

INSURANCE REGULATORY AUTHORITY



CONF/IRA/00/007/01
22nd March, 2011

CIRCULAR NO. IC 02/2011

**TO: ALL INSURERS, REINSURERS, BROKERS AND MEDICAL
INSURANCE PROVIDERS**

FINANCE ACT NO. 10 OF 2010

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I wish to bring to your attention the following changes to the Insurance Act that are contained in the Finance Act, of 2010 and Legal Notice No.85 of 2010: -

1. Following the amendments of Section 42 by deleting Sub-section (1) (d), the outstanding premiums are no longer considered as admitted assets. Consequently Form 41-1 has been amended by deleting item No. 3(vii) and taking the same to section II of the Form to form part of the inadmissible assets. Please comply with this requirement before submission of the year 2010 audited accounts and the 2011 quarterly unaudited accounts.
2. Section 61 in subsection (4A) & Regulation 20 of the Principal Regulation was amended by empowering the Authority to prescribe a mode of submission of the Annual accounts and statements of an insurer under Part VI of the Insurance Act may include the use of information technology.

Pursuant to the said provisions, the Commissioner of Insurance prescribes in regard to the audited accounts and returns for the year 2010, that the insurers shall submit two hard copies one of which (the original) must comply with Regulation 20 (1) in relation to authentication of the accounts and the other copy (the copy) to be certified as true copy of the original.

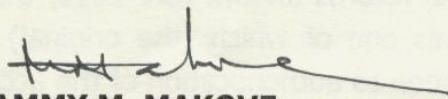
The insurers shall further submit a soft copy of the original copy submitted above in Windows Excel format.

3. The Fourth Schedule to the Principal Regulations is amended in Form 57-2 (actuarial balance sheet form) by substituting the words 'surplus before distribution' for the word 'surplus'. Please ensure that the surplus shown is before any distribution.
4. The Third Schedule to the Principal Regulations is amended in Part A by creating Medical Insurance as a new class of business separate from the Personal Accident class of business and is numbered as 12 in the table and the existing number 12 is renumbered as number 13. All the returns should clearly reflect this change.

In addition, the Law was amended in Section 150A by providing that registration for Medical insurance Providers (commonly known as MIPs) shall be for placing medical insurance business in expectation of a commission, fee and other remuneration. This implies that MIPs are intermediaries hence not authorized to undertake insurance liability. Those therefore willing to undertake any insurance liability shall be required to apply for registration as medical insurers.

5. Under the Amendment of Principal Regulation 40, the deadline for the submission of accounts by intermediaries and other service providers has been brought forward from 30th June to 30th April. We expect compliance with this requirement starting with the accounts for the year 2011.
6. Further, amendment to Section 23 of the Act has extended the deadline for full compliance with the shareholding requirements to 31st December 2011. I expect all the affected insurers to have put in place measures to ensure compliance with these requirements before the due date.

Please take note of these changes and comply accordingly.



SAMMY M. MAKOVE

COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER