors, managers or partners of

.....
declare that the replies given in this application form are to the best of our knowledge and belief true and correct. We further declare that no agreement relating to the preferential offer of insurance has been made between

.....names of company, partnership, etc.)

and any person carrying on insurance business as might impair our impartiality in placing insurance business.

Signed Date

FIFTEENTH SCHEDULE, *contd.*

..... Date

..... Date

..... Date

PART C—APPLICABLE TO CORPORATE AGENTS

1. Name and date of birth of manager, controlling director, partner, etc., as the case may be:
2. Principal address (*addresses*) in Jamaica
3. Name(s) of insurance company (or companies) for which applicant is to be a registered agent
4. Principal office (offices) in Jamaica of company (companies) named in 3
5. Is/are the company/companies registered under the Insurance Act to carry on insurance in Jamaica?
6. Relevant classes of business for which the insurance company(ies) above is (are) registered:

<input type="checkbox"/> Accident Insurance Business	<input type="checkbox"/> Liability Insurance Business
<input type="checkbox"/> Marine Aviation and Transport	<input type="checkbox"/> Motor Vehicle Insurance Business
<input type="checkbox"/> Pecuniary Loss Insurance Business	<input type="checkbox"/> Property Insurance Business
<input type="checkbox"/> Industrial Insurance Business	<input type="checkbox"/> Ordinary Long-Term Insurance Business
<input type="checkbox"/> Sickness and Health Insurance Business	
7. Submit certified copy of power of attorney from each insurance company you propose to represent.
8. Is applicant or any director, manager or partner or senior officer of the applicant body an undischarged bankrupt?
9. If so, has he received leave by the Court by which he was adjudged bankrupt, to be an insurance agent

FIFTEENTH SCHEDULE, *contd.*

- 10. Give documentary proof of leave.
- 11. Is applicant registered as a broker or has he (or the body of persons) applied for registration as a broker under Part IV of the Insurance Act?
- 12. Did the applicant carry on business as an agent within the last 12 months?
.....
- 13. If so, state for which company or companies and for which class or classes of business.
.....
- 14. Submit certified copy of agency agreement with insurance company or principal agent. Give summary of each such agreement and state commissions payable or other method of remuneration
- 15. Give details of shareholding or interest in any insurance brokerage business or undertaking of each member of staff, including directors and partners and their immediate families
- 16. Give details of all training and qualifications held (including copies of certificates, diplomas, etc.) by applicant or each director, manager or partner or senior officer of the applicant body
- 17. Give details of experience as an insurance agent, e.g., number of years, class of business, name of companies, etc. In the case of a partnership or company applying for registration give details of experience and employment of senior staff attached to organization
.....
.....
- 18. Has any director, partner, manager, senior officer or individual applicant been convicted of an offence involving fraud or dishonesty? If so give details
.....
.....
- 19. Submit latest agency returns made to the insurance company or principal agent and also latest audited Profit and Loss Account and Balance Sheet of the applicant organizations.
- 20. Give details list of all assets and liabilities held (and places where held) for the relevant insurance company (or companies) or principal agent in respect of which your agency registration application pertains. This list should be certified by an auditor and should be for a period not earlier than three months before the date of application.

FIFTEENTH SCHEDULE, *contd.*

-
-
21. The names and addresses of all the banks in which the applicant has accounts. All bank accounts in which the funds are beneficially owned by the insurance company (companies) or principal agents to which your agency registration application pertains should be stated separately. The nature of the applicants use or control of all assets and bank accounts of his principals existing in Jamaica should be indicated in detail.
-
-

Declaration:

I/We the undersigned declare that the replies given in this application form are to the best of my/our knowledge and belief true and correct.

Signed Date

..... Date

..... Date

..... Date

Testimonial (To be signed by a Justice of the Peace or Notary Public or Minister of Religion or Police Officer above the rank of Inspector, or a Resident Magistrate).

I certify that
..... is known to me.

He/She is a person of good character and is otherwise a fit and proper person to carry on business as an agent or to occupy the position of

.....
(specify the position held e.g., manager, controlling director, partner*, etc.) with the
.....
(name of agency).

Signed

(capacity of individual signing testimonial should be indicated
i.e. Justice of the Peace, Notary Public, Minister of Religion
Police Officer above the rank of Inspector or Resident
Magistrate).

Date

*cross out irrelevant words

FIFTEENTH SCHEDULE, *contd.*

PART D—APPLICABLE TO INSURANCE SALES REPRESENTATIVE

1. Name of applicant:
2. Date of birth
3. Present occupation:
4. Address:
5. Name of company, broker or agent for which applicant is/will be a sales representative:
.....
6. Address of principal office in Jamaica of company/broker/agent for which applicant is/will be a sales representative:
7. Class/Classes of insurance business that applicant will sell in Jamaica
Accident Insurance Business Liability Insurance Business
Marine Aviation and Transport Motor Vehicle Insurance Business
Pecuniary Loss Insurance Business Property Insurance Business
Industrial Insurance Business Ordinary Long-Term Insurance Business
Sickness and Health Insurance Business
8. Places of employment during last 10 years:
9. Are you a member of any association of insurance sales representatives?
..... (Name of association if any)
10. Were you such a member and ceased being one?
11. Have you applied for membership in such an association?
12. If you hold any shares in any insurance company or any company carrying on business as an insurance broker or agent state:
13. Name of company:
14. Number of shares held by you
15. Class/Classes of business which company is registered under the Insurance Act to carry on in Jamaica
16. Are you an undischarged bankrupt?

FIFTEENTH SCHEDULE, *contd.*

- 17. If so, have you received leave (by the Court by which you were adjudged bankrupt) to be an insurance sales representative?
- 18. Are you registered as a broker (or have you applied for registration as a broker) under Part IV of the Insurance Act?
- 19. Were you an insurance sales representative within the last 12 months?
- 20. If so, with what company and for which class or classes of business?
- 21. Give details of all training and qualifications held (attaching copies of certificates, diplomas, etc.):
- 22. Give details of experience as insurance sales representative, such as, number of years, classes of business, name of companies and years during which employed by each company, etc. and whether or not dismissed from any of the named companies and reasons for such dismissal:
- 23. Will you be a full time or part time sales representative?
- 24. Have you ever been convicted for an offence involving fraud or dishonesty? IF SO, give details

I declare that the replies given in this application form are to the best of my knowledge and belief true and correct.

Signed:

Date:

Signature witnessed by:

Date

Testimonial to be signed by a Justice of the Peace, Minister of Religion, Notary Public, Attorney-at-Law or Police Officer not below the rank of Assistant Superintendent.

I.....certify that is known to me. He/She is a person of good character and is otherwise a fit and proper person to be a sales representative under the Insurance Act.

Signed:.....

(J.P./Minister of Religion/Notary Public/Attorney-at-Law/Police Officer not below the rank of Assistant Superintendent).

FIFTEENTH SCHEDULE, *contd.*

Date:.....

Note: This application should be accompanied by a signed statement by the principal officer in Jamaica of the company for which the applicant works/will work that the applicant is or will be a sales representative for that company.

PART E—APPLICABLE TO LOSS ADJUSTERS

1. Name and date of birth of manager, controlling director, partner, etc., as the case may be:
2. Principal address (*addresses*) in Jamaica
3. Name(s) of insurance company (or companies) for which applicant is to be a loss adjuster:
.....
.....
4. Principal office (offices) in Jamaica of company (companies) named in 3:
.....
.....
5. Is/are the company/companies registered under the Insurance Act to carry on insurance in Jamaica?
6. Relevant classes of business for which the insurance company(ies) above is (are) registered:

<input checked="" type="checkbox"/> Accident Insurance Business	<input type="checkbox"/> Liability Insurance Business
<input type="checkbox"/> Marine Aviation and Transport	<input type="checkbox"/> Motor Vehicle Insurance Business
<input type="checkbox"/> Pecuniary Loss Insurance Business	<input type="checkbox"/> Property Insurance Business
<input type="checkbox"/> Industrial Insurance Business	<input type="checkbox"/> Ordinary Long-Term Insurance Business
<input type="checkbox"/> Sickness and Health Insurance Business	
7. Are you a member of any association of loss adjusters?
..... (*Name of association if any*)
8. Were you such a member and ceased being one?

FIFTEENTH SCHEDULE, *contd.*

9. Have you applied for membership in such an association?
10. Is applicant or any director, manager or partner or senior officer of the applicant body an undischarged bankrupt?
11. If so, has he received leave by the Court by which he was adjudged bankrupt, to be an insurance agent
12. Give documentary proof of leave.
13. Did the applicant carry on business as a loss adjuster within the last 12 months?
14. If so, state for which company or companies and for which class or classes of business.
15. Submit certified copy(ies) of agreement with insurance company or companies. Give summary of each such agreement and state commissions payable or other method of remuneration
16. Give details of shareholding or interest in any insurance brokerage business, insurance agency, or insurance company, or undertaking of each member of staff, including directors and partners and their immediate families
17. Give details of all training and qualifications held (including copies of certificates, diplomas, etc.) by applicant or each director, manager or partner or senior officer of the applicant body
18. Give details of experience as a loss adjuster, e.g., number of years, class of business, name of companies, etc. In the case of a partnership or company applying for registration give details of experience and employment of senior staff attached to organization
19. Has any director, partner, manager, senior officer or individual applicant been convicted of an offence involving fraud or dishonesty? If so give details
20. Submit latest reports made to the insurance company and also latest audited Profit and Loss Account and Balance Sheet of the applicant organisations.

FIFTEENTH SCHEDULE, *contd.*

Declaration:

I/We the undersigned declare that the replies given in this application form are to the best of my/our knowledge and belief true and correct.

Signed Date
..... Date
..... Date

Testimonial

I certify that
..... is known to me.

He/She is a person of good character and is otherwise a fit and proper person to carry on business as an agent or to occupy the position of

.....

(specify the position held, e.g., manager, controlling director, partner*, etc.)

with the

.....

(name of loss adjuster).

Signed:.....

(capacity of individual signing testimonial should be indicated i.e. Justice of the Peace, Notary Public, Minister of Religion, Police Officer above the rank of Inspector or Resident Magistrate).

Date.....

*cross out irrelevant words.

SIXTEENTH SCHEDULE

(Regulation 120

Certificates of Registration for Intermediary

Part A

Certificate of Registration No.

Effective date of certificate

This is to certify that
(Name)

whose address in Jamaica is
(Address)

has been registered to carry on insurance business in Jamaica as

for and on behalf of
(Name and address of Insurance Company or Principal Agency)

in respect to the following class or classes of insurance business:

- 1.
- 2.
- 3.
- Etc.

The registration specified herein is subject to the following conditions—

- 1.
- 2.
- 3.
- Etc.

(See attachment where above space is inadequate).

Dated this.....day of.....2001.

.....
The Financial Services Commission.

SIXTEENTH SCHEDULE, *contd.*

Part B

(Applicable to Brokers, sales representatives, adjusters, insurance consultants, insurance surveyors, loss adjusters and managing general agents only)

Certificate of Registration No.

Effective date of certificate

This is to certify that

(Name of Broker, sales representative, adjuster, insurance consultant, insurance surveyor, loss adjuster or managing general agent)

whose address in Jamaica is

.....

has been registered to carry on insurance business in Jamaica as

(Indicate whether broker, sales representative adjuster, insurance consultant, insurance surveyor, loss adjuster or managing general agent)

in respect of the following class or classes of insurance business:

1.

2.

3.

Etc.

The registration specified herein is subject to the following conditions:

1.

2.

3.

Etc.

(See attachment where above space is inadequate)

Dated this.....day of.....2001.

.....
The Financial Services Commission.

SEVENTEENTH SCHEDULE (Regulation 5)
 Register of Brokers and Loss Adjusters

Entry in Register		Registered Brokers*		Certificate of Registration		Conditions of Registration	Classes of Insurance for which Registered	CANCELLATION	
No.	Date	Name	Address	Date	Number			Date	Grounds

*replace broker with loss adjuster as required.

EIGHTEENTH SCHEDULE

(Section 5)

Register of Agents and Managing General Agents

Entry in Register		Registered Agents*		Certificate of Registration		Conditions of Registration	Classes of Insurance for which Registered	Tenure of Agency				CANCELLATION	
No.	Date	Name	Address	Date	Number			Name of Principal	Date		Date	Grounds	
							Insurance Company	Principal Agent	Start	End			

*replace agent with managing general agent where required.

NINETEENTH SCHEDULE

(Section 5)

Register of Sales Representatives and Insurance Consultants

Entry in Register		Registered [STATE WHICH CATEGORY]		Certificate of Registration		Conditions of Registration	Classes of Insurance for which Registered	Company or Agent with which Employed		CANCELLATION	
No.	Date	Name	Address	Date	Number			Name of Company, Broker or Agent	Period of Employment	Date	Grounds

TWENTY-FIRST SCHEDULE (Regulation 121)
Termination of Agents and Sales Representatives

Part A

Notice of Termination of Employment

(To be given by sales representative)

1. Name and registration number of sales representative

2. Insurance company, broker or agency whose employment has been vacated and registration number of same

Period of the employment which is now terminated:

From _____ to _____

3. Date of and reason for termination of employment

4. Classes of insurance for which sales representative has been registered.
.....

5. Have all commissions or other forms of remuneration due to you as sales representative been received from insurance company, broker or agency whose employment you have just left?
.....

If not, how much remains unpaid?

6. Have all funds or moneys collected by you been fully remitted to and accounted for to the insurance company, or agency whose employment you have just left?

If not, how much remains outstanding?

7. State any other material facts not covered by above items

The above is a true and correct statement of the facts pertaining to the termination of my employment with

Name of Insurance Company or Name of Agency

.....
Signature of Sales Representative and date

TWENTY-FIRST SCHEDULE, contd.

Part B

Notice of Termination of Employment

(To be given by insurance company, broker or agency)

1. Name and registration number of insurance company, broker or agency

.....
.....

2. Name and registration number of insurance sales representative whose employment has just been terminated

3. State reason for termination of employment of sales representative named at 2 above

.....
.....

Indicate period of time during which sales representative has been employed with you:

From _____ to _____

4. Have all commissions or other remuneration due to sales representative been paid?

.....

If not, indicate action being taken to effect settlement

.....

5. Have all moneys and funds collected by sales representative and due to you been handed over?..... If not, indicate action being taken to pay the outstanding amount

6. State classes of insurance business undertaken by insurance company, broker or agency.

.....

..... Also state class or classes of insurance which sales representative was selling on your behalf

7. Would you re-employ sales representative named at 2 above?

Give reasons for your answer

.....

TWENTY-FIRST SCHEDULE, *contd.*

8. State any other material facts not covered by above items

The above is a true and correct statement of the facts pertaining to the termination of employment of _____ . All pertinent and material facts have been given.

Name of Sales Representative

*Signature of Director of Insurance Company
or of Broker or of Agency and date*

*Signature of Director of Insurance Company
or of Broker or of Agency and date*

*Signature of Director of Insurance Company
or of Broker or of Agency and date*

LIFE INSURANCE DISCLOSURE FORM

If you are replacing a current insurance policy, you should be given this form before you fill out an application for the new insurance. The form outlines some of the details of your current policy and the proposed policy.

"Replacement of a contract of life insurance" means a transaction whereby life insurance is purchased in a single contract or in several related contracts by a person from an insurer and as a consequence of the transaction one or more contracts of the insurance are,

- (a) rescinded, lapsed or surrendered,*
- (b) changed to paid-up insurance or continued as extended term insurance or under automatic premium loan,*
- (c) changed in any manner so as to effect a reduction in benefits,*
- (d) changed so that cash values in excess of 50 per cent of the tabular cash value of the insurance contract are released, or*
- (e) subjected to borrowing of any policy loan values whether in a single loan or under a schedule of borrowing over a period of time whereby an amount in excess of 50 per cent of the tabular cash value is borrowed on one or more contracts of life insurance,*

but does not include a transaction where,

- (a) a new contract of life insurance is made with an insurer with whom the person has an existing contract of life insurance in furtherance of a contractual conversion privilege exercised by the person,*
- (b) a contract is replaced by an annuity, or*
- (c) a contract is replaced by group insurance".*

The new insurance company must give you a copy of your policy once it has been approved. You have [20] days from the time you receive a copy of this disclosure form to withdraw the new application and receive a full refund of any premiums paid.

Ask yourself the following questions as you look over this form.

- Is the new policy enough of an improvement to justify any new costs? All new policies have some new costs, such as those for underwriting, administration and agent's commission.
- Do premiums under the new policy rise as you age? The premiums on some policies go up as you get older or if you get sick.
- Are there circumstances where your new policy does not pay benefits? Part A of this form tells you if your policy will not pay because of suicide or because you provided incomplete information.

TWENTY-SECOND SCHEDULE, *contd.*

- Does the new policy pay you as much as the current one? Make sure you look over the details of death benefits, cash value, and dividends carefully.
- Does the new policy guarantee to insure you, or allow you to increase your insurance coverage, no matter what your future medical condition. Your current policy may do this.
- Does your new policy let you borrow money at attractive interest rates? Your current policy may do this.
- Are you losing tax advantages or creating a tax liability? Many current insurance policies provide valuable income tax benefits. These are not available in some new policies. Cancellation of your current policy may increase your income tax this year. Make sure that you fully understand the tax consequences of changing policies.

IMPORTANT

1. DO NOT SIGN THIS FORM UNLESS IT HAS BEEN COMPLETELY FILLED OUT.
2. DO NOT CANCEL YOUR OLD INSURANCE POLICY UNTIL THE NEW ONE IS IN FORCE AND DELIVERED. SIGNING THIS FORM DOES NOT CANCEL YOUR OLD POLICY.
3. NOTE THAT YOU HAVE TO SIGN THE FORM HERE AND ON THE FINAL PAGE.

I have read this notice completely, and the agent explained the significance of the information contained in all parts of the form to me.

Consumer's signature: _____

Date: _____

THE INSURANCE REGULATIONS, 2001

TWENTY-SECOND SCHEDULE, *contd.*

LIFE INSURANCE DISCLOSURE FORM

<i>Please print</i>	Your Current Policy	Proposed Replacement Policy
PART A—General information		
Policy number		<i>Not applicable</i>
Insurance Company		
Date of issue		<i>Not applicable</i>
Name of the person whose life is insured		
Name of the person who owns the policy (if not owned by the person who is insured)		
Type of policy (whole life, term, universal, etc.)		
Will you have to pay extra premiums or will your coverage be reduced if you smoke, have health problems, or work at a risky occupation?		
Most policies will not pay if the person insured commits suicide within two years of the policy's issue date. When does the suicide period on the policy expire?		
A policy may not pay if information on the application was incomplete (for example, if the insured person did not disclose a previous illness to the insurance company). If this information is not discovered within a certain period (usually two years), however, the policy will pay, in the absence of fraud. On what date does this period expire?		
Does the policy give the right to buy additional insurance, whatever the insured person's health? If yes, when and how much?		
Does the policy have any other benefits, e.g., waiver of premium or accidental death and dismemberment?		

TWENTY-SECOND SCHEDULE, *contd.*

<i>Please print</i>	Your Current Policy	Proposed Replacement Policy
PART B—Premiums		
A premium is the amount of money you pay the insurance company to be insured. Some policies guarantee that the premium amount will stay the same for the length of the policy. Will this policy's premium stay the same?		
What is the annual premium? What is the annual premium per \$1000 of insurance? If Universal Life, what premium is being paid currently? Is there a minimum premium? Is there a maximum premium?		
If Universal Life, is the formula by which expenses are calculated guaranteed?		
Does any of the coverage, including riders, change over time?		
If yes, which coverage changes? By how much?		

<i>Please print</i>	Your Current Policy	Proposed Replacement Policy
PART C—Guaranteed Death Benefits		
What does the policy pay if the insured person dies today?		
Will this amount change or expire at any time?		
If so, how?		
If Universal Life, is the charge for the death benefit guaranteed? (A maximum cost of insurance rate)		
What is the maximum cost of insurance at: Age 50? Age 55? Age 60? Age 65? Age 70?		

TWENTY-SECOND SCHEDULE, *contd.*

<i>Please print</i>	Your Current Policy	Proposed Replacement Policy
PART D—Cash Value, Dividends and Loans		
Some policies have a cash value, which means that some of the insurance premium goes into a reserve that grows in value. The owner of the policy has the option of taking out this cash value, which may end the policy or reduce the death benefit. Does this policy have a cash value?		
If yes, what is the total cash value at the last anniversary?		
What will the guaranteed cash value be at: Age 50? Age 55? Age 60? Age 65? Age 70?		
Can loans be taken out on this policy? If yes, at what interest rate may money be borrowed, and on what terms (for example, a set maximum or a variable rate)?		
Is there a loan currently outstanding on the policy?		<i>Not applicable</i>

<i>Please print</i>	Your Current Policy	Proposed Replacement Policy
Can withdrawals be made on this policy (Universal Life)? If so, what is the charge for a withdrawal? Can this charge change?		
Some policies pay dividends based on the performance of the insurance company. Is this policy eligible for dividends?		
If so, what dividend option was selected? (For example, increased insurance coverage, reduced premiums, cash payments, accumulation)		
How much was the most recent dividend? (If applicable)		
If Universal Life, is there a minimum investment guarantee or a minimum interest rate?		
Some policies pay a bonus if the policy remains in force for a specified period. Is this policy eligible for a bonus? If so, when?		

TWENTY-SECOND SCHEDULE, *contd.*

NOTE: Because there are many costs associated with issuing a new policy, it may be in your financial interest to amend the current policy rather than replacing it. In considering your replacement decision, you may wish to seek the advice of the company that issued your current policy.

	Consumer's Name (Please print)
	Consumer's Signature
	Date

	Agent's Name (Please print)	Agent's Statement I have completed this form fully and accurately, and have explained the significance of all of the information contained on the form to the consumer.
	Agent's Signature	
	Licence Number	

THE INSURANCE REGULATIONS, 2001

TWENTY-THIRD SCHEDULE (Regulation 126(4) and (5))

Notice to Insure on the Nature and the Effect of the Pro Rata Condition of Average (Average Clause)

Please tick appropriate box:

- a new policy
- a renewal policy

To: *Name of Insured/Proposed Insured*

Address of Insured/Proposed Insured

Name of Insurer:.....

Name of Broker/Agent:.....

Name of Insured:.....

Policy Number:.....

Please note that any property that is insured or to be insured under the policy mentioned above is subject the *pro rata* condition of average (average clause). This means that, under certain circumstances, if the property covered under this policy is, at the time of any loss or damage from an insured peril, of greater value than the sum for which the property is insured, you will only be entitled to recover under this policy such proportion of the loss as the sum insured under this policy bears in relation to the total value of the property. You are said to be under-insured because the sum insured at the time of the loss is less than the actual value of the insured property and so a part of the insured loss will not be covered under this policy. In this case, you are considered as being your own insurer for the part of your loss which is not covered under this policy.

For example, should you have a property which has a value of \$10,000,000 and you decide to insure it for \$7,000,000 and you suffer a loss from an insured peril, there are three possible scenarios depending on the size of the loss. The formula that is applied in each case is a set out below:

$$\frac{\text{Sum Insured}}{\text{Value}} \times \frac{\text{Amount of the loss}}{1} = \frac{\text{Amount Recoverable}}{1}$$

Example 1: Where loss is less than value and sum insured:

Assume the loss is \$50,000,000

$$\frac{\$7,000,000}{\$10,000,000} \times \frac{\$5,000,000}{1} = \frac{\$3,500,000}{1}$$

(The inclusion of this page is authorized by L.N. 1/2006)

You will be paid \$3,500,000 or 70% of your loss less any deductibles stated in the policy.

Example 2: Where loss is less than the value but greater than sum insured:

$$\begin{array}{r} \text{Assume the loss is } \$8,000,000 \\ \frac{\$7,000,000}{\$10,000,000} \times \frac{\$8,000,000}{1} = \frac{\$5,600,000}{1} \end{array}$$

You will be paid \$5,600,000 or 70% of your loss less any deductibles stated in the policy.

Example 3: Where loss is equal to value:

Should you have a total loss, that is, \$10,000,000 then you will only receive the amount you insured the property for, that is, \$7,000,000 less any deductibles stated in the policy.

Under other circumstances where you under-insure, you may be entitled to the full amount of the insured loss if the sum insured is equal to or more than _____ of the value. This will depend on the terms of your policy. *insert percentage*

Please review the terms of your policy carefully, including checking on the adequacy of the sum for which the property is insured or to be insured. This will enable you to identify whether you are or will be under-insured in a manner which will cause the *pro rata* condition of average detailed in your policy to be applied. You may check with your insurer, agent or broker for further clarification on the terms of your policy and the nature and effect of the *pro rata* condition of average contained therein.

This Notice is given to you in fulfillment of the legal requirement to provide you with information on the nature and effect of the *pro rata* condition of average stated in your policy/to be inserted in the policy of insurance mentioned above.

Please note that the extent to which the condition applies is governed by the terms of your policy.
Date the _____ day of _____, 20____

Signed:
Insurer