

6

(2) Where an order has been made by the Grand Court under subsection (1), the licensee may apply to the Grand Court at any time for the discharge of such order and the Grand Court may thereupon discharge, vary or confirm the order.”.

Amendment of
Schedule.

11. The Schedule to the principal Law is amended –

- (a) substituting “Insurance” for “Underwriting” in the seventh item;
- (b) inserting the following item immediately before the proviso –

“Principal representative
(insurance), for each insurer
represented \$1,000
but subject to a maximum of
\$12,000.”.

Passed the Legislative Assembly this 17th day of November, 1987.

ALAN SCOTT
President.

GEORGETTE MYRIE
Clerk of the Legislative Assembly.

CAYMAN ISLANDS



Supplement No. 2 printed with Gazette No. 2 of 1988

THE INSURANCE (AMENDMENT) LAW, 1987
(LAW 25 OF 1987)

“In the event that either party to an agreement relating to representation between a Class “B” insurer and an insurance manager or principal representative (insurance) intends to terminate the same, sixty days written notice of such proposed termination shall be given to the Superintendent by such insurance manager or Principal Representative (Insurance).”;

- (d) substituting “insurance manager or a licensed principal representative (insurance)” for “underwriting manager” in the first line of sub-section (6);
- (e) adding the following new subsection –

“(7) Any person who is the authorised principal representative of any insurer, other than an approved external insurer, and such insurer is not represented by any insurance manager on the 1st day of January, 1988, shall within three months from that date apply for a Principal Representative (Insurance)’s Licence.”.

Amendment of s. 10.

9. Section 10 of the principal Law is amended, in subsection (4), by substituting “insurance” for “underwriting” in –

- (a) the first line;
- (b) the first line of paragraph (a);
- (c) the second line of paragraph (b);
- (d) the penultimate line of paragraph (b).

Insertion of new s. 12A.

10. The principal Law is amended by inserting the following new section immediately after section 12 –

“Preservation of assets etc. 12A.(1) In any case where the Governor has suspended a licence under subsection (1) of section 12, the Superintendent may apply ex parte to the Grand Court for an order that the assets, books or papers of the licensee be preserved, not moved or otherwise disposed of and the Grand Court may, if it is satisfied that such assets, books or papers are liable to be moved, destroyed or otherwise disposed of make an order that they shall be preserved, and not be moved or otherwise disposed of until a further order of that Court.

- 4
- (c) "insurance" for "underwriting" in the penultimate line of paragraph (c) of subsection (3).

Amendment of s. 7.

7. Section 7 of the principal Law is amended by -

- (a) substituting the following for paragraphs (a) and (b) of subsection (1) -

"(a) In respect of a licensed insurer's domestic business, the Governor may prescribe that such insurer shall maintain within the Islands in cash, short term securities or other realisable investments approved by the Superintendent, sufficient funds to match current liabilities, life insurance funds and annuity funds.";

- (b) substituting "insurance" for "underwriting" in the penultimate line of subsection (2);
- (c) substituting a colon for the fullstop in subsection (3), and by adding the following proviso -

"Provided that the Superintendent may in writing exempt from this subsection any licensed insurer who pays an annual licence fee that has been reduced under paragraph (i) of the proviso to the Schedule.";

- (d) inserting "or an insurer who, with the approval of the Governor, maintains permanently in the Islands a principal office and staff," immediately after "insurer" in the second line of subsection (6);
- (e) substituting "an insurance manager" for "a principal representative" in the first line of paragraph (a) of subsection (6).

Amendment of s. 8.

8. Section 8 of the principal Law is amended by -

- (a) substituting "insurance manager or a licensed principal representative (insurance)" for "underwriting manager" in the first line of subsection (5);
- (b) substituting "insurance manager or a licensed principal representative (insurance)" for "underwriting manager" in the fourth line of subsection (5);
- (c) adding the following new paragraph to subsection (5) -

CAYMAN ISLANDS

Law 25 of 1987

I Assent

ALAN SCOTT

Governor

30th December, 1987

A LAW TO AMEND THE INSURANCE LAW, 1979

ENACTED by the Legislative Assembly of the Cayman Islands.

Short title and date of commencement.

1. This Law may be cited as the Insurance (Amendment) Law, 1987 and shall come into force on the 1st day of January, 1988.

Amendment of s. 2.

2. Section 2 of the Insurance Law, 1979, in this Law referred to as the principal Law, is amended by -

- (a) substituting the following for the definition of "insurance broker" -

"“insurance broker” means a person (not being an insurer) who negotiates directly or through representatives or other means, contracts of insurance or of re-insurance on behalf of more than one insurer, or for placement with insurers or re-insurers;"

- (b) adding "and running-off business including the settlement of claims" to the definition of "insurance business";

- (c) inserting the following new definition immediately after the definition of "insurance business" -

"“insurance manager” means a company operating in or from within the Islands which provides insurance expertise to or for insurers and which has in its bona fide employment a person who -

2

- (i) is qualified by examination as a fellow or associate of the Chartered Insurance Institute of London, or who is a member of either the Society of Chartered Property and Casualty Underwriters or the American Society of Chartered Life Underwriters both of the United States of America; and who is either a current member of good standing of the applicable professional body or of some other professional insurance association recognised by the Governor for the purpose of this Law; or
- (ii) is a person of good standing with such insurance expertise as has been approved by the Governor.”;
- (d) adding “;but excluding contracts for credit life insurance and term life insurance for a period of five years or less other than convertible and renewable term life contracts at the end of paragraph (a) of the definition of “long term business”;
- (e) inserting the following new definition immediately after the definition of “prescribed” –
 - ““principal representative (insurance)” means a person operating in or from within the Islands who, not being a bona fide employee, maintains for an insurer full and proper records of the business activities of that insurer;”;
- (f) substituting a fullstop for “;and” at the end of the definition of “Superintendent” and by deleting the definition of “underwriting manager”.

Amendment of s. 3.

3. Section 3 of the principal Law is amended by –

- (a) deleting “in or from within the Islands” in the latter line of subsection (1);
- (b) deleting “in or from within the Islands” in the first two lines of subsection (2);
- (c) substituting “insurance” for “underwriting” in paragraph (i) of subsection (2);
- (d) deleting “or” at the end of paragraph (iii) of subsection (2), substituting “; or” for the comma at the end of paragraph (iv) and by inserting the following new paragraph immediately thereafter –

“(v) a principal representative (insurance).”.

Amendment of s. 4.

4. Section 4 of the Principal Law is amended by –

- (a) deleting “and” at the end of paragraph (f) of subsection (1);
- (b) substituting “Insurance Manager’s Licence; and” for “Underwriting Manager’s Licence.” in paragraph (g);
- (c) adding the following new paragraph to subsection (1) –
 - “(h) Principal Representative (Insurance)’s Licence.”;
- (d) inserting the following new subsection immediately after subsection (8) –

“(8A) It is a condition of every insurer’s licence that the licensee shall maintain his net worth at an amount not less than that prescribed by subsection (8) of section 4.”.

Amendment of s. 5.

5. Section 5 of the principal Law is amended by substituting –

- (a) the following for paragraph (b) of subsection (2) –

“(b) on his own motion or when so required by the Governor to examine the affairs or business of any licensee or other person carrying on, or who has at any time (whether or not after the 1st day of January, 1988) carried on, insurance business since the coming into operation of this Law, for the purpose of satisfying himself that the provisions of this Law have been or are being complied with, and the licensee is in a sound financial position and is carrying on his business in a satisfactory manner, and to report to the Governor the results of every such examination;”;

- (b) a fullstop for the colon at the end of paragraph (b) of subsection (3) and by deleting the proviso.

Amendment of s. 6.

6. Section 6 of the principal Law is amended by substituting –

- (a) “insurance” for “underwriting” in the second line of subsection (3);
- (b) “, an insurance sub-agent or a principal representative (insurance)” for “or an insurance sub-agent” in the third line of subsection (3);

3