

(ab)if a person holding a position as a director, manager or officer of the licensee's insurance business is not a fit and proper person to hold the respective position;"; and

(c) by inserting, after subsection (12), the following subsection -

" (13) In determining for the purposes of this section whether a person is a fit and proper person, regard shall be had to all circumstances, including that person's -

- (a) honesty, integrity and reputation;
- (b) competence and capability; and
- (c) financial soundness."

Amendment of section 11 of the Insurance Law (1999Revision) - powers of the Governor in case of suspected insolvency, etc. of licensees

3. Section 11 of the principal Law is amended by repealing subsection (1) and substituting the following subsection -

" (1) Where the Governor is of the opinion that -

- (a) a licensee is carrying on business in a manner likely to be detrimental to the public interest or to the interest of its creditors or policy holders;
- (b) a licensee has contravened this Law;
- (c) the direction and management of a licensee's business has not been conducted in a fit and proper manner; or
- (d) a person holding a position as a director, manager or officer of a licensee's business is not a fit and proper person to hold the respective position,

the Governor may require such licensee forthwith to take steps to rectify the matter or may suspend the licence of the licensee pending a full enquiry into the licensee's affairs made under section 5(1)(b)."

Passed by the Legislative Assembly the 20th day of April, 2001.

MABRY S. KIRKCONNELL

Speaker.

GEORGETTE MYRIE

Clerk of the Legislative Assembly.

CAYMAN ISLANDS



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**THE INSURANCE (AMENDMENT) (PRUDENT MANAGEMENT) LAW,
2001**

(LAW 3 OF 2001)

CAYMAN ISLANDS

Law 3 of 2001.

I Assent

P.J. SMITH

Governor.

24 April, 2001

**A LAW TO AMEND THE INSURANCE LAW (1999 REVISION) TO
PROVIDE FOR THE PRUDENT MANAGEMENT OF INSURANCE
COMPANIES; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Insurance (Amendment) (Prudent Management) Law, 2001. Short title

2. Section 4 of the Insurance Law (1999 Revision), in this Law referred to as "the principal Law", is amended - Amendment of section 4 of the Insurance Law (1999Revision) - applications for licences

(a) by inserting, after subsection (7), the following subsection -

“(7a) The Governor shall refuse to grant a licence if the Governor is of the opinion that the business to which the application relates would be carried on by persons who are not fit and proper to be directors or, as the case may be, managers or officers in their respective positions.”;

(b) in subsection (10), by inserting, after paragraph (a), the following paragraphs -

“(aa) if the direction and management of the licensee’s insurance business, has not been conducted in a fit and proper manner;