

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE INSURANCE LAW (2007
REVISION); TO REPEAL AND REPLACE THE SCHEDULE; TO
VALIDATE THE COLLECTION OF CERTAIN FEES;
AND FOR INCIDENTAL AND CONNECTED PURPOSES**

THE INSURANCE (AMENDMENT) BILL, 2007

MEMORANDUM OF OBJECTS AND REASONS

The main object of the Bill is to repeal and replace the Schedule to the Insurance Law in order to restore that portion of the Schedule that was inadvertently omitted. Minor miscellaneous amendments to the Law would also be effected.

Additionally, the Bill would validate the collection of any annual licence fees that may have been paid in respect of those fees specified in the said omitted portion of the Schedule between 16th June, 2006 -the date of the omission- and the commencement of the Law for which this is the Bill.

THE INSURANCE (AMENDMENT) BILL, 2007

ARRANGEMENT OF CLAUSES

1. Short title.
2. Amendment of section 7 of the Insurance Law (2007 Revision).
3. Repeal and substitution of the Schedule.
4. Validation.

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A BILL FOR A LAW TO AMEND THE INSURANCE LAW (2007 REVISION) TO REPEAL AND REPLACE THE SCHEDULE; TO VALIDATE THE COLLECTION OF CERTAIN FEES; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the Insurance (Amendment) Law, 2007.

Amendment of section 7 of the Insurance Law (2007 Revision) – general requirements for licensed insurers

2. The Insurance Law (2007 Revision), in this Law referred to as the “principal Law”, is amended in section 7 as follows:

- (a) in subsection (1)(a)-
 - (i) by deleting the word “retail”;
 - (ii) by inserting after the words “which shall” the words “, unless otherwise permitted by the Authority,”; and
 - (iii) by adding after subparagraph (iii) the following:
 - “(iv) unexpired risk reserve; and”;
- (b) in subsection (1)(b)(i) by deleting the word “obligations,” and substituting the words “obligations to policyholders”;
- (c) in subsection (2) by deleting the words “14th November, 2007” and substituting the words “31st May, 2008”.

Repeal and substitution of the Schedule

3. The principal Law is amended by repealing the Schedule and substituting the following:

“SCHEDULE

SCALE OF ANNUAL LICENCE FEES

(Section 4(12))

Class ‘A’ (Locally incorporated)	\$30,000
Class ‘A’ (Approved external insurer)	\$40,000
Class ‘B’ (Unrestricted)	\$7,500
Class ‘B’ (Restricted)	\$7,500
Insurance agent	\$400
Insurance broker	\$4,500
Insurance sub-agent	\$120
Insurance manager	
acting for not more than 10 licensed insurers	\$15,000
acting for 11 to 50 licensed insurers	\$20,000
acting for 51 to 100 licensed insurers	\$25,000
acting for more than 100 licensed insurers	\$30,000
Principal representative (insurance) - for each insurer represented (but subject to a maximum of \$25,000):	\$1,500

Provided that-

- (a) the amount of any licence fee hereinbefore prescribed to be paid by the holder of a Class ‘A’ or Class ‘B’ licence shall be reduced by one half if the Authority is satisfied that such holder has, prior to the date on which such fee becomes payable, ceased carrying on any insurance business other than that necessary to enable the performance of obligations of such holder under contracts of insurance in force at such date;

- (b) the amount by which the annual fee is reduced under paragraph (a) shall immediately become due and payable if the holder of the relevant licence effects any new contracts of insurance during the year to which such fee relates; and
- (c) where a person applies for the grant of a Class 'B' licence and the licence is granted in the month of December, the licence fee payable shall be one-twelfth of the annual licence fee hereinbefore prescribed:

And provided further that the Governor may, from time to time, waive or reduce any or all of the said licence fees in relation to any person or group of persons in Cayman Brac or Little Cayman.

Validation

4. The collection of annual insurance licence fees purportedly done between 16th June, 2006 and the date of the commencement of this Law in exercise of the powers conferred by the Insurance Law (2004 Revision) is validated and is to be taken to have been lawfully collected.

Passed by the Legislative Assembly the day of , 2007.

Speaker.

Clerk of the Legislative Assembly.