

S.I. 18 of 2008

## INSURANCE ACT, 2008

*(Act 11 of 2008)***Insurance (Non-Domestic Insurance Business)  
Regulations, 2009**

In exercise of the powers conferred by section 124 of the Insurance Act, 2008, the Minister of Finance makes the following Regulations —

- |    |   |                            |
|----|---|----------------------------|
| 1. | These Regulations may be cited as the Insurance (Non-Domestic Insurance Business) Regulations, 2009.  | Citation                   |
| 2. | In these Regulations —  | Interpretation             |
|    | “applicant” means a person applying for a licence or registration under the Act;  |                            |
|    | “\$” means the symbol for United States Dollars, the lawful currency of United States of America;   |                            |
|    | “financial year” means the year in respect of which the accounts of a licensed insurer are made up, and where by reason of an alteration of the date on which the financial year of a licensed insurer terminates, the accounts have been made up for a lesser period, that lesser period shall be deemed to be a financial year; |                            |
|    | “non-domestic insurer” means a person carrying on non-domestic insurance business;  |                            |
|    | “premium income” means the net premium after deducting any premium paid by a non-domestic insurer for reinsurance.  |                            |
| 3. | Every applicant for a licence as a non-domestic insurer shall provide the Authority with the following documents and information —  | Particulars of application |

- (a) the class or classes of non-domestic insurance business which the applicant is seeking to carry on under the Act;
- (b) a business plan or feasibility study which shall set out details of the following—
  - (i) the commercial operations in which the applicant intends to engage;
  - (ii) the business objectives of the applicant, type and source of business contemplated;
  - (iii) the applicant's proposed initial assets, anticipated assets and liabilities, and estimated income at the end of each of the two years next succeeding the grant of a licence;
  - (iv) particulars of the applicant's management structure and staff;
  - (v) the reasons for the selection of Seychelles as a place for the conduct of the applicant's non-domestic insurance business;
  - (vi) the particulars of the applicant's customer base;
- (c) a copy of—
  - (i) the applicant's memorandum and articles, duly authenticated by the registrar of companies in the place of establishment or origin of the applicant;
  - (ii) the resolution of the Board of Directors of the applicant, duly authenticated by a

- Director or the principal officer of the applicant authorising the application for a licence, as an insurer to carry on non-domestic insurance business under the Act;
- (iii) the applicant's certificate of incorporation or registration, as the case may be, certified by the registrar of companies in the place of establishment or origin of the applicant;
- (iv) if the Authority requires such information to be furnished, —
- (aa) the list of all persons, with their addresses and nationalities, who are registered shareholders of the applicant, distinguishing the shareholding of each;
- (bb) the list of all persons, with their addresses and nationalities, who are beneficial owners of shares of the applicant, not being registered shareholders, distinguishing the shares of each such beneficial owner; and
- (cc) two or more references verifying the financial good standing of each such shareholder or beneficial owner;
- (v) if the Authority requires such information to be furnished, the annual accounts of the applicant and the annual accounts of the applicant's holding, parent and associated companies for the two years immediately preceding the

application, such accounts to be duly audited and certified to the satisfaction of the Authority;

- (vi) if the Authority requires such information to be furnished, a statement in writing in a form acceptable to the Authority from the authority responsible for the supervision of insurance in the place in which the applicant or its parent company is incorporated, that such authority is aware of the intended application;
- (vii) if the Authority requires such information to be furnished, a statement in writing satisfactory to the Authority evidencing that the board of directors or governing body of the applicant, and the persons responsible for the management of the applicant, are sufficiently experienced and knowledgeable in the business of insurance;
- (viii) three references, one of which shall be financial in nature from a reputable international financial institution in respect of all the persons who are directors, managers or senior officers of the applicant.

4.(1) Every applicant for a licence as a non-domestic insurer shall satisfy the Authority that—

- (a) the paid-up capital of the applicant —
  - (i) if the applicant proposes to carry on general insurance business or long term insurance business or both general and long term insurance business, is at least



- \$100,000 or its equivalent in a currency that is fully convertible to other internationally accepted currency;
- (ii) if the applicant proposes to carry on solely reinsurance business, is at least \$50,000 or its equivalent in a currency that is fully convertible to other internationally accepted currency;
- (iii) if the applicant proposes to carry on solely captive insurance business, is at least \$25,000 or its equivalent in a currency that is fully convertible to other internationally accepted currency;
- (b) the sum of money specified in paragraph (a)(i), (ii) and (iii) is maintained in an account of the applicant with a bank licensed under the Financial Institutions Act of Seychelles to carry on banking business, as evidenced by a certificate of such bank, at the time when the application is made and at such other time as may then be required by the Authority.

Check cap  
or act

(2) Notwithstanding subregulation (1), the Authority may having regard to the extent and volume of non-domestic insurance business that the applicant proposes to carry on, specify a lesser amount of paid-up capital, provided the applicant provides an adequate guarantee on such terms and conditions as may be acceptable to the Authority.

5.(1) Unless the Authority otherwise determines, the margin of solvency to be maintained by a non-domestic insurer carrying on general insurance business is as follows—

Margin of  
solvency

- (a) at any time in its first financial year, the value of its assets exceeds the amount of its liabilities by \$125,000;
- (b) at any time after the expiration of the first

financial year, the value of its assets exceeds its liabilities —

- (i) by \$125,000, where the net premium income of the non-domestic insurer in the preceding financial year did not exceed \$750,000;
- (ii) by 1/5 of the net premium income for the preceding financial year, where the premium income exceeded \$750,000, but did not exceed \$5,000,000;
- (iii) by the aggregate of \$1,000,000 and 10 per cent of the amount by which the net premium income in that financial year exceeded \$5,000,000, where the net premium income for the year exceeded \$5,000,000.

(2) A non-domestic insurer carrying on long term insurance business has the margin of solvency required by the Act, if the amount of its liabilities under contracts of insurance entered into does not exceed the amount of its long term insurance fund as certified by a qualified actuary in accordance with regulations made for the purpose of this subregulation.

(3) Unless the Authority otherwise determines, the margin of solvency to be maintained at all times by a non-domestic insurer carrying on reinsurance business, shall not be less than —

- (a) its paid-up capital; or
- (b) 20 per cent of the net premium income for the preceding year in respect of the general business of that insurer,

whichever is the highest.

(4) The margin of solvency of a non-domestic captive insurer shall be its paid-up capital.

(5) If the margin of solvency of a non-domestic insurer falls below the amount required by the foregoing subregulations, the non-domestic insurer shall —

- (a) submit to the Authority within 30 days of the deficiency becoming known, or such longer period as the Authority may permit, its short-term financial scheme to make good the deficiency and shall, if the Authority considers the scheme inadequate, propose modifications to it; and
- (b) within the time limit specified by the Authority in that behalf, implement the scheme as approved by the Authority.

6. Without the prior written consent of the Authority, a non-domestic insurer shall not open an office, acquire or establish any subsidiary outside Seychelles.

Office etc.  
outside  
Seychelles

7. A non-domestic insurer shall not act on behalf of another non-domestic insurer as an insurance manager or a principal insurance representative, unless such first-mentioned non-domestic insurer has been approved by the Authority to carry on business as an insurance manager or a principal insurance representative, as the case may be.

Non-domestic  
insurer acting as  
insurance  
manager or  
principal  
insurance  
representative

8. A non-domestic insurer, or an approved insurance manager or a principal insurance representative shall not advertise or publish, in any form, information which is untrue or which is likely to mislead persons in relation to the written laws of Seychelles.

Untrue and  
misleading  
information

9.(1) Notwithstanding anything in any other written law, a non-domestic insurer shall not at any time issue bearer shares nor shall it at any time be authorised to do so by its memorandum or

Prohibition on  
issue of bearer  
shares



articles, or other instrument defining its constitution.

(2) Notwithstanding anything in any other written law, a company which is, or shall become, directly or indirectly, the registered or beneficial owner of any share or shares in a non-domestic insurer shall not have issued or issue at any time, nor have the power to issue, any bearer shares.

Notification of  
change

**10.** If any change shall occur in the information given by a non-domestic insurer at the time after its application, the particulars of such change shall be notified by the non-domestic insurer within 30 days of its occurrence, or its first becoming known to the non-domestic insurer.

Directions of  
Authority in  
absence of  
prescribed  
procedure

**11.** Whenever anything is required or allowed to be done under the Act and these regulations and no form or procedure is prescribed for so doing, application may be made in writing to the Authority for directions as to doing the same and anything done in accordance with such directions shall be deemed to have been properly done in compliance with the Act or these regulations, as the case may be.

Non-applicability  
of certain provi-  
sions of the Act

**12.** The provisions of sections 20, 27, 88 and 89 of the Act are not applicable to a non-domestic insurer.

Letterheads and  
stationery

**13.** Every non-domestic insurer shall indicate clearly on its letterhead, stationery and other documents containing its name that it is licensed under the Act as a non-domestic insurer, as well as its licence number.

Notification of  
irregularities by  
clients

**14.** If at any time a non-domestic insurer, an insurance manager or a principal insurance representative has cause to believe that a client of the non-domestic insurer is conducting the business affairs of the client or is likely to conduct them, either contrary to a written law of Seychelles or in a manner which is, or may be detrimental to the reputation or standing of the non-domestic insurer or of Seychelles, the non-domestic insurer, insurance manager or principal insurance representative shall forthwith notify the Authority and furnish full particulars thereof.



15. Where a non-domestic insurer does not satisfy the Authority that the insurer has the necessary insurance expertise at all times in its management structure and personnel, a professional insurance manager shall be appointed to manage the affairs of the insurer.

Applicant's lack  
of insurance  
expertise

**MADE this 30th day of January, 2009.**

**DANNY FAURE  
MINISTER OF FINANCE**

---