

INTERNATIONAL INSURANCE REGULATIONS

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SCALE OF FEES

ANJOUAN
STATUTORY RULES AND ORDERS

006A OF 2005.

(Official Recorded date 20th February 2005)

IN EXERCISE of the powers conferred on him by section 47 of the International Insurance (Amendment and Consolidation) Act, 1998 (the “Act”) the Minister, makes the following regulations:-

INTERNATIONAL INSURANCE REGULATIONS, 2005

1. Citation and Commencement. These regulations may be cited as the International Insurance Regulations, 2005 and shall come into operation on the 20th day of February 2005.

2. Definitions. In these regulations, unless the context otherwise requires:-

(1) terms used herein that are defined in the Act shall have the meanings ascribed to them in the Act; and

(2) the following terms shall have the meantime ascribed to them in this subsection:-

“**Allowable Assets**” has the meanings ascribed in section 8(2) of these regulations;

“**Appointed Stock Exchange**” means those stock exchanges described in section 16 of these regulations, together with any stock exchange that the Minister, after consultation with the Authority, may appoint when such appointment is published in the *Gazette*;

“**Approved Country or Jurisdiction**” means those countries listed in section 14 of these regulations;

“**Association** or in “**Association**” for purpose of Section 13(4) of the Act means in a common business enterprise, whether through contract or shared ownership;

“**Minimum Margin of Solvency**”, as such term is used in the act and these regulations, means the lowest amount by which the value of the general business assets of an insurer must exceed its general business liabilities, as specified by section 7 of these regulations;

“**National Commercial Bank**” means the National Commercial Bank of Saint Vincent and the Grenadines, or its successor;

“**Net Premiums Written**” means premiums for International Insurance business that have been paid to an insurer or as to which an invoice has been rendered by such insurer;

“**Net Retained Annual Premiums**” has the meaning ascribed in section 7(2) of these regulations;

“**Net Worth**”, as used in the Act and these regulations, means the difference between the value of an insurer’s assets and that insurer’s liabilities;

“**Parent Company**” means a company, which owns more than 50% of the voting shares and/or which have effective working control through stock ownership of a person; and “control” has the definition ascribed to it in the Act;

“**Recognised Manager**” has the meaning ascribed to it in section 18 of these regulations;

“**Register of Insurers**” means the official list, maintained by the Commissioner, which contains the names and prescribed information as to all holders of licences issued under the Act.

“**Subsidiary**” means a company or corporation which is controlled by another company or corporation; and

“**Unrelated Business**”, in relation to an insurer, means insurance business, which is not unrelated business.

- (3) For purpose of Section 16(1) of the Act, an insurer shall be deemed to have available to its knowledge and expertise in the insurance business if it has a bona fide written contract with a registered international insurance manager or a Recognised International Insurance Manager.
- (4) For purposes of section 24(2) (c) of the Act, the income of an insurer shall be deemed to have been “prudently invested” if such income has been invested in “allowable assets”, as such term is defined in these regulations.

PART 11 FEES, FORMS AND REGISTRATION

3. Fees

- (1) **Consent Application Fee under Section 12 of the Act.** Any person who applies to the Commissioner for consent to register an insurer under Section 15 of the Act shall, along with his application for such consent, submit the required non-refundable Consent Application Fee set forth in the First Schedule to these regulations. Any application to renew a consent to register granted under Section 15 of the Act shall be accompanied by the consent Application fee set forth in the First Schedule to these regulations.

- (2) **Licence Application Fee under Section 12 of the Act.** Any person who applies to the Commissioner for a licence pursuant to Section 11 of the Act shall, along with such application, submit the required Licence Application Fee set forth in the First Schedule. The Licence Application fee shall not be refunded to the Applicant under any circumstances.
- (3) **Licence Registration Fees.** Upon grant of a licence to an applicant under Section 15 of the Act, the Commissioner shall give written notice to the successful applicant and to the registered agent for that applicant of the Registration Fee due and payable by the applicant based upon the Class of licence so granted. The Registration Fee to be paid shall be as set forth on the First Schedule. The Registration Fee shall be paid in cash or by bank cheque within fifteen (15) days of the date of the notice to the applicant as aforesaid. If the applicant fails to make payment in full of the assessed Registration Fee, the licence granted to the applicant shall be void.
- (4) **Certificate of Authority Registration Fees.** Upon grant of a certificate to an applicant under Section 28 of the Act, the Commissioner shall give written notice to the successful applicant and the registered agent for that applicant of the Registration Fee payable by the applicant based upon the class of certificate so granted. The Registration Fee to be paid shall be as set forth on the First Schedule. The Registration Fee shall be paid in cash or by bank cheque within fifteen (15) days of the date of the notice to the applicant as aforesaid. If the applicant fails to make payment in full of the assessed Registration Fee, the certificate granted to the applicant shall be void.
- (5) **Annual Fees; Cancellation for Late Payment or Non-Payment.**
- (a) Upon grant of a licence to an applicant under Section 15 of the Act, the applicant shall tender the applicable Annual Fee, as set forth in the First Schedule to these regulations, along with the Registration Fee described in sub-section 3(3) of these regulations. The Annual Fee for an application granted between January 1 and June 30 of a given year shall be the full Annual Fee as set forth in the First Schedule. The Annual Fee for any application granted between
- (b) On or before the 31st day of December of each year, each insurer shall submit to the commissioner, together with other reports and/or forms to be filed by it pursuant to Section 21 of the Act and these regulations, the Annual Licence renewal Fee for the Class of licence for which renewal is sought, such fee being prescribe in the First Schedule.
- (c) If the Annual Licence Renewal Fee is submitted after the 31 days of December in a given year, the insurer shall submit the Annual Licence Renewal Fee, together with a late payment penalty of one-twelfth of the Annual Licence Renewal Fee (determined by reference to the Class of licence held by the insurer) for each month, or part of a month, that payment of the Annual Licence Renewal Fee was late.

(d) Insurers which fail to pay the annual Licence Renewal Fee on or before the 1st day of April of a given year may have their licence cancelled by the Commissioner and, thereafter, may be struck from the Register of Insurers by the Commissioner. Notice of such cancellation and striking off shall be sent by the Commissioner to the insurer and the registered agent for the insurer.

(6) **Certificate of Authority Renewal Fees.** Any international insurance manager, agent or broker who applies to the Commissioner for the renewal of its certificate of authority pursuant to Section 37 of the Act shall, along with the application and other documents required to be filed under such section and these regulations, submit the required Certificate Renewal Fee specified for the activity for which such person holds a certificate, such fee being set forth in the First Schedule to these regulations. The Commissioner may revoke the certificate of authority issued to an international insurance manager, agent or broker if such person fails to pay the required Certificate Renewal Fee prior to February 1st of the year for which such fee was assessed.

(7) **Other Fees.** Other applicable fees, including fees to inspect the Register of Insurers and to file additional documents with the Commissioner, are as specified in the First Schedule. Fees for minor or ministerial acts and filings permitted under these regulations or the Act may be assessed by the Commissioner if not set forth in the First Schedule.

(8) **Revival of Licence Revoked for Non-Payment of Fees.** The Commissioner shall have the discretion with respect to any insurer whose licence has been revoked for failure to pay fees as provided in this section, to reissue such licence during the year as to which such fee was due upon receipt by the Commissioner of:-

- (a) the Annual Licence Renewal Fee due for that year;
- (b) a fine equal to 150% of the Annual Licence Fee due for that year; and
- (c) a certificate, in form and substance acceptable to the Commissioner and signed by the insurer, to the effect that the insurer is then in full compliance with the act and these regulations.

4. Forms, Certificates and Applications; Procedures for Filing. Applications for registration and renewal of licences and certificates of authority granted under the Act shall be submitted on the forms set out in this section, which forms may be amended from time to time by the Commissioner with the advice and consent of the Authority.

(1) **Application for Registration under Section 11.** Every application for a licence to carry on international insurance business made pursuant to section 11 of the Act shall be made on **Form AIL**, the form of which is set out as **Exhibit I** to these regulations.

- (2) **Application for Consent to Register under Section 12**
- (a) An application for the consent of the Commissioner and the Authority to register an insurer shall be made on **Form APA**, the form of which is set out as **Exhibit 2** to these regulations. Any consent granted by the Authority and the Commissioner under Section 12 of the Act shall be irrevocable for the period stated in Section 12, except that in the event it is discovered that the applicant withheld, misstated or failed to state material information in its application, such consent may be declared void *ab initio* by the Authority, which shall notify the applicant in writing of its determination.
 - (b) Any consent (including evidence of renewals, if any) together with the application on which such consent was granted under Section 12, shall be attached to the documents and information to be provided to the Commissioner in connection with an application for a licence as provided in Section 12(8) of the Act.
 - (c) Nothing contained in the Act or in these regulations shall be construed to limit the right of the Commissioner to conduct a *de novo* review of all information and materials submitted in or with an application for consent to register an insurer pursuant to Section 12(8) of the Act if the Commissioner has reason to believe that any of the material particulars upon which the consent was originally granted have changed.
- (3) **Personal Questionnaire.** Every Director, Controller, Manager and/or Promoter (as such terms are defined in **Form PQ**) of a person that applies for a licence under the Act or who submits an application for consent to register under Section 12 of the Act must complete and submit to the Commissioner, along with the application for a licence or consent, a Personal Questionnaire, which shall be made on **Form PQ**, the form of which is set out as **Exhibit 3** to these regulations.
- (4) **Financial Statements.** Every application for a licence to carry on international insurance business in Class I, II or III pursuant to the Act shall be accompanied by a Financial Statement which shall be made on **Form FS**, the form of which is set out as **Exhibit 16** to these regulations. The Commissioner may allow an applicant in Class I, II or III for a new or development-stage businesses to submit projected or *pro forma* financial statement in lieu of the audited statements required in **Form FS**.
- (5) **Business Plan.** Every application for a licence to carry on international insurance business pursuant to the Act shall be accompanied by a Business Plan which shall be made on **Form BP**, the form of which is set out as **Exhibit 17** to these regulations.
- (6) **Application for Renewal of Licence.** Each insurer who holds a license under the Act shall make application to review such licence on or before the date specified in Section 21 if the Act by submitting, in duplicate, **Form ARL** in the form set out in **Exhibit 5**, duly completed and signed, together with the appropriate Annual Licence Renewal Fee prescribed in the First Schedule.

- (7) **Application for Extended Renewal of Licence.** Every application for an extended renewal of a licence to carry on international insurance business pursuant to the Act shall be made on **Form EXR**, the form of which is set out as **Exhibit 8** to these regulations.
- (8) **Notice of Change of Principal Office and/or Registered Agent.** Every insurer licensed under the Act which changes the address of its Principal office or registered agent in the State shall file a notice setting forth the Particulars of the change which shall be made on **Form NCO**, the form of which is set out as **Exhibit 9** to these regulations.
- (9) **Notice of Change of Particulars.** Pursuant to Section 19 (3) of the Act, insurers are under a *continuing* to inform the Commissioner of changes information contained in any filing made under the Act or these regulations. Insurers shall promptly notify the Commissioner of any such change on **Form NCP**, Notice of Change of Particulars, the form of which is set out as **Exhibit 12**, to these regulations.
- (10) **Certificate of Compliance.** Pursuant to Section 21 of the Act, insurers holding a licence to carry on international insurance business in Class I, II or III are required to submit to the Commissioner a Certificate of Compliance, which shall be made on **Form CC**, the form of which is set out as **Exhibit 13** to these regulations.
- (11) **Application for Registration as an International Insurance Manager, Broker or Agent.** Any person desiring to conduct business under the Act as an international insurance manager, broker or agent shall complete and submit to the Commissioner **Form MBA**, the form of which is set out as **Exhibit 14** to these regulations, along with the required fees set out in the First Schedule to these regulations.
- (12) **Application for renewal of Certificate of Authority.** Each international insurance manager, broker or agent who holds a certificate of authority to conduct business under the Act shall make application to renew such certificate on or before the date specified in Section 37 of the Act, by submitting, in duplicate, **Form ARC** in the form set out in **Exhibit 6**, duly completed and signed, together with the appropriate Annual Certificate Renewal Fee prescribed in the First Schedule.
- (13) **Supplemental Form for Persons Proposing to Transact Products Liability, Professional Indemnity, and/or Medical Malpractice Business.** Any person who applies to be licensed under the Act as an insurer in Class I, II or III and who intends to write policies of insurance relating to Products Liability, Professional Indemnity, and/or Medical Malpractice, shall, in addition to the other application forms required under the act or regulations, complete and submit **Form SF**, the form of which is set out as **Exhibit 18** to these regulations.

- (14) **Annual Statements.** Pursuant to Section 21 of the Act, each insurer holding a licence to carry on insurance business in Class I, II or III shall prepare and submit on an annual basis, no later than December 31, an annual statement in the form set out in **Form FS**, which is attached as **Exhibit 16** to these regulations along with the payment of the annual fees due by such insurer.
- (15) **General Business Solvency Certificate.** Pursuant to Section 21 of the Act, every licensee under the Act shall complete and submit **Form BSC**, the form of which is set out as **Exhibit 15** to these regulations.

5. Certificates and Notices to be Issued by the Commissioner. The Commissioner shall issue certificates as and when required under the Act and those regulations substantially in the forms indicated below:-

- (1) **Certificate of Tax Exemption.** The Commissioner shall send a single Certificate of Tax Exemption in the form set out in **Exhibit 19** to each insurer who holds a licence under the Act. Such certificate shall be sent to the insurers along with the insurer's licence, as provided in these regulations.
- (2) **Notice of Revocation of Registered Agent's Licence.** An insurer whose registered agent has its licence revoked under the Registered Agent and Trustee Licensing Act 2004 shall be so notified by the Commissioner by notice substantially in the form set out in Exhibit 20.
- (3) **Licence.** Upon submission of the required forms and payment of all fees required to be paid under the Act and these regulations, a Certificate of Authority, substantially in the form set out as **Exhibit 21** and duly signed by the Commissioner, shall be issued to a person whose application for a certificate of authority to act as an international insurance manager, broker or agent has been granted.
- (4) **Certificate of Authority.** Upon submission of the required forms and payment of all fees required to be paid under the Act and these regulations, a Certificate of Authority substantially in the form set out as Exhibit 21 and duly signed by the Commissioner, shall be issued to a person whose application for a certificate of authority to act as an international insurance manager, broker or agent has been granted.
- (5) **Other Certificates.** The Commissioner shall have the authority to design, use and publish other forms and certificates contemplated by the Act or these regulations and not specifically described herein or in the Exhibits.

- (6) **Notice of Revocation Based on Improper Name.** Prior to the time the Authority exercises its right to revoke a license based on the provisions of Section 18 (4) of the Act, it shall require the Commissioner to send notice to the insurer of the nature of the violation under such sub-section and to provide a reasonable opportunity to such insurer to change its name so to comply with the terms of such notice.
- (7) **Notification to Commissioner to Certain Other Events.** An insurer shall immediately notify the Commissioner in writing if it ceases to carry on the insurance business for which a license was granted under the Act or if the agreement between it and its international insurance manager is terminated for any reason.

6. **Review of Application for Registration.**

- (1) **Rulings by the Commissioner and/or Authority.** The Commissioner, after review and approval by the Authority where required under the Act or these regulations, shall issue a determination as to whether to grant or not grant an application for a licence under Section 11 or Section 12 of the Act, as the case may be, within forty-five (45) days of the receipt of the forms and payment of fees required by the Act and these regulations. Such ruling shall be binding on the Commissioner and the Authority, except that in the event it is discovered that the application withheld, misstated or failed to state material information in its application, such ruling be void ab initio.
 - (a) Within ten days of an approval the Commissioner shall transmit to the applicant, by regular post unless special arrangements are made at the applicant's sole expense, the appropriate licence in the form prescribed in Exhibit 4 to these regulations, duly stamped and certified by the Commissioner to be a true copy of the original.
 - (b) If the applicant is denied, the Commissioner shall transmit, by regular post, notification within ten days of such decision.
 - (c) Notices of Non-Renewal, Suspension, and Revocation of a licence previously granted under the Act shall be in the form prescribed by these regulations in Exhibit 7, Exhibit 10 and Exhibit 11, respectively.
- (2) **Register of Insurers.** The Commissioner shall enter the particulars of each insurer registered under the Act in the Register of Insurers pursuant to the provisions of Section 6 of the Act upon registration and payment of all applicable fees as provided in the Act and these regulations. The Commissioner shall be authorised to publish or prepare an extract from such Register of Insurer upon application by any person and the payment of the prescribed therefore, and any such extract shall be prima facie evidence of the information set forth in such extract.

PART III FINANCIAL STANDARDS AND RECORDS

7. Minimum Margin of Solvency

- (1) Applicable Margins. The minimum amount by which the total value of an insurer's allowable assets may exceed the total value of its liabilities, referred to as the "minimum margin of solvency", is hereby prescribed as follows:-
 - (a) in the case of an insurer in Class I or Class II which is carrying on or intends to carry on general international insurance business only:-
 - (i) where the net retained annual premiums paid to the insurer do not exceed \$1,000,000 in single year, the prescribed amount is \$150,000;
 - (ii) where the net retained annual premiums paid to the insurer exceed \$1,000,000 but do not exceed \$5,000,000 in single year, the prescribed amount is twenty percent of the Insurer's net retained annual premiums for that year;
 - (b) in the case of an insurer carrying on long-term business only the prescribed amount is \$250,000 for insurers in Class I and \$150,000 for insurers in Class III; and
 - (c) in the case of an insurer carrying on both general international insurance business and long-term international business the prescribed amount is (A) \$250,000 for insurers in Class I, or (B) \$150,000 for insurers in Class III, as the case may be, plus the applicable amount required for general international business under sub-paragraphs (i), (ii) or (iii) or paragraph (a).
- (2) Definitions. In this section the expression "net retained annual premiums" means net premiums written by the insurer in respect of general international insurance business during any financial year that insurer, reduced by any premiums paid by the insurer for approved reinsurance during such financial year.
- (3) Notwithstanding any contrary implication in section 14 (1) of the Act, a person who applies for a licence under the Act may be granted a licence under Section 10 thereof based upon minimum margin of solvency applicable to such person when premiums upon which such margins are to be based are actually written, and the Commissioner shall be authorised to accept a reasonable deposit with National Commercial bank as a guarantee that such minimum margin of solvency shall be met by the person prior to the time the premiums are actually written.
- (4) The form of the deposit that may be made by a person under sub-section (3) of this section or under Section 14(2) of the Act shall be generally in accordance with the provisions of Section 10 of these regulations.

8. Allowable Assets

- (1) **Application.** In computing the value of the assets of an insurer for the purposes of meeting the minimum margin of solvency prescribed by Section 7 of these regulations or in determining the net worth of an insurer under the act, only allowable assets of the insurer or of a subsidiary of the insurer may be considered.
- (2) **Assets to be included.** Subject to sub-section 93, allowable assets include:-
 - (a) cash in hand or on deposit with the National Commercial Bank, with a financial institution chartered and in good standing under the laws of a recognised country or jurisdiction, or with other financial institutions approved by the Commissioner from time to time; and
 - (b) bonds, debentures or other evidence of indebtedness issued or guaranteed by:-
 - (i) the government of the United Kingdom or of the United States of America or of any state thereof;
 - (ii) the government of the United Kingdom or of the United States of America or of any state thereof;
 - (iii) the government of Canada or of any province thereof; or
 - (iv) any other approved country or jurisdiction or such other government as may be approved from time to time by the Commissioner and
 - (c) bonds, debentures or other evidence of indebtedness issued or guaranteed by any municipal corporation and secured by rates or taxes levied and collectable by such municipal corporation under the authority of any of the government mentioned in subparagraphs (I), (ii), (iii) or (iv) or subparagraph (b); and
 - (d) other equity or debt securities quoted and subject to an active listing on an appointed stock exchange; provided that such securities shall be included as allowable assets only to the extent of fifty percent of the total allowable assets of the insurer;
 - (e) premiums receivable under bona fide written contracts of insurance;
 - (f) reinsurance balances receivable under bona fide written contracts of insurance;
 - (g) real property located in the state;
 - (h) accounts receivable, net of provision for bad and doubtful debts; and

- (i) irrevocable letters of credit issued or confirmed by the National Commercial Bank, or by financial institutions chartered and in good standing under the laws of any recognised country or jurisdiction, or by other financial institutions approved by the Commissioner from time to time.
- (3) **Assets not included.** For purpose of this section, the following assets are not allowable assets:-
- (a) investments in and advances to the insurer's parent company or any of the insurers subsidiaries or affiliates unless specifically approved by the Commissioner
 - (b) mortgages on real property unless such property is located in the state or a recognised country or jurisdiction and has an appraised value that is at least 125% of the value of the mortgage; or
 - (c) securities which are not quoted and subject to an active listing on a recognised stock exchange.

9. Valuation of Asset and Liabilities.

- (1) **Method of Valuation.** Subject to the provisions of Section 9 of these regulations, the total value of an insurer's allowable assets shall be determined:-
- (a) by their fair market value; or
 - (b) where such fair market value is not readily ascertainable, in accordance with generally accepted accounting practices that are considered appropriate by the insurer's approved auditor and are acceptable to the Commissioner.
- (2) **Calculation.** The total value of an insurer's assets must at all times exceed the total amount of its liabilities by the amount prescribed by these regulations.
- (3) **Duty to Notify.** Where the value of the total assets of an insurer, valued as provided in subsection (1), declines at any time below the value that is required to preserve the insurer's minimum margin of solvency as prescribed by these regulations, the insurer shall forthwith rectify the deficiency and notify the Commissioner in writing of the means by which the deficiency was rectified.
- (4) **Methodology.** In calculating its liabilities for purposes of these regulations:-
- (a) the total amount of an insurer's liabilities shall be determined in accordance with generally accepted accounting principles consistently applied by the insurer's auditor under the standards generally applicable in the jurisdiction in which such auditor is qualified; and

- (b) all contingent and prospective liabilities shall be taken into account by the auditor.

10. Net Worth requirement satisfied by Guarantee or Deposit.

- (1) **Deposit with National Bank of Anjouan.** The net worth requirement set forth in Section 10 of the Act for each class of insurer may be satisfied by the person seeking a license under the Act by the making and maintaining of a interest-bearing deposit with the National Commercial Bank in the amount of such net worth requirement. A deposit made to guarantee the insurer's net worth under this section shall be made in cash on account that is unconditionally pledged to the Offshore Finance Authority, as escrow agent, to meet the requirements and obligations of the insurer under the Act and these regulations, at all times while such license is valid and for a period of six (6) months following the revocation, termination or lapse of such license; provided at the end of such six (6) month period, the full amount of the deposit, with interest, shall be returned to the insurer.
- (2) **Guarantee of Parent Company.** The net worth requirement set forth in Section 10 of the Act may further be satisfied by the giving of a guarantee under seal by the parent company of the insurer, or by another company approved by the Commissioner, which shall in any case provide that its formal and essential validity, as well as its interpretation and affect and the rights and obligations of the parties to it, are governed exclusively by the laws of the State, and that the High Court of the State shall be the exclusive forum for any dispute governing the interpretation of (but not the collection under) the guaranty.

11. Books and Records of Insurers

- (1) **Generally.** Every licensed insurer shall maintain permanently as its principal office in the State such books of accounts and records of its insurance business and financial affairs:-
 - (a) as will show adequately the nature and extent of the insurance business carried on by that insurer in or from within the State; and
 - (b) as will enable the Commissioner, at any time as provided in the Act, to conduct a proper examination of the insurer's affairs, to ascertain with reasonable accuracy its financial position, and to verify that it is then in compliance with the Act and these regulations.
- (2) **Books to be kept.** Without prejudice to the generality of the provisions of subsection (1), the books and records to be kept by every licensed insurer at its principal office in the State shall include:-
 - (a) financial statements for the current year and the proceeding three years for its insurance business as carried on in or from within the State;

- (b) a current record of premium income and claims paid by the insurer, including payments to reinsurance;
 - (c) a register of the insurer's directors, officer and managers, showing their names and addresses;
 - (d) minutes of all the insurer's general meetings, meetings of its board of directors, and month;
 - (e) a record of the insurer's reinsurance programs or treaties showing underwriting limits by each class of insurance written by the insurer and amounts retained by the insurer under such programs or treaties;
 - (f) an up-to-date list of all the insurer's agents; and
 - (g) any other registers or records as may be specifically required in writing by the Commissioner from time to time.
- (3) **Construction.** This section shall not be construed to require the insurer to keep at its place of business in the State the original of the books and records described herein, and it shall be sufficient if the insurer maintains access to such books and records in an electronic medium, the accuracy of which can be certified by a director or principal officer of the insurer upon require by the Commissioner.

12. **Improper Records to be Examined by Accountant**

- (1) **Independent Examinations.** If, at any time, it appears to the Commissioner that the books of account records of any insurer are not kept in such a business-like way so as to enable him to conduct a proper examination of the insurer's affairs and to ascertain its financial position as contemplated by these regulations, the Commissioner may thereupon appoint a competent auditor or accountant to examine the books of account and records of the insurer. Based upon the findings and recommendations of such auditor or accountant, the Commissioner shall give the necessary instructions in writing to the insurer, which shall be obligated to rectify the delinquency forthwith.
- (2) **Expenses.** The expense of such accountants or auditors:-
- (a) shall not exceed \$2,000.00 per day and shall be borne by the insurer whose books are being inspected; and
 - (b) shall be approved by the Authority, on advice from the Commissioner, and thereupon –
 - I. shall be paid forthwith by the insurer whose books are being inspected; and
 - II. if not so paid may be recovered as a debt due to the Commissioner in his name of office.

PART IV

MISCELLANEOUS

13. General requirements relating to preparation of required forms

- (1) All forms required by these regulations and shall be prepared in the English language, and if documents originally prepared in a foreign language are provided with such forms, a certified translation of such documents shall be attached to the form, along with the original as prepared in the foreign language.
- (2) Any official documents provided to the Authority or the Commissioner under a requirement set out in the Act or these regulations which are signed by an official of a government other than the State shall have an appropriate apostille attached thereto, certifying the office or authority of the official who has signed the same.
- (3) All amounts which are set forth in any return or document filed with the Commissioner or the Authority under the Act or these regulations shall be shown in the currency in which they were originally stated, but the United States dollar equivalent of each amount (based on a appropriate exchange rate described and used consistently throughout the filing) must be stated next to such amount in every case, except where the amount in consideration is not material to a financial disclosure required to be made hereunder or under the Act.

14. Recognised Country and Jurisdiction. For purposes of these regulations, the following countries are hereby appointed as “Recognised Countries or Jurisdiction” (provided that for purposes hereof such jurisdiction or countries shall not be deemed to include their dependent territories, foreign departments or protectorates):

Belgium
Canada
Federation of German States
Japan
Luxembourg
Principality of Liechtenstein
Republic of France
Republic of Ireland
Switzerland
United Kingdom
United States of America

15. Offshore Finance Inspector as Interim Commissioner. Until further notice published in the Gazette, the Offshore Finance Inspector shall serve as the Commissioner of International Insurance.

16. Appointed Stock Exchanges. For purposes of these regulations, the following are designated as “recognised stock exchanges”.

Alberta Stock Network
American Stock Exchange
Amsterdam Stock Exchange
Australian Stock Exchange
Brussels Stock Exchange
Geneva Stock Exchange
Hong Kong Stock Exchange
London Stock Exchange
Mexico Stock Exchange
Montreal Stock Exchange
National Association Securities Dealers (NASDQ)
New York Stock Exchange
SBF Bourse de Paris; Paris Stock Exchange
The Philadelphia Stock Exchange
Tokyo Stock Exchange
Toronto Stock Exchange
Vancouver Stock Exchange
Vienna Stock Exchange

17. Display and Presentation of Certificate. A certificate of licence granted pursuant to the Act shall be prominently displayed by the insurer, or international insurance manager, broker or agent, as the case may be, on the premises where the holder has its principal office or registered office in the State by:-

- (a) posting the certificate licence on a wall in the main entrance, foyer or hall; or
- (b) displaying the certificate or licence by some other method whereby the licence may be easily seen upon first entering the premises of the holder.

18. Recognised International Insurance Managers

- (1) A person who carries on the business of international insurance manager in or from within the State shall be exempt from the requirements to hold a licence under Part VI of the Act if he or it meets the requirements of this Section 18.
- (2) Where the person referred to in sub-section (1) is exempt by these regulations from the requirement to hold a licence under Part VI of the Act, he shall be deemed to be a “recognised insurance manager”.
- (3) The conditions under which a person shall be exempt under this section are that:-
 - (a) the recognised insurance manager is subject to the control, whether by majority shareholding or otherwise, of a person who is entitled to provide insurance management services (by whatever named called) under the laws of a Recognised Country or Jurisdiction;

- (b) the person is of sound repute and is in good standing with the competent authority regulating such activities or services in the Recognised Country or Jurisdiction;
 - (c) the business carried on by the recognised insurance manager in the State is delegated to a manager or administrator who is licensed under Part VI of the Act (referred to in this section of these regulations as “the local holder”); and
 - (d) there is a contractual agreement between the recognised insurance manager and the licence holder which includes a provision that the licence holder takes responsibility for compliance by the recognised insurance manager with any relevant laws, regulations or direction which apply in the State.
- (4) The local licence holder shall, within fourteen days of the recognised insurance manager becoming established in the State, provide the Commissioner in writing with:-
- (a) notification of:-
 - (i) the names and addresses of the directors of the recognised insurance manager;
 - (ii) the relevant recognised country or jurisdiction; and
 - (iii) a description of the nature and scope of the activities of the recognised insurance manager, which shall include the name of any insurance company for which the recognised insurance manager is a manager; and
 - (iv) a statement signed by the responsible local licence holder certifying that the conditions in sub-section (4) have been met.
- (5) The responsible local licence holder shall:-
- (a) on or before the 31st day of March of each year following the year in which the information required under sub-section (4) was provided, confirm to the Commissioner in writing that the conditions stipulated in this section have been met; and
 - (b) within twenty-one days of the occurrence of any change in the information provided under sub-section (4), notify the Commissioner in writing of such change.

- (6) Where the local licence holder fails to comply with this section, the exemption applicable to the relevant recognised insurance manager shall cease.
- (7) The information required under sub-section (4) shall be accompanied by the fees prescribed for that purpose as described in the First Schedule to these regulations.

**STATE OF ANJOUAN
INTERNATIONAL INSURANCE REGULATIONS
APPLICATION FOR INTERNATIONAL INSURER'S LICENCE
(complete in duplicate)**

PROPOSED NAME OF INSURER

Completed Application and supporting material, should be submitted to:-

COMMISSIONER OF INTERNATIONAL INSURANCE
OFFSHORE FINANCE AUTHORITY
ADMINISTRATIVE CENTER,
ANJOUAN

Every Applicant for a licence under the Act shall furnish to the Commissioner the following particulars. The Applicant shall also attach a certified or bank cheque for the applicable Application Fee in the amount specified in the First Schedule and set out below.

1. Application Fee (in US Dollars) (Non-refundable)

- Class I \$1,000
- Class II \$1,000
- Class III \$1,000
- Class IV \$ 500
- Class V \$ 250

2. Name _____ of _____ Applicant:

3. Address in the State of its place of business:

4. Every holder of a licence under this Act shall appoint and maintain a registered agent licensed under the Registered Agent and Trustee Licensing Act 2004, which may be the same agent appointed as required in other offshore legislation. Name and address of the Registered Agent in Anjouan of Applicant:-

5. The names, addresses, citizenship and residency of all directors or trustees (as applicable).

Name	Address	Citizenship	Residency
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

6. The names and addresses of all shareholders (if applicable):

Name	Address
_____	_____
_____	_____
_____	_____

7. The names and addresses of all officers and managers:-

Name	Office	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Names and addresses of Applicant's legal counsel, attorneys, lawyers or solicitors, if any. Attach a letter from same confirming that they act for the Applicant:-

Name	Address
_____	_____
_____	_____
_____	_____

9. Names and addresses of Applicant's auditors. Attach a letter from the auditors confirming that they act for the Applicant:-

Name	Address
_____	_____
_____	_____
_____	_____

10. Pursuant to Section 10 of the Act, unless specifically exempted in writing by the Commissioner, no insurer shall be issued a licence in Class I, II or III under the Act unless it is a company or mutual company constituted under the laws of the state. A class IV Licence shall not be issued unless the applicant is constituted under the International Business Companies Act 2004. A Class V Licence shall not be issued unless the applicant is a company registered under the International Business Companies Act 2004 or is a trust registered under the International Trusts Act 2004. Attach the constitutional documents of the applicant and any other evidence necessary to show that the company is eligible for the licence for which an application was:-

- (a) Certified copy of the instrument of incorporation, by-laws, and/or other constitutive documents of the Applicant company, verified by and affidavit sworn by a director of the Applicant, accompanied by an English translation of all such documents if in another language.
- (b) Copy of the Applicant's business plan as set out in Form BP.
- (c) Where the Applicant is already engaged in the insurance business, a certified copy of Applicant's latest balance sheet and the auditor's report thereon.

11. Section 13(2) of the Act requires that each insurer holding a licence in Class I, II or III appoint an International Insurance Manager. Attach evidence in writing of such appointment and that the Applicant itself or some person directly or indirectly connected with the Applicant is possessed of solid and practical experience in Insurance Business, as the case may be. Such evidence may include a curriculum vitae, letters of past employment or other pertinent materials.
12. State the basic characteristics of the insurer, which may be in the form of a summary of the business plan set out in Form BP.

State the amount of the issued and paid-up capital at present, and the date paid in.

Has the whole of the paid-up capital been subscribed in cash? If not, give full details.
13. Attach an undertaking in writing to provide:-
 - (a) a guarantee deposit, in the form specified in Section 10 (1) of the regulations, before or at the time it commences business, or
 - (b) a guarantee under seal as provided in Section 10(2) of the regulations, or
 - (c) other evidence reasonably satisfactory to the Commissioner that the net worth requirements under the Act have been or will be met before the insurer commences to do business.
14. Attach character references in writing or other written references demonstrating that neither the Applicant nor any director or officer of the Applicant has a criminal record either in the state of Applicant's principal or state of business, in Saint Vincent or elsewhere.
15. If applying for Class I, II or III licence, attach the completed and signed Financial Statement set out in Form FS to the regulations.
16. Attach the annual accounts of the Applicant, or of its holding company, if any, for the preceding three years. Thereafter, the Applicant shall provide to the Commissioner annual accounts duly audited and certified by an independent auditor. Attach a statement of assets and liabilities at the end of the month prior to the submission of the Application certified by a director or senior officer.
17. Attach the names of all subsidiary companies of the Applicant with addresses of their registered offices.
18. Attach a statement of capital of any other company held, directly or through a subsidiary, as an asset of the Applicant.
19. Attach at least three references, including one from an internationally recognised bank.
20. Will the insurer be writing "unrelated business", as defined in the regulations? If not,
 - (i) as a direct insurer?
 - (ii) as a re-insurer?

Explain the nature of the connection or association that exists between the insurer and those persons whose risks the insurer intends writing either directly or as a re-insurer.

State the category(s) (e.g. property, casualty, marine, aviation) of general insurance business which the Applicant intends to write and state estimated gross and net premiums by class of business for the first 2 years of operation. If it is intended to write products liability risks or professional liability risks, or both, stated estimated gross and net premiums in respect of each separately.

State when the Applicant intends to commence writing the above described business.

In respect of general business, give estimated income for each of the first two years on as realistic a basis as possible using the following format:-

Gross premiums written
Less Reinsurance premiums ceded
Net Premiums written
Less increase (plus decrease) in:
Unearned Premiums
Net Premiums Earned
Plus Investment Income
Plus other insurance income
SUBTOTAL
Net losses and loss expenses incurred
Reserve for Claims incurred but not reported (if applicable)
Commissions and brokerage incurred
General and administrative expenses
Personnel costs
Other expenses
Income taxes (if applicable)
SUBTOTAL
Estimated Net Income for Year

21. Certain licensees under the Act must provide for a minimum margin of solvency as set out in the regulations. Explain how the minimum margin of solvency will be met by the Applicant.
22. For parties who are apply for Class I or III licenses and who are or will be involved in long-term insurance business, attach a statement, on a realistic a basis as possible, of the estimated volume of business to be transacted during each of the first two years, giving for each type of policy the number of contracts, the total sums assured or amounts of annuity per annum, and the annual or single premiums figures should be given both gross and net of reinsurance and should relate to worldwide business. A final table should summarize the total premium income.
23. Give particulars of any business other than insurance business which the Applicant proposes to carry on.
 - (a) Give name of and limits carried by primary carrier, if any.
 - (b) State the maximum net retention by class of business, for any one risk per occurrence.

- (c) State layer of retention (premiums of XXX; excess of XXX) by class of business.
 - (d) State whether annual aggregate (i.e. stop loss) reinsurance has been/will be arranged. If so, state maximum annual aggregate net losses to be retained by class of business.
24. Attach a description of the nature and extend of the existing or proposed reinsurance arrangements in respect of each class of business, including in particular the names of, and, where they have been rated by recognized rating organizations, the most recent ratings assigned to, the insurance companies or associations of underwriters which will reinsure each class of the Applicant's business and the amount which will be reinsured by each (if more than ten companies will reinsure a class of business, the names of only the principal re-insurers need be stated).
25. (a) Where required, state the full name and address of the following who have accepted their appointment, attaching formal evidence of acceptance of appointment duly signed.
- (i) Registered Agent (must be resident in Anjouan)
 - (ii) Insurance Manager
 - (iii) Approved Auditor
- (b) For companies carrying on long-term business state the full name and address of the approved Actuary, attaching formal evidence of acceptance of appointment duly signed.
26. (a) Indicate by checking the appropriate boxes which of the following are or will be located in Saint Vincent (please refer to requirements in regulations):-
- I. General ledger
 - II. General journal
 - III. Subsidiary ledgers (referred to in the general ledger)
 - IV. Cash books-receipts and disbursements
 - V. Premium registers
 - VI. Loss registers
 - VII. Reinsurance reports
 - VIII. Daily reports of claim files
 - IX. Copies of policies
 - X. Copies of reinsurance treaties and agreements
- (b) Will those of the foregoing business records which will be kept in Anjouan enable the directors to ascertain within a reasonable period and with reasonable accuracy the insurer's position at the end of each three month period? Please answer "Yes" or "No". If No, please explain.
- (c) Give the address where such records are located in Anjouan.
27. State the date on which the Applicant's financial year will end.
28. If the answer to question 20 was in the affirmative:-
- (a) State the method or methods by which the business will be obtained (e.g. by the Applicant's own employees, by brokers or agents, or by both methods).

- (b) State the way in which settlement of claims will be handled (e.g. by the Applicant by outside loss adjusters or assessors, or by other agents with authority to settle claims).
 - (c) Give details of any connection or association (including in particular, a connection or association of a financial kind) which exists between any of the brokers, agents, loss adjusters and assessors referred to in (a) and (b) above, and any director of the Applicant, and director it is proposed at present to appoint, any person having a majority share holding in the Applicant, or any other person on whose directions the directors of the Applicant or any of them act or will act.
 - (d) Give details of any loans which the Applicant has made, or proposes to make, to any officer of the Applicant or his spouse or to any partnership in which an officer of the Applicant or his spouse has an interest.
 - (e) Give details of any loans or investments, actual or proposed, to or in any subsidiary or associated company or any company at any general meeting of which any officer of the Applicant or any person controlling the Applicant, or his spouse, is entitled to exercise, or control the exercise of, one third or more of the voting power.
29. No Licence shall be granted to any insurer unless the Commissioner is satisfied that it has or has available to it the knowledge and expertise necessary to carry on insurance business in a competent manner and that in the case of Class I, II, and III licenses, it has appointed an international insurance manager as required by Section 16 of the Act and submitted an adequate business plan the same or similar to that set out in Form BP of the regulations. Provide the name and address of the Applicant's international insurance manager, if applicable, and attach a copy of the agreement entered into between the Applicant and such manager.
30. State whether Applicant intends to use Protected Premium Accounts as described in Part V of the Act, and/or whether Applicant is currently or in the future intends to use any other method whereby accounts are segregated or partitioned so as to protect account holders from claims of creditors. If any such segregation or partition of accounts is currently used or will be used in the future, please describe the manner of segregation or partition of accounts.

We certify that to the best of our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

(Name of Director)

(Title)

(Name of resident director)

(Title)

(Name of principal representative)

(Title)

Note: Any information supplied pursuant to this form will be dealt with in confidence in accordance with Section 42 of the Act.

The undersigned hereby affirms that he/she is authorised to execute this Application on behalf of the Applicant, and that the information contained in this Application is true and accurate as of the date shown below.

Dated this _____ day of _____ 2004

APPLICANT : _____

**STATE OF ANJOUAN
INTERNATIONAL INSURANCE REGULATIONS 005A OF 2005
APPLICATION FOR PRELIMINARY INDICATION OF
ACCEPTABILITY OF AN INSURER
(Complete in Duplicate)**

PROPOSED NAME OF INSURER

NOTES:

- 1. Please supply additional information and material by attachment to this form.*
- 2. Please supply Form PQ for each promoter of the insurer.*
- 3. Completed Forms APA, and supporting material, should be submitted to:-*

COMMISSIONER OF INTERNATIONAL INSURANCE
OFFSHORE FINANCE AUTHORITY
ADMINISTRATIVE CENTER,
ANJOUAN

1. Legal Form (e.g. company, partnership, unit trust), type (e.g. single class, multi-class or umbrella fund) and country of establishment incorporation

2. Promoters (with full background and status, including details of any authorisation by a regulatory authority, professional body, investment exchange, clearing house etc.)

3. Is it intended that the insurer be an insurer in Class I, II or III for the purpose of the International Insurance Act?

If Yes,
What is the proposed class of the insurer?

_____ Class I
_____ Class II
_____ Class III

4. Proposed Insurance Manager

5. Proposed Registered Agent

6. Independent Custodian/Trustee

7. Other principal advisers

8. Class(es) of share/units to be issued

9. Professional Advisors (Accountants/Lawyers)

**[COMPLETE OTHER RELEVANT INFORMATION ON FORM ALI
 AS SPECIFIED BY COMMISSIONER]**

I request the consent of the Commissioner to register an insurer under the Act, such insurer being described in this application. If this is favourable, application will be made in due course for:-

Signed: _____
 (In BLOCK CAPITALS)

Address:

Telephone number: _____

Date: _____

**CONSENT GRANTED THIS _____ DAY OF _____ 20____. THIS
 CONSENT IS VOID IF AN APPLICATION FOR A LICENCE IS NOT MADE
 UNDER SECTION 15 OF THE ACT WITHIN THREE MONTHS OF THE DATE
 THIS CONSENT IS GRANTED. ANY MATERIAL CHANGE IN THE
 PARTICULARS SET OUT IN THIS APPLICATION MAY, IN THE DISCRETION
 OF THE INSURANCE COMMISSIONER, VOID THIS CONSENT.**

ANJOUAN'S INTERNATIONAL INSURANCE COMMISSIONER

**STATE OF ANJOUAN
INTERNATIONAL INSURANCE REGULATIONS 006A OF 2005**

PERSONAL QUESTIONNAIRE

**NAME OF INSTITUTION IN CONNECTION WITH
WHICH THIS FORM IS BEING COMPLETED
("THE INSTITUTION")**

NAME OF INDIVIDUAL

Completed Forms PQ, and supporting material, should be submitted to:-

COMMISSIONER OF INTERNATIONAL INSURANCE
OFFSHORE FINANCE AUTHORITY
ADMINISTRATIVE CENTER,
ANJOUAN

NOTES:

1. Meaning of Director, Controller, Manager and Promoter. For purposes of this Form:-

Director, in relation to an institution, includes:-

- (a) any person who occupies the position of a director, by whatever name called;
- (b) in case of an institution established in a country or territory outside Anjouan, any person, including a member of managing board, who occupies a position appearing to the Authority to be analogous to that of a director of a company; and
- (c) a person in accordance with whose directors or instructions the directors of the body corporate or any of them act.

Controller, in relation to an institution, means:-

- (a) a managing director of the institution or of another institution of which it is a subsidiary or, in the case of an institution which is a partnership, a partner;
- (b) a chief executive of the institution or of another institution of which it is a subsidiary;

- (c) a person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 15 percent or more of the voting power at any general meeting of the institution or of another institution of which it is a subsidiary; and
- (d) a person in accordance with whose directions or instructions the directors of the institution or of another institution of which it is a subsidiary or persons who are controllers of the institution by virtue of paragraph (c) above (or any of them) are accustomed to act (referred to as an “indirect controlled”).

Manager, in relation to an institution, means a person with managerial responsibilities (including an actuary or underwriter) who is directly responsible to a director.

Promoter means a person seeking to establish an insurance company under the Act.

2. Meaning of Related Party

Related party means both a person is a relative (or the spouse of a relative) of the individual completing the form and any institution or trust with which the individual or one of his relatives (or their spouses) is associated as a director, controller or manager (or in the case of a trust, as a trustee or beneficiary). For the purpose of this form, a “relative” is an individual’s husband, wife brother (including step-brother), sister (including step-sister), uncle, aunt, nephew, niece, first cousin, father (including step-father), mother (including step-mother), son (including step-son), daughter (including step-daughter) or other lineal ancestor or lineal descendent.

3. Meaning of Connected Body

If any body disclosed in question 5 is a connected body of the institution that fact should be indicated.

Connected Body means a body in whose case any of the following conditions is fulfilled:-

- (a) the same person is the controller of each body; or
 - (b) if a group of two or more persons are controllers of each body and the group either consists of the same persons or could be regarded as
-