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**THE INSURANCE LAW (24 of 1979)**  
**(1995 Revision)**

Consolidated with Laws 31 of 1979, 8 of 1980, 9 of 1980, 38 of 1983, 32 of 1985, 25 of 1987 and 19 of 1993 and the Insurance (Reduction of Fees) Regulations, 1981.

Revised under the authority of the Law Revision Law (19 of 1975).

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Law 24 of 1979-6th September, 1979  
Law 31 of 1979-13th November, 1979  
Law 8 of 1980-17th March, 1980  
Law 9 of 1980-17th March, 1980  
Law 38 of 1983-2nd December, 1983  
Law 32 of 1985-19th December, 1985  
Law 25 of 1987-17th November, 1987  
Law 19 of 1993-24th September, 1993

Originally made-

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Consolidated and revised this 7th day of February, 1995.



**INSURANCE LAW**

**(1995 Revision)**

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## **INSURANCE LAW**

### **(1995 Revision)**

1. This Law may be cited as the Insurance Law (1995 Revision). Short title
2. In this Law, unless the context otherwise requires - Definitions

“actuary” means a person who has qualified as an actuary by examination of the Institute of Actuaries in England or the Faculty of Actuaries in Scotland or the Society of Actuaries in the United States of America or Canada, and who is a current member of good standing of one of the above professional associations or a person of good standing with some other actuarial qualification who is recognised by the Governor as such for the purpose of this Law;

“approved external insurer” means an insurer licensed as such under section 4 (7);

“auditor” means a person who has qualified as an accountant by examination of one of the Institutes of Chartered Accountants in England and Wales, Ireland and Scotland, or the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants, and who is a current member of good standing of one of the above Institutes or a person of good standing with some other accountancy qualification who is recognised by the Governor as such for the purpose of this Law;

“contract” includes policy;

“domestic business” means insurance business where the contract is in respect of the life, safety, fidelity or insurable interest (other than in respect of property) of a person who at the time of effecting the contract is ordinarily resident in the Islands, or property that at the time of effecting the contract in the Islands or, in the case of a vehicle, vessel or aircraft, or other movable property ordinarily based in the Islands (but does not include re-insurance business);

“exempted company” has the meaning ascribed to it in the Companies Law 1990 Revision  
(Revised);

“exempted insurer” means an insurer which is-

  - (a) incorporated as an exempted company;
  - (b) a non-resident company which is either incorporated under the Companies Law (Revised) or a foreign company registered under Part VIII thereof; or

- (c) constituted through partnership, shareholding or other acceptable mutual association by one or more members having a common trade, profession, affinity or other special interest;

“external insurer” means an insurer who is neither a local nor an exempted insurer;

“financial year” in relation to a licensee means the period not exceeding fifty-three weeks at the end of which the balance of the licensee’s accounts is struck or, if no such balance is struck or if a period in excess of fifty-three weeks is employed, then a calendar year;

“general business” means insurance business other than long term business;

“Governor” means the Governor in Council;

“insurance agent” means a person (not being an insurer) who solicits directly, or through representatives, advertising or other means, domestic business on behalf of not more than one insurer;

“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;

“insurance business” means the business of effecting and carrying out contracts-

- (a) protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed; or
- (b) to pay a sum of money or other thing of value upon the happening of an event,

and includes re-insurance business and running-off business including the settlement of claims;

“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-

- (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.

“insurance sub-agent” means a person (not being an insurer, insurance agent or insurance broker) who solicits directly or through advertising or other means, domestic business on behalf of an insurance agent or on behalf of an insurance broker;

“insurer” means a person carrying on insurance business who is -

- (a) a local insurer, an exempted insurer or an external insurer; or
- (b) an association of individual underwriters including Lloyd’s of London and other associations of underwriters recognised by the Governor and which comply with such laws as are enacted in their principal place of residence for their regulation and supervision;

“licence” and its cognates means a licence granted under this Law;

“local insurer” means an insurer, other than an exempted insurer, incorporated or constituted in and having its head office in the Islands;

“long term business” means insurance business involving the making of contracts of insurance-

- (a) on human life or contracts to pay annuities on human life; 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;
- (b) against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or diseases of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned; and
- (c) whether by bonds, endowment certificates or otherwise whereby in return for one or more premiums paid to the insurer a sum or series of sums is to become payable to the person insured in the future, not being contracts falling within paragraphs (a) or (b);

	<p>“net worth” means excess of assets (including any contingent or reserve fund secured to the satisfaction of the Governor) over liabilities other than liabilities to partners or shareholders;</p>
1976 Revision	<p>“non-resident company” bears the meaning ascribed to that term in section 2(1) of the Local Companies (Control) Law (Revised);</p> <p>“policy holder” means the person with whom an insurer has effected a contract of insurance;</p> <p>“prescribed” means prescribed by this Law or any Regulations;</p> <p>“principal representative (insurance)” means a person operating in or from within the Islands who, not being a <i>bona fide</i> employee, maintains for an insurer full and proper records of the business activities of that insurer; and</p>
Law 4 of 1989	<p>“Superintendent” means the Inspector of Financial Services appointed under section 12(1) of the Banks and Trust Companies Law, 1989.</p>
Insurance businesses to be licensed	<p>3. (1) Whoever not being licensed in that behalf carries on insurance business is guilty of an offence.</p> <p>(2) Whoever, not being licensed in that behalf, acts as-</p> <ul style="list-style-type: none"><li>(i) an insurance manager;</li><li>(ii) an insurance broker;</li><li>(iii) an insurance agent;</li><li>(iv) an insurance sub-agent; or</li><li>(v) a principal representative (insurance),</li></ul> <p>is guilty of an offence.</p>
Applications for licences	<p>4. (1) Persons desiring to carry on insurance business in or from within the Islands may make application in writing to the Governor for the grant of a licence under one or more of the following categories-</p> <ul style="list-style-type: none"><li>(a) Class ‘A’ Insurer’s Licence;</li><li>(b) Unrestricted Class ‘B’ Insurer’s Licence;</li><li>(c) Restricted Class ‘B’ Insurer’s Licence;</li><li>(d) Insurance Agent’s Licence;</li><li>(e) Insurance Broker’s Licence;</li><li>(f) Insurance Sub-Agent’s Licence;</li><li>(g) Insurance Manager’s Licence; and</li><li>(h) Principal Representative (Insurance)’s Licence.</li></ul>



(2) Applications shall be in the form prescribed and accompanied by the prescribed fee (to be returnable if the licence is not granted) and the Governor, if satisfied that it will not be against the public interest, may grant a licence subject to such conditions as to him appear necessary or desirable. Any decision to refuse to grant a licence is final and conclusive and not subject to any appeal to or review by, any court.

(3) It is a condition of every licence that the licensee shall notify the Governor forthwith of any change in the information supplied in the application.

(4) A Class 'A' Insurer's Licence permits a local or an external insurer to carry on insurance business generally in or from within the Islands.

(5) An Unrestricted Class 'B' Insurer's License permits an exempted insurer to carry on insurance business other than domestic business from within the Islands.

(6) A Restricted Class 'B' Insurer's Licence permits an exempted insurer only to accept insurance business other than domestic business from its member or members or such other persons as may be specifically approved by the Governor.

(7) An external insurer having its principal or registered office in a place outside the Islands where the legislation for the regulation and supervision of insurers is acceptable to the Governor may be licensed as an approved external insurer under Class 'A'.

(8) No insurer's licence other than a Restricted Class 'B' Licence shall be granted to any person whose net worth-

- (a) in the case of an insurer effecting general business but not long term business, is less than one hundred thousand dollars;
- (b) in the case of an insurer effecting long term business but not general business, is less than two hundred thousand dollars; and
- (c) in the case of an insurer effecting long term business and general business, is less than three hundred thousand dollars.

(9) 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).

(10) The Governor may revoke any licence-

- (a) if the licensee ceases to carry on insurance business;

- (b) if the licensee becomes bankrupt or goes into liquidation or is wound up or otherwise dissolved; or
- (c) in the circumstances provided for in section 12.

Schedule

(11) Every holder of a current licence shall on or before every 15th day of January during the currency of the licence pay to the Financial Secretary for the benefit of the revenue the annual fee prescribed in the Schedule in respect of each class of licence held.

(12) The Governor shall cause the granting of licences under this section to be gazetted.

The Superintendent

5. (1) It is the duty of the Superintendent-

- (a) to maintain a general review of insurance practice in the Islands;
- (b) on his own motion or where 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 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;
- (c) to examine and report on the annual returns delivered to the Governor pursuant to sections 9 and 10; and
- (d) to examine and make recommendations to the Governor with respect to applications for licences under section 4.

(2) In the performance of his functions under this Law and subject to the provisions of section 11 the Superintendent may at all reasonable times-

- (a) have access to such books, records, vouchers, documents, policies, contracts, cash and securities of any licensee; and
- (b) call upon the manager or any officer designated by the manager of any licensee for such information or explanation as the Superintendent may reasonably require for the purpose of enabling him to perform his functions under this Law.

(3) The Superintendent, with the approval of the Governor, may authorise in writing any other person to assist him in the performance of his functions.

(4) Whoever fails to comply with any requirement lawfully made pursuant to subsection (2) is guilty of an offence.

6. (1) Whoever, not having the approval of the Governor or being a licensee-
- (a) uses or continues to use the words “insurance”, “assurance”, “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “surety”, “casualty” or any other word which in the opinion of the Governor connotes insurance business or any of their derivatives in English or in any other language in the description or title under which he carries on business in or from within the Islands; or
  - (b) makes or continues to make any representation in any billhead, letter, letterhead, circular, paper, notice, advertisement or in any manner whatsoever that he is carrying on insurance business,

Use of the word  
“insurance”, etc.

is guilty of an offence.

(2) Before giving his approval under subsection (1) the Governor may require of any person such references and such information and particulars as may be prescribed.

(3) The Governor may revoke the licence of any person who carries on insurance business, or acts as an insurance manager, an insurance broker, an insurance agent, an insurance sub-agent or a principal representative (insurance) under a name which-

- (a) is identical with that of any other person, company, firm or business house whether within the Islands or not, or which so nearly resembles that name as to be calculated to deceive;
- (b) is calculated falsely to suggest the patronage of or connection with some person of authority whether within the Islands or not;
- (c) is calculated falsely to suggest that such person has a special status in relation to or derived from the Government of the Cayman Islands, or has the official backing of or acts on behalf of the said Government or of any department or official thereof or is recognised in the Islands as a national insurer, insurance broker, insurance agent or insurance manager; or
- (d) is calculated falsely to suggest that the licensee is carrying on insurance business in a different category from that in respect of which he is licensed.

7. (1) In respect of a licensed insurer’s general 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.

General requirements for  
licensed insurers

(2) (a) Every contract of domestic business shall be subject to the jurisdiction of the courts of the Islands, notwithstanding any provision to the contrary contained in such contract or in any agreement related to such contract.

(b) Every licensed insurer shall nominate at least one person resident in the Islands approved by the Governor who is authorised to accept on its behalf service of process in any legal proceedings on behalf of such insurer, and any notices required to be served on it.

(3) Licensed insurers, other than approved external insurers, may only carry on insurance business in accordance with the information given in their licence applications. Any proposed change in the nature of such business requires the prior approval of the Governor. Such insurers shall furnish annually to the Governor a certificate of compliance with this provision, in the prescribed form, signed by an independent auditor, by a licensed insurance manager or by such other person as the Governor may approve.

(4) Every licensed insurer, other than an approved external insurer, shall prepare annual accounts in accordance with generally accepted accounting principles, audited by an independent auditor:

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 (a) of the proviso to the Schedule.

(5) Every insurer licensed under Class 'A' other than an approved external insurer, who is carrying on general business shall, in addition, to the requirement in subsection (4), prepare annually a financial statement in the prescribed form, certified by an independent auditor, to enable the Governor to be satisfied as to its solvency.

(6) Every insurer licensed under Class 'A' and Class 'B' other than an approved external insurer, who is carrying on long term business shall, in addition to subsection (4), prepare annually an actuarial valuation of its assets and liabilities, certified by an actuary, so as to enable the Governor to be satisfied as to its solvency. Furthermore-

- (a) every such insurer carrying on both long term business and general business shall keep separate accounts in respect of its long term business;
- (b) (i) all receipts, by any such insurer of funds in respect of its long term business shall be placed in a separate long term business fund; and

- (ii) payments from the said long term business fund shall not be made directly or indirectly for any purpose other than those of the insurer's long term business, except insofar as such payments can be made out of any surplus disclosed on an actuarial valuation and certified by an actuary to be distributable otherwise than to policyholders; and
  - (c) every such insurer carrying on long term business may establish any number of separate accounts in respect of respective premiums paid to it to provide-
    - (i) annuities on human life; and
    - (ii) contracts of insurance on human life,  
and such respective premiums shall be kept segregated one from the other and independent of all other funds of the insurer, and, notwithstanding the provisions of any other written law to the contrary, are not chargeable with any liability arising from any other business of the insurer.
- (7) In respect of any insurer other than an approved external insurer or an insurer who, with the approval of the Governor, maintains permanently in the Islands a principal office and staff,-
- (a) each such insurer shall appoint an insurance manager resident in the Islands and maintain permanently at a designated principal office normally in the Islands (unless some other location is approved by the Governor) full and proper records of its business activities;
  - (b) each such insurer carrying on besides insurance any other business shall keep separate accounts in respect of its insurance business and shall segregate the assets and liabilities of its insurance business from those of its other business;
  - (c) the Governor may prescribe that any such insurer (other than a holder of a Restricted Class 'B' Insurer's Licence) shall not without the specific approval of the Superintendent make investments of a specified class and may in that case require such insurer to realise investments of that class within such period as may be prescribed; and
  - (d) no such insurer shall without the sanction of the Governor-
    - (i) amalgamate with any one or more insurers; or
    - (ii) other than in the normal course of insurance business, transfer its insurance operations or a part thereof or accept transfer of the insurance operations or a part thereof from another insurer.

(8) An insurer licensed under Class 'B' may not carry on domestic business except to the extent that such business forms a minor part of the international risk of a policyholder whose main activities are in territories outside the Islands. Any such insurer shall forthwith give full particulars in writing to the Superintendent of any domestic business so carried on by the insurer.

(9) A licensed insurance broker may obtain a special dispensation from the Governor to place a policy or contract of domestic business with one or more unlicensed insurers where-

- (i) the said insurers have not been refused a licence under this Law;
- (ii) the said insurers are approved by the Governor as being of sound reputation;
- (iii) the Governor is satisfied that the proposed volume of domestic business to be placed with such unlicensed insurers is inadequate to support the payment of Class 'A' licence fees or that some other good and sufficient reason exists; and
- (iv) the said insurance broker can demonstrate to the satisfaction of the Governor an evident need (in terms of additional capacity or policy coverage, or otherwise) that the business be so placed.

Such dispensation, if granted, shall be subject to review at such intervals, if any, as the Governor may specify when granting the dispensation and there shall be no appeal against the refusal of any such dispensation or renewal thereof and paragraph (a) of section 7 (2) shall apply to a policy placed under this subsection.

General requirements for  
other licensees

8. (1) An insurance agent who acts on behalf of more than one insurer, is deemed for the purpose of this Law to be acting as an insurance broker.

(2) A licensed insurance broker shall maintain in force professional indemnity insurance in respect of his insurance broking activities, placed with an insurer licensed to carry on domestic business and for an indemnity of not less than one hundred thousand dollars for any one loss, or such other figure as may be prescribed by the Governor. Such professional indemnity insurance shall extend to include the activities on behalf of the broker or of his sub-agents, if any. In the event that such professional indemnity insurance be withdrawn, or cancelled, or the said insurance be not renewed, the said broker shall immediately notify the Governor and shall forthwith cease to solicit further insurance business until such professional indemnity insurance has been reinstated or replaced.

(3) A licensed insurance agent shall provide evidence satisfactory to the Governor of a power of attorney, agency agreement or guarantee satisfactory to the Governor, between the agent and the insurer for whom such agent acts. Such

power of attorney, agency agreement or guarantee shall extend to include the activities on behalf of the insurer and the agent or his sub-agents, if any. In the event that such power of attorney, agency agreement or guarantee is withdrawn or such agreement is determined the said agent shall immediately notify the Governor and shall forthwith cease to solicit further insurance business until such power of attorney or guarantee has been reinstated.

(4) A licensed insurance agent may, as an alternative to meeting the requirement laid down in sub-section (3), maintain in force professional indemnity insurance in like manner and for a like amount as if he had been a licensed insurance broker as in subsection (2).

(5) A licensed insurance sub-agent may not solicit or carry on insurance business on behalf of more than one insurance agent, or on behalf of more than one insurance broker. If the professional indemnity insurance or power of attorney, agency agreement or guarantee, as the case may be, referred to in subsections (2), (3) and (4), is for any reason withdrawn from the said sub-agent, then the licence of the said sub-agent is *ipso facto* suspended until such time as such professional indemnity insurance, power of attorney, agency agreement or guarantee, as the case may be, is reinstated.

(6) A licensed insurance manager or a licensed principal representative (insurance) shall use his best endeavours to carry on insurance and re-insurance business only with insurers of sound reputation. In the event that such insurance manager or a licensed principal representative (insurance) feels cause for concern regarding the probity or soundness of any insurer or re-insurer for whom or with whom he is carrying on business, he shall report the same forthwith to the Governor. 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).

(7) A licensed insurance manager or a licensed principal representative (insurance) who also carries on insurance business as an insurance broker or as an insurance agent is required to be licensed in respect of each such activity.

9. (1) Each licensed approved external insurer who is carrying on domestic business shall furnish to the Governor within six months of the end of its financial year the following returns-

Annual returns by  
licensed insurers

- (a) a certificate of solvency or of compliance with insurance legislation specifically enacted in the country or place where the

said external insurer is constituted for its supervision and regulation, or some equivalent document acceptable to the Governor;

- (b) written confirmation that such certificate or equivalent document referred to in paragraph (a) embraces the said insurer's liabilities in respect of its domestic business;
- (c) if the said insurer has a branch or other subsidiary activity in the Islands, written confirmation that the said insurer accepts responsibility for all contracts issued by such branch or subsidiary activity and also for all acts, omissions and liabilities of such branch or subsidiary activity;
- (d) in respect of the said insurer's general domestic business, such information as the Governor may require concerning the availability of funds for prompt settlement of claims under such business;
- (e) in respect of the said insurer's long term domestic business, such information as the Governor may require concerning the investment of premium income received by the said insurer from such business in prescribed investments within the Islands;
- (f) a list of insurance agents and insurance brokers who have the said insurer's authority to effect domestic business on its behalf; and
- (g) written confirmation that the information set out in the application for the said insurer's licence, as modified by subsequent notifications of changes in accordance with section 4(3), remains correct, and gives a full and fair picture of the said insurer's business.

(2) Every insurer licensed under Class 'A' other than an approved external insurer shall furnish to the Governor within six months of the end of its financial year the following annual returns-

- (a) written confirmation from an independent auditor that annual accounts have been prepared as required under section 7(4) and whether or not the auditor's certificate for such accounts is unqualified;
- (b) a certificate of compliance as required by section 7(3);
- (c) if the said insurer is licensed under Class 'A' for general business, a financial statement in the prescribed form, certified by an independent auditor, in accordance with section 7 (5);
- (d) if the said insurer is licensed under Class 'A' for long term business, an actuarial valuation of its assets and liabilities, certified by an actuary, in accordance with section 7 (6);
- (e) if the said insurer is an external insurer which has a branch or other subsidiary activity in the Islands which is constituted as a



separate legal entity, written confirmation that the said insurer accepts responsibility for all contracts issued by such branch or subsidiary activity and also for all acts, omissions and liabilities of such branch or subsidiary activity;

- (f) if the said insurer is licensed for general business, such information as the Governor may require concerning the availability of funds for prompt settlement of claims under general domestic business;
- (g) if the said insurer is licensed for long term business such information as the Governor may require concerning the investment of premium income received from such domestic long term business in prescribed investments within the Islands; and
- (h) a list of insurance agents and insurance brokers who have the said insurer's authority to effect domestic business on its behalf.

(3) Every insurer licensed under Class 'B' shall furnish to the Governor within six months of the end of its financial year the following annual returns-

- (a) written confirmation from an independent auditor that annual accounts have been prepared as required under section 7 (4) and whether or not the auditor's certificate for such accounts is unqualified; and
- (b) a certificate of compliance as required by section 7 (3).

(4) The Governor may prescribe additions, deletions or modifications to the returns required to be made by licensees under this section.

10. (1) Every licensed insurance agent shall furnish to the Governor within six months of the end of each calendar year the following returns in respect of his domestic business-

Annual returns by other licensees

- (a) confirmation in writing that the said agent is acting for one insurer only and the name of that insurer;
- (b) evidence of the existence of a power of attorney, agency agreement or guarantee or professional indemnity insurance as required under section 8 (3) or (4);
- (c) a list of the sub-agents, if any, authorised by the said agent to solicit domestic business on his behalf and on behalf of the insurer whom he represents; and
- (d) confirmation in writing that the information set out in the application for the said agent's licence, as modified by subsequent notifications of changes in accordance with section 4 (3), remains correct and gives a full and fair picture of the said agent's business.

(2) Every licensed insurance broker shall furnish to the Governor within six months of the end of his financial year the following information in respect of his domestic business-

- (a) a list of all insurers for whom the said insurance broker is authorised to act, and the premium income to each such insurer during the last financial year;
- (b) evidence of the existence of professional indemnity insurance in respect of his activities as an insurance broker as required under section 8 (2);
- (c) a list of the sub-agents, if any, authorised by the said insurance broker to solicit domestic business on his behalf and on behalf of the insurers whom he represents; and
- (d) confirmation in writing that the information set out in the application for the said insurance broker's licence, as modified by subsequent notifications of changes in accordance with section 4 (3), remains correct and gives a full and fair picture of the said insurance broker's business.

(3) Every licensed insurance sub-agent shall furnish to the Governor before the renewal of his licence -

- (a) confirmation in writing that the said sub-agent is acting for one insurance agent only, or for one insurance broker only, and the name of such insurance agent or insurance broker; and
- (b) confirmation in writing that the information set out in the application for the said sub-agent's licence, as modified by subsequent notifications of changes in accordance with section 4 (3), remains correct and gives a full and fair picture of the said sub-agent's insurance activities.

(4) Every licensed insurance manager shall furnish to the Governor within six months of the end of his financial year the following information-

- (a) a list of all insurers for whom the said insurance manager acts; and
- (b) confirmation in writing that the information set out in the application for the said insurance manager's licence, as modified by subsequent notifications of changes in accordance with section 4 (3), remains correct and gives a full and fair picture of the said insurance manager's activities.

(5) The Governor may prescribe additions, deletions or modifications to the returns required to be made by licensees under this section.

11. (1) Except for the purpose of the performance of his duties in the exercise of his functions under this Law or when lawfully required to do so by any court of competent jurisdiction within the Islands or under the provisions of any law of the Islands, neither the Superintendent nor any person acting under his authority shall disclose any information relating to any application by any person under the provisions of this Law or to the affairs of a licensee or of any policy holder of a licensee which he has acquired in the performance of his duties or the exercise of his functions under this Law.

Preservation of secrecy

(2) Whoever contravenes subsection (1) is guilty of an offence and is liable on summary conviction to a fine of one thousand dollars and to imprisonment for six months.

12. (1) Where the Governor is of the opinion that a licensee is-

- (a) carrying on business in a manner likely to be detrimental to the public interest or to the interest of its creditors or policy holders;  
or
- (b) in contravention of this Law,

Powers of the Governor  
in case of suspected  
insolvency, etc. of  
licensees

he 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).

(2) When the Governor, having received a report upon any licensee under section 5(1)(b) is of the opinion that it is detrimental to the public interest that the licensee should continue to carry on business he may without compensation to the licensee, revoke the relevant licence.

(3) The Governor shall cause suspension and revocation of licences under this section to be gazetted.

13. (1) In any case where the Governor has suspended a licence under section 12(1), 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.

Preservation of assets,  
etc.

(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.

Appeals	<p>14. (1) An appeal shall lie to the Grand Court against any order of the Governor to suspend or revoke a licence under section 12(1) or (2) as the case may be.</p> <p>(2) An appeal under this section shall not operate as a stay of any decision appealed against.</p> <p>(3) The Rules Committee of the Grand Court may make Rules of Procedure governing the conduct of appeals under this section.</p>
Application, etc. Law 13 of 1992	<p>15. (1) Nothing in this Law derogates from any provision of the Immigration Law, 1992 relating to gainful occupation licences.</p>
1995 Revision 1978 Revision	<p>(2) No company which is licensed under this Law is required to be licensed under the Local Companies (Control) Law (1995 Revision) or the Trade and Business Licensing Law (Revised).</p>
1978 Revision 4 of 1989	<p>(3) This Law has no application to or effect upon -</p> <ul style="list-style-type: none"><li>(a) governmental pension arrangements;</li><li>(b) the validity of policies of insurance in existence at the date of coming into effect of this Law;</li><li>(c) the Friendly Societies Law (Revised); or</li><li>(d) pecuniary loss insurance provided by banks licensed under the Banks and Trust Companies Regulation Law, 1989.</li></ul>
Regulations	<p>16. The Governor may make Regulations-</p> <ul style="list-style-type: none"><li>(a) prescribing anything by this Law required to be prescribed;</li><li>(b) exempting any person or class of persons or business or class of business from any provision of this Law;</li><li>(c) prescribing forms to be used;</li><li>(d) prescribing the format for any returns to be made under this Law;</li><li>(e) prescribing capital and liquidity margins and ratios to be maintained by licensees under this Law; and</li><li>(f) amending the Schedule save that any amendment increasing the scale of fees prescribed in the Schedule shall require the confirmation of the Legislative Assembly.</li></ul>
Penal	<p>17. (1) Whoever for any purpose of this Law makes any representation in the truth of which he does not believe (the onus of proof of his belief being upon him) is guilty of an offence and liable on summary conviction to a fine of ten thousand dollars and to imprisonment for two years.</p>

(2) Whoever by any act or omission contravenes any requirement of this Law for which no specific penalty is provided, whether such contravention is or is not specifically stated to be an offence, is guilty of an offence and liable on summary conviction to a fine of five thousand dollars and to imprisonment for one year.

**SCHEDULE**

**Scale of Annual Licence Fees**

**(Section 4 (11))**

Class 'A'	\$5,000
Class 'B' (Unrestricted)	\$4,500
Class 'B' (Restricted)	\$4,500
Insurance agent	\$150
Insurance broker	\$1,200
Insurance sub-agent	\$75
Insurance manager	\$7,500
Principal representative (insurance)	
- for each insurer represented	\$1,000
(but subject to a maximum of \$12,000),	

Provided that-

- (a) the amount of any annual licence fee hereinbefore prescribed to be paid by the holder of a Class "A", Class "B" (Unrestricted) or Class "B" (Restricted) licence shall be reduced by two thirds if the Superintendent of Insurance is satisfied that such holder has, prior to the date on which such fee becomes payable, ceased carrying on any insurance business other than that necessary to enable the performance of obligations of such holder under contracts of insurance in force at such date; and
- (b) the amount by which any annual fee is reduced under paragraph (a) shall immediately become due and payable if the holder of the relevant licence effects any new contract of insurance during the year to which such fee relates.

Publication in consolidated and revised form authorised by the Governor in Council this 7th day of February, 1995.

Carmena H. Parsons  
Acting Clerk of the Executive Council