



## ST. CHRISTOPHER AND NEVIS

### CHAPTER 7.07 (N)

## NEVIS INTERNATIONAL INSURANCE ORDINANCE and Subsidiary Legislation

### Revised Edition

showing the law as at 31 December 2009

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Cap. 1.03.

This edition contains a consolidation of the following laws—

### NEVIS INTERNATIONAL INSURANCE ORDINANCE

**Ordinance 1 of 2004** ... in force 1st November 2004

Amended by: Ordinance 10 of 2006

Ordinance 2 of 2009

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## **CHAPTER 7.07 (N)**

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## CHAPTER 7.07 (N)

### NEVIS INTERNATIONAL INSURANCE ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE REGULATION OF PERSONS ESTABLISHING AND CARRYING ON OFF-SHORE INSURANCE BUSINESS FROM WITHIN NEVIS AND FOR PURPOSES CONNECTED THEREWITH.

#### PART I

#### PRELIMINARY

##### Short title.

1. This Ordinance may be cited as the Nevis International Insurance Ordinance.

##### Interpretation.

2. In this Ordinance, unless the context otherwise requires—

“Actuary” means a person who has qualified as an Actuary by examination of one of the professional bodies of Actuaries for the time being approved by the Registrar and who is a current member in good standing of one of the said bodies, or is a person of good standing with some other Actuarial qualification who is recognised by the Registrar as such for the purposes of this Ordinance;

“allied annuity company” means a company carrying on insurance business where the registered insurer’s business entails only the issuance of annuity contracts, and/or single premium life-contracts, and where premiums are acceptable only from its parent(s), or other person(s) of substantial relationship, whether personal or business, and the number of annuitants does not exceed ten (10) persons;

*(Inserted by Ordinance No. 10 of 2006)*

“allied reinsurance company” means a company carrying on insurance business where the registered reinsurer is allied to a primary insurer who typically initiates insurance contracts as part of its normal course of business, and the allied reinsurer will only assumes risks and accepts premiums from this primary insurer;

*(Inserted by Ordinance 10 of 2006)*

“approved securities” means securities located or effected in Nevis or elsewhere and approved by the Minister for the purposes of section 7(1)(b);

“auditor” means a person who is a member of one of the professional bodies for the time being approved by the Minister;

“captive insurance business” means insurance business where the insured is a parent or affiliated company of the registered insurer or is a person in respect of whom the registered insurer is authorised by the Registrar to provide insurance.

“category of business” means long-term business, general business, reinsurance business or captive insurance business as the case may be;

- “chief executive” means in relation to a registered insurer, a person, who, either alone or jointly with another, is, responsible under the immediate authority of the directors for the conduct of the whole of the insurance business of that insurer;
- “company” means any body corporate formed or incorporated (other than a domestic company) whether in Nevis or outside Nevis and includes any foreign company (other than an overseas company registered under the Companies Ordinance) but does not include a corporation sole;
- “conditions” includes restrictions;
- “contract of insurance” includes any contract the effecting of which constitutes the carrying on of insurance business;
- “controller” means a person—
- (a) in accordance with whose directions or instructions the directors of a registered insurer are accustomed to act; or
  - (b) who either alone or with any associate or associates is entitled to exercise, or control the exercise of, one-half or more of the voting power at any general meeting of a registered insurer;
- “Court” means the High Court of Nevis;
- “currency” means the United States of America dollar;
- “director” means any person (excluding an offshore entity registered under the Nevis Business Corporation Ordinance, Cap. 7.01(N), the Nevis Limited Liability Company Ordinance, Cap. 7.04 (N) and the Nevis International Exempt Trust Ordinance, Cap. 7.03 (N), a company registered under the Companies Act, Cap. 21.03 and the Companies Ordinance, Cap. 7.06(N) occupying the position of director by whatever name called and includes a person in accordance with whose directions or instructions the directors of a company are accustomed to act;
- “Financial Services Regulatory Commission” means the Commission established under the Financial Services Regulatory Commission Act, Cap. 21.10;
- “foreign company” means a company registered under Part XII of the Nevis Business Corporation Ordinance;
- “general business” means insurance business that is not long-term business, reinsurance business or captive business and without limiting the generality of this term includes marine insurance, engineering insurance aviation insurance, transportation insurance, motor insurance, property liability insurance, pecuniary loss insurance, credit and guarantor insurance and miscellaneous personal insurance;
- “insurance” includes assurance and reinsurance;
- “insurance adjuster” means a person, not being an employee of a registered insured, but employable by insurer or insured, who investigates, qualify and/or quantify a loss experienced in relation to a covered risk;  
*(Inserted by Ordinance 10 of 2006)*
- “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 reinsurance business;

“insurance broker” means a person, not being an employee of a registered insured, who arranges contracts of insurance between insurer and insured, or gives advice facilitating the sale of insurance contracts, or is authorized by one or more insurer to enter that insurer into contracts of insurance, collect premiums, and otherwise act as the insurer in dealing with the insured.

*(Inserted by Ordinance No. 10 of 2006)*

“insurance manager” means a person, not being an employee of an insurer, who—

- (a) provides management services for one or more insurers; or
- (b) holds himself out as a manager in relation to one or more insurers, but does not include the keeping of insurance business accounts for a registered insurer;

“long-term business” means insurance business of any of the following kinds, namely—

- (a) affecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life;
- (b) effecting and carrying out contracts of insurance 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, becoming incapacitated in consequence of disease, or disease 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;
- (c) effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the persons insured in the future, not being contracts such as to fall within either paragraph (a) or (b); and
- (d) any kind of insurance business declared by regulation to be long-term business;

“long-term business fund” means a fund established pursuant to section 17(2);

“Minister” means the Minister of Finance;

“International insurance business” means the carrying on or the conducting whether within or outside Nevis of any insurance business where each of the insured, the person to whom the policy moneys are payable and the owner of the policy or any one or more of such persons—

- (a) is not domiciled in St Kitts or Nevis;
- (b) is not ordinarily resident in St Kitts or Nevis;
- (c) is not an entity incorporated or registered in St Kitts or Nevis under any legislation other than the Nevis Business Corporation Ordinance 1984, the Nevis Limited Liability Company Ordinance 1995 and the Nevis International Exempt Trust Ordinance 1996;

“Owner” in relation to a policy” means the person who for the time being has the legal title to the policy and includes an assignee;

“person” includes any body of persons corporate or unincorporate;

“Policy” means—

- (a) any policy or other contract of insurance and any policy, bond, certificate, receipt or other instrument evidencing the contract with the insurer or underwriter or any person named in a policy or other contract of insurance who is liable to pay or contribute towards payment of the sum secured by the policy or contract;
- (b) an instrument evidencing a contract to pay an annuity;
- (c) any policy or other contract in relation to insurance business of any class under which there is for the time being an existing liability already accrued or under which a liability may accrue;

“policy holder” means a person who for the time being is the legal holder of a policy for securing a contract with an insurer, including an assignee and—

- (a) in relation to such long-term business as consists in the granting of annuities upon human life, includes an annuitant; and
- (b) in relation to insurance business of any kind includes a person to whom, under a policy, a benefit is due or a periodic payment is payable.

“registered agent” means a person appointed to act as an agent under section 25 of this Ordinance;

“registered insurance manager” is a person registered under section 24 of this Ordinance;

“registered insurer” means an insurer registered or formerly registered under section 8 of this Ordinance to carry on off-shore insurance business;

“Registrar” means the person appointed pursuant to section 3 of this Ordinance to be the Registrar of International Insurance for the administration of this Ordinance and includes any person appointed to be the Deputy Registrar or an Assistant Registrar when exercising any powers under this Ordinance in accordance with the directions of the Registrar;

“regulations” means regulations made under section 45 of this Ordinance;

“reinsurance business” means insurance business where the risk insured by a person is a risk that person has accepted from an insurer;

“related company” means if one body corporate is the subsidiary of the other, or both are subsidiaries of the same body corporate, or each of them is controlled by the same person;

“statutory fund” means a fund established pursuant to section 17(1);

“solvency margin” shall have the meaning ascribed to it by section 19(1).

## PART II

### ADMINISTRATION OF ORDINANCE

#### **Appointment of Registrar of International Insurance and Deputy Registrar.**

3. (1) There shall be appointed by the Minister and publicly notified a Registrar of International Insurance to carry out the duties and functions vested in him or her by or under this or any other Ordinance.

(2) The Registrar of International Insurance shall act under the general supervision of the Minister and shall carry out the functions and duties imposed upon him by this Ordinance.

*(Inserted by Ordinance 10 of 2006)*

(3) There shall from time to time also be appointed by the Minister such Deputy Registrars of International Insurance and other officers as are required for the purposes of this Ordinance.

(4) Anything by this Ordinance appointed or authorised or requested to be done by the Registrar may be done by any such Deputy Registrar and shall be as valid and effectual as if done by the Registrar.

(5) The Registrar of International Insurance, Deputy Registrar(s) of International Insurance or any employee in the office of the Registrar of International Insurance, shall not directly or indirectly be interested—

(a) as a shareholder in any company that is licenced under this Ordinance as an insurer carrying on international insurance business in or from within Nevis;

(b) as a shareholder in a company that is authorised under this Ordinance to act as an insurance manager or insurance broker.

*(Inserted by Ordinance 10 of 2006)*

(6) All Courts, Judges, and persons acting judicially shall take judicial notice of the seal and also of the signature of the Registrar and of any Deputy Registrar.

(7) For the purpose of ascertaining whether a registered insurer is complying with the provisions of this Ordinance, the Registrar or any person authorised by him may inspect any book, minute book, register or record required by or under this Ordinance to be kept by the registered insurer.

(8) A person who, except for the purposes of this Ordinance, or when properly ordered to do so by the Court, makes a record of, divulges or communicates to any other person, any information which he has acquired by reason of such inspection, shall be guilty of an offence against this Ordinance.

(9) A registered insurer or any official thereof shall, on being required by the Registrar or a person authorised by the Registrar, produce any such book, register or record.

(10) A registered insurer or any officer thereof shall not obstruct or hinder the Registrar or person so authorised while exercising any of the powers referred to in subsection (5) of this section.

(11) There shall be paid to the Registrar such fees and penalties as are prescribed.

(12) The Registrar of International Insurance shall on or before the 31st day of December in each year prepare for the Minister an annual report showing an overall statement of affairs and statistics of all matters relating to international insurance

business carried on and conducted in and from within Nevis during the prevailing year.

*(Inserted by Ordinance 10 of 2006)*

#### **Duties and Functions of the Registrar of International Insurance.**

4. (1) The Registrar of International Insurance shall—
- (a) have general supervision of the international insurance business being carried on in or from within Nevis;
  - (b) ensure that the laws and regulations relating to the conduct of the international insurance business are enforced and complied with; and
  - (c) upon the request of the Minister, examine and report to the Minister on all matters connected with international insurance.

*(Inserted by Ordinance 10 of 2006 as Section 3A)*

#### **Establishment of the Insurance.**

5. (1) There shall be established, a committee called the Insurance Advisory Committee to investigate, report to and advise the Minister on matters connected with the development and regulation of the International Insurance industry in Nevis.

(2) The Insurance Advisory Committee shall consist of such persons, not more than five (5) persons to be appointed by the Minister, as the Minister may think fit.

(3) The Permanent Secretary shall be the Chairman of the Insurance Advisory Committee and the Registrar of Insurance and the Regulator shall be ex-officio members thereof.

(4) In appointing the members of the Committee the Minister shall consider—

- (i) the knowledge and experience of the person in matters relating to International Insurance;
- (ii) any other matter which may affect the performance of Committee functions.

(5) The Insurance Advisory Committee shall have the power to establish its own working rules and procedures and as many sub-committees as it deems necessary.

(6) It shall be the duty of the Insurance Advisory Committee to advise the Minister on any matter which it is required by the Minister so to do.

*(Inserted by Ordinance 10 of 2006 as Section 3B)*

#### **Registration of International Insurance Companies.**

6. (7) No person, shall carry on or transact or hold himself out as carrying on or transacting any off-shore insurance business in or from within Nevis unless that person holds a valid certificate of registration issued under this Part of this Ordinance and any such person who contravenes this section commits an offence against this Ordinance.

#### **Use the Word “Insurance”, etc.**

7. (1) Except with the approval of the Registrar in writing no person, other than a registered insurer under this Ordinance or the holder of a valid insurance licence issued under the Insurance Act, Cap. 21.11 shall—

- (a) use or continue to use the words “insurance” “assurance” “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “re”, “surety” “casualty”, or any other word which in the opinion of the Registrar connotes insurance business or any of their derivatives in any other language in the description or title under which such person is carrying on business in or from within Nevis; or
- (b) make or continue to make any representation in any billhead, printed form, letter, letterhead, circular, paper, notice, advertisement or in any other manner whatsoever that such person is carrying on international insurance business in or from within Nevis.

*(Amended by Ordinance 10 of 2006)*

(2) Every person who contravenes this section commits an offence against this Ordinance.

(3) (a) Any person who prior to the coming into force of this Ordinance who used the words “insurance”, “assurance”, “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “re”, “surety”, “casualty” or any other word which in the opinion of the Registrar connotes insurance business or any of their derivatives in any other language in the description or title whether or not such person is carrying on business in or from within Nevis shall within six (6) months of the coming into effect of this Ordinance register under the provisions of this Ordinance.

(3) (b) Any person who fails to register in accordance with subsection 3(a) above commits an offence against this Ordinance.

### **Applications for Registration**

**8.** (1) Applications for registration to carry on an international insurance business shall be made in writing on the prescribed form to the Registrar and accompanied by—

- (a) a certified copy of the act, charter, deed of settlement, Memorandum of Association and Articles of Association of the body corporate, or other document or documents by which the body corporate is constituted; and
- (b) such fee as may be prescribed by regulation; and
- (c) such evidence as the Registrar may require—
  - (i) of the nature and character of the applicant’s business;
  - (ii) of the financial standing of the applicant;
  - (iii) of the shareholding and management of the applicant; and
  - (iv) of the ultimate beneficial ownership of the stocks or shares of the applicant;
- (d) the address of its registered office in Nevis;
- (e) such references as the Registrar may require;
- (f) a business plan for the first three (3) years of its proposed operation which includes the following information—
  - (i) the types of obligation the insurer proposes to incur or types of risk it proposes to cover;
  - (ii) the company’s reinsurance policy;

- (iii) the projected development of business and solvency margins; and
- (g) such other information as may be required by regulations.

(2) Where applications for registration are made by an insurer who is either an allied reinsurance company or an allied annuity company said the said insurer shall provide the Registrar with information set out in subsection (1)(a), (b) and (d) in addition to—

- (a) completed application Form 5;
- (b) Insurance Manager's undertaking as to the ultimate beneficial owner(s) of the entity to be registered;
- (c) details of Insurance Manger and Registered Agent;
- (d) an undertaking from the company management that risks and premiums will only be assumed from named and approved primary company;
- (e) business plan showing—
  - (i) nature and character of business to be undertaken;
  - (ii) details of primary insurer (in the case of an allied reinsurance company, or parent entity) (in the case of an allied annuity company), to which company will be allied.

*(Amended by Ordinance 10 of 2006)*

(3) In addition to the documents, information, and evidence which shall accompany an application under subsection (1) of this section, an applicant shall if required to do so by the Registrar, furnish such additional documents, information, or evidence as the Registrar may require.

### **Refusal of Registration.**

9. (1) The Registrar shall not register any applicant under section 11 of this Ordinance if the applicant—

- (a) is not a company registered under the Nevis Business Corporation Ordinance, Cap. 7.01 (N);
- (b) does not satisfy the Registrar that the amount paid up on its share capital—
  - (i) in a case where the applicant proposes to carry on long-term business but no other category of business, is \$185,000.00 or more;
  - (ii) in a case where the applicant proposes to carry on general business but no other category of business, is \$185,000.00 or more;
  - (iii) in a case where the applicant proposes to carry on reinsurance business but no other category of business, is \$75,000.00 or more;

*(Amended by Ordinance 2 of 2009)*

- (iv) in a case where the applicant proposes to carry on captive insurance business but no other category of business;

- a. Single owner Captive \$10,000.00
- b. Less than 5 owners Captive \$20,000.00

c. 5 or more owners Captive \$50,000.00

(v) in a case where the applicant proposes to carry on insurance business as an allied insurer, is \$10,000 or more;  
*(Inserted by Ordinance 10 of 2006)*

(vi) in a case where the applicant proposes to carry on more than one category of business is the aggregate of the amounts required for each category,

and does not satisfy the Registrar that the minimum amount paid up on its share capital is maintained in approved securities; or

(c) does not satisfy the Registrar that the controller, directors and chief executive (if any) of the applicant are fit and proper persons to be associated with insurance companies;

(d) does not satisfy the Registrar that it has, or has available, adequate knowledge and expertise of the insurance business to be carried on; or

(e) does not satisfy the Registrar that it has either—

(i) management in Nevis with adequate knowledge and expertise of the insurance business to be carried on and has at least one director resident in Nevis; or

(ii) appointed a registered insurance manager or registered agent in Nevis with adequate knowledge and experience of the insurance business to be carried on;

(f) does not comply with the criteria contained in regulations; or

(g) it is in the public interest to refuse the registration.

*(Amended by Ordinance 10 of 2006)*

### Registration.

10. (1) In relation to every application for registration, the Registrar shall either—

(a) issue a certificate of registration to the applicant authorising it to carry on, subject to such terms and conditions as he thinks are appropriate, a category or categories of insurance business;

(b) reject the application; or

(c) defer the application and direct that such further enquiries as he considers necessary be made.

(2) Where the Registrar rejects an application he or she shall notify the applicant in writing of the rejection, but he or she shall not be required to give reasons therefor, and where an application is rejected any application fee shall not be refunded.

### Renewal of Registration.

11. (1) A Certificate of Registration shall be renewable on or before the 31st day of January every year following the year in which the certificate is issued and upon due payment of the prescribed annual renewal fee.

*(Substituted by Ordinance 10 of 2006)*

(2) Where application to renew the certificate is not made before the date of expiry, or the annual renewal fee is not paid prior to that date, a renewal certificate may nevertheless be issued, on payment of the prescribed penalties provided that—

- (a) the certificate of registration has not been cancelled or revoked;
- (b) a renewal application is made and the annual renewal fee is paid, within one month after the date of expiry of the certificate; and
- (c) the Registrar is satisfied that there were good and sufficient reasons as to why an application for renewal or payment of the renewal fee was not made prior to the date of expiry of the certificate.

(3) Every certificate of registration shall show on its face the date of expiry.

(4) Any director or officer of a registered insurer who knowingly permits the company to continue to carry on its insurance business after the date of expiry of its certificate of registration and before a current certificate of registration has been issued commits an offence against this Ordinance.

### **Cancellation, suspension or imposition of conditions on licence.**

**12.** (1) A certificate of registration may be cancelled or suspended or made subject to conditions by the Registrar at any time for such period as the Registrar deems fit, where there has been any change in the circumstances of the registered insurer (including any change in shareholding, management, or beneficial ownership) which would have caused the Registrar to have refused an application for registration if such changed circumstances had been part of the original application or where the registered insurer—

- (a) fails to furnish any document, information or evidence which he has been required to furnish; or
- (b) fails to notify the Registrar of any material changes which have taken place, as required by section 13 of this Ordinance; or
- (c) has a winding up order made against it; or
- (d) fails to comply with any term or condition subject to which the certificate of registration was issued; or
- (e) is in breach of any duty or obligation imposed upon it by this Ordinance or commits an offence under this Ordinance; or
- (f) ceases to transact off-shore insurance business from within Nevis for at least six months;
- (h) conducts its affairs in a manner which is or might be prejudicial to the interests of present or potential policy holders and the general public;
- (i) commits any criminal offence whether in or outside Nevis;
- (j) makes a request in writing to the Registrar for the cancellation of its certificate of registration.

*(Inserted by Ordinance 2 of 2009)*

(2) Where the Registrar intends to suspend or cancel or impose conditions on a licence under subsection (1) of this section he shall give the registered insurer notice of his intention and reasonable opportunity to show cause as to why the licence should not be suspended or cancelled or made subject to conditions.

(3) Where the Registrar has given notice to the registered insurer of his intention to suspend or cancel or impose conditions on the licence under subsection (2) of this section the Registrar, after considering any submissions and evidence by the registered insurer may—

- (a) suspend or cancel or impose conditions on the licence;

- (b) alter his intention by suspending instead of cancelling the licence or vice versa; or
- (c) not proceed with his intention to suspend or cancel or impose conditions on the licence,

and he shall give notice to the registered insurer of his decision and such decision shall take effect from such date as is specified by the Registrar in the notice.

(4) Where the Registrar gives notice to the registered insurer of his decision to suspend or cancel or impose conditions on the licence under subsection (3) of this section, the registered insurer shall return the certificate of registration to the Registrar forthwith.

#### **Appeal against cancellation, suspension or imposition of conditions on licence.**

**13.** (1) Any person who is aggrieved by the cancellation or suspension or imposition of conditions on a licence may, within 14 days of the giving of the notice under section 12 (3) of this Ordinance, appeal against the cancellation, suspension or imposition of conditions to the Financial Services Regulatory Commission.

(2) The Financial Services Regulatory Commission shall hear the appeal and may uphold or revoke the decision of the Registrar.

(3) Any person who is aggrieved by the decision of the Financial Services Commission may within 14 days thereof appeal to a Judge in Chambers whose decision shall be final.

(4) Pending the determination of any appeal under subsection (3) of this section, the Judge at any time and from time to time defer the cancellation, suspension or imposition of conditions which is the subject of the appeal.

(5) Where a registered insurer's licence is cancelled or suspended under this section the registered insurer shall cease to effect new contracts or prolong or expand any existing contracts.

(6) Any persons who fails to comply with this section commits an offence against this Ordinance.

#### **Appeal against rejection for an application for registration.**

**14.** (1) Any person who is aggrieved by the rejection of an application for registration, may, within 14 days of the notification under section 10(2)(a) of this Ordinance, file a complaint to the Financial Services Regulatory Commission.

(2) The Financial Services Regulatory Commission shall hear the complaint and review the decision of the Registrar of International Insurance.

*(Inserted by Ordinance No.10 of 2006 as Section 11A)*

#### **Place of business.**

**15.** (1) A registered insurer shall transact business only from its registered office in Nevis or in such other place outside of Nevis as is approved by the Registrar.

(2) The principal place of business of the registered insurer shall be its registered office in Nevis or such other place outside Nevis as is approved by the Registrar.

**Notification of changes.**

**16.** (1) A registered insurer shall not, without the prior written approval of the Registrar—

- (a) enter into any merger, amalgamation or consolidation;
- (b) transfer, other than in the ordinary course of its business by way of reinsurance any of its contracts of insurance or the whole or any part of its property, assets or liabilities;
- (c) charge or pledge the whole or any part of its assets;
- (d) change its name from that set out in the licence;
- (e) engage in or carry on insurance business other than that of the class or classes of insurance named in the licence or other than in the manner specified therein;
- (f) alter the terms of its memorandum and articles of association or other instrument of incorporation.

(2) A registered insurer and insurance managers shall forthwith notify the Registrar in writing, of any material change in the particulars set out in the application for registration or in the documents, information, or evidence accompanying that application or in any documents, information or evidence, if any, given under section 8 of this Ordinance.

*(Amended by Ordinance .2 of 2009)*

(3) Any person who fails to comply with this section commits an offence against this Ordinance.

**PART III****RECORDS, ACCOUNTS AND LONG-TERM BUSINESS****Keeping of business records.**

**17.** (1) In this section—

“business records” include accounting, policy and claims records of the registered insurer and such working papers and other documents as are necessary to explain the methods and calculations by which its accounts are made up;

“accounts” mean profit and loss accounts and balance sheets, and includes notes (other than directors’ reports) attached to, or intended to be read with, any of those profit and loss accounts or balance sheets.

(2) A registered insurer shall—

- (a) keep and maintain such business records as correctly record and explain its transactions and financial position;
- (b) keep and maintain its business records in such a manner as will enable true and fair accounts to be prepared from time to time; and
- (c) keep and maintain its business records at its principal place of business and if the principal place of business is anywhere outside of Nevis then a copy of the business records must be kept by the Registered agent in Nevis.

(3) Any registered insurer who fails to comply with this section commits an offence against this Ordinance.

#### **Annual Accounts.**

**18.** (1) In this section—

“annual accounts” mean financial statements prepared under the International Financial Reporting Standards.

(2) (a) a copy of the registered insurer’s audited annual accounts shall be submitted to the Registrar within 21 days after the date of the meeting at which the accounts were approved by the board of directors and in any event not later than six months after the close of the financial year to which they relate; and

(b) where the audited accounts are submitted later than six months after the close of the financial year to which they relate a penalty to be prescribed shall be payable.

(3) Such statements, reports, certificates and information as may be required by regulations made under this Ordinance, or required by any other enactment to be annexed or attached to the annual accounts for any purpose shall be produced to the Registrar at the same time as the annual accounts are submitted.

(4) For the purpose of this section, an audit shall be carried out by an auditor approved for that purpose by the Minister.

(5) Any registered insurer who wilfully fails to comply with subsections (2) and (3) of this section, commits an offence against this Ordinance.

*(Section amended by Ordinance 2 of 2009)*

#### **Non- application of section 15.**

**20.** (1) Where an insurer is a captive, allied reinsurance company or an allied annuity company, section will not apply.

(2) The companies referred to in subsection (1) shall submit annually—

(a) financial statements and tax returns, as filed and accepted by relevant authority in country of origin, (or where filed), within 21 days of filing but no later than 6 months after the year to which it applies, and has been completed by an approved accounting firm; where documents required above are not available, a registered insurer shall submit audited financial statements.

(b) an undertaking by the Insurance Manager as to the financial viability and solvency of the registered insurer.

(c) other such information or submissions as may be deemed necessary by the Registrar.

*(Inserted by Ordinance 10 of 2009 as section 15A)*

#### **Actuarial Valuation.**

**21.** (1) Every registered insurer licensed to carry on long-term business shall, in addition to filing audited accounts as required under section 19, prepare and file every three years an actuarial valuation of its assets and liabilities, certified by an approved actuary, so as to enable the Registrar to be satisfied as to its solvency.

(2) The actuarial valuation shall be submitted to the Registrar not later than six months after the close of the financial year to which it relates.

(3) Any person who contravenes this section, commits an offence against this Ordinance.

**Statutory and long-term business funds.**

**22.** (1) Subject to this section, a registered insurer may establish and maintain one or more statutory funds, under an appropriate name, in respect of such part or parts of the off-shore insurance business carried on by it, as the registered insurer so determines.

(2) Where a registered insurer has established a statutory fund, it shall determine as soon as practicable thereafter what part or parts of its off-shore insurance business relate to that statutory fund.

(3) A registered insurer shall not determine that a particular policy or policies issued by it relate to a particular statutory fund unless the owner of the policy or the person who upon the issue of the policy will become the owner has consented in writing to the application of this section to the policy.

(4) All amounts received by a registered insurer in respect of any part of its off-shore insurance business in respect of which it has established a statutory fund, shall be carried to and become assets of that fund, including any income arising from investment of the assets of that statutory fund.

(5) The assets of every statutory fund maintained by a registered insurer may be invested (subject to any provisions in the instrument constituting the registered insurer or in the articles of association or other rules of the registered insurer which impose restrictions upon the manner in which the assets of the insurer may be invested) in such manner as the registered insurer thinks fits.

(6) For the purposes of subsection (5) of this section, the whole or any part of the assets of a statutory fund may from time to time be applied or invested by a registered insurer in or towards the payment of any premium or other fee or payment (each of whatsoever nature) payable in order to effect or maintain, or in respect of effecting or maintaining, reinsurance in respect of that statutory fund.

(7) Where a registered insurer transacts or carries on long-term insurance business, the insurer shall establish a statutory fund to be known as the long-term business fund into an appropriately named sub-fund to which, all receipts in respect of each sub-class of such business shall be paid.

(8) No transfer of assets from a long-term business fund other than a transfer in accordance with subsection (3)(c) shall be effected without—

(a) the authority of a resolution of the directors of the registered insurer; and

(b) the written consent of the actuary to the registered insurer.

(9) No registered insurer transacting or carrying on long-term business shall declare or pay a dividend to any person other than a policy holder unless—

(a) at a date within the year immediately preceding the declaration of the dividend, the value of the assets in its long-term business fund as certified by the actuary to the registered insurer, exceeds the extent (as so certified) of the liabilities of the registered insurer's long-term business; and

(b) the amount of such dividend shall not be such as to cause the margin of solvency of the registered insurer to fall below the amount required under section 23.

(10) Every registered insurer which had established any statutory fund or a long-term business fund in respect of any part of its off-shore business shall—

(a) keep its business accounts in respect of such insurance business separate from any business accounts kept in respect of any other insurance business;

(b) maintain books of account and other records in such a manner that the assets of any statutory or long-term business fund established pursuant to this section and the liabilities referable to the off-shore insurance business to which any statutory or long-term business fund relates, can be readily identified at any time.

(11) The assets of statutory or long-term business fund shall not be available to meet any liabilities or expenses of the registered insurer other than the liabilities or expenses referable to that part or part of the insurance business to which the statutory or long-term business fund relates.

(12) The restriction imposed by subsection (11) of this section shall not apply to so much of those assets as are certified by the actuary to the insurer to exceed the extent (as certified) of the liabilities of the registered insurer's long-term business.

(13) A registered insurer shall not mortgage or charge any assets of any statutory or long-term business fund other than with the consent of all owners of policies issued in respect of the insurance business to which that statutory or long-term business fund relates.

(14) The assets of a statutory or long-term business fund shall be kept distinct and separate from all other assets of the registered insurer.

(15) Where a registered insurer has established a statutory or long-term business fund in accordance with this section—

(a) no assets of the registered insurer other than these comprising and constituting the statutory or long-term business fund shall be available to meet any liabilities or expenses (each of whatsoever nature) in any way referable to the insurance business to which the statutory or long-term business fund relates; and

(b) no proceedings of any nature whatsoever seeking to recover from such registered insurer any assets or amount other than the statutory or long-term business fund or value thereof shall be taken in any way against or in respect of such registered insurer in any Court and no judgment of any Court shall issue against any such registered insurer or be enforced in Nevis against such registered insurer for any moneys or assets other than those of the statutory or long-term business fund.

(16) Any registered insurer who contravenes the provisions of this section commits an offence against this Ordinance.

#### **Transfer of long term business.**

**23.** (1) Where it is proposed to carry out a scheme under which the whole or part of the long-term business carried on by a registered insurer ("the transferor") is to be transferred to another registered insurer ("the transferee") the transferor or transferee may apply to the Court by petition, for an Order sanctioning the scheme.

(2) The Court shall not determine an application under this section unless the petition is accompanied by a report on the terms of the scheme by an independent actuary (not being an employee of, nor actuary to, either registered insurer) and the Court is satisfied that the requirements of subsection (3) of this section have been complied with or that in the circumstances compliance is unnecessary.

(3) The requirements referred to in subsection (2) of this section are—

- (a) that a notice has been published in such one newspaper circulating in Nevis as the Registrar shall approve stating that the application has been made and giving the address of the offices at which, and the period for which, copies of the documents mentioned in subparagraph (d) of this subsection will be available as required by that paragraph.
- (b) except where the Court has otherwise directed, that the statement—
  - (i) setting out the terms of the scheme; and
  - (ii) containing a summary of the report mentioned in subsection (2) sufficient to indicate the opinion of the actuary on the likely effects of the scheme on the long-term policy holders of the registered insurers concerned, has been sent to each of those policy holders and to every member of those registered insurers;
- (c) that a copy of the petition and of the report mentioned in subsection (2) of this section and of any statement sent out under paragraph (b) of this subsection has been served on the Registrar and that a period of not less than three weeks has elapsed since the date of such service; and
- (d) that copies of the petition and of the report mentioned in subsection (2) of this section have been open to inspection at the office in Nevis of the registered insurers concerned or their representatives for a period of not less than 3 weeks beginning with the date of the publication of a notice in accordance with paragraph (a) of this subsection.

(4) Each of the registered insurers concerned shall furnish a copy of the petition and of the report mentioned in subsection (2) of this section to any person who asks for one at any time before an Order sanctioning the scheme is made on the petition.

(5) On any petition under this section—

- (a) the Registrar; and
- (b) any person (including any employee of the transferor or the transferee) who alleges that he would be adversely affected by the carrying out of the scheme, shall be entitled to be heard.

(6) The Court shall not make an Order sanctioning the scheme unless it is satisfied that the transferee is, or, immediately after the making of the Order will be, authorised to carry on any long-term business to be transferred under the scheme.

(7) No such transfer as is mentioned in subsection (1) of this section shall be carried out unless the scheme relating to the transfer has been sanctioned by the Court in accordance with this section and no Order shall be made in respect of so much of any compromise or arrangement as involves any such transfer.

(8) Where the Court makes an Order under this section sanctioning a scheme the Court may, either by that Order or by any subsequent Order, make provision for all or any of the following matters—

- (a) the transfer to the transferee of the whole or any part of the undertaking and of the property or liabilities of the transferor;
- (b) the allotting or appropriation by the transferee of any shares, debentures, policies or other like interests in the transferee which under the scheme are to be allotted or appropriated by the transferee to or for any person;
- (c) the continuation by or against the transferee of any legal proceedings pending by or against the transferor;
- (d) the dissolution, without winding up, of the transferor;
- (e) such incidental, consequential and supplementary matters as are necessary to secure that the scheme shall be fully and effectively carried out.

(9) Where any such Order provides for the transfer of property or liabilities that property shall, by virtue of the Order, be transferred to and vest in, and those liabilities shall, by virtue of the Order, be transferred to and become the liabilities of the transferee, and, in the case of any property, if the Order so directs, free from any mortgage or charge which is by virtue of the scheme to cease to have effect.

(10) For the purposes of any provision requiring the delivery of an instrument as a condition for the registration of the transfer of any property, an Order which by virtue of this section operates to transfer any property shall be treated as an instrument of transfer.

(11) Where a scheme is sanctioned by an Order of the Court under this section the transferee shall, within 10 days from the date on which the order is made, or such longer period as the Registrar may allow, deposit 2 certified copies of the Order with the Registrar.

(12) Any person who fails to comply with subsection (4) or (11) of this section commits an offence against this Ordinance.

#### **Solvency margins.**

**24.** (1) Subject to subsection (6) of this section every registered insurer shall ensure that the value of its assets exceeds the amount of its liabilities (“the margin of solvency”) of each fund by such amount as may be prescribed by or determined in accordance with regulations made for the purposes of this section.

(2) If the solvency margin of a registered insurer falls below such amount as may be prescribed by or determined in accordance with regulations made for the purposes of this section, the registered insurer shall advise the Registrar and the registered insurer shall at the request of the Registrar submit to him a short-term financial scheme within thirty days of the request, or such longer periods as the Registrar may permit, and shall if the Registrar considers the scheme (or the scheme as previously modified) inadequate, propose modifications to it.

(3) A scheme submitted under subsection (2) of this section may include proposals for—

- (a) the appointment of a special manager acceptable to the Registrar; and
- (b) the discontinuance, either in whole or in part, of the registered insurer’s business.

(4) A registered insurer shall give effect to any scheme accepted by the Registrar.

(5) If a registered insurer is unable or fails to submit a scheme which is acceptable to the Registrar, the registered insurer shall be deemed to be unable to pay its debts.

(6) This section shall not apply to a registered insurer who carries on only reinsurance business or captive insurance business.

**Solvency margin for reinsurer and captive insurer.**

**25.** Every registered insurer who carries on only reinsurance business of captive insurance business shall—

- (a) have such surplus of tangible assets or other assets as may be approved by the Registrar over liabilities as may from time to time be prescribed by regulation; and
- (b) demonstrate if required by the Registrar in writing to the satisfaction of the Registrar its financial stability.

PART IV

REGULATION OF REGISTERED INSURERS

**Restriction of Business.**

**26.** (1) A registered insurer shall not carry on any activities, in Nevis or elsewhere, otherwise than in connection with or for the purpose of its off-shore insurance business.

(2) A registered insurer who is authorised to carry on only captive insurance business shall not accept business from or insure any person who is not a parent or affiliated company of the registered insurer unless the Registrar gives permission in writing on being satisfied that the registered insurer has sufficient liquid assets to cover the unrelated business.

(3) Reinsurance—

- (a) a registered insurer may effect reinsurance in respect of any off-shore insurance business undertaken by it and may assign to the owner of a policy the rights of the registered insurer against the reinsurer in respect of any particular policy. In the event of such an assignment being effected the owner of the policy shall continue to the extent that the risks covered by the policy issued by the registered insurer have not been so reinsured;
- (b) an assignment pursuant to paragraph (a) of this subsection shall be valid only if the owner of the policy has consented in writing to this section applying or if the person who will become the owner of a policy upon its issue has so consented prior to the issue of the policy; and
- (c) nothing in this subsection shall restrict the ability of a registered insurer to effect reinsurance without an assignment pursuant to paragraph (a) of this subsection.

(4) A registered insurer shall not use or operate under a name which—

- (a) so closely resembles or is identical to the name of any company, firm or business house whether within Nevis or not, as is likely to mislead or deceive.
- (b) is calculated to falsely suggest the patronage of or connection with some person or authority whether within Nevis or not.
- (c) is calculated to falsely suggest that such registered insurer has a special status in relation to or derived from the Nevis Island Administration, or has the official backing of or acts on behalf of the said Administration or of any department of official thereof or is recognised in Nevis as a national insurer.

(5) Any person who contravenes this section commits an offence against this Ordinance.

#### **Shares not to be issued or transferred without approval.**

**27.** (1) No shares in or other securities whatsoever of a registered insurer shall be issued and no issued shares or beneficial interests in shares or other securities of any registered insurer shall be transferred or disposed of in any manner without the prior written approval of the Registrar.

(2) In subsection (1) the reference to shares of any registered insurer being transferred or disposed of includes any transfer or disposition that would result in any change in beneficial ownership of the registered insurer.

(3) Notwithstanding the provisions of subsection (1), the prior written approval of the Registrar shall not be required where shares or other securities are issued to existing shareholders on a *pro rata* basis.

(4) No bearer shares or share warrants to bearer may be issued by a registered insurer.

#### **Advertising.**

**28.** (1) No advertising shall be used by a registered insurer which is likely to mislead, or deceive prospective policy holders with respect to the registered insurer's assets, corporate structure, financial standing, age or relative position in the insurance business or in any other material respect.

(2) Any person who contravenes this section commits an offence against this Ordinance.

#### **Insurance Managers.**

**29.** (1) No person shall act as an insurance manager for, or in relation to, a registered insurer, unless that person is registered in a register to be kept by the Registrar in accordance with regulations and has paid to the Registrar the prescribed registration fee and every prescribed annual renewal fee.

(2) The annual renewal fee referred to in subsection (1) shall become payable on or before the 31st day of January every year following the year in which the Insurance Manager was registered.

(3) Any applicant for registration shall provide such documents and information as may be required by the Registrar including, without limiting the generality of the foregoing, such documents and information as the Registrar may require to satisfy himself that the applicant is a fit and proper person and has or has

available adequate knowledge and expertise so as to provide satisfactory insurance management services.

*(Section amended Ordinance 10 of 2009)*

(3) Notwithstanding subsection (3) of this section an applicant for registration shall submit—

- (a) a complete curriculum vitae signed in his own name providing the following information—
  - (i) name, surname, place and date of birth;
  - (ii) permanent address and nationality;
  - (iii) professional education (including dates, schools and universities, diplomas);
  - (iv) membership in professional organisations;
  - (v) full record of the applicant's professional career (including the names of all previous employers); and
  - (vi) the type and duration of the applicant's respective activities.
- (b) a declaration confirming that no criminal proceedings are or have been pending against him.

(4) Sections 34, 35, 36 and 42 of this Ordinance shall apply, with the necessary modification in relation to any person acting as an insurance manager as they apply to a registered insurer.

(5) The Registrar may if he or she thinks it proper to do so—

- (a) refuse to register any application for registration; and
- (b) cancel registration at any time.

(6) Where a person carries on a business which in any respect is or in the opinion of the Registrar appears to be, of a similar character to the business carried on by an insurance manager, that person upon a declaration made by the Registrar in writing shall be subject to the provisions of this section and shall be deemed to be acting as an insurance manager.

(7) Any person who contravenes subsection (1) of this section or willfully—

- (a) takes or uses any style, title or description which consists of or includes the expression "insurance manager" when he is not registered; or
- (b) takes or uses any style, title or description falsely implying or otherwise pretends, that he is registered,

commits an offence against this Ordinance.

### **Insurance Brokers and Adjusters.**

**30.** (1) No person shall act as an insurance broker or insurance adjuster for, or in relation to, a registered insurer, unless that person is Registered as such in a register to be kept by the Registrar in accordance with regulations and has paid to the Registrar the prescribed registration fee and every prescribed annual renewal fee.

(2) Any applicant for registration shall provide such documents and information as may be required by the Registrar including, without limiting the generality of the foregoing, such documents and information as the Registrar may

require to satisfy himself that the applicant is a fit and proper person and has or has available adequate knowledge and expertise so as to provide satisfactory insurance brokerage services.

(3) Notwithstanding subsection (2) of this section an applicant for registration shall submit an application form and personal questionnaire on the prescribed forms in addition to the information required by section 28(3)(a) and (b) of this Ordinance.

(4) The Registrar may, if he thinks it proper to do so—

- (a) refuse to approve any application for registration; and
- (b) cancel registration at any time.

(5) Where a person that carries on a business which in any respect is or in the opinion of the Registrar appears to be, of a similar character to the business carried on by an insurance broker or insurance adjuster, that person shall be deemed to be acting as an insurance broker, and shall be subject to the provisions of this section and must comply with the provisions of this section within 6 months of the passage.

(6) The provisions of section 31 of this Ordinance shall apply to Insurance Brokers and Adjusters with respect in inspection and investigation.

(7) Insurance Brokers shall submit annually, a statement of Broker's affairs, produced by management, including companies for which contracts are brokered, countries in which contracts are sold, and audited financial statements.

(8) Any person who contravenes subsection (1) of this section of willfully—

- (a) takes or uses any style, title or description which consists of or includes the expression "insurance broker" when he is not registered; or
- (b) takes or uses any style, title or description falsely implying or otherwise pretends, that he is registered,

commits an offence against this Ordinance.

*(Inserted by Ordinance 10 of 2006 as section 24A)*

#### **Registered Agents.**

**31.** (1) A registered insurer shall appoint a Registered Agent in Nevis where its principal place of business is outside Nevis and a Manager is not resident in Nevis.

(2) Section 24 of this Ordinance shall apply, with the necessary modification in relation to any person acting as an registered agent as they apply to a manager.

#### **Prohibited Interests.**

**32.** A person registered as an insurance manager or a registered agent or any person acting as an insurance manager or an registered agent shall not directly or indirectly be interested as a shareholder in or a director, officer or employee of any registered insurer for which he acts as manager, insurance broker, insurance adjuster or registered agent.

#### **Reporting Duties of Managers and Registered Agents.**

**33.** (1) If it appears to the Manager of Registered Agent or if he has knowledge or information that any of the registered insurers for which he acts as manager or agent—

- (a) is conducting its business in a manner that would expose such registered insurer to the risk of becoming insolvent;
- (b) is not complying with any of the provisions of this Ordinance or the regulations;
- (c) has defaulted on the payment of its liabilities;
- (d) is experiencing a state of affairs that is or may be prejudice to the interests of such registered insurer's policy holders or creditors;
- (e) is involved as a defendant in any criminal proceedings in any country or jurisdiction; or
- (f) has ceased to carry on business in or from within Nevis,

he shall forthwith report to the Registrar giving particulars of information and documents in his possession.

(2) In reporting to the Registrar in good faith and in discharge of his duties pursuant to subsection (1) the manager or registered agent shall not, nor shall any director, officer, member, agent or employee thereof be liable to any action, suit or proceeding for with respect to such reporting.

#### **Directors.**

**34.** (1) A registered insurer shall have at least two directors who are natural persons.

(2) All directors must be professionally qualified and be reliable and of good repute.

(3) A registered insurer who has directors in contravention of the section commits an offence and may be subject to a fine of \$20,000.00 imposed by the Financial Services Regulatory Commission.

#### **Management.**

**35.** Every registered insurer shall—

- (a) have management in Nevis; or
- (b) appoint a Registered Agent in Nevis with adequate knowledge and experience of the insurance business carried on.

#### **Power to obtain information.**

**36.** (1) The Registrar may require a registered insurer to provide him, at specified times or intervals, with information about specified matters relating to the insurer being, if he so requires, information verified in a specified manner or provided in a specified form.

(2) Where by virtue of subsection (1) the Registrar has required a registered insurer to provide information about specified matters and the registered insurer has failed to provide that information, the Registrar may require the registered insurer's actuary, auditor, insurance manager or banker to provide such information about those matters as is within their knowledge.

(3) The Registrar may require a registered insurer to produce, at such time and place as he may specify, such documents or information as he may specify.

(4) Where by virtue of subsection (3) the Registrar has power to require the production of any document from any registered insurer, the Registrar shall have the like power to require the production of that document from any person who appears to him to be in possession of it; but where any person from whom such production is required claims a lien on any document produced by him, the production shall be without prejudice to the lien.

(5) Any power conferred by virtue of subsection (3) or (4) to require a registered insurer or other person to produce any document or information shall include a power to take copies of it or extracts from it.

(6) In this section and in section 31, references to the Registrar shall include any person appointed in writing by the Minister to carry out the duties of the Registrar.

(7) Any registered insurer who fails to supply information or to produce any document when required to do so by the Registrar in accordance with this section, commits an offence against this Ordinance.

(8) The powers conferred by this section and section 31 may be exercised in relation to a registered insurer who has ceased to have any liability in respect of any contract of insurance which was entered into at a time when it was registered.

#### **Inspection and investigation.**

**37.** (1) The Financial Services Regulatory Commission may appoint any qualified person as an inspector to investigate the affairs or any part of the affairs of a registered insurer and to inspect the registered insurer's business and accounting records and accounts and such other records as may have been kept by the registered insurer in the course of its off-shore insurance business, if the Financial Services Regulatory Commission has reason to believe that the registered insurer is carrying on its business in a manner prejudicial to the interest of its policy holders or of persons who may become policy holders or that it may have insufficient assets to cover its liabilities and claims by policy holders, or either in Nevis or elsewhere it may be contravening any of the provisions or this Ordinance.

(2) It shall be the duty of the registered insurer under investigation and of all past and present officers of the registered insurer and of any related company which has been involved in the off-shore insurance business transactions of the registered insurer, to produce to the Inspector all books, records and documents relating to the registered insurer or related company under investigation which are in their custody or control and other wise to give the Inspector all assistance in connection with the investigation which they are reasonably able to give.

(3) The Inspector shall have every such power of entry and access as may be necessary for the purposes of this section, and he may take possession of all such books, accounts and documents as, and for so long as, may be necessary for the purposes of his inspection and investigation.

(4) The Inspector shall exercise his right of entry and access under subsection (3) during the normal office hours of the registered insurer, unless otherwise authorised by the Court.

(5) The Inspector may take copies of all books, accounts and documents of the registered insurer in his possession for the purposes of his inspection and investigation under this section.

(6) Any person who—

- (a) wilfully obstructs the Inspector acting in the execution of his powers under this section;
- (b) refuses or fails or neglects to produce any books, accounts, documents or information required under this section; or
- (c) knowingly produces or causes or permits to be produced any book, account, document or information required under this section which he knows to be false in a material particular,

commits an offence against this Ordinance.

(7) The Financial Services Regulatory Commission may order the registered insurer or any related company whose officers have committed an offence under the provisions of this section to pay all or any of the expenses properly incurred in connection with the investigation or in connection with the proceedings instituted as a result of the investigation.

#### **Preservation of Secrecy and Confidentiality.**

**38.** (1) Except for the purpose of the performance or exercise of his or her duties or functions under this Ordinance or when lawfully required to do so by any Court of competent jurisdiction within Nevis neither the Minister, the Financial Services Regulatory Commission, the Registrar nor any officials or officers thereof shall disclose any information relating to any application by any person under the provisions of this Ordinance or to the affairs of a registered insurer or of any policy holder of a registered insurer which he or she has acquired in the performance or exercise of such duties or functions under this Ordinance.

*(Amended by Ordinance 2 of 2009)*

- (2) Subsection (1) shall not apply to a disclosure by the Registrar—
  - (a) necessary for the effective regulation of a registered insurer;
  - (b) in respect of the affairs of the registered insurer or a policy holder of a registered insurer with the authority of the registered insurer or the policy holder of the registered insurer which has been voluntarily given, as the case may be;
  - (c) where the information is already in the public domain.

(3) The Registrar on the recommendation of the Financial Services Commission may disclose to a foreign insurance supervisory authority or any other like regulatory authority information about the registered insurer, provided that—

- (a) the Registrar has satisfied himself that the intended recipient authority is subject to adequate legal restrictions on further disclosures which shall include the provision of an undertaking on confidentiality;
- (b) the information provided by the Registrar does not contain any names of individual policy holders of the registered insurer concerned; and
- (c) the information is required for the purposes of insurance supervision only and is not related directly or indirectly to the imposition, calculation and collection of taxes or the enforcement of exchange control regulations.

#### **Winding-up of registered insurer.**

**39.** (1) The provisions of IV of the Companies Ordinance Cap. (N) shall apply with respect to the winding up of a registered insurer registered under this Ordinance,

so far as they are applicable, subject to the provisions of this section and sections 39 and 40 of this Ordinance.

(2) A petition for the winding up a registered insurer shall not be presented, other than by the Registrar except by leave of the Court.

(3) The Registrar may present a petition for the winding up of a registered insurer or its business within Nevis on the grounds—

- (a) the registered insurer is unable to pay its debts within the meaning of subsection (4);
- (b) that the registered insurer being imposed by this Ordinance with respect to the keeping of business and accounting records, has failed to satisfy that obligation or to produce records kept in on of that obligation and the Registrar is unable to ascertain its financial position;
- (c) the registered insurer has carried on business or entered into a contract or used its funds in a manner or for a purpose prohibited or not authorised by this Ordinance or the regulations or by the registered insurer's instrument of incorporation; or
- (d) other sufficient cause has been shown.

(4) For the purposes of this Ordinance an insurer shall be deemed to be unable to pay its debts if at any time the total value of its assets does not exceed the total amount of its liabilities by the amount prescribed by this Ordinance or its regulations.

(5) In any proceedings on a petition to wind up a registered insurer presented by the Registrar under subsection (3) of this section evidence that such registered insurer was insolvent at the close of the period to which the annual accounts of the registered insurer last submitted under section 19 of this Ordinance relate shall be evidence that the registered insurer continues to be unable to pay its debts, unless the contrary is proved.

#### **Winding-up of insurer with long-term business.**

**40.** (1) No registered insurer which carries on long-term business shall be wound up voluntarily.

(2) Subject to subsection (3) of this section in any winding up—

- (a) the assets in a registered insurer's long-term business fund or funds shall be available only for meeting the liabilities and expenses of the registered insurer attributable to such long-term business for which the particular fund or funds were created;
- (b) the other assets of the registered insurer shall be available only for meeting the liabilities and expenses of the registered insurer attributable to its other business.

(3) Where the value of the assets mentioned in either of the paragraphs of subsection (2) of this section exceeds the amount of the liabilities and expenses mentioned in that paragraph, the restriction imposed by that subsection shall not apply to so much of those assets as represents the excess.

(4) Where any money or property is ordered to be repaid or restored to a registered insurer or any sum is ordered to be contributed to its assets then, if, and in so far as the wrongful act which is the reason for the making of the order relates to assets representing a fund or funds maintained by the registered insurer in respect of

its long-term business, the Court shall include in the Order a direction that the money, property or contribution shall be treated for the purposes of this Ordinance as assets of that fund or funds and this Ordinance shall have effect accordingly.

#### **Continuation of long-term business insurers in liquidation.**

**41.** (1) This section has effect in relation to the winding up of a registered insurer carrying on long-term business.

(2) The Liquidator shall, unless the Court otherwise orders, carry on the long-term business of the registered insurer with a view to its being transferred as a going concern to another international company or foreign company and, in carrying on that business as aforesaid, the Liquidator may agree to the variation of any contracts of insurance in existence at the commencement or the winding up but shall not effect any new contracts of insurance.

(3) If the Liquidator is satisfied that the interests of the creditors in respect of liabilities of the registered insurer attributable to its long-term business require the appointment of a special manager of the registered insurer's long-term business, he may apply to the court, and the Court may on such application appoint a special manager of this business to act during such time as the Court may direct, with such power as may be granted to him by the Court.

(4) A special manager appointed under subsection (3) shall—

- (a) give such security and account in such manner as the Court may direct; and
- (b) receive such remuneration as may be fixed by the Court.

(5) The Court may, if it thinks fit and subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by the registered insurer in the course of carrying on its long-term business.

(6) The Court may, on the application of the Liquidator, or a special manager appointed under subsection (3) of this section or the Registrar, appoint an independent actuary to investigate the long-term business of such company and to report to the Liquidator, the special manager or the Registrar as the case may be, on the desirability or otherwise of that business being continued and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.

#### **Reduction of contracts as alternative to winding up.**

**42.** In the case of an insurance company which has been proved to be unable to pay its debts, the Court may, if it thinks fit, reduce the amount of the contracts of the company on such terms and subject to such conditions as the Court thinks just, in place of making a winding up order.

#### **Breaches of Professional Secrecy.**

**43.** (1) Except as provided in section 42 every person commits an offence against this Ordinance who—

- (a) divulges any information, in Nevis or elsewhere, in relation to—
  - (i) any off-shore insurance business in Nevis;
  - (ii) the transfer of moneys and property into or out of Nevis in the course of any off-shore insurance business; or

(iii) any insurance policy issued by a registered insurer or the fact of any person having, or having had, such a policy, of which he has become aware in his capacity as an officer, employee or authorised agent of a registered insurer, or as an officer or employee of an auditing company; or

(b) attempts to induce others to breach professional secrecy in relation to any such matters.

(2) An offence under subsection (1) of this section may be committed either during or after the termination of, the official or employment relationship or of the agency or the practice of the profession.

(3) Notwithstanding subsection (1) of this section, it shall not be an offence under this section to divulge such information—

(a) to an Inspector appointed pursuant to section 37 of this Ordinance or to the Registrar pursuant to section 38 of this Ordinance;

(b) to the person on whose behalf the off-shore insurance business is being carried out;

(c) in Nevis, to an officer or employee of the same registered insurer in the performance of his duties as such officer or employee;

(d) to an officer or employee of an insurance company or other such financial institution outside Nevis, if all the persons concerned in the off-shore insurance business or in whose name the policy stands, consent in writing to his doing so;

(e) to an officer or employee of the registered insurer outside Nevis so long as the names of the persons concerned in the off-shore insurance business and any information which might identify them and the names in which policies stand are not divulged; and

(f) to an officer or employee of a trustee company at whose office the registered insurer is transacting business pursuant to section 12 of this Ordinance.

(g) to the Registrar by the auditor or former auditor or by the actuary or former actuary of a registered insurer with respect to its audited accounts or actuarial valuations.

(4) For the purposes of subsection (3)(d) all the persons concerned in off-shore insurance business and in whose names policies stand shall be deemed to have consented to an officer or employee of a registered insurer divulging to an officer or employee of an insurance institution outside Nevis such information of the off-shore insurance business being carried out as is essential to the carrying out of that insurance business but the consent deemed to be given pursuant to this subsection shall not apply to any particulars which are not so essential to the carrying out of that insurance business.

(5) Nothing in this section shall prevent the Court from requiring any person to produce documents or to give evidence in any proceedings in the Court of any facts relevant in such proceedings.

#### **Responsibility of employer for breach of security.**

**44.** (1) For the purposes of section 43 of this Ordinance, an offence by an officer or employee of a registered insurer or of a registered agent or an auditing company, as the case may be or by a person after termination of his employment as an officer or

employee of a registered insurer or of an auditing company, as the case may be, whether such offence occurs in Nevis or elsewhere, shall be deemed also to be an offence by that registered insurer or by that auditing company.

(2) Notwithstanding subsection (1) of this section an offence under section 43 of this Ordinance by a person after termination of the official or employment relationship, or of the practice of the profession with a registered insurer or an auditing company, shall not be deemed to be an offence by the registered insurer or by the auditing company, where the registered insurer or auditing company, as the case may be, can demonstrate, on the balance of probabilities, that it has taken all reasonable steps to prevent an offence by the person.

## PART V

### TAXATION AND EXEMPTIONS

#### **Profits and dividends.**

45. Notwithstanding anything contained in any other enactment—

- (a) no income tax, nor any other direct or indirect tax or impost, shall be levied in Nevis upon the transactions, contracts, securities or other dealings or upon profits or gains of a registered insurer, or upon any premiums earned by a registered insurer, or money paid to an insured by registered insurer, in respect of any offshore insurance business written in or from within Nevis; and
- (b) no income tax, nor any other direct or indirect tax or impost, shall be levied in Nevis in respect of any dividends or earnings attributable to the shares or securities of a registered insurer, or upon any premiums paid to a registered insurer or money paid to an insured by a registered insurer.

*(Amended by Ordinance No. 10 of 2006)*

#### **Exemption from stamp duty.**

46. Contracts of insurance executed for or in connection with the off-shore insurance business of a registered insurer under this Ordinance shall be exempt from stamp duty.

#### **Exemption from currency and exchange control.**

47. (1) Any off-shore insurance business conducted by a registered insurer in accordance with this Ordinance shall be exempt from any currency and exchange control restrictions or regulations.

(2) No foreign exchange levy shall be imposed or be payable in respect of any off-shore insurance business conducted by a registered insurer in accordance with this Ordinance.

*(Section 42 repeated by Ordinance No. 10 of 2006)*

## PART VI

## SUPPLEMENTARY

**Indemnity.**

**48.** The Minister, the Financial Services Commission and the Registrar shall not, nor shall any member, officer or person acting pursuant to any authority conferred by the Minister, or the Registrar, as the case may be, liable to any action, suit or proceeding for, or in respect of, any act or matter done or omitted to be done in good faith in the exercise, or purported exercise, of the functions conferred by or under this Ordinance or any regulations made thereunder.

**False statements.**

**49.** Any person who—

- (a) causes or permits to be included in any book or document provided or produced to the Minister, the Registrar or to an Inspector appointed under the provisions of section 37 of this Ordinance a statement which he knows to be false in a material particular; or
- (b) in purported compliance with any provision of this Ordinance or a requirement imposed under any such provisions, provides information which he knows to be false in material particular or recklessly provided information which is false in a material particular, commits an offence against this Ordinance.

**General penalty provisions.**

**50.** (1) Any person who commits an offence against the provisions, or any part of the provisions of any one of sections 13, 14, 27, 28, 36, and 44 shall be liable on conviction if the offender is an individual to a fine not exceeding \$10,000 or to a term of imprisonment not exceeding 12 months or to both such, fine and imprisonment in respect of each such offence and if the offender is not an individual to a fine not exceeding \$20,000.

(2) Any person who commits an offence against the provisions, or any part of the provisions or any one of sections 3, 4, 5, 9, 26, 37, 43 and 48 shall be liable, if the offender is an individual, to a fine not exceeding \$30,000 or to a term of imprisonment not exceeding 2 years or to both such fine and imprisonment in respect of each such offence and if the offender is not an individual to a fine not exceeding \$50,000.

(3) Any person who contravenes or fails or neglects to comply with any provisions of this Ordinance or regulations made thereunder, commits an offence against this Ordinance or regulations made thereunder, commits an offence against this Ordinance and shall be liable, on conviction, in a case where for which no specific penalty is otherwise provided in this Ordinance, if the offender is an individual, to a fine not exceeding \$5,000 or a term of imprisonment not exceeding 6 months or to both such fine and imprisonment, or if the offender is not an individual to a fine not exceeding \$10,000.

(4) Where any person is convicted of an offence under this Ordinance and such offence is a continuing one the offender shall be liable in addition to the penalty otherwise provided for in this Ordinance to an additional fine not exceeding \$500 for everyday on which the offence has continued.

(5) Where any offence under this Ordinance committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, chief executive, manager, secretary or other similar officer or servant of the body corporate, shall be deemed to have committed an offence against this Ordinance and liable to be proceeded against and punished accordingly.

(6) No person shall be prosecuted for an offence under this Ordinance without the consent of the Legal Advisor.

### **Regulations.**

**51.** (1) The Minister of Finance, acting on the advice of Cabinet of the Nevis Island Administration, may from time to time make such regulations as may be deemed necessary or expedient for the purpose of giving full effect to the provisions of this Ordinance and for the due administration thereof.

(2) Without limiting the general powers conferred by subsection (1) of this section it is hereby declared that any regulations may be made under this section for all or any of the following purposes—

- (a) provisions prohibiting or restricting the issue or transfer of any share in a registered insurer or any interest in such a share, to any specified person or class of persons;
- (b) provisions restricting a registered insurer and any related company from entering into transactions of any specified description with any person of any specified class or description—
  - (i) the preparation, form and content of the annual accounts of a registered insurer;
  - (ii) the preparation, form and content of statements, reports and information to be annexed to annual accounts;
- (c) provisions restricting the appointment of auditors to persons who have effected indemnity insurance of such type and amount as may be specified;
- (d) the determination of the level and amount of assets and liabilities for the purposes of the calculations of margins of solvency under this Ordinance and regulations made in exercise of this power may provide that, for any specified purpose, assets or liabilities of any specified category or description shall be left out of account or shall be taken into account only to a specified extent;
- (e) the fixing of penalties for the contravention of any provisions of or regulations made under this Ordinance; and
- (f) purposes connected with any of the matters specified in paragraphs (a) to (c).

### **Guidance Notes for Allowable Assets.**

**52.** The Minister may from time to time issue Guidance Notes for allowable assets.

*(Inserted by Ordinance 10 of 2006 as section 46A)*

**Procedure where none laid down.**

**53.** In the event that any act or step is required or permitted to be done under this Ordinance, and no form is prescribed or procedure laid down in this Ordinance or regulations for doing the same the Registrar may, in response to an application to him, or on his own motion give directions as to the manner in which the same may be done and any Ordinance or step done or taken in accordance with his directions shall be a valid performance of such Ordinance or step.

**English the authentic text.**

**54.** (1) Every document filed with the Registrar, and all records and accounts required to be kept under this Ordinance shall be in English language.

(2) Where a document is not in the English Language it shall be accompanied by an authentic English translation; and in the event of any conflict in meaning between the Foreign Language and the English version, the English version shall prevail.

**Non-application of the Insurance Act.**

**55.** Nothing in the provisions of the Insurance Act, Cap. 21.11 shall apply to an International Insurance Company registered under this Ordinance.

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## SCHEDULE

(Section 46)

### NEVIS INTERNATIONAL INSURANCE REGULATIONS

#### PART I

##### PRELIMINARY

###### **Citation.**

1. These Regulations may be cited as the Nevis International Insurance Regulations.

###### **Interpretation.**

2. In these Regulations, unless the context otherwise requires—

“the Ordinance” means the Nevis International Insurance Ordinance, 2004;

“Minister” has the meaning assigned to it by Section 2 of the Ordinance.

“Related party” refers to a party having the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions, and as specified by the International Accounting Standards Board.

“Control person” includes, but is not limited to, any director, officer, manager or shareholder of an entity in relation to which or on whose behalf an application is being made. It may also include undisclosed persons, on whose instructions, whether direct or indirect, any of the above persons or related parties may act with a view to directing the affairs of the entity or related parties for which the application is being made.

“currency” means the United States of America Dollar.

#### PART II

##### FORMS AND FEES

###### *Forms*

###### **Applications made in connection with the Ordinance.**

3. Every application for a licence made in connection with the Ordinance shall be in the form and shall contain the information specified in Part A of the Schedule to these Regulations.

###### **Certificate of Actuary.**

4. The Certificate of Actuary required under Section 16 of the Ordinance shall be in the form and shall contain the information specified in Part B of the Schedule to these Regulations.

*Fees*

**Application, Registration and Renewal Fees.**

5. (1) The following fees are prescribed:

- a. for an application to carry on reinsurance business from within Nevis ..... \$380.00
- b. for an application to carry on captive insurance business from within Nevis:
  - i. if Single owner Captive ..... \$380.00
  - ii. if Less than 5 owners Captive..... \$380.00
  - iii. if 5 or more owners Captive ..... \$380.00
- c. for an application to carry on general insurance business from within Nevis .....\$2,000.00
- d. for an application to carry on long-term insurance business from within Nevis .....\$2,000.00
- e. for an application to act as insurance manager ..... \$250.00
- f. for an application to act as registered agent ..... \$250.00
- g. for registration to carry on reinsurance business from within Nevis .....\$1,500.00
- h. for registration to carry on any class of captive insurance business from within Nevis .....\$1,500.00
- i. for registration to carry on general insurance business from within Nevis .....\$2,000.00
- j. for registration to carry on long-term insurance business from within Nevis .....\$2,000.00
- k. for registration to act as insurance manager.....\$1,000.00
- l. for registration to act as registered agent .....\$1,000.00
- m. for annual renewal fee of reinsurance licence.....\$1,000.00
- n. for annual renewal fee of any class of captive insurance licence .....\$1,000.00
- o. for annual renewal of general insurance licence .....\$1,000.00
- p. for annual renewal of long-term insurance licence .....\$1,000.00
- q. for annual renewal of insurance manager licence .....\$1,000.00
- r. for annual renewal of registered agent licence.....\$1,000.00

(2) In the case of an insurer carrying on more than one class of business the prescribed fee shall be the aggregate of the prescribed fees in respect of each class of business.

(3) Where an insurer is in run-off the prescribed fees shall be fifty percent of the regular fees.

### PART III

#### MINIMUM MARGINS OF SOLVENCY, ASSETS AND LIABILITIES

##### *Minimum Margins of Solvency*

##### **Minimum margin of solvency.**

6. The amount by which an insurer's assets must exceed its liabilities shall be referred to as the minimum margin of solvency—

- (a) In the case of an insurer other than an insurer carrying on long-term business, the minimum margin of solvency shall be at least the minimum amount of paid up capital as prescribed in Section 7 (1) (b) of the Ordinance or, if greater—
  - (i) where the net retained premium of the insurer does not exceed \$5,000,000, the prescribed amount is 20% of net retained premium;
  - (ii) where the net retained premium of the insurer exceeds \$5,000,000, the prescribed amount is US\$1,000,000 plus 10% of the amount by which net retained premium exceeds US\$5,000,000.
- (b) In the case of an insurer carrying on long-term business the minimum margin of solvency shall be at least the minimum amount of paid up capital as prescribed in sub-regulation (a) (ii).
- (c) In the case of an insurer carrying on long-term business and other business the minimum margin of solvency shall be the aggregate of the amounts required by sub-regulations (b) and (a) in respect of both categories of business.
- (d) In this Regulation the expression “net retained premium” means the gross premium income earned in respect of business during any financial year of the insurer reduced by any premiums paid by the insurer for approved reinsurance during such financial year.

##### **Allowable assets.**

7. For purposes of calculating the margin of solvency of an insurer, the registrar shall take into account all assets of the insurer that he reasonably considers to be allowable and shall exclude all those that he reasonably considers to be not allowable.

##### *Assets and Liabilities*

##### **Valuation of Assets.**

8. The total value of an insurer's assets and the value of any securities owned shall be determined—

- a. by their market value; or
- b. where such market value is not ascertainable, in accordance with generally accepted accounting practices that are considered appropriate by the insurer's approved auditor and acceptable to the Registrar:

Provided that such total value of an insurer's assets must at any time exceed the total amount of its liabilities by the amount prescribed by these Regulations.

#### **Calculation of Liabilities.**

9. The total amount of an insurer's liabilities shall be determined in accordance with International Financial Reporting Standards, as considered appropriate by the insurer's approved auditor and acceptable to the Registrar—

- a. In computing the liabilities of an insurer under this Regulation all contingent and prospective liabilities, other than liabilities in respect of share capital and contributed surplus shall be taken into account.
- b. In the case of an insurer which carries both long-term business and general business, the amount of the liabilities of its long-term business at any time shall, for the purposes of this Regulation be taken to be—
  - i. an amount equal to the total amount at that time standing to the credit of the insurer's long-term business segregated funds; or
  - ii. the amount of those liabilities last ascertained and certified by the insurer's approved actuary pursuant to Section 16 of the Ordinance, whichever is greater.

### PART IV

#### BOOKS AND RECORDS OF INSURERS

#### **Books and records to be maintained at the insurer's principal office or registered agent's office.**

10. (1) Every licenced insurer shall maintain permanently at its principal office or at the office of its registered agent such books and records of its insurance business and financial affairs—

- a. as will show adequately the type and classes of insurance business carried on by the insurer from within Nevis; and
- b. as will enable the Registrar at any time to conduct a proper examination of the insurer's affairs and to ascertain with reasonable accuracy its financial position.

(2) Without prejudice to the generality of provisions of sub-regulation (1) the books and records to be kept by every licenced insurer at its principal office or its registered agent's office in Nevis shall include—

- a. financial statements;
- b. a record of premium income and claims paid including reinsurance;
- c. a register of the insurer's directors and officers showing their names and addresses;
- d. minutes of all proceedings of the insurer's general meetings, meetings of its directors and of its Committees;
- e. general and subsidiary ledgers and general journals;

- f. a record of the insurer's reinsurance programs or treaties showing underwriting limits by each class of insurance and amounts retained by the insurer;
- g. an up-to-date list of all the insurer's agents;
- h. and any other registers or records as may be directed or authorized by the Registrar.

**Improper records to be examined by an accountant.**

**11.** (1) If at any time, it appears to the Registrar that the books of account and records of any insurer are not kept in such a way so as to enable him to conduct a proper examination of the insurer's affairs and to ascertain its financial position, he shall thereupon—

- a. appoint a competent accountant to examine, under his direction the books of account and records of the delinquent insurer; and
- b. such accountant shall give the necessary instructions to the delinquent insurer which shall forthwith rectify the delinquency.

(2) The expense of such accountant—

- a. shall not exceed \$2,000.00 per day and shall be borne by the delinquent insurer; and
- b. shall be certified and approved by the Minister and thereupon—
  - iii. shall be paid forthwith by the delinquent insurer; and
  - iv. if not so paid may be recovered as a debt to the Registrar in his name of office.

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## SCHEDULE

### Part A

#### APPLICATION FORMS

#### FORM 1

#### APPLICATION FOR INSURANCE MANAGER'S OR REGISTERED AGENT'S LICENCE

#### THE NEVIS ISLAND ADMINISTRATION

#### MINISTRY OF FINANCE AND DEVELOPMENT

#### FINANCIAL SERVICES REGULATION AND SUPERVISION DEPARTMENT

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#### PROPOSED NAME OF ENTITY

Date on which applicant proposes to commence business.

Insurance Manager

What type of licence is being applied for?

Registered Agent

Physical and Postal Address of Registered Office in Nevis

Street

City

P.O. Box

If incorporated:

- a. Attach evidence of incorporation pursuant to the Nevis Business Corporation Ordinance 1984 as amended or the Companies Ordinance 1999. This will include copies of the Articles of Incorporation, Memorandum of Association, Articles of Association, or other instrument of constitution of the applicant as may be appropriate. If not yet incorporated, attach the proposed documentation.
- b. List all names (including any previous names), addresses and nationalities of all shareholders. In those instances where shares are held by a corporate body or bodies, the chain of connection to the ultimate owner must be shown. See Personal Questionnaire for Directors and ALL Control Persons.
- c. Attach curricula vitae of all directors, managers and officers.
- d. Attach the annual accounts, for the two years preceding the year of application, of each shareholder which is a body corporate holding more than ten (10%) of the applicants issued share capital or total voting rights, together with similar accounts for the parent body, if any, of each such body corporate.

If not incorporated, names, addresses, nationalities and curricula vitae of the applicant and any person acting as a manager, or other officer or partner as the case may be. See Personal Questionnaire for Directors and ALL Control Persons.

If incorporated, attach not less than three references acceptable to the Registrar, including one character reference for and one reference verifying the good financial standing of:

- a. Each director, manager and officer of the applicant; and
- b. Each shareholder and each beneficial shareholder who is a natural person holding more than ten (10%) percent of the applicant's issued share capital or total voting rights;

and for each director, manager, officer or shareholder, a police or other certificate satisfactory to the Registrar, that the person has not been convicted of a serious crime or any offence involving dishonesty.

If not incorporated, attach not less than three references acceptable to the Registrar, including one character reference for and one reference verifying the good financial standing of, the applicant and any person acting as a manager, or other officer or partner, as the case may be; and, for each such person, a police or other certificate satisfactory to the Registrar, that the person has not been convicted of a serious crime or any offence involving dishonesty.

Attach a list of all insurers for whom the applicant is, or will be engaged to act as manager or consultant.

Attach a business plan.

Have any parties connected with this application ever applied, either individually or in conjunction with others, for authority to transact insurance business in any other jurisdiction? If so, please give the details. See Personal Questionnaire for Directors and ALL Control Persons.

This application is accordingly 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 hereof are true and correct.

Dated

Name of Applicant(s)

Signed:

Signed:

Signed:

Witness:

**FORM 2**

**PERSONAL QUESTIONNAIRE FOR DIRECTORS AND OTHER CONTROL PERSONS**

**THE NEVIS ISLAND ADMINISTRATION**

**MINISTRY OF FINANCE AND DEVELOPMENT**

**FINANCIAL SERVICES REGULATION & SUPERVISION DEPARTMENT**

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Name of Entity in connection with which this form is being completed:

**1. Personal Details**

Surname                      First Name                      Middle  
Place of Birth                      Date of Birth                      Nationality

**Current Address**

Street                      State/Province                      Country

**Previous Name(s):**

Surname                      First Name                      Middle Name  
From                      To

**Previous Nationalities:**

Nationality  
From                      To

**Previous Addresses:**

Address                      State/Province                      Country  
From:                      To:

**Current Occupation**

Position                      Employer                      Address                      Country                      Date Started

**Occupations Held Within Past Five Years**

Position                      Employer                      Address                      Country                      From                      To

**2. Relationship with the Entity**

In what capacity are you completing this form?

Shareholder	<input type="checkbox"/>
Director	<input type="checkbox"/>
Manager	<input type="checkbox"/>
Partner	<input type="checkbox"/>
Member	<input type="checkbox"/>
Other	<input type="checkbox"/>

If other, specify.

Attach supporting documentation.

In carrying out your duties, will you be acting on the directions or instructions of any other individual or institution?  Yes

If 'yes', attach relevant details.  No

What percentage of shares in the institution are registered in your name or in the name of a related party?

In what percentage of shares are you or any related party beneficially interested?

Are you a significant shareholder of any other insurance company or financial institution, which is now regulated under statute or has applied for such regulation?  Yes

If 'yes', attach relevant details.  No

Do you in your private capacity, or does any related party, undertake business with the proposed entity?  Yes

If 'yes', attach relevant detail.  No

Are any of the shares in the proposed entity equitably or legally charged or pledged to a third party?  Yes

If 'yes', attach relevant details.  No

All relevant professional qualifications including dates of qualification.

<u>Qualification</u>	<u>Date obtained</u>
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Other relevant training or experience.

<u>Description</u>	<u>Date</u>
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Do you in your personal capacity hold or at any time have held any membership, license or authorization or been registered as a representative under legislation of any country, relating to banking, investment, insurance, or other finance business?  Yes

If 'yes', give particulars.  No

Details of license, registration or authorization from above.

<u>Industry</u>	<u>Authorizing Body</u>	<u>License Number</u>	<u>Date Issued</u>
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### 3. Reputation and Character

Have you at any time been convicted of any offence involving fraud or other dishonesty or an offence under legislation (including insider dealing), relating to institutions providing financial services, insolvency, consumer credit or consumer protection or any other statutory offence other than a road traffic offence?  Yes

If yes, give particulars.  No

<u>Jurisdiction</u>	<u>Offence</u>	<u>Penalty</u>	<u>Date of Conviction</u>
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Are you currently the subject of bankruptcy, sequestration, or similar proceedings?  Yes

If 'yes', attach relevant details.  No

Are there any such proceedings pending?  Yes

If 'yes', attach relevant details.  No

Have you been dismissed or requested to resign from any office or employment, removed from any fiduciary office or position of trust, subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation?  Yes

If 'yes', attach relevant details.  No

Have you ever been disqualified from acting as a director of a company, or from action in the management or conduct of the affairs of any company, partnership or unincorporated association?  Yes

If 'yes', attach relevant details.  No

Have you ever in connection with the formation or management of any corporation, partnership, or unincorporated entity, you have been adjudged by a court to be civilly liable for any fraud, malfeasance, or wrongful trading or other misconduct by you towards such a body or towards any members or creditors of such a body?  Yes

If 'yes', attach relevant details.  No

State below any other material information, which you consider relevant to the assessment of your expertise, experience and record.

#### 4. Declaration

I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts of which the Minister of Finance and the Registrar should be aware.

I undertake to inform the Minister and the Registrar, without delay, of any material changes to the information supplied in this form.

**You should be aware, before signing this declaration, that it is an offence to knowingly or recklessly provide the Minister or the Registrar with information, which is false or misleading in a material particular.**

Signed

Name

Date

**FORM 3**  
**APPLICATION FOR CAPTIVE INSURER'S LICENSE**

**THE NEVIS ISLAND ADMINISTRATION**  
**MINISTRY OF FINANCE AND DEVELOPMENT**  
**FINANCIAL SERVICES REGULATION & SUPERVISION DEPARTMENT**

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**Proposed Name of Insurer**

Class of License being applied for:

Single owner Captive

Less than 5 owners Captive

5 or more owners Captive

Name of Applicant:

Address of Applicant in its place of business:

Street                                      City/State/Province                                      Postal Code                                      Country

Name, Address, Citizenship, Residency of ALL Directors or Trustees as applicable

Name	Address	Citizenship	Residency

Name, Address, Citizenship, Residency of ALL Shareholders

Name	Address	Citizenship	Residency

Name(s) and addresses of ALL Officers and Managers

Name	Office	Address

Name(s) and addresses of Applicant's Legal Counsel, Attorneys, Solicitors

Name	Relationship	Address

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Insurance Manager(s)

Name	Company	Address

Registered Agent

Name	Company	Address

Auditors

Name	Company	Address

Issued and Paid Up Capital Date Amount  
 Issued Capital  
 Paid Up Capital  
 Has the whole of paid up capital been subscribed in cash?  Yes  
 No

If 'no', give particulars.

Form	Amount	Date Paid In

Will the insurer be writing 'unrelated business', as stated in Section 21(2) of the Ordinance?  Yes

If 'yes', give particulars.  No

Explain the nature of the connection or association that exists between the insurer and those persons whose risks the insurer intends writing.

What category of business does the insurer propose to write?

- General Business Only
- Long-term Business Only
- Both General and Long-Term

State category(s) of business which the applicant intends to write and state estimated gross and net premiums by class of business for the first two years of operation.

Year	Category	Gross Premiums	Net Premiums

When does the applicant intend to commence writing the above described business?

Give estimated income for each of the first two years on as realistic basis as possible.

Gross Premiums Written  
 Less: Reinsurance Premiums Ceded  
 Net Premiums Written  
 Reserve for claims incurred but not reported (if applicable)  
 Commissions and Brokerage Fees  
 General Administrative Expenses  
**Other Expenses**

Subtotal Expenses  
 Estimated Net Income for Year

Indicate by checking the appropriate boxes which of the following are or will be located in Nevis:

Premium Registers	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Loss Registers	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Reinsurance Reports	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Reports of Claim Files	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Copies of Policies	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Copies of Reinsurance Treaties and Agreements	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Give addresses where such records are located

Street                      City                      Country                      Postal Code

Does the applicant intend to use protected premium accounts?            Yes

If 'yes', describe the manner of segregation of accounts.            No

Will such segregation or partition of accounts be used in future?            Yes

If 'yes', give particulars.            No

**Declaration**

We confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts of which the Minister of Finance and the Registrar should be aware.

We undertake to inform the Minister and the Registrar, without delay, of any material changes to the information supplied in this form.

**You should be aware, before signing this declaration, that it is an offence to knowingly or recklessly provide the Minister or the Registrar with information, which is false or misleading in a material particular.**

Signed:Date:

Capacity:

Signed:Date:

Capacity:

**FORM 4**  
**APPLICATION FOR GENERAL, LONG-TERM OR RE-INSURER'S LICENCE.**  
**THE NEVIS ISLAND ADMINISTRATION**  
**MINISTRY OF FINANCE AND DEVELOPMENT**  
**FINANCIAL SERVICES REGULATION & SUPERVISION DEPARTMENT**

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**Proposed Name of Insurer**

Class of License being applied for:

- General
- Long-term
- Reinsurance

Name of Applicant:

Address of Applicant in its place of business:

Street                      City/State/Province                      Postal Code                      Country

Name, Address, Citizenship, Residency of ALL Directors or Trustees as applicable

Name	Address	Citizenship	Residency

Name, Address, Citizenship, Residency of ALL Shareholders

Name	Address	Citizenship	Residency

Name(s) and addresses of ALL Officers and Managers

Name	Office	Address

Name(s) and addresses of Applicant's Legal Counsel, Attorneys, Solicitors

Name	Relationship	Address

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Insurance Manager(s)

Name	Company	Address

Registered Agent

Name	Company	Address

Auditors

Name	Company	Address

<u>Issued and Paid Up Capital</u>	<u>Date</u>	<u>Amount</u>
Issued Capital		
Paid Up Capital		

Has the whole of paid up capital been subscribed in cash?  Yes

If 'yes', give particulars.  No

Form	Amount	Date Paid In

Explain the nature of the connection or association that exists between the insurer and those persons whose risks the insurer intends writing.

What category of business does the insurer propose to write?

- General Business Only
- Long-term Business Only
- Both General and Long-Term

State category(s) of business which the applicant intends to write and state estimated gross and net premiums by class of business for the first two years of operation.

Year	Category	Gross Premiums	Net Premiums

When does the applicant intend to commence writing the above described business?

Give estimated income for each of the first two years on as realistic basis as possible.

Gross Premiums Written  
Less: Reinsurance Premiums Ceded  
Net Premiums Written

Reserve for claims incurred but not reported (if applicable)

Commissions and Brokerage Fees

General Administrative Expenses

**Other Expenses**

Subtotal Expenses

Estimated Net Income for Year

Indicate by checking the appropriate boxes which of the following are or will be located in Nevis:

Premium Registers	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Loss Registers	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Reinsurance Reports	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Reports of Claim Files	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Copies of Policies	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Copies of Reinsurance Treaties and Agreements	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Give addresses where such records are located

Street                      City                      Country                      Postal Code

- Does the applicant intend to use protected premium accounts?  Yes
- If 'yes', describe the manner of segregation of accounts.  No
- Will such segregation or partition of accounts be used in future?  Yes
- If 'yes', give particulars.  No

**Declaration**

I/We confirm that the information supplied is complete and correct to the best of my/our knowledge and belief at the time of submission and that there are no other facts of which the Minister of Finance and the Registrar should be aware.

We undertake to inform the Minister and the Registrar, without delay, of any material changes to the information supplied in this form.

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Signed:Date:

Capacity:

Signed:Date:

Capacity:

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