

SAINT CHRISTOPHER AND NEVIS

STATUTORY RULES AND ORDERS

No. 2 of 2006

ISLAND OF NEVIS

The Minister of Finance in exercise of the powers conferred upon him by section 46 of the Nevis International Insurance Ordinance 2004 and all other powers thereunder enabling him makes the following Regulations:

**PART I
PRELIMINARY MATTERS**

1. **CITATION AND COMMENCEMENT.** These Regulations may be cited as the Nevis International Insurance Regulations, 2006 and shall be deemed to have come into operation from 31st June 2006.

2. **INTERPRETATION** In these Regulations, unless the context otherwise requires, the “Ordinance” shall mean the Nevis International Insurance Ordinance, 2004, as amended, and in these Regulations, words and expressions shall have the same respective meanings as given to them in the Ordinance; and in addition:

“contract” includes policy;

“licence” and its cognates means a licence granted under the Ordinance and includes a certificate of registration.

**PART II
ALLIED ANNUITY COMPANIES**

3. **LICENCING.** In addition to the registration requirements pursuant to section 6(2) of the Ordinance, an applicant shall provide the Registrar with the following information:-

- (i) Completed Questionnaire (Form 2);
- (ii) Insurance Manager/Registered Agent Agreement;
- (iii) Due Diligence documentation; and
- (iv) Specimen Contracts indicating
 - (a) Annual maximum frequency and amount of contribution;
 - (b) Maturity.

4. **INVESTMENT OF PREMIUMS.** A registered insurer licenced as an allied annuity company may, for the purposes of investment, segregate premiums or invest them jointly. Where the premiums are segregated, assets must be kept in separate accounts and must identify or be identifiable to the risk for which it has been assigned, distinguished from other assets and liabilities. These assets must only be accessed in relation to the servicing of the risk for which it has been designated.

5. **SEPARATE REGISTERS TO BE KEPT.** There shall be kept separate and distinct registers to comprise and include; entries, recording data, assets, rights, contributions, liabilities and obligations of the account.

6. **RESTRICTIONS.** (1) There shall be no restrictions imposed on the types of investment in which the registered insurer may invest provided that the insurer maintains sufficient assets in approved forms to ensure solvency.

(2) There shall be no withdrawals of contributions greater than 20%, (single occurrence or aggregate); nor any cashing in of single premium contracts, within the first five (5) years of the annuity or the life contract; nor any transfer of ownership at any period requires the prior approval of the Registrar. Payment of benefit to a beneficiary upon death of the annuitant or insured does not constitute a transfer of ownership.

7. **CAPITALIZATION REQUIREMENT.** The minimum capitalization requirement is US\$10,000.00.

**PART III
ALLIED REINSURANCE COMPANIES**

8. **LICENCING.** In addition to the registration requirements pursuant to section 6(2) of the Ordinance, an applicant shall provide the Registrar with the following information:-

(i) Due Diligence documentation.

9. **RESTRICTIONS.** A Registered Insurer licensed as an allied reinsurer cannot issue contracts with the consuming public, or otherwise act as a primary insurer. A Registered Insurer, upon approval from the Registrar, may be allied to a maximum of five (5) primary insurers, provided that it is reinsuring a different line of business from each primary insurer.

10. **CAPITALIZATION REQUIREMENT.** The minimum capitalization requirement is US\$10,000.00.

**PART IV
FEES AND FORMS**

FEES

11. **APPLICATION, REGISTRATION AND RENEWAL FEES.** The following fees are prescribed:-


- a. for an application to carry on insurance business where the applicant is an allied annuity company.....\$380.00
- b. for an application to carry on insurance business where the applicant is an allied reinsurance company.....\$380.00
- c. for registration of an allied annuity company.....\$1,000.00
- d. for registration of an allied reinsurance company.....\$500.00
- e. for annual renewal of an allied annuity company.....\$1,000.00
- f. for annual renewal of an allied reinsurance company.....\$500.00
- g. for an application to act as an insurance broker.....\$250.00
- h. for an application to act as an insurance adjuster.....\$250.00
- i. for registration to act as an insurance broker.....\$1,000.00
- j. for registration to act as an insurance adjuster.....\$1,000.00
- k. for annual renewal of insurance broker licence.....\$1,000.00
- l. for annual renewal of insurance adjuster licence.....\$1,000.00

FORMS


12. The application for an allied annuity company or allied reinsurance company pursuant to section 6(2)(a) of the Ordinance shall be in the form set out in the First Schedule to these Regulations.

13. The Insurance Manager’s undertaking as to the ultimate beneficial owner(s) under section 6(2)(b) of the Ordinance shall be in the form set out in the Second Schedule to these Regulations.

FIRST SCHEDULE

FORM 5							APPLICATION NO:		
The Nevis Island Administration Ministry of Finance, Statistics and Economic Planning Financial Services (Regulation and Supervision) Department Application for Allied Insurer's Licence									
1: Name of Insurer									
2: Licence Details		Type of Licence being applied for							
		Allied Reinsurance Company <input type="checkbox"/>				Allied Annuity Company <input type="checkbox"/>			
		Allied to Address							
3: Postal, Physical Addresses, and Location of Books and Records		Registered Office in Nevis [Whether already in existence or proposed]							
		Principal Office of Insurer [Whether already in existence or proposed]							
		Location of Books and Records [Whether already in existence or proposed]							
4: Parent(s), Sponsor(s) and/or Participants • Attach a continuation sheet, if necessary		Name	Role	Address	Contact Person	Phone	E-mail		
		A							
		B							
		C							
		D							
		E							
5: Control Persons [See s.2 of the Regulations for definition]		Name	Position with Insurer		Connection with Applicant		FORM 2		
		A					<input type="checkbox"/>		
		B						<input type="checkbox"/>	
		C						<input type="checkbox"/>	
		D						<input type="checkbox"/>	
		E						<input type="checkbox"/>	
6: Service Providers †Where IM is non-resident, the Service Provider must be approved under the Nevis International Insurance Ordinance, 2004 in addition to the Nevis Business Corporation Ordinance, 1984.			Insurance Manager (IM)†		Attorney	Auditor	Actuary		
		A	Firm Name						
		B	Address						
		C	Contact Person						
		D	E-mail						
		E	Phone						
7: Operational Details Attach a continuation sheet, if necessary		A State location of Insured risks.							
		B Will any fronting arrangements be used?							
		C State any marketing activities the entity will be engaged in.							
8: Connection between Insured and Insurer		State here the nature of the relationship between the insurer and the insured(s).							
9: Supporting Documentation		A Attach a narrative business plan					<input type="checkbox"/>		
		B Attach Pro-Forma Financial Statements for the next Five (5) Years					<input type="checkbox"/>		
		C Where the entity is already conducting business, attach previous year's financial statements and tax returns.					<input type="checkbox"/>		
		D Attach documents evidencing legal existence, or where not yet formed attach proposed documents (Memorandum & Articles of Incorporation etc)					<input type="checkbox"/>		
		E Attach Supplemental Financial Information Sheet					<input type="checkbox"/>		
This application is hereby made for the licence specified above and it is certified that all the particulars contained in this application and in the documents accompanying it or otherwise furnished in support thereof are true and correct. I/We undertake to inform the Minister and the Registrar, immediately, of any significant changes to the information supplied in this form. I am aware that it is an offence to knowingly or recklessly provide "the Minister" or "the Registrar" with information which is false (s.44 of the Nevis International Insurance Ordinance, 2004).									
Name/Position			Date			Signature			

SECOND SCHEDULE

FORM 6		APPLICATION NO:
The Nevis Island Administration Ministry of Finance and Development Financial Services (Regulation and Supervision) Department Insurance Manager's Undertaking of Ultimate Beneficial Owner		
_____ hereby undertakes that the person(s) listed <i>(Insurance Manager)</i> below is/are* the ultimate beneficial owner(s) of _____, and that he/she/they* is/are* fit and proper <i>(Applicant)</i> person(s) and has/have* or has/have* available adequate knowledge and expertise to conduct insurance business from within Nevis, and that the following particulars of the ultimate beneficial owner(s) is/are* true and accurate:		
Name		
Aliases (if any)		
Current address		
<u>Street</u>		
<u>City</u>		
<u>State / Province</u>		
<u>Zip / Postal Code</u>		
<u>Country</u>		
<i>Previous address (if time at current address is less than two years)</i>		
<u>Street</u>		
<u>City</u>		
<u>State / Province</u>		
<u>Zip / Postal Code</u>		
<u>Country</u>		
Date of Birth (dd/mm/yr) _____		
Place of Birth _____		
Nationality _____		
Social Security Number or National Identification No. _____		
Capacity <i>(in relation to applicant)</i>		
Completed by _____ (print)		
_____ (sign) _____ (date)		
Approved by _____ (print)		
_____ (sign) _____ (date)		
_____ (capacity)		
* delete where applicable <input type="checkbox"/> tick here if a continuation sheet is submitted		

Made this 14th day of June 2006.

VANCE AMORY
Minister of Finance
Nevis Island Administration