

CHAPTER 217

INSURANCE

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CHAPTER 217

INSURANCE

Act No. 36 of 1976

AN ACT TO REGULATE THE BUSINESS OF INSURANCE AND
FOR PURPOSES INCIDENTAL THERETO

[1st January 1977]

PART I—PRELIMINARY

Short title

1. This Act may be cited as the Insurance Act.

Interpretation

2. In this Act, unless the context otherwise requires—
“actuary” means—

(a) a fellow of the Institute of Actuaries of England or of the Faculty of Actuaries of Scotland; or

- (b) such other person having actuarial knowledge as the Commissioner may, on the application of an insurer, approve;
- “agent” means a person who acts as an intermediary between an insurer and a proposer or an insured for or in expectation of payment by way of commission, allowance, return or other remuneration for channeling, soliciting or procuring insurance business;
- “appointed date” means the date notified by the Minister* for the coming into force of this Act;
- “auditor” means a person who is qualified to be appointed as auditor of a company under section 133 of the Companies Act; (Cap. 247.)
- “bond investment business” means the business of insuring bonds or endorsement certificates by which the company in return for subscriptions payable at periodic intervals of less than six months, contracts to pay the bond holder a sum at a future date not being life insurance business or sinking fund or capital redemption insurance business;
- “broker” means a person who exercises professional skill and is concerned with the placing of insurance business for or in expectation of payment by way of commission, fee, allowance, return or otherwise;
- “certified” means certified by an agent, broker or by a duly authorized principal officer of an insurer to be true and correct, a true copy or a correct translation (as the case may be), by endorsement on or attachment to the document to be certified;
- “chairman” means the person for the time being presiding over the board of directors or the governing body of an insurer;
- “Commissioner” means the Commissioner of Insurance appointed under section 3;
- “director” means any person occupying the position of a director of a company, by whatever name he may be called;
- “employers’ liability insurance business” means the business of or the undertaking of liability under policies insuring employers against liability to pay compensation or damages to workmen in their employment;
- “Fiji business” means insurance business commenced, transacted or carried on by an insurer in respect of any person, human life, property or interest in Fiji and includes insurance business in respect of any vessel or aircraft registered or ordinarily located in Fiji;
- “fire insurance business” means the business of effecting, otherwise than incidentally to some other class of insurance business, contracts of insurance against loss by or incidental to fire or other occurrence customarily included among the risks insured against in policies of fire insurance;
- “general insurance business” means fire, marine, motor vehicle or miscellaneous insurance business whether carried on singly or in combination with one or more of them;
- “gross premium” means the premium before deduction therefrom of any premium paid or payable by the insurer for re-insurance;

*1st January 1977.

"industrial life insurance business" means the issue of or the undertaking of liability under policies of insurance upon human life or the granting of annuities upon human life where the insurer expressly or tacitly undertakes to send a person to the policy holder or to his residence or place of work to collect the premium, and where premiums are payable on a weekly basis, and where the sum insured, or the amount of the annuity per annum, does not exceed such sum as may be notified in the Gazette by the Minister;*

"insurance business" means—

(a) the business of undertaking liability by way of insurance (including reinsurance) in respect of lives, or any loss or damage, including liability to pay damages or compensation contingent upon the happening of a specified event;

(b) business relating to the continuance, renewal or revival of the business referred to in paragraph (a), and includes business incidental thereto;

"insurer" means any person who commences, transacts or carries on insurance business;

"Lloyds underwriter" means an underwriting member of the Society incorporated by the Imperial Act known as Lloyds Act 1871;

"long term insurance business" includes insurance business of all or any of the following classes, namely, ordinary life insurance business, industrial life insurance business and bond investment business and includes in relation to any insurer, business carried on by the insurer as incidental to any such class of business;

"long term insurance fund" means the long term insurance fund referred to in subsection (3) of section 35;

"marine insurance business" means the business of effecting and carrying out, otherwise than incidentally to some other class of insurance business, contracts of insurance—

(a) upon vessels or machinery, tackle or furniture or equipment on, in or upon vessels;

(b) upon goods, merchandise or property of any description whatever on board vessels;

(c) upon the freight of or any other interest in or relating to vessels;

(d) against damage arising out of or in connection with the use of vessels including third party risks;

(e) against transit risks (whether the transit is by sea, inland water, land, air or partly by one and partly by another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance but not including risks the insurance of which is motor vehicle insurance business; or

(f) against any of the risks the insurance of which is customarily undertaken in conjunction with or incidental to, any such business as is referred to in the foregoing paragraphs;

*\$1,000 notified 8th December 1976.

- “miscellaneous insurance business” means any insurance business other than business which is principally or wholly employers’ liability insurance business, fire insurance business, long term insurance business, marine insurance business and motor vehicle insurance business;
- “motor vehicle insurance business” means the business of effecting contracts of insurance against loss of or damage to or arising out of or in connection with the use of motor vehicles including third party risks;
- “mutual association” means an incorporated association of persons which is so constituted that the whole of the divisible surplus or profit thereof must, whenever determined or declared, be apportioned or declared or applied for the benefit of the association’s policy holders, or such of them as are entitled in accordance with the terms of the policies or any instruments governing the constitution of the association to participate in the profits of the association;
- “net premium” means the balance of the premium after deduction therefrom of any premium paid or payable by the insurer for re-insurance;
- “ordinary life insurance business” means the issue of or the undertaking of liability under policies of insurance upon human life or the granting of annuities upon human life, but excludes industrial life insurance business;
- “Permanent Secretary” means the Permanent Secretary responsible for finance;
- “policy”—
- (a) in relation to ordinary life insurance business or industrial life insurance business, includes an instrument evidencing a contract to pay an annuity upon human life; and
 - (b) in relation to other classes of business, includes any instrument under which there is for the time being an existing liability already accrued or under which any liability may accrue;
- “policy holder” means the person who for the time being is the legal holder of the policy for securing the contract with the insurer and in relation to ordinary life insurance business or industrial life insurance business includes an annuitant and in relation to other classes of business includes a person to whom under any policy any sum is due or a weekly or other periodic payment is payable;
- “principal officer” means a managing director, manager or secretary, resident in Fiji, of an insurer, or such other person resident in Fiji as may be approved by the Commissioner.

PART II—THE COMMISSIONER OF INSURANCE

Commissioner of Insurance

3. The Public Service Commission may appoint a person to be called Commissioner of Insurance who shall administer this Act and perform all the functions assigned to him by or under this Act.

Disqualification

4.—(1) A person who is or becomes a director, employee or shareholder of an insurer commencing, transacting or carrying on insurance business in Fiji, shall be disqualified from being appointed, or continuing, as the Commissioner.

(2) The Commissioner shall, on his appointment or on their subsequent acquisition, give written notice to the Public Service Commission of all direct and indirect pecuniary interests in Fiji or elsewhere that he and his spouse and dependant children may have, or may acquire, in any insurance business.

Functions

5. The functions of the Commissioner shall include the following:—

- (a) the formulation of standards in the conduct of the business of insurance with which insurers, agents and brokers must comply;
- (b) advising the Minister with regard to all matters concerning insurance business;
- (c) the recommendation to the Minister of regulations for the carrying out of Government policies relating to insurance;
- (d) the approval of standard terms and conditions contained in policies of insurance;
- (e) the superintendence of the conduct of agents, brokers and agencies concerned with the handling of insurance business and insurance claims;
- (f) the determination, with the prior approval of the Minister, of the rates of insurance in respect of any class or classes of insurance;
- (g) to caution or prohibit insurers generally or any insurer in particular against entering into any particular transaction or class of transactions and generally give advice to any insurer; and
- (h) such other functions as the Minister may assign in the public interest.

Information

6.—(1) The Commissioner may, by notice in writing, require any person to supply him with any information, or produce for his inspection any document, relating to his insurance affairs and such person shall comply with such requirement by such date or within such period as may be specified therein.

(2) Any person who fails to comply with a notice issued under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars, and if the offence is a continuing one, to a further fine not exceeding fifty dollars for every day after the first during which the offence has continued.

Directions

7.—(1) Where the Commissioner is satisfied that—

- (a) to prevent the affairs of any insurer, agent or broker being conducted in a manner which is detrimental or prejudicial to the interests of the insurer, agent, broker, any policy-holder or the insurance industry;
- (b) generally to secure the proper management of the affairs of any insurer, agent or broker;
- (c) otherwise in the public interest,

it is necessary to issue directions to insurers, agents or brokers generally or to any particular insurer, agent or broker, he may make such directions as he considers

necessary to be effective from a specified date and all or any of such insurers, agents or brokers shall thereupon comply with such directions:

Provided that no such directions shall be issued to any such particular insurer, agent or broker without giving a reasonable opportunity to such person of making representations to the Commissioner.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Commissioner—

(a) if he considers that the terms or conditions of any re-insurance treaty or other re-insurance contract entered into by an insurer are not favourable to the insurer or are not in the public interest, may, in writing direct the insurer either to make, at the time when the renewal of such treaty or contract next becomes due, such modification in its terms and conditions as he may specify or not to renew such treaty or contract;

(b) if he has reason to believe that an insurer is entering into or is likely to enter into a re-insurance treaty or other re-insurance contract which he considers is not favourable to the insurer or is not in the public interest, may, in writing, direct that the insurer shall not enter into such re-insurance treaty or other re-insurance contract unless a copy of such treaty or contract has been furnished to him in advance and the terms and conditions thereof have been approved by him in writing;

(c) shall take such action as he shall be directed in writing by the Minister for protecting policy holders or the public if the Minister considers that an insurer may be unable to meet its obligations or to fulfil the reasonable expectations of policy holders.

(3) The Commissioner shall not directly or indirectly reveal to any person (other than the Minister, the Permanent Secretary and any member of the Commissioner's staff) the nature or contents of, or permit any person to have access to, any re-insurance treaty or re-insurance contract or any copy thereof.

(4) Any person who fails to comply with a direction issued under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars; and, if the offence is a continuing one, to a further fine not exceeding fifty dollars for every day after the first during which the offence has continued.

Examination

8.—(1) The Commissioner may—

(a) by notice in writing, require any insurer, agent or broker to produce for his examination, and to supply him with a certified copy of any document connected with his business;

(b) examine on oath any director or employee of an insurer, and any agent or broker or any employee of such broker or agent in relation to any such document, and may administer an oath accordingly.

(2) Any person who fails or refuses to produce any document or any certified copy of a document or to answer any question in relation to any such documents under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars.

Document not to be destroyed etc.

9.—(1) Any person who has been required under paragraph (a) of subsection (1) of section 8 to produce any document for the examination of the Commissioner shall not destroy, damage, remove or otherwise deal with the same without the written consent of the Commissioner.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and liable on conviction to a fine not exceeding one thousand dollars.

Investigation

10.—(1) Where the Commissioner—

(a) has reason to believe—

- (i) that an insurer is unable to meet its obligations or has made default in complying with any of the provisions of this Act;
- (ii) that an offence under this Act has been or is likely to be committed by an insurer or any person; or
- (iii) that the interests of the policy holders of an insurer are otherwise in danger;

(b) receives a requisition signed by not less than twenty-five persons holding policies of life insurance in force respectively for not less than three years with an insurer and which on maturity will be for a total value of not less than fifty thousand dollars, that an investigation be held into the affairs of that insurer; or

(c) receives a requisition signed by not less than one-tenth of the shareholders holding not less than one-tenth of the issued share capital of an insurer, that an investigation be held into its affairs he may, after consultation with the Minister, and after giving the insurer a reasonable opportunity of making representations, investigate or order an investigation by any person, other than a person in the employ of the insurer, into the affairs of the insurer:

Provided that—

- (i) any requisition made under paragraphs (b) and (c) shall be supported by an affidavit made by the persons signing the requisition;
- (ii) the Commissioner may engage such person, other than a person in the employ of the insurer, as he considers necessary to assist him in such investigation.

(2) Where the Commissioner receives a written direction from the Minister to investigate the affairs of any insurer he shall carry out such investigation, and shall make a report thereon in writing to the Minister:

Provided that the Commissioner may engage such person, other than a person in the employ of the insurer, as he considers necessary to assist him in such investigation.

(3) The Commissioner may, before ordering an investigation upon a requisition made under paragraphs (b) and (c) of subsection (1) require the persons making the requisition to furnish security in such amount as he considers sufficient to meet the costs to be incurred by the insurer and by the Commissioner in respect of the investigation.

(4) A report on an investigation made under subsection (1) shall be made in writing to the Commissioner who may, if he thinks it appropriate, send copies of

the same to the insurer and to the persons signing the requisition for such investigation.

(5) The Commissioner may, by notice in writing, require an insurer to comply by such date or within such period as may be specified therein, with such directions as he considers necessary in connection with any matter arising out of a report made under subsection (1).

(6) If, as a result of a report on an investigation made under subsections (1) or (2), the Commissioner considers that it is necessary in the interests of the policyholders that the insurer be wound up, or if the insurer fails to comply with any directions issued under subsection (5), the Commissioner may, after giving the insurer a reasonable opportunity of making representations apply to the Supreme Court for an order for the winding up of the insurer, in which case the provisions of the Companies Act relating to the winding up of a company (as varied by Part VII of this Act) shall apply. (Cap.247)

(7) Where, after reading a report made under this section, the Commissioner considers that a requisition under paragraphs (b) and (c) of subsection (1) has been made without reasonable cause, he may order that the whole or any part of the amount furnished as security under subsection (3) shall be forfeited and paid to the insurer and the Commissioner in order to defray the respective costs incurred by them.

(8) When an investigation is made under subsections (1) or (2) of this section, subsection (3), (4) and (5) of section 136 of the Companies Act shall apply as they apply to an investigation made under that section, and all expenses of and incidental to such investigation shall be defrayed by the insurer and shall have priority over the other debts due from the insurer. (Cap. 247)

PART III—REGISTRATION OF INSURERS

Only body corporate to carry on insurance business

11.—(1) Save as otherwise provided in this Act, only a person who is a body corporate complying with the provisions of section 13 and is registered by the Commissioner shall on or after the appointed date commence, transact or carry on any insurance business other than reinsurance business—

(a) in Fiji, whether in respect of Fiji business or otherwise, or

(b) outside Fiji, in respect of Fiji business,

and any person not registered who commences, transacts or carries on any insurance business shall be guilty of an offence and shall be liable on conviction to a fine of one thousand dollars; and if the offence is a continuing one, to a further fine of five hundred dollars for every day after the first during which the offence has continued:

Provided that the Commissioner may register a Lloyds underwriter under this section on such terms and conditions as he considers necessary, in which case all the provisions of this Act shall *mutatis mutandis* apply to him as they apply to a body corporate except in so far as the Minister shall in writing exempt him from compliance with any provision (except the provisions of this section) thereof.

(2) Any person who, without the written permission of the Commissioner, directly or indirectly transacts any Fiji business with or through any insurer, agent or broker, in Fiji or abroad, not registered under this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five hundred dollars. For the purpose of this subsection "insurer" does not include a re-insurer.

(3) An insurer being an authorized insurer within the meaning of the Assurance Companies Ordinance (repealed by this Act) immediately before the appointed date may within four months after that date apply for registration under this Act, in which case the restriction in subsection (1) shall not apply unless the insurer has been notified in writing of the Commissioner's refusal to register. Any such insurer who does not so apply shall be subject to the restriction in subsection (1). *(Cap. 188) (1967 Edition)*

(4) Any policy or contract of insurance effected or renewed by an insurer referred to in subsection (3)—

(a) in the case of an insurer who applies for registration, at any time on or before the date of the receipt of the Commissioner's refusal to register; or

(b) in the case of an insurer who does not apply for registration, on or before the expiration of four months immediately after the appointed date,

shall not be invalid solely on the grounds of such refusal or failure to apply:

Provided that nothing in this Act shall be deemed to prohibit or otherwise render unlawful the continuance of insurance business in Fiji by that insurer in so far as it is necessary to maintain without renewal such policy or contract of insurance. So long as any liability upon such policy or contract of insurance remains unpaid or undischarged this Act shall apply to such insurer unless the Commissioner specifically grants exemption therefrom or from any provision thereof.

(5) For the avoidance of doubt, it is hereby declared that the continued payment of a premium in respect of any policy relating to long term insurance business shall not constitute a renewal of that policy for the purpose of this section.

Notification of insurers in Gazette

12. The Commissioner shall notify in the Gazette within one year of the appointed date or as soon as practicable thereafter, and at intervals of not more than every two years thereafter, a list of insurers registered under this Act.

Qualifications

13. No body corporate shall apply to be registered under this Act unless—

(a) (i) it has been incorporated in Fiji under the Companies Act, is not a private company as defined in section 27 of that Act, and (not being a mutual association) has a paid-up capital of not less than such sum as may be prescribed:

Provided that the Minister may, on such terms and conditions as he shall consider appropriate, exempt a body corporate incorporated in Fiji under the Companies Act prior to the appointed date from any provision of this sub-paragraph for a period not exceeding two years from that date; or *(Cap. 247)*

(ii) it has been registered under Part XII of the Companies Act, is not of the nature of a private company mentioned in sub-paragraph (i) and (not being a mutual association) has at the date of registration a paid-up capital equivalent in Fiji currency of not less than such sum as may be prescribed; and

(b) being a mutual association (wheresoever incorporated), it has assets in Fiji the value of which is not less than such sum as may be prescribed

and which exceeds the amount of its net liabilities by not less than the prescribed amount.

Application

14.—(1) Every application for registration under section 11 shall be in the prescribed form and shall be accompanied by the prescribed fee.

(2) The Commissioner may in writing require an applicant under this section to furnish him with such written information as he may require relating to the applicant or his insurance business, and the Commissioner shall not proceed with the application until such information has been furnished to him.

(3) An applicant who makes a false statement in an application for registration, or in written information furnished under subsection (2), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars.

Registration

15.—Where the Commissioner is satisfied that—

- (a) the volume of business which is likely to be available to, and the earning prospects of, an applicant are adequate;
- (b) the class of insurance business in respect of which the application is made will be conducted in accordance with sound business principles;
- (c) the financial standing and the general character of management of the applicant are sound;
- (d) the margin of solvency is adequate;
- (e) the reinsurance arrangements of the applicants are adequate and otherwise satisfactory;
- (f) it is otherwise in the public interest that the applicant should be registered in respect of the class or classes of insurance business specified in the application,

he may, subject to such terms and conditions as he may consider necessary, register the applicant in respect of such class of insurance business as he shall direct:

Provided that the Commissioner shall not register any applicant if he is directed in writing by the Minister that such applicant should not be registered in the national interest.

Name of insurer

16. If the name of an insurer who has been registered is identical to a name by which another insurer has already been registered, or so nearly resembles it so as to be calculated to deceive, the second registered insurer shall, if directed in writing to do so by the Commissioner and subject to the Companies Act, change its name within a time to be specified in such direction. (Cap. 247)

Issue of certificate

17.—(1) Upon the registration of an insurer, the Commissioner shall issue to it a certificate of registration which shall be kept at all times at the insurer's principal place of business in Fiji and shall be produced at any time to the Commissioner, or any person authorized by him, for inspection.

(2) The Commissioner may, on payment of the prescribed fee, issue a duplicate certificate to replace a certificate which has been lost, destroyed or damaged or in any case where he considers it to be necessary.

Renewal

18.—(1) Subject to the other provisions of this Act, the registration of an insurer shall expire on the 31st day of December of the year in respect of which it is issued.

(2) An application for the renewal of registration shall be made in writing to the Commissioner on or before the 30th day of September of the preceding year and shall be accompanied by the prescribed fee:

Provided that the Commissioner may extend the time for making an application on payment of such penalty not exceeding the prescribed fee as he may require.

Alterations in particulars

19. Whenever after registration of an insurer any circumstances arise which affect the contents of any document or information furnished under section 14, the insurer shall forthwith furnish to the Commissioner full details of such circumstances.

Reciprocal Disabilities

20. Where by the law or practice of any other country in which an insurer is incorporated, an insurer incorporated in Fiji is prohibited from carrying on insurance business, or is required as a condition of carrying on insurance business in that country to comply with any special requirement which is not imposed by this Act on an insurer incorporated in that other country and commencing transacting or carrying on insurance business in Fiji, the Minister may, by notification published in the Gazette direct that the same or a similar prohibition or requirement shall be imposed upon an insurer incorporated in that other country, either—

- (a) as a condition of commencing, transacting or carrying on insurance business in Fiji; or
- (b) as a condition of entering into any new contract of long term insurance business in Fiji.

Refusal to register or renew

21. Where the Commissioner refuses registration of an applicant or the renewal of a registration, he shall record the reasons for such decision and shall furnish a copy thereof to the applicant.

Cancellation

22.—(1) The Commissioner, after giving an insurer a reasonable opportunity of making representations, may by notice in writing cancel the registration of such insurer, either totally or in respect of any particular class of insurance, as the case may be—

- (i) if the insurer fails to comply with or acts in contravention of this Act, other than a default mentioned in paragraph (vii) or (viii);
- (ii) if the Commissioner has reason to believe that any amount due by the insurer under a judgment entered in an action in Fiji arising out of any policy of insurance issued by the insurer has remained unpaid for three months after the date of the final adjudication in such action;
- (iii) if the insurer carries on any business other than insurance business;

- (iv) if the Commissioner is satisfied that the class of business of the insurer is not being conducted in accordance with sound insurance principles;
 - (v) where, having regard to the financial aspect and volume of business transacted by an insurer, the Commissioner is of the opinion that such insurer cannot carry on the class of insurance business in a satisfactory and efficient manner;
 - (vi) if the insurer has ceased to carry on insurance business in Fiji;
 - (vii) if the insurer is in liquidation or if at any time the margin of solvency prescribed by section 31 is not maintained;
 - (viii) if the insurer fails to comply with the provisions of Part IV relating to deposits or if the deposit made under that Part has been returned to the insurer as hereinafter provided;
 - (ix) if the insurance business of the insurer has been transferred to any other person or amalgamated with the business of or wholly re-insured with any other person;
 - (x) where the Commissioner considers it is otherwise in the public interest.
- (2) Where in any case referred to in subparagraphs (viii) or (ix) of subsection (1), the default or the return of the deposit, or the transfer amalgamation or re-insurance relates only to one or more, but not all, of the classes of insurance business carried on by the insurer, the Commissioner may, upon the cancellation of the registration of the insurer re-register the insurer in respect of any class of insurance business and issue a new certificate in respect of that class of insurance business in accordance with section 15.

Further provisions regarding cancellation

23. The Commissioner may by notice in writing cancel the registration of an insurer, either totally or in respect of any particular class of business, if the insurer requests in writing the cancellation of the registration.

Prohibition after cancellation

24. Notwithstanding the provisions of sections 21 and 22 the Minister may in writing permit an insurer whose registration has been cancelled to continue insurance business in Fiji for such period as he shall specify under the supervision of a person appointed by the Minister in so far as the Minister considers that the continuance of such business is necessary for the maintenance of any policy or contract of insurance.

Alteration

25. In any case where, in accordance with the provisions of this Act, a registered insurer either ceases to transact or carry on insurance business of any class, or gives notice in writing to the Commissioner that he wishes to commence, transact or carry on insurance business of any other class not previously undertaken, the Commissioner may—

- (a) alter the certificate of registration issued to such insurer; or
- (b) cancel such certificate and issue a new certificate of registration, as the circumstances of the case may require:

Provided that such insurer shall not thereby be permitted to commence, transact or carry on any new class of insurance business unless—

- (i) an application has been made under section 14 to the Commissioner relating to the new class of insurance business and the prescribed fee for registration in respect thereof has been paid; and
- (ii) the deposit required by section 26 in respect of the new class of insurance business has been made by the insurer and a certificate to that effect has been issued by the Permanent Secretary.

PART IV—DEPOSITS, CAPITAL REQUIREMENTS, MARGIN OF SOLVENCY AND INVESTMENTS

Deposit

26.—(1) An insurer applying for registration under this Act shall deposit with the Permanent Secretary the prescribed sum or prescribed security in respect of each class of insurance business proposed to be commenced, transacted or carried on in Fiji by the insurer, which sum or security shall be returned if the insurer's application is not approved by the Commissioner.

(2) A deposit made under this Act shall consist of cash or of any Fiji Government security and the value of any such security for the purposes of this Act shall be deemed to be the market value at the date when the deposit is made.

(3) A deposit made under this Act shall be held by the Permanent Secretary on behalf of the insurer, and any interest accrued due and collected by the Permanent Secretary on any deposit shall be paid to the insurer.

(4) An insurer may at any time, with the written consent of the Permanent Secretary, substitute for any deposited security any other Fiji government security having not less than equal value according to the market value at the date of such consent.

(5) The Permanent Secretary shall, on the written application of an insurer, invest in Fiji Government securities the whole or any part of the cash received by him on the redemption of any deposited security.

(6) An insurer may require the Permanent Secretary to sell any deposited security and to invest the net proceeds of sale in such Fiji Government security as the insurer may direct, and such new security and any uninvested proceeds of sale shall be deemed to form part of the deposit.

Reservation of deposit

27. A deposit made by an insurer under this Act shall be deemed to be part of the assets of the insurer, but shall not—

- (a) be capable of being transferred, assigned, or encumbered with any mortgage or other charge, by the insurer
- (b) subject to section 35, be available for the discharge of any liability of the insurer other than—
 - (i) a liability arising out of a policy of long term insurance issued by the insurer in Fiji; or
 - (ii) such other liability in Fiji arising out of a policy of insurance (other than a policy of long term insurance) issued by the insurer as may be approved by the Permanent Secretary on the recommendation of the Commissioner;
- (c) subject to section 35, be liable to attachment in execution of any judgment except a judgment obtained by a policy holder of the

insurer in respect of a debt due upon a policy issued in Fiji and which debt the policy holder has been unable to recover in any other way.

Return of deposit

28. Where the Commissioner is satisfied that an insurer has ceased to transact or carry on in Fiji any class of insurance business in respect of which it has been registered and that its liability in Fiji in respect of such business has been satisfied or is otherwise provided for, the Permanent Secretary shall on the application of an insurer and on the recommendation of the Commissioner, return to the insurer such part of the deposit as, in the opinion of the Commissioner, is not required in respect of any other class of insurance carried on by the insurer:

Provided that no such recommendation shall be made in relation to any class of insurance business until after the expiration of three years from the date when the last policy of insurance of that class was issued.

Increase of deposit

29.—(1) Where upon examination of a return of reinsurance document furnished by an insurer it appears to the Commissioner that a deposit made under section 26, or the value of the insurer's assets in Fiji, is disproportionately low in relation to the amount of insurance business transacted by that insurer in Fiji, the Commissioner may, after giving the insurer a reasonable opportunity of making representations, require the insurer to make an additional deposit of such sum as he shall specify:

Provided that if the Commissioner is satisfied that the assets in Fiji of an insurer are adequate to meet any outstanding claims and unexpired risks in Fiji in respect of its insurance business, the total of any additional deposit and the deposit made under section 26 shall be limited to a prescribed percentage of the gross premia paid in Fiji in respect of the policies of insurance issued in Fiji in the financial year of the insurer immediately preceding the year in which the additional deposit is required to be made.

(2) Any additional deposit required to be made under subsection (1) shall be deemed to be a deposit made under subsection (1) of section 26.

Capital requirements

30.—(1) No insurer incorporated in Fiji shall commence, transact or carry on insurance business unless it maintains in Fiji—

- (a) where the insurer is a mutual association, a surplus of assets over net liabilities of not less than the prescribed amount;
- (b) where the insurer is not a mutual association, a paid-up capital of not less than the prescribed amount.

(2) No insurer incorporated outside Fiji shall commence, transact or carry on insurance business in Fiji unless it maintains—

- (a) where the insurer is a mutual association, a surplus of assets over net liabilities of not less than the prescribed amount;
- (b) where the insurer is not a mutual association, a paid-up capital of not less than the prescribed amount.

Margin of solvency

31.—(1) An insurer transacting or carrying on life insurance business shall not permit the net liability under life policies to exceed the prescribed amount.

(2) An insurer transacting or carrying on business other than life insurance business shall have assets in Fiji which exceed its liabilities by the prescribed amount.

(3) For the purposes of this Act—

- (a) in computing the amount of the assets of an insurer, no account shall be taken of any uncalled capital or intangible asset;
- (b) the value of the assets shall be computed at their market value or realisable value;
- (c) in computing the amount of the liabilities of an insurer, all contingent and prospective liabilities (other than liability in respect of share capital) shall be taken into account.

Ordinary life insurer not to transact other business

32. No insurer carrying on ordinary life insurance business shall be entitled to be registered for any further class of insurance business unless the Commissioner is satisfied that the assets in Fiji of the ordinary life fund of the insurer are adequate to meet all the liabilities of the insurer on policies of ordinary life insurance maturing in due course for payment.

Assets to be in name of insurer

33. None of the assets in Fiji of any insurer shall be kept otherwise than in the name of the insurer.

Investment of funds

34.—(1) The long term insurance fund of an insurer transacting or carrying on long term insurance business shall be invested—

- (a) as regards a prescribed percentage, in Fiji Government securities;
- (b) as regards the remainder, in such classes of investments in Fiji as may be prescribed.

(2) The net premium income of an insurer transacting or carrying on any class of insurance business other than long term insurance business shall be invested—

- (a) as regards a prescribed percentage, in Fiji Government securities;
- (b) as regards a prescribed percentage of the remainder, in such classes of investments in Fiji as may be prescribed.

(3) An insurer shall, in addition to the investments required by subsections (1) and (2), invest a prescribed percentage of the income from all other sources including investments (whether prescribed by those subsections or not) in such investments as may be prescribed.

PART V—ACCOUNTS, RECORDS, RETURNS & REPORTS

Separation of accounts and assets

35.—(1) An insurer transacting or carrying on more, than one of the following classes of insurance business—

- (i) employers liability insurance business;
- (ii) fire insurance business;
- (iii) long term insurance business;
- (iv) marine insurance business;
- (v) miscellaneous insurance business; or
- (vi) motor insurance business

shall keep separate accounts of all receipts and payments in respect of each such class of insurance business.

(2) The Commissioner may require an insurer transacting or carrying on any of the classes of insurance business specified in subsection (1) to keep separate accounts of all receipts and payments in respect of each sub-class of such insurance business.

(3) Where an insurer transacts or carries on long term insurance business, all moneys received in respect of each sub-class thereof shall be paid into an appropriately named sub-fund, the sub-fund to be collectively called the long term insurance fund, and the assets of each such sub-fund shall after the expiry of six months from the appointed date be kept separate from all other assets of the insurer and of the other sub-funds. A deposit made by an insurer under section 26 in respect of long term insurance business shall for the purposes of this Act be deemed to form part of the assets of the long term insurance fund. Every insurer shall, within six months after the end of every calendar year, furnish to the Commissioner a detailed statement of the assets and liabilities comprising the long term insurance fund as at the end of that year, including any deduction on account of general reserves and other liabilities relating to its long term insurance business duly certified by an auditor:

Provided that—

- (a) a statement furnished under this subsection shall, in the case of an insurer to whom section 36 applies, be incorporated in the balance sheet mentioned in paragraph (a) of that section;
 - (b) the Commissioner may require production of a statement, duly certified by an auditor, of such assets of an insurer as at any other date specified by the Commissioner in writing to be furnished within a period of three months from the date when the statement was required to be produced;
 - (c) except in the case of long term insurance business, nothing in this subsection shall require moneys belonging to one class of insurance business to be invested separately from moneys belonging to any other class of insurance business.
- (4) The long term insurance fund of an insurer shall not be liable or chargeable for or in respect of any contract or transaction of the insurer other than that of long term insurance business and shall not be applied directly or indirectly for any other purpose whatsoever.
- (5) The application of the assets of an insurer transacting or carrying on long term insurance business, and the allocations to policy-holders of any surplus of assets of the long term insurance fund over the liabilities as shown by an investigation under subsection (1) of section 38, shall be in accordance with the prescribed directions.

Accounts and balance sheet

36. An insurer incorporated in Fiji in respect of all insurance business wheresoever commenced, transacted or carried on, and in the case of any other insurer in respect of insurance business wheresoever commenced, transacted or carried on which constitute or constituted a liability on its insurance business in Fiji, shall at the expiration of each calendar year prepare with reference to that year—

- (a) a balance sheet;

- (b) a profit and loss account and a profit and loss appropriation account, and
- (c) in respect of each class or sub-class of insurance business for which the insurer is required by section 35 to keep a separate account of receipts and payments, a revenue account,
- in accordance with the prescribed directions and in the prescribed forms.

Audit

37.—(1) The balance sheet, profit and loss account, profit and loss appropriation account, and revenue account prepared under section 36 shall be audited by an auditor.

(2) For the purposes of an audit under this section, an auditor shall have the same functions as an auditor of a company under section 134 of the Companies Act.

(Cap. 247.)

Actuarial report and abstracts

38.—(1) An insurer shall in respect of long term insurance business commenced, transacted or carried on in Fiji cause an investigation to be made by an actuary at least once in every three years in to the financial affairs of such business (including a valuation of liabilities in respect of that business) and shall cause an abstract to be made in accordance with the prescribed directions:

Provided that where the Commissioner is not satisfied that such an investigation has been made within two years prior to the appointed date, an investigation shall be made not later than one year after the appointed date.

(2) The provisions of subsection (1) regarding the making of an abstract shall apply to an actuarial investigation into the financial affairs of an insurer transacting or carrying on long term insurance business with a view to the declaration or distribution of any surplus or to an actuarial investigation the results of which are made public.

(3) There shall be appended to an abstract required by subsections (1) or (2) a certificate signed by a principal officer of the insurer that full and accurate particulars of every policy under which there is a liability (either existing or contingent) have been furnished to the actuary for the purpose of the investigation.

(4) There shall be appended to an abstract required by subsections (1) and (2) a statement in the prescribed form of the long term insurance business subsisting at the date to which the accounts of the insurer are made up for the purposes of such abstract.

(5) Where an actuarial investigation into the financial affairs of an insurer is made under this section at a date other than the last day of the year of account, the accounts for the period since the close of the preceding year of account, and the balance sheet as at the date at which the investigation is made, shall be prepared and audited in the manner provided for in this Act or prescribed thereunder.

(6) Where an insurer transacting or carrying on insurance business (whether long term insurance business or otherwise) in Fiji is incorporated by or under the law of another country and the insurer is required by the law of that country to prepare and furnish to a public authority documents which in the opinion of the Commissioner are of substantially the same nature as the documents required to be furnished under this section, the insurer shall, within the time specified in section 39, and in addition to the requirements of this section, furnish to the Commissioner

four certified copies of every abstract, statement, account and return supplied to such public authority.

(7) The provisions of this section relating to long term insurance business shall also apply to any class or sub-class of insurance business referred to in subsections (1) and (2) of section 35, and the Commissioner may authorize such modifications and variations of the prescribed requirements as may be necessary to facilitate their application to any such class or sub-class:

Provided that if the Commissioner is satisfied that the number and amount of the transactions carried out by an insurer in any such class or sub-class is so small as to render periodic investigation and valuation unnecessary, he may exempt that insurer from the operation of this subsection in respect of that class or sub-class.

Submission of returns

39.—(1) Four copies of every account, balance sheet, abstract or statement required to be made by the foregoing provisions of this Act, two of which shall be signed by two directors and a principal officer of the insurer, and by the auditor who made the audit or the actuary who made the valuation (as the case may be), shall be deposited with the Commissioner within four months after the end of the period to which they relate:

Provided that the Commissioner may extend the period allowed for depositing such documents by a period not exceeding two months.

(2) Where an insurer transacting or carrying on insurance business in Fiji is incorporated by or under the law of another country and subsection (6) of section 38 does not apply, it shall forward to the Commissioner, in addition to the documents mentioned in section 36 a statement certified by a principal officer showing the total assets and liabilities both in and outside Fiji at the close of the period covered by the balance sheet, profit and loss account, revenue account and the valuation report and statement.

Further returns

40. Every insurer shall furnish to the Commissioner such further returns or abstracts, or amended or substituted returns or abstracts, as may be required by the Commissioner.

Examination of returns

41. If it appears to the Commissioner that any return or report furnished to him under the provisions of this Act is inaccurate or incomplete in any respect, he may—

- (a) require further information, which shall be certified if he so directs, from the insurer or from such auditor, actuary or other person as he may consider necessary;
- (b) require the insurer to submit any document for his examination at its registered office, or its principal place of business, in Fiji, or to supply any statement;
- (c) examine any officer of the insurer on oath in relation to the return or report and may administer an oath accordingly; or
- (d) decline to accept such return or report unless such further information as may be required by him is furnished within two months or within such further period as he may specify and if he declines under this paragraph to accept any return or report, the insurer shall be deemed to have failed to comply with section 39.

Re-valuation

42.—(1) If the Commissioner considers that an investigation or valuation under section 38 does not properly indicate the state of affairs of the insurer due to a faulty basis having been adopted in the valuation, the Commissioner may after giving the insurer a reasonable opportunity of making representations cause a further investigation or valuation as at such date as he may specify to be made at the expense of the insurer by an actuary appointed by the insurer and approved by the Commissioner.

(2) The insurer shall make available to the actuary all documents and information required by him for the purpose of the further investigation or valuation under subsection (1) within such period, not being less than three months, as the Commissioner may specify.

(3) The abstract and statement prepared after a further investigation or valuation under subsection (1) shall be furnished by such date as the Commissioner may specify.

(4) The provisions of subsections (1) and (4) of section 38 regarding the making of an abstract shall apply to further investigation and valuation made under this section.

Reports

43. Every insurer shall furnish forthwith to the Commissioner a certified copy of every report on its affairs made to its share holders or policy holders.

Copies of reinsurance contracts

44.—(1) Every insurer shall, whenever required by the Commissioner, furnish the Commissioner with certified copies of all reinsurance documents relating to any class of insurance business.

(2) Certified copies of all reinsurance documents of an insurer in force on the appointed date shall be furnished to the Commissioner not later than three months after the registration of such insurer.

Custody and inspection of documents

45.—(1) Every return and document furnished to the Commissioner under this Act, or a certified copy thereof, shall be kept at the office of the Commissioner.

(2) A person may, with the approval of the Commissioner and on payment of the prescribed fee, inspect the register of insurers.

Evidence of documents

46. A document purporting to be certified by the Commissioner to be a copy of a document furnished to him under this Act shall in all courts within Fiji be admitted as prima facie evidence of the original document.

Publication of summary of returns

47. The Minister may cause to be published in each year in such manner as he may direct, a summary of the accounts, balance sheets, statements, abstracts and other returns furnished or purporting to be furnished under this Act to the Commissioner, and may append to such summary any note made by the Commissioner thereon and any correspondence in relation thereto:

Provided that no reference shall be made in any such note to any matter affecting any particular insurer unless the insurer has been given a reasonable opportunity of making representations.

Publication of returns

48. No insurer shall publish in Fiji any return in a form other than that in which it has been furnished to the Commissioner:

Provided that nothing in this section shall prevent an insurer from publishing a true and accurate abstract from such return for the purpose of publicity.

Register of policies

49.—(1) Every insurer in respect of each class of Fiji business shall maintain and make available to the Commissioner on demand—

- (a) a register of issued policies showing the name and address of the policy holder the date when the policy was effected, and a record of any transfer, assignment or nomination of a policy of which the insurer has notice; and
- (b) a register of claims, in which shall be entered every claim made, the date of the claim, the name and address of the claimant, and the date on which the claim is discharged, or in the case of a claim which is rejected, the date of rejection and the grounds therefor.

(2) For the purposes of subsection (1), any insurance business of an insurer in respect of any person, human life, property or interest outside Fiji which constitutes a liability, on its insurance business in Fiji, shall be deemed to be Fiji business.

Limitation of management expenses

50.—(1) No insurer shall in respect of its Fiji business spend in any calendar year as management expenses including head office or overseas expenses, payment of commission of all kinds, and capitalised expense (but excluding reinsurance premia), an amount in excess of the prescribed limits.

(2) Every insurer shall incorporate in the revenue account or in the profit and loss account a certificate signed by two directors and a principal officer of the insurer and by an auditor certifying that all management expenses wheresoever incurred in respect of the insurer's business (whether directly or indirectly) have been fully debited in such revenue account or profit and loss account as expenses.

(3) For the purposes of subsection (1), any insurance business of an insurer in respect of any person, human life, property or interest outside Fiji which constitutes a liability on its insurance business in Fiji shall be deemed to be Fiji business.

PART VI—AMALGAMATIONS AND TRANSFERS

Amalgamation and transfer

51.—(1) Subject to the provisions of this section, where—

- (a) two or more insurers, whether registered under this Act or otherwise, intend to amalgamate; or
- (b) an insurer, whether registered under this Act or otherwise, intends to transfer insurance business of any class to another insurer, whether registered under this Act or otherwise,

the directors of any one or more of those insurers shall apply to the Commissioner, in writing, together with—

- (i) the draft of the documents under which the proposed amalgamation or transfer is to take effect;

- (ii) balance sheets prepared in accordance with section 36 in respect of the insurance business of all of the insurers concerned in the proposed amalgamation or transfer;
- (iii) in the case of employer's liability business or long term insurance business, actuarial reports and abstracts prepared in accordance with section 38, and a report on the proposed amalgamation or transfer prepared by an actuary who has not been professionally connected with any of the insurers at any time during the five years immediately preceding the date of the report;
- (iv) any other report on which the proposed amalgamation or transfer was founded.

(2) The documents, balance sheets, reports and abstracts mentioned in subsection (1) shall be prepared as at the date at which the proposed amalgamation or transfer is to take effect, which date shall not be more than twelve months before the date of the application to the Commissioner.

(3) Before any application is made to the Commissioner, notice of intention to apply shall be published in the Gazette and in at least two newspapers published and circulating in Fiji.

(4) The documents under which the proposed amalgamation or transfer is to take effect shall be open for inspection to policy holders and share holders of the insurers concerned for a period of fifteen days after the publication of the last of the notices referred to in subsection (3).

Permission

52. The Commissioner, after considering the documents, referred to in section 51, and after receiving representation from the directors and such other persons as he considers appropriate, may approve the proposed amalgamation or transfer if he is satisfied that no sufficient objection thereto has been or can in his opinion be established.

Statements to be deposited

53. Where an amalgamation or transfer has been approved the amalgamating insurers or the transferee-insurer, as the case may be, shall within ten days from the date of the completion of the amalgamation or transfer, deposit with the Commissioner—

- (a) certified copies of statements of their respective assets and liabilities, together with a statement of the nature and terms of the amalgamation or transfer;
- (b) a certified copy of the documents under which the amalgamation or transfer was effected;
- (c) certified copies of the actuarial or other reports upon which the document was founded; and
- (d) a declaration under the hand of the Chairman and a principal officer of each insurer that to the best of their belief every payment (whether in money, policies, bonds, valuable securities or other property) made or due to any person on account of the amalgamation or transfer has been recorded in the documents mentioned in this section, and that no other such payments have been made or are due to the knowledge of any of the parties concerned in the amalgamation or transfer.

PART VII—INSOLVENCY AND WINDING UP

Voluntary liquidation

54. Notwithstanding the provisions of any other written law, an insurer or a broker shall not be wound up voluntarily without the prior written authority of the Commissioner.

Winding up by Court

55.—(1) Any winding up by the Court under the Companies Act of an insurer or broker shall be subject to this Act.

(2) For the purposes of section 167 (e) of the Companies Act, an insurer shall be deemed to be unable to pay its debts if at any time the margin of solvency prescribed by section 31 is not maintained. (Cap. 247.)

(3) In addition to the circumstances set out in section 167 of the Companies Act, an insurer or a broker may be wound up by the Court—

- (a) if with the prior sanction of the court, a winding-up petition supported by an affidavit made by the persons signing the petition is presented to the court signed by not less than one-tenth of the shareholders holding not less than one-tenth of the issued share capital or by not less than fifty persons holding policies of life insurance with an insurer in force respectively for not less than three years and which on maturity will be for a total value of not less than the prescribed amounts; or
- (b) if the Commissioner presents a winding-up petition to the Court on grounds—
 - (i) that an insurer has failed to deposit or keep deposited any sum required by Part IV;
 - (ii) that an insurer or broker having failed to comply with any requirement of this Act has continued such failure or having contravened any provision of this Act has continued such contravention, for a period of three months after notice of such failure or contravention has been conveyed to it in writing by the Commissioner;
 - (iii) that it appears from any return or statement furnished under the provisions of this Act, or as the result of an investigation made thereunder, that an insurer or broker is unable or is deemed to be unable to pay its debts; or
 - (iv) that he is of opinion that it is just and equitable in the interests of policy holders or in the public interest that an insurer or broker should be wound up.

Valuation of assets and liabilities

56. Subject to any directions which may be given by the Court, in the winding-up of an insurer—

- (a) the value of the assets and liabilities of the insurer shall be ascertained in such manner and upon such basis as the liquidator thinks fit;
- (b) the liabilities of the insurer in respect of the current policies of long term insurance business shall, as far as practicable, be calculated by the method and upon the basis to be determined by an actuary appointed by the Court after consultation with the Commissioner. Such actuary

shall, with the approval of the Commissioner, in such determination, take into account—

- (i) the purpose for which the valuation is to be made;
 - (ii) the rates of interest, taxation and of mortality and sickness to be used; and
 - (iii) any special directions which may be given to him by the court after consultation with the Commissioner;
- (c) the liabilities of the insurer in respect of current policies of general insurance business shall, as far as practicable, be such portion of the last premium paid as is proportionate to the unexpired portion of the policy in respect of which the premium was paid.

Reduction of contracts

57.—(1) In the case of an insurer unable to pay its debts, the Court may, instead of making an order for winding up, order the reduction of the amount of the current policies of the insurer upon such terms and subject to such conditions as the Court considers appropriate.

(2) For the purpose of a reduction under subsection (1), the value of the assets and liabilities of the insurer and all claims in respect of policies issued by the insurer shall be ascertained in the manner set out in paragraphs (b) or (c) of section 56, whichever is appropriate.

(3) An application to the Court for an order under this section may be made either by the liquidator, the insurer, a policy holder, or the Commissioner; and any person whom the Court considers has an interest in the application shall be entitled to be heard thereon.

PART VIII—AGENTS AND BROKERS

Licence

58.—(1) No person shall commence, transact or carry on business of agent or broker unless he is licensed by the Commissioner under this Act.

(2) The Commissioner shall notify in the Gazette within one year of the appointed date or as soon as practicable thereafter, and at intervals of not more than every two years thereafter, a list of agents and brokers licensed under this Act.

(3) A person may with the approval of the Commissioner on payment of the prescribed fee inspect the list of agents or brokers licensed under this Act.

(4) Any person not licensed under this Act commencing, transacting or carrying on business as an agent or broker shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars and if the offence is a continuing one, to a further fine not exceeding five hundred dollars for every day after the first during which the offence has continued.

Application

59.—(1) Every application for a licence under section 58 or for a renewal thereof shall be in the form required by the Commissioner and shall be accompanied by the prescribed fee.

(2) The Commissioner may in writing require an applicant to furnish him with such written information as he may consider necessary relating to the applicant's business as an agent or broker.

(3) An applicant who makes a false statement in an application for a licence or for a renewal thereof, or in written information furnished under subsection (2), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five hundred dollars.

Issue of licences

60.—(1) Where the Commissioner is satisfied on an application under section 59 that—

- (a) the applicant has sufficient experience in and knowledge of insurance matters;
- (b) the financial standing and general character of management of the applicant are sound; and
- (c) it is otherwise in the public interest that a licence or a renewal thereof should be granted to the applicant,

he may, subject to such terms and conditions as he may consider necessary and subject to the other provisions of this Act, issue to him a licence, or a renewal thereof, to expire on the 31st day of December of the year in respect of which it is issued.

Provided that no application for the renewal of a licence shall be made more than one year from the date of the expiration of that licence.

(2) Where the Commissioner refuses to issue a licence or a renewal thereof, he shall record the reasons for such decision and shall furnish a copy thereof to the applicant.

(3) Every licence issued by the Commissioner under this section shall be kept at all times at the agent's or broker's principal place of business and shall be produced by him at any time for inspection to, or to any person authorized by the Commissioner.

(4) The Commissioner may, on payment of the prescribed fee, issue a duplicate licence to replace a licence which has been lost, destroyed or damaged or in any case when he considers it to be necessary.

Revocation

61.—(1) The Commissioner may by notice in writing at any time revoke any licence issued to an agent or a broker.

(2) A revocation under subsection (1) shall, unless the Commissioner orders that it shall have immediate effect, take effect from the 1st day of January next following.

(3) Where the Commissioner revokes any licence, he shall record the reasons therefor and shall furnish a copy thereof to the agent or broker.

Surrender

62. The Commissioner may at any time by notice in writing cancel the licence of an agent or broker if requested in writing by the agent or broker.

Records

63. Every agent or broker licensed under this Act, in respect of business commenced, transacted or carried on by him as an insurance agent or broker shall maintain, and make available to the Commissioner on demand,—

- (a) a register of policies placed or procured by or through him showing the names and addresses of the policy holders and of the insurers, the

dates when the proposals or applications for insurance were received by him, the dates when the policies were effected, the premia paid or payable (whether in Fiji or abroad) and commission received in respect thereof; and

(b) such other register or records as may be required by the Commissioner.

Receipt of premia, etc.

64. Notwithstanding the provisions of any other written or other law, every agent or broker who receives a premium or other payment under a contract of insurance shall in connection with such receipt be deemed to be acting on behalf of the insurer, and the insurer shall be deemed to have received such premium or other payment.

Duty to remit premia, etc.

65.—(1) An agent or broker who receives a premium or other payment under a contract of insurance shall within fifteen days remit it to the insurer.

(2) An agent or broker who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five hundred dollars:

Provided that it shall be a defence to a charge under this subsection if the agent or broker proves that he was prevented by illness or other cause beyond his control from complying with the provisions of that subsection and that he has subsequently paid the premium or other payment to the insurer.

(3) An agent or broker who contravenes subsection (1) shall also be liable to the insurer and to the person for whom he is acting for any loss resulting from such contravention.

To act with care, etc.

66.—(1) Notwithstanding the provisions of any other written or other law, an agent or broker shall act with care and skill and shall comply with instructions and directions given to him by the person for whom he is acting.

(2) The obligations imposed by subsection (1) are in addition to and not in derogation of the liability of an agent or broker under the provisions of any other written or other law.

(3) An agent or broker who contravenes subsection (1) shall be liable to the insurer, proposer, policy holder, insured and to the person for whom he is acting for any loss resulting from such contravention.

Constructive notice to insurer

67.—(1) Notwithstanding the provisions of any other written or other law, an agent or broker shall—

- (a) explain fully to a proposer for a contract of insurance or a renewal thereof, the contents of all documents required to be signed by such proposer;
- (b) communicate to the insurer all such information of which he was aware at any time before or during any negotiations for a contract of insurance or for a renewal thereof which is likely to affect the same;
- (c) explain fully to a policy holder whose policy was placed or procured by or through him, the contents of that policy.

(2) Where on an application made to the Court by an insurer, policy holder, agent, broker, insured, the Commissioner or any other person whom the Court considers has an interest in the matter, it is satisfied that—

- (a) the person making a proposal for a contract of insurance or for a renewal thereof was illiterate;
- (b) such person had acted in good faith, and had not connived at or acted in collusion with any person in concealing or misrepresenting any material facts; and
- (c) the documents or any of them had been completed or made on behalf of the insured by an agent of the insurer,

the Court may order that all information of which the agent had express, implied, or constructive knowledge when completing or making the proposal shall, for the purpose of determining the validity of the policy, be deemed to have been imputed to the insurer.

(3) An agent or broker who contravenes subsection (1) shall be liable to the insurer and to the person for whom he is acting for any loss resulting from such contravention.

(4) The obligations imposed by this section are in addition to and not in derogation of the liability of an agent or broker under the provisions of any other written or other law.

PART IX—MISCELLANEOUS

Prohibition of loans

68.—(1) Except with the prior written approval of the Commissioner, no insurer shall make a loan (other than by way of mortgage of a policy of life insurance issued by that insurer) to a director, manager, actuary, auditor or principal officer employed by such insurer, or to any company incorporated or registered under the Companies Act in which any such person holds a similar office, or to a spouse or any dependent child of any such person: (Cap. 247.)

Provided that such approval shall not be given unless the Commissioner is satisfied that—

- (a) sufficient security is being offered for the repayment of the loan; and
- (b) the terms and conditions (including interest rates) upon which the loan is offered are not unduly favourable to the borrower.

(2) The Commissioner may, in respect of a loan made by an insurer to any person or company referred to in subsection (1) and not fully repaid on the appointed date, after examining the sufficiency of the security given for the repayment of the loan, require in writing that such person or company shall, within one year, either repay the loan or provide such additional security as he shall consider necessary.

(3) Notwithstanding the provisions of any other written law, if a loan referred to in subsection (2) is not repaid or the required additional security is not provided, the borrower shall forthwith vacate his office with the insurer and shall be incapable of being re-appointed until either the loan is repaid or the additional security has been provided.

No restriction on selection of insurer

69.—(1) Notwithstanding the provisions of any written law—

- (a) a bank, as defined in section 2 of the Central Monetary Authority of Fiji Act; (Cap. 210.)

- (b) a financial institution, as defined in section 2 of the same Act;
- (c) a body corporate incorporated or empowered by an Act to lend money in accordance with such Act;
- (d) a moneylender, as defined in section 2 of the Moneylenders Act; (Cap. 234.)
- (e) a body corporate for the time being exempted by the Minister from the provisions of the Moneylenders Act;
- (f) any other person or class of person notified by the Minister in the Gazette, whose business includes the lending of money or the provision of credit,

which requires, either expressly or by implication, as a condition for making a loan, that the person applying for the loan shall insure any risk with a particular insurer or class of insurer shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars.

(2) Notwithstanding any agreement to the contrary, any requirement, whether express or implied, made before the appointed date by a person mentioned in paragraphs (a) to (f) of subsection (1) that a person to whom a loan was made should insure any risk with a particular insurer or class of insurer shall be void.

(3) For the avoidance of doubts, it is hereby declared that the provisions of subsection (1) and (2) shall not in any way invalidate any policy issued by an insurer.

Address for service and notice

70.—(1) An insurer registered under Part XII of the Companies Act shall, within seven days of its registration under this Act, furnish to the Commissioner an address in Fiji for service of any document required to be served for the purposes of this Act on an insurer. (Cap. 247.)

(2) Any document referred to in subsection (1) may be served by delivering it to, or by sending it by registered post to, the address mentioned in that subsection.

Service on policy holder

71. Any document which is by this Act required to be sent to any policy holder may be addressed and sent to the person to whom notices respecting that policy are usually sent, and any document so addressed and sent shall be deemed to have been received by the policy holder:

Provided that where any person claiming an interest under a policy has given notice in writing thereof to the insurer, a copy of any such document shall also be sent to that person at the address specified by him in his notice.

Protection for official acts

72. No legal proceedings shall be instituted in any court against the Commissioner or any person authorised by him for anything done, or intended to be done, in good faith under this Act.

Appeals

73.—(1) Subject to the provisions of subsection (2), a person aggrieved by a decision of the Commissioner under this Act may within one month from the date on which the decision is intimated to him, appeal therefrom by petition in writing to the Minister who may, in his discretion, uphold or revoke such decision.

(2) An appeal against a decision of the Commissioner made under section 41 may be made within two months from the date on which it is intimated.

(3) Except as hereinafter provided, the decision of the Minister on an appeal made to him under subsection (1) shall be final and conclusive.

(4) A person aggrieved by a decision of the Minister made under subsection (1) may, if it involves a question of law, within one month from the date on which the decision is intimated to him, appeal therefrom to the Supreme Court with the leave of that court.

(5) The Chief Justice may make rules for regulating the practice and procedure (including the prescription of fees) in connection with an appeal under subsection (4), and for better carrying into effect the provisions of that subsection.

Protection from process of law

74.—(1) The interest of the insured or his estate (as the case may be) in a policy effected, whether before or after the appointed date, bona fide upon the life of the insured or any other person shall be exempt from any law in force relating to bankruptcy and shall not be liable to be applied or made available in payment of his debts by any judgment, order or process of any court—

(a) if the policy has been in existence for at least two years, to the extent of five thousand dollars;

(b) if the policy has been in existence for at least five years, to the extent of eight thousand dollars;

(c) if the policy has been in existence for at least seven years, to the extent of ten thousand dollars;

(d) if the policy has been in existence for at least ten years, to the extent of fifteen thousand dollars.

(2) The interest of the annuitant in a policy for an annuity effected, whether before or after the appointed date, bona fide upon his life shall be exempt from any law in force relating to bankruptcy, and shall not be liable to be applied or made available in payment of his debts by any judgment, order or process of any court,—

(a) if payments have been made over a period of at least six years; or

(b) if the annuity was purchased at least six years prior to its commencement;

Provided that the protection afforded by this subsection shall only affect an annuity which does not exceed two thousand dollars per annum and then only such part thereof as is payable after the annuitant has attained the age of fifty years.

Issue of special policy

75.—(1) In the event of a policy of ordinary life assurance being lost or destroyed or becoming defaced or illegible, the insurer may, upon such evidence as it considers necessary, issue to the person entitled thereto a special policy in substitution therefor.

(2) If the insurer fails to issue a special policy within six months after being required in writing so to do, the Commissioner may, after notice to the insurer and upon such evidence as he considers necessary direct the insurer upon such terms and within such time as he may determine to issue a special policy.

(3) Before issuing a special policy, an insurer shall give at least two weeks' notice of its intention so to do in the Gazette and in at least one newspaper published and circulating in Fiji. The expenses of such notice and of all other costs

in connection with the issue of the special policy shall be paid to the insurer before it is issued by the person applying for it.

(4) In the event of a special policy being issued under this section and of the original policy being at any time thereafter found or recovered, the original policy shall forthwith be lodged, by the person who finds or recovers it, with the insurer who shall cause it to be cancelled.

(5) In the event of a person who has applied under this section for a special policy finding or recovering, or learning of the finding or recovery of, the original policy before the special policy is issued, such person shall forthwith inform the insurer in writing.

Contents and effect of special policy

76.—(1) A special policy shall be available for all purposes and uses for which the original policy would have been available and as valid to all intents as the original policy.

(2) A special policy shall contain so far as the same are known to or can be ascertained by the insurer the same or similar terms and conditions as were contained in the original policy and in any memorandum or endorsement thereon, and shall state the reasons why it was issued.

(3) The fact of the issue of a special policy with the reasons therefor shall be entered in the register maintained under section 49 (1) (a), and after such issue the insurer shall not be liable under the original policy unless notice of any assignment thereof had been received prior thereto.

Assignments

77.—(1) Subject to sections 80 and 82, an assignment of a policy made after the appointed date—

(a) shall be by transfer in accordance with the prescribed form—

- (i) endorsed upon the policy, or upon an annexure to the policy referred to in, or in an endorsement on, the policy and
- (ii) signed by the transferor and by the transferee; and

(b) shall not be valid until registered by the insurer in accordance with subsection (2).

(2) An assignment shall also be signed by a principal officer of the insurer or by a person authorized by him in writing and shall be registered by the insurer in the register maintained under section 49 (1) (a), and the date of registration shall be endorsed by such principal officer or other person on the transfer.

(3) The transferee under an assignment registered under subsection (2) shall have all the powers and be subject to all the liabilities of the transferor under and may sue in his own name on the policy, and his receipt shall be a discharge to the insurer for all moneys paid by it under the policy.

(4) Every transfer shall, as between the insurer and any person claiming any moneys or interest under the policy, be conclusive for all purposes that the transferee was at the time of registration of the transfer the absolute owner of the policy, free from any trust, right, equity and interest (except any lien or charge of the insurer upon the policy).

(5) Notwithstanding the existence of any trust, right, equity or interest of any other person, a discharge or surrender of or security over a policy given by the transferee to the insurer shall, except as provided by section 79, be valid, whether or not the insurer has express, implied or constructive notice of such trust, right, equity or interest.

(6) For the avoidance of doubt, it is hereby declared that this section does not—

- (a) impose on a minor any liability to which, but for this section, he would not be subject;
- (b) confer on a minor any power or capacity which, but for this section, he would not have;
- (c) validate a receipt or discharge or a surrender of, or security over, a policy given by a minor, if, but for this section, that receipt, discharge, surrender or security would not be valid.

Mortgages and trusts

78. If a policy is assigned by way of mortgage, or upon any trust, the mortgage or trust shall be effected by a separate instrument, and no notice of the mortgage or trust shall be entered on the transfer or endorsed on the policy, and the insurer shall not, except as provided by section 79, be affected by express, implied or constructive notice thereof.

Effect of notice of trust

- 79.—(1) Notwithstanding sections 77 and 78, an insurer shall not be entitled to any protection thereunder, if it has not acted in good faith or if it has received express notice in writing of any trust, right, equity or interest of any person.
- (2) In the case of the receipt of a notice referred to in subsection (1), the insurer may, if it considers it necessary, pay any money secured by and due under the policy into the Supreme Court, and the receipt of the Chief Registrar for such money shall be a good and valid discharge to the insurer.
 - (3) Money paid into Court under subsection (2) shall be paid out to such person as the Court orders.
 - (4) The Chief Justice may make rules for regulating the receipt of money paid into Court under subsection (2), for regulating the payment out of Court under subsection (3), and for better carrying into effect the provisions of those subsections.

No assignment of industrial policy

- 80.—(1) Notwithstanding anything to the contrary in this Act, no assignment made after the appointed date of an industrial policy shall be valid without the written consent of the insurer.
- (2) If the insurer refuses its consent, the policy holder may appeal to the Commissioner who may, in his discretion, uphold or revoke the decision of the insurer.

Assignment not to merge rights, etc.

81. The rights and liabilities arising under a policy shall not, either at law or in equity, merge or be extinguished by reason only of an assignment thereof, whether at law or in equity, to the insurer.

Trustees

82. Where an insurer is satisfied that—
- (a) a policy has been issued or transferred to, or the ownership of a policy is otherwise vested in, persons as trustees; and

(b) those persons are no longer the trustees of the trust, it may, if it considers it necessary, at the written request of the persons claiming to be the trustees for the time being of the trust supported by an affidavit made by the persons signing the request, and subject to the insurer obtaining proof of the due appointment of such persons as the trustees, record the names of those persons and thereupon the ownership of the policy shall vest in those persons as trustees of the trust.

Nomination

83.—(1) The holder of a policy of ordinary life insurance may, when effecting the policy or at any time before the money secured thereby becomes payable, nominate a person or persons to whom it shall be paid in the event of his death:

Provided that, where any nominee is a minor, it shall be lawful for the policy holder to appoint in the prescribed manner any person to receive the money in the event of his death during the minority of the nominee.

(2) A nomination under subsection (1) shall—

(a) be incorporated into the text of the policy; or

(b) be made by an endorsement on the policy, in which case written notice thereof shall be communicated to the insurer who shall record it in the register maintained under section 49 (1) (a).

Before the money secured by the policy becomes payable a nomination may be cancelled or changed at any time by another endorsement or by a will of the policy holder; and, unless written notice of a cancellation or change has been given by the policy holder to the insurer, the insurer shall not be liable for any payment under the policy made to a nominee mentioned in the text of the policy or in the register of the insurer.

(3) The insurer shall acknowledge in writing to the policy holder that it has registered a nomination or a cancellation or change thereof, and may charge a fee not exceeding ten dollars for such registration.

(4) A transfer or assignment of a policy made in accordance with section 77 shall cancel a nomination:

Provided that the assignment of a policy to the insurer, in consideration of a loan granted by the insurer on the security of the policy for less than its surrender value, or its re-assignment on repayment of such a loan, shall not cancel a nomination, but shall only affect the rights of the nominee to the extent of the insurer's interest in the policy.

(5) Where the nominee survives or, if there is more than one nominee, one or more of the nominees survive, the person whose life is assured, the money secured by the policy shall be payable to him or to such survivor or survivors (as the case may be).

(6) Where the money secured by a policy becomes payable during the lifetime of the person whose life is assured or where the nominee dies or, if there is more than one nominee, all the nominees die before that time, the money secured by the policy shall be payable to the policy holder or his estate, as the case may be.

Validity of existing forms

84. For the avoidance of doubt, it is hereby declared that, unless otherwise expressly disapproved by the Commissioner in writing, all forms, standard terms and conditions, and rates, used in Fiji, by an insurer on the appointed date may continue to be used and shall be as valid as if they had been approved by the Commissioner.

General penalty

85. Any person who contravenes any provision of this Act for which no specific penalty is imposed shall be guilty of an offence and liable on conviction to a fine not exceeding one thousand dollars.

Regulations

86. The Minister may make regulations generally for the purpose of carrying out or giving effect to the provisions of this Act.

Controlled by Ministry of Finance

CHAPTER 217

INSURANCE

SECTION 86—INSURANCE REGULATIONS

TABLE OF PROVISIONS

REGULATION

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Legal Notice No. 171 of 1979

Short title

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

Minimum amounts only

2. All amounts mentioned in these Regulations (except in relation to fees) are minimum amounts. Any insurer may deposit, invest or have capital in excess of the minimum amounts herein prescribed.

Prescribed paid-up capital, etc., under section 13

3. For the purposes of section 13—

- (a) the prescribed paid-up capital in paragraph (a) (i) shall be \$200,000;
- (b) the prescribed paid-up capital in paragraph (a) (ii) shall be \$750,000;
- (c) the prescribed value of assets in Fiji in paragraph (b) shall be not less than \$750,000;
- (d) the prescribed amount in paragraph (b) by which the value of assets in Fiji shall exceed the amount of the net liabilities shall be \$500,000 or 40 per cent of the net premium income during the financial year last preceding the financial year in which the application is made, whichever is the greater:

Provided that it shall not be required that the amount represented by 40 per cent of the net premium income shall exceed the sum of \$1,000,000.

Prescribed form, etc., under section 14

4. For the purposes of section 14(1)—

- (a) the prescribed form shall be as set out in the First Schedule;
- (b) the prescribed fee shall be as follows:—
 - (i) companies incorporated in Fiji \$400
 - (ii) companies incorporated outside Fiji \$450

Prescribed fee under section 17

5. For the purposes of section 17(2), the prescribed fee shall be \$25.

Prescribed fee under section 18

6. For the purposes of section 18(2), the prescribed fees shall be as follows:—

- (a) companies incorporated in Fiji \$400
- (b) companies incorporated outside Fiji \$450

Prescribed sum or security under section 26

7. For the purposes of section 26(1), the prescribed sum or the value of any prescribed security shall be as follows:—

- (a) companies incorporated in Fiji—
 - (i) transacting general insurance business \$50,000
 - (ii) transacting long term insurance business \$100,000
- b) companies incorporated outside Fiji—
 - (i) transacting general insurance business \$75,000
 - (ii) transacting long term insurance business \$250,000

Prescribed percentage under section 29

8. For the purposes of section 29(1), the prescribed percentage shall be 10 per cent.

Prescribed amount, etc., under section 30

9. For the purposes of section 30—

- (a) the prescribed amount in subsection (1) (a) shall be \$500,000 or 40 per cent of the premium income during the last financial year, whichever is the greater;

- (b) the prescribed amount in subsection (1) (b) shall be \$200,000;
- (c) the prescribed amount in subsection (2) (a) shall be \$500,000 or 40 per cent of the premium income during the last financial year, whichever is the greater;
- (d) the prescribed amount in subsection (2) (b) shall be \$750,000:

Provided that for the purposes of paragraphs (a) and (c) it shall not be required that the amount represented by 40 per cent of the net premium income shall exceed \$1,000,000.

Prescribed amount, etc., under section 31

10. For the purposes of section 31—

- (a) the prescribed amount in subsection (1) shall be the amount of the long term insurance fund;
- (b) the prescribed amount in subsection (2) shall be \$200,000 or one-tenth of the net premium income, whichever is the greater.

Prescribed percentage etc., under section 34

11. For the purposes of section 34—

- (a) Government securities shall include securities charged on the revenues of Government or guaranteed fully as regards principal and interest by the Government;
- (b) the prescribed percentage in subsection (1) (a) shall be 40 per cent;
- (c) the prescribed classes of investments in Fiji in subsection (1) (b) shall be 30 per cent in Government securities, Government guaranteed securities, statutory bodies, local government authorities and Home Finance Company Limited:

Provided that at least 5 per cent shall be invested in the Fiji Development Bank;

- (d) the prescribed percentage in subsection (2) (a) shall be 5 per cent;
- (e) the prescribed percentage under subsection (2) (b) shall be 15 per cent;
- (f) the prescribed classes of investments in Fiji under subsection (2)(b) shall be Government securities, Government guaranteed securities, statutory bodies, local government authorities and Home Finance Company Limited:

Provided that at least 5 per cent shall be invested in the Fiji Development Bank;

- (g) the prescribed percentage of income under subsection (3) shall be 10 per cent;
- (h) the prescribed investments under subsection (3) shall be Government securities, Government guaranteed securities, statutory bodies, local government authorities and Home Finance Company Limited:

Provided that at least 5 per cent shall be invested in the Fiji Development Bank;

- (i) All reserves and investible funds of any insurer which are in excess of the amounts required to be invested in the preceding paragraphs shall be invested in Fiji with due regard for sufficient security, liquidity and income.

Prescribed directions under section 35

12. For the purposes of section 35(5), the prescribed directions are that no insurer transacting or carrying on long term insurance business shall for the purposes of declaring or paying any dividend to shareholders or any bonus to policyholders or of making any payment in service of any debentures, loans or advances on account, utilise directly or indirectly any portion of the long term insurance fund except a surplus shown in the valuation balance sheet submitted to the Commissioner as part of the abstract referred to in section 38 as a result of an actuarial valuation of the assets and liabilities of the insurer; and such surplus shall not be increased by contributions out of any reserve fund or otherwise unless such contributions have been brought in as revenue through the revenue account applicable to long term insurance business on or before the date of the valuation aforesaid unless the reserve fund is made up solely of transfers from similar surpluses disclosed by valuation in respect of which returns have been submitted to the Commissioner under section 38 of the Act.

Prescribed directions etc., under section 36

13. For the purposes of section 36, the prescribed directions and the prescribed forms shall be as set out in the Second Schedule.

Prescribed directions etc., under section 38

14. For the purposes of section 38—
- (a) the directions prescribed by subsection (1) shall be as set out in the Third Schedule;
 - (b) the prescribed form of statement in subsection (4) shall be as set out in the Fourth Schedule.

Prescribed fee under section 45

15. For the purposes of section 45(2), the prescribed fee shall be \$2.

Prescribed limits under section 50

16. For the purposes of section 50, the prescribed limits shall be as follows:—
- | | |
|--|------|
| (a) general insurance business companies | 40%; |
| (b) industrial life companies | 40%; |
| (c) long term insurance business companies (other than industrial life companies)..... | 35% |

of the net premium income:

Provided that the head office expenses shall not exceed \$85,000 or 7½% of the gross premium and investment income, whichever is the smaller.

Prescribed fee under section 58

17. For the purposes of section 58(3), the prescribed fee shall be \$2.

Prescribed fee under section 59

18. For the purposes of section 59(1), the prescribed fees shall be as follows:—
- | | |
|---|--------|
| (a) application for licence by a life agent or renewal thereof | \$25; |
| (b) application for licence by a corporate agent (including a partnership, a statutory corporation, a company or any other corporate entity) or renewal thereof | \$150; |

-
- (c) application for a licence by a non-life (general) agent other than a corporate entity or renewal thereof \$100;
(d) application for a licence by a broker or renewal thereof \$250.

Prescribed fee under section 60

19. For the purposes of section 60(4), the prescribed fee shall be \$10.

Prescribed form under section 77

20. For the purposes of section 77(1), the prescribed form shall be as set out in the Fifth Schedule.

Prescribed manner under section 83

21. For the purposes of section 83(1), the prescribed manner of appointment shall be by the form as set out in the Sixth Schedule.

Revocation

22. The Insurance Regulations, 1977* are revoked.

* Legal Notice No. 21 of 1977.

FIRST SCHEDULE
(Regulation 4)

APPLICATION FOR REGISTRATION AS AN INSURER

- I. Name of Applicant:
- II. Date of Incorporation:
- III. Place of Incorporation:
- IV. Whether Public/Private Company or Mutual Association:
- V. Particulars of Registration (date and section of the Companies Act (Chapter 247) under which registered):
- VI. (i) If Incorporated in Fiji address of Registered Office:
- Telephone No.
- Telex No.
- Cable No.
- (ii) If not Incorporated in Fiji
- (a) Address of Head Office:
- (b) Cable Address: Suva Head Office
- (c) Telephone: Suva Head Office
- (d) Telex: Suva Head Office
- (e) Address of Principal Place of Business in Fiji:
- VII. Particulars Regarding Directors:
- | <i>Full Names</i> | <i>Addresses</i> | <i>Occupations</i> |
|-------------------|------------------|--------------------|
| | | |
| | | |
| | | |
| | | |
- VIII. Full Name, address, residential status (citizen/non-citizen) of principal officer in Fiji
- IX. Period in respect of which last accounts were made up:
- X. Class or classes of business applicant transacts in Fiji:
- XI. Class or classes of business for which registration is hereby sought:
- (Delete whichever is not applicable) General/Life
- XII. Particulars of Business other than insurance business which the applicant carries on:
- XIII. Particulars of business other than insurance business which the applicant proposes to carry on:

XIV. Shareholders' Capital:

Authorized..... shares of \$ each \$		
	<i>*Local</i>	<i>**Foreign</i>
Subscribed..... shares of \$ each \$	_____	_____
Called Up..... shares of \$ each \$	_____	_____
Less unpaid calls..... \$	_____	_____

*"Local" means

- (a) a person other than a company, who is a citizen of Fiji whether he has in the past year been continuously or intermittently resident in Fiji or not;
- (b) in the case of a company, a company which is incorporated in Fiji and has its voting power controlled by shareholders who are citizens of Fiji;

**"Foreign" means a person or company which is not local in the sense defined above.

XV. If Applicant is not incorporated in Fiji

- (a) Do you carry on any insurance business outside Fiji? Yes/No
- (b) If the answer to (a) is yes—
 - (i) Where? _____
 - (ii) Are you in all respects complying with the law of that/those place/places relating to the carrying on of that business? _____ Yes/No
 - (iii) Have you complied with the law of that/those place/places relating to the carrying on of insurance business during the preceding 5 years? _____ Yes/No

XVI. Have you within the preceding 5 years made an application (a) in Fiji or (b) outside Fiji for registration as an insurer? _____

Yes/No

Place	Date of Application	Status	{	Accepted/ Rejected/ Deferred/ Pending
-------	---------------------	--------	---	--

XVII. Name of Bank in Fiji which may be regarded as your principal bank in Fiji:

XVIII. Name and address of Accountants:.....

XIX. Name and address of Auditor:.....

XX. Name and Qualifications of Actuary:.....

XXI. Particulars of Senior staff in Fiji:
(Clerical/Secretarial Allied Grades & Agency should be excluded)

Name	Designation	Qualification (Academic/Professional Insurance Experience)	Fiji Citizen/ Expatriate
.....
.....
.....

XXII. Number of Clerical officers employed:.....

XXIII. Number of Secretarial staff employed:.....

XXIV. Number of Agents employed:.....

XXV. Number of staff employed other than those indicated in XXI-XXIV:.....

XXVI. What operations will be handled locally? Give details.

XXVII. What operations will be handled overseas? Give details and reasons why this cannot be handled locally at present and what steps, if any, are being or will be taken to ensure that they are handled locally and when.

XXVIII. Last date of actuarial valuation:.....

XXIX. Next expected date of actuarial valuation:.....

XXX. Particulars of outstanding Loans to persons specified in section 68:.....

XXXI. Summary of reinsurance arrangements containing the following particulars for each class of business:—

- (1) Net Retention in respect of any one risk or M.P.L. in respect of any one risk if business is written on that basis;
- (2) Net Retention in respect of any one event;
- (3) Quota Share Treaties. Indicate QS pool limit and percentage of limit reinsured;
- (4) Surplus Treaties. Show in respect of each Treaty the number of lines and the retention on which the Treaty is based;
- (5) Excess of Loss Treaties.

(a) Any one Event
Show retention and layers of each treaty

(b) Any one Risk
Show retention and layers of each treaty;

- (6) Other Reinsurance arrangements;
- (7) In respect of each class of business the name, address and share of liability expressed as a percentage of total liability of each participant in each treaty. Indicate clearly the premium payable in each case.

NOTE: (Attention is drawn to section 44(2). Indicate plans (if any) for changes over the next 2 years).

I hereby certify that the statements contained herein are true and accurate to the best of my knowledge and belief. Any alterations in particulars stated herein and in attachments submitted will be promptly communicated to the Commissioner of Insurance.

Signed on this.....day of.....19.....

.....
Director

.....
Director

.....
Secretary

.....
*Manager for Fiji (where applicable)
or Principal Officer in Fiji*

XXXII. Every application shall be accompanied by—

- (a) a copy of the Memorandum of Association or other instrument or document by which the applicant is constituted;
- (b) a copy of the Articles of Association or other rules of the applicant;
- (c) in the case of an application by an applicant not incorporated in Fiji, a statement setting out the requirements, if any, of the nature specified in section 20 imposed by the country in which such applicant is incorporated on insurers incorporated in Fiji and carrying on or in the event of wanting to carry on business in that country;
- (d) A certified copy of the published prospectus, if any, and of the standard proposal and policy forms used or intended to be used by the applicant and statements of the premium rates, advantages and terms and conditions to be offered in connection with insurance policies and details of the bases and formulae from which those rates have been calculated together with a certificate in connection with long term insurance business by any actuary that such rates, advantages, terms and conditions are workable and sound:

Provided that in the case of marine, accident and miscellaneous insurance business (other than workmen's compensation and motor insurance) the requirements regarding prospectus, forms and statements shall be complied with only in so far as the prospectus, forms and statements may be available;

- (e) the last 3—
 - (i) audited balance sheets;
 - (ii) audited revenue and profit and loss accounts;
 - (iii) audited profit and loss appropriation accounts; and
 - (iv) actuarial reports (where applicable);
- (f) the prescribed fee in respect of each class of business carried on or proposed to be carried on by the applicant; and
- (g) a statement in writing signed by the applicant stating that the provisions of section 26 have been complied with together with a certificate under the hand of the Permanent Secretary specifying the amount deposited under the section by the applicant.

XXXIII. Every application by a Life Insurer shall be accompanied by projections prepared by an actuary of expected results and financial strain covering at least 5 years of operation in Fiji containing in respect of Fiji long term insurance business summaries of statistics, revenue accounts and actuarial liabilities made upon 2 bases, viz.—

- (i) assuming that a conservative amount of new sums insured is written each year; and
- (ii) assuming that a reasonably rapid expansion of business occurs, together with—
 - (a) statement of all assumptions adopted;
 - (b) a copy of the market survey report or other evidence upon which the amounts of new business assumed in subparagraphs (i) and (ii) of paragraph xxxiii are based;
 - (c) a certificate by the actuary that projections have been prepared after examination of the aims of the insurer and the types of policy to be adopted and are suitable for inclusion by the insurer in the information supporting the application for registration;
 - (d) a statement as to the manner in which any deficiencies shown in the projections will be financed.

XXXIV. Every application by a general business insurer shall be accompanied by a statement of expected results for the next 2 years in the light of all the relevant circumstances including the company's past experiences, (quote statistics of the company for the past 5 years in support), market conditions (attach copy of market survey report if any) and aims of the company.

SECOND SCHEDULE
(Regulation 13)

DIRECTIONS UNDER SECTION 36

PART I

- (i) Forms A (LIFE) and A (NON-LIFE) set out in these Directions are intended to be used by all registered insurers and by insurers who have undischarged liabilities in respect of Fiji business.
- (ii) Where any guarantee has been given by an insurer (otherwise than in the ordinary course of reinsurance business) in respect of the policies of 1 or more other insurers, the balance sheet of the first mentioned insurer must show clearly the name of each other insurer whose policies have been so guaranteed and the extent of the guarantee.
- (iii) Where any part of the assets of an insurer is deposited in any place outside Fiji as security for the owners of the insurance policies issued in that place, the balance sheet must state that such part of the assets has been so deposited, and, if any such part forms part of the long term insurance fund, the balance sheet must show the amount thereof and the place where it is deposited.
- (iv) There shall be appended to the balance sheet of each insurer a statement in Form B set out in these Directions showing the value of the assets of that insurer in Fiji together with a certificate by an auditor that the stated market value does not in his opinion exceed the market value.
- (v) Every insurer shall furnish the following certificates:—
 - (a) a certificate signed by 2 directors of the company and by the Principal Officer of the company and by the Auditor who made the audit and the Actuary if any who made the valuation, as to the manner in which the values of the investments in stocks and shares shown in the balance sheet have been arrived at, and the market value thereof has been ascertained for the purpose of comparison with the values so shown;
 - (b) a certificate signed by the same persons as mentioned in paragraph (a) and signed also, so far as respects the value of any items shown in the balance sheet under the heading of "Reversions and Life Interests", by an actuary to the effect that the values of all the assets have been reviewed as the date of the balance sheet, and that in their belief the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings—"Loans", "Reversions and Life Interests", "Investments", "Agents' Balances and Outstanding Premium", "Interest Dividends and Rents accruing but not due", "Amounts due from other persons or bodies carrying on Insurance business" separately for Fiji Insurers and for Foreign Insurers, "Sundry Debtors", "Bills Receivable",

“Cash” and the several items specified under “Other Accounts”:

Provided that in any case where it is not possible to certify that the assets set forth in the balance sheet are shown as required by this direction a full explanation of the bases upon which the values shown in the balance sheet have been assessed shall be given in the certificate;

- (c) where the balance sheet relates to long term insurance business, a certificate signed by the same person as are mentioned in sub-paragraph (a) to the effect that no part of the assets of the long term insurance fund has been directly or indirectly applied in contravention of the provisions of any law relating to the application and investment of long term insurance funds; and
- (d) certificates signed by the auditor (which shall be in addition to any other certificate or report which he is required by law to give with respect to the balance sheet) to the effect—
 - (i) that he has verified the cash balances and the securities relating to the insurer’s loans reversions and life interests, and investments;
 - (ii) that he has and if so to what extent, if any, verified the investments and transactions relating to any trusts undertaken by the insurer as trustee;
- (vi) If the values shown in the balance sheet in respect of “Holdings in Subsidiary Companies” or “Freehold and Leasehold Property” (i) in Fiji, (ii) out of Fiji, have been increased since the last previous balance sheet, the certificate required by paragraph (b) of direction (v) shall state the amount of every increase not solely due to the cost of subsequent additions or, as respects holdings in controlled companies, to increased profits and shall contain an explanation of the reason for such increase in values.
- (vii) For the purposes of direction (vi), “market value”, as respects any asset, means the market value thereof as ascertained from published market quotations, or, if there be no such quotations published, its fair value as between a willing buyer and a willing seller.

PART II

- (i) The items on the income side of the profit and loss account and profit and loss appropriation account must relate to income whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.
- (ii) Deductions from Interest, Dividends and Rents shown in respect of income tax must include all amounts in respect of Fiji Income Tax whether or not it has been or is to be deducted at source or paid direct.
- (iii) The profit and loss account and profit and loss appropriation account of a non-life company must be in Forms C(i) and C(ii) set out in these Directions.

- (iv) The revenue account prepared by insurers transacting life insurance business must be in Form D set out in these Directions. Industrial Insurance must be separately accounted for substantially in Form D.
- (v) The revenue account prepared by insurers transacting long term insurance business other than life assurance business must be substantially in Form D.
- (vi) A separate return of Technical and Trading results in Form E (LIFE) and Form E (NON-LIFE) as set out in these Directions shall be prepared and submitted by each insurer.
- (vii) Revenue accounts prepared by Life insurers must be in accordance with the following directions:
 - (i) The items on the income side of the revenue account must relate to income whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.
 - (ii) Any office premises which form part of the assets of any insurer carrying on long term insurance business must be treated as an investment on which interest accrues, and accordingly, in the revenue account relating to the long term insurance business a fair rent for the premises must be included under the heading "Interest, Dividends, and Rents", and in the revenue account relating to every other class of business for which the premiums are used, proper charges for the use thereof must be included under the heading "Expenses of Management".
- (viii) Deduction in respect of income tax from the Interest, Dividends and Rents must include all income tax charged thereon, whether or not it has been or is to be deducted at source or paid direct.
- (ix) In respect of the long term insurance business carried on by each insurer, there shall be furnished annually to the Commissioner a statement, setting out full details, in each of the Forms F, G, H, I, J, K, set out in these Directions.

FORM A (LIFE)

FORM OF BALANCE SHEET FOR LIFE COMPANIES (g)
BALANCE SHEET OF AS AT 31ST DECEMBER 19.....

LIABILITIES	\$ (i)	ASSETS	\$ (i)
RESERVE OR CONTINGENCY	—	LOANS	—
ACCOUNTS (a)	—	Loans on Mortgage of Property (c)	—
Investment and Contingency	—	Loans on policies	—
Reserves	—	Reversion and Life Interests	—
Taxation Reserves	—	Other Loans (Specify) (c)	—
Others (Specify)	—	—
.....	—	—
.....	—	—
.....	—	INVESTMENT	—
BALANCE OF FUNDS	—	Investment Stocks (c)	—
Long Term Insurance Fund	—	Deposit with Permanent Secretary	—
(i) Business in Fiji	—	for Finance (Securities to be	—
(ii) Business outside Fiji	—	specified)	—
Others (Specify)	—	Fiji Government Securities	—
.....	—	Foreign Government Securities	—
.....	—	Local Authority Securities Guar-	—
.....	—	anteed by Government	—
.....	—	Local Authority Securities not Gua-	—
.....	—	ranteed by Government	—
.....	—	Other Government Guaranteed Se-	—
.....	—	curities	—

NOTES

- (a) The Reserves or Contingency Accounts must be separately stated.
- (b) If the insurer has deposited security as cover in respect of any of these items, the amount and nature of the securities so deposited must be clearly indicated on the face of the balance sheet.
- (c) Full particulars of holdings in and loans to companies including subsidiary or related must be stated, giving the name and the type of business transacted by each company, the number and description of each class of shares held, the amounts paid thereon, and the value at which the holdings in each company stand in the balance sheet. (Such details to be shown in the notes to the balance sheet).
- (d) The aggregate amount owing by a subsidiary company or subsidiary companies must be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies must be shown separately from all other liabilities.
- (e) Amounts due from officers specified in section 68 of the Insurance Act must be shown separately.
- (f) Under this heading must be included such items as the following, which must be shown under separate headings suitably described:—goodwill, preliminary formation and organisation expenses, development expenditure account, other expenditure carried forward to be written off in future years, balance being loss on profit and loss appropriation accounts, etc. The amounts included in the balance sheet must be depreciated value and in case not be in excess of cost.
- (g) A separate balance sheet must be submitted in respect all business, other than Fiji Business which constitutes a liability on the Fiji Operation.
- (h) In the case of Stock Life Companies the "Shareholders Equity and Surplus" as appearing on the Liabilities side of the Balance Sheet prescribed for General (Non-Life) Companies, must be shown as well. In such a case the "Head Office Balance" as shown on the Liabilities side of the above Balance Sheet would be transferred under "Shareholders Equity and Surplus".
- (i) All amounts must be stated to the nearest dollar.

FORM A (NON-LIFE)

FORM OF BALANCE SHEET FOR GENERAL (NON-LIFE) COMPANIES (f)

BALANCE SHEET OF AS AT 31ST DECEMBER 19.....

LIABILITIES	\$ (g)	ASSETS	\$ (g)
SHAREHOLDERS EQUITY AND SUR- PLUS		LOANS	
Authorised Capital	—	Loans on Mortgages of Property	—
Paid up Capital	—	Other Loans (to be specified) (b)	—
Balance of Head Office Account	—	INVESTMENTS	—
Profit and Loss Appropriation Account	—	—
General Reserve	—	—
Other (Specify)	—	—
.....	—	Investment Stock (b)	—
.....	—	Deposit with Permanent Secre- tary for Finance (Securities to be specified)	—
.....	—	Fiji Government Securities	—
.....	—	Foreign Government Securities	—
BALANCE OF FUNDS AND ACCOUNTS		Local Authority Securities	—
Reinsurance Premium Reserve	—	Guaranteed by Government	—
Fund	—	Local Authority Securities not Guaranteed by Government	—
Funds held on behalf of Reinsu- rers	—	Other Government Guaranteed Securities	—
Others (Specify)	—	—
.....	—	—
.....	—	—

CLAIMS INCURRED BUT NOT RE-PORTED	Sundry debtors Other sums owing (to be specified) (a)
All Risks
Burglary
Cash in Transit
Contractors all Risk
Fire
Householders and Houseowners
Marine Cargo
Marine Hull
Miscellaneous
Motor Comprehensive
Motor Compulsory Third Party
Personal Accident
Plate Glass
Public Liability Risks
Workers Compensation
Amounts due to other persons carrying on insurance business(a)	
(i) In Fiji
(ii) Abroad
Sundry creditors (a)
Other sums owing (to be specified) (a)
.....
.....
Contingent liabilities (to be specified) (a)
.....
.....

NOTES

- (a) If the insurer has deposited security as cover in respect of any of these items, the amount and nature of the securities so deposited must be clearly indicated on the face of the balance sheet.
- (b) Full particulars of holdings in and loans to companies including subsidiary or related must be stated, giving the name and type of business transacted by each company, the number and description of each class of shares held, the amounts paid thereon, and the value at which the holdings in each company stand in the balance sheet. (Such details to be shown in the notes to the balance sheet.)
- (c) The aggregate amount owing by a subsidiary company or subsidiary companies must be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies must be shown separately from all other liabilities.
- (d) Amounts due from officers specified in section 68 of the Insurance Act must be shown separately.
- (e) Under this heading must be included such items as the following, which must be shown under separate headings suitably described:—
goodwill, preliminary formation and organisation expenses, development expenditure account, other expenditure carried forward to be written off in future years, balance being loss on profit and loss appropriation accounts, etc. The amounts included in the balance sheet must be depreciated value and in any case not be in excess of cost.
- (f) A separate balance sheet must be submitted in respect of all business, other than Fiji business which constitutes a liability on the Fiji Operation.
- (g) All amounts must be stated to the nearest dollar.

FORM B

CLASSIFIED SUMMARY OF THE ASSETS OF AS AT 31ST DECEMBER 19.....
(FOR BOTH LIFE AND GENERAL COMPANIES)

A	B	C	D	E	F	G	H	
	Investments, Loans, Fixed Assets, Cash and Other Assets of the Company							For Official Use
	IN FIJI			ABROAD		TOTALS		
Book Value \$ (b)	Realizable or Market Value \$ (b)	Book Value \$ (b)	Realizable or Market Value \$ (b)	Total Book Values B+D \$ (b)	Total or Market Values C+E \$ (b)	Remarks and Explanatory Notes		
1. Investment Stocks.....								
2. Fiji Government Securities.....								
3. Foreign Government Securities.....								
4. Local Authority Securities Guaranteed by Govt.....								
5. Local Authority Securities not Guaranteed by Govt.....								
6. Other Government Guaranteed Securities.....								
.....								
.....								
.....								
7. Debentures of Concerns.....								
8. Preference Shares.....								
9. Ordinary Shares.....								
10. Loans on Policies.....								
11. Loans on Mortgage of Property.....								
12. Other Loans.....								
.....								
.....								
.....								
.....								
13. Freehold/Leasehold Property.....								
14. Cash at National Bank of Fiji.....								
15. Cash at Commercial Banks.....								
16. Deposits at Call (Other than 14 and 15).....								
17. Interest, Dividends and Rents Outstanding.....								

- (e) Show how the value of the abovementioned classes as has not been ascertained from published quotations has been arrived at.
- (f) It is appreciated that the distinction between a loan on mortgage and a debenture may not always be clear. However, for the purpose of this return a loan on mortgage may be taken to occur when the primary security is a charge over immovable property, that is, land and buildings. A debenture, on the other hand is based on a primary security of a wider nature which may include a charge over the whole of the assets of the company or over other assets as well as land and buildings of the company.
- (g) Loans, the primary security for which is life interests or reversions are to be specified and included.
- (h) Loans made to a borrower which are secured by a charge upon debentures or shares owned by the borrower and issued by a third party are to be regarded as "Loans on Debentures or Shares".
- (i) A loan by the company upon the security of a policy issued by another company should be specifically mentioned.
- (j) The item 'Outstanding Premiums' includes advances of premiums against the surrender value of a policy and includes all amounts of premiums advanced with interest under any non forfeiture rules or regulations against the surrender value of a policy to keep the policy in force.
- (k) In the case of Branches and Agencies the Form should only include items relating exclusively to the Fiji Portfolio.
- (l) Full details of stocks held should be shown as a note to this form.

FORM C(i)

FORM OF PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT OF FOR THE YEAR ENDED 31ST DECEMBER 19.....

\$

\$

Taxes not applicable to any particular Fund or Account	Interest, Dividends and Rents (not applicable to any particular Fund or Account)
Expenses of Management not applicable to any particular Fund or Account (a)	Less Income Tax thereon
Loss on Realisation of Investments (not charged to Revenue or any particular Fund or Account)	Profit on Realisation of Investments (not credited to Revenue or any particular Fund or Account)
Depreciation of Investments (not charged to Revenue or any particular Fund or Account)	Profit transferred from Form E (Non-Life) (in total only)
	Transfer fees

Loss transferred from Form E (Non-Life) (in total only).....	_____
Other Expenditure (to be specified)	_____
Balance for the year carried to Profit and Loss Appropriation Account.....	_____
Other Income (to be specified).....	_____
Balance being lost for the year carried to Appropriation Account.....	_____

(a) If any sum has been deducted from this item and entered on the assets side of the balance sheet, the amount must be shown separately.

(b) All amounts must be stated to the nearest dollar.

FORM C (ii)

FORM OF PROFIT AND LOSS APPROPRIATION ACCOUNT

PROFIT AND LOSS APPROPRIATION ACCOUNT OF..... FOR THE YEAR ENDED 31ST DECEMBER 19.....

Balance being lost for the year brought down from Profit and Loss Account (as in Form C(i).....	F\$	Balance brought forward from last year less dividends since paid in respect of last year (to be specified).....	F\$
Dividends paid during the year on account of the current year (to be specified).....		Balance being profit for the year brought from Profit and Loss Account (as in Form C(i)) ...	
Transfers to any particular Funds or Accounts (details to be given).....			
Balance at end of the year as shown in the Balance Sheet.....	_____		_____

Others (Specify)

.....

Balance carried to the long term
 insurance fund

NOTES

- (a) If any sum has been deducted from this item and entered on the assets side of the balance sheet the amount so deducted must be shown separately. Under this item the salary paid to the managing agent or a managing director shall be shown separately from the total amount paid as salaries to the remaining staff, in the notes of the balance sheet.
- (b) All single premiums for annuities, whether immediate or deferred, must be included under this heading.
- (c) Fiji and foreign income tax on interest, dividends and rents must be shown under this heading, less any rebates of income tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for Fiji and foreign taxes, other than those shown under this item.
- (d) Under the head "Other Income" fines, if any, realised from the staff must be shown separately. All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside Fiji shall also be shown separately in the revenue account except such sums as properly appertain to the capital account.
- (e) A separate Revenue Account must be submitted for all business, other than Fiji business, which constitutes a liability on the Fiji operation.
- (f) All amounts must be stated to the nearest dollar.

(v) Others (Specify)			
Total B (5+6+7)			
8. Results (A-B)			
9. Other Income			
10. Other Expenditure			
11. Total Results for the financial year (8+9-10)			
12. Taxes			
13. Allocations to Free Reserves (Capital & Free Reserves)			
14. Dividends to Shareholders (Stock Companies)			
15. Other Allocations			
16. Balance (11-12-13-14-15)			

NOTE

All amounts must be stated to the nearest dollar.

FORM E (NON-LIFE)—Contd.

ASSETS AND LIABILITIES		
ASSETS	IN FIJI	OUT OF FIJI
TOTAL		
(i) Book Value		
(ii) Market or Realizable Value		
LIABILITIES	(a)	(b)
(a) Shareholders' Equity & Surplus as per Balance Sheet*		
(b) All Liabilities (other than (a)).		

* This includes:—
 (i) Paid up Capital
 (ii) Balance of Head Office Account
 (iii) Profit & Loss Appropriation Account Balance
 (iv) General Reserve
 (v) Other Reserves not specifically for the benefit of policyholders (Unexpired Premium Reserve, Reinsurance Premium Reserve Fund and IBNR are reserves for the benefit of policyholders)

KEY
 C.I.T.=Cash in Transit
 C.A.R.=Contractors All Risks
 H/H=Householders and Houseowners
 C.T.P.=Compulsory Motor Third Party
 P.A.=Personal Accident
 P/Risks=Public Liability Risk
 W/Comp=Workmen's Compensation

NOTES

- (a) All amounts must be stated to the nearest dollar.
- (b) This heading must include all expenses directly incurred in settling claims.
- (c) If in any year the claims actually paid and those still unpaid at the end of that year in respect of the previous year's Revenue Account are in excess of the amount included in the previous year's Revenue Account as provision for outstanding claims, then the amount of such excess must be shown in the Revenue Account.
- (d) If any sum has been deducted from this item and entered on the assets side of the balance sheet the amount so deducted must be shown separately. This heading must not include commission expenses which should be shown under item 11.
- (e) A list of management expenses must be shown in the notes to the return and an indication given as to the method of apportionment as amongst the various classes of business. This list must show separately amounts in respect of local and overseas expenditure.

FORM F—Contd.

CLASS	INDIVIDUAL																					
	Number of Policies according to mode of Payment						Sums Insured \$						Premium Income for which credit had been taken in the Revenue Account \$									
	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	
Whole of Life Insurance																						
Endowment Insurance																						
Temporary Insurance																						
Other Life Insurance																						
Pure Endowment																						
Life Annuity																						
Ordinary Subtotals																						
Industrial Life Weekly																						
Industrial Life Monthly Debit Ordinary																						
Industrial Sickness & Accident																						
Industrial Subtotals																						
Totals																						

NOTES
 (a) Including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable.
 (b) A separate return must be submitted for all business other than Fiji Business, which constitutes a liability on the Fiji operation.

FORM G

PARTICULARS OF LIFE POLICIES FORFEITED OR LAPSED LESS THOSE REVIVED AND REINSTATED FOR FULL BENEFITS DURING THE YEAR ENDED 31ST DECEMBER CLASSIFIED ACCORDING TO THE YEAR IN WHICH THEY WERE ISSUED

Calendar year in which the policies were issued	Ordinary Life business		Monthly debit ordinary		Weekly Premium		Sickness & Accident	
	No. of policies forfeited or lapsed	Sums insured under policies forfeited or lapsed \$	No. of policies forfeited or lapsed	Sums insured under policies forfeited or lapsed \$	No. of policies forfeited or lapsed	Sums insured under policies forfeited or lapsed \$	No. of policies forfeited or lapsed	Sums insured under policies forfeited or lapsed \$
1. Year under review								
2. Year previous to that under review								
3.								
Total								

NOTES

Insurers having their principal place of business in Fiji shall give the information required in the form separately for business transacted in Fiji and business transacted outside Fiji. Insurers having their principal place of business outside Fiji should furnish information regarding business transacted in Fiji only.

FORM H

LAPSED LIFE INSURANCE POLICIES—REVIVED DURING THE YEAR ENDING 31 ST DECEMBER 19 (b)

CLASS	GROUP & SUPERANNUATION																					
	Number of Policies according to mode of Payment					Sums Insured \$					Premium Income for which credit had been taken in the Revenue Account \$											
	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	
Whole of Life Insurance																						
Endowment Insurance																						
Temporary Insurance																						
Other Life Insurance																						
Pure Endowment																						
Life Annuity																						
Ordinary Subtotals																						
Industrial Life Weekly																						
Industrial Life Monthly Debit Ordinary																						
Industrial Sickness & Accident																						
Industrial Subtotals																						
Totals																						

FORM H—Contd.

CLASS	INDIVIDUAL																					
	Number of Policies according to mode of Payment						Sums Insured \$						Premium Income for which credit had been taken in the Revenue Account \$									
	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	
Whole of Life Insurance																						
Endowment Insurance																						
Temporary Insurance																						
Other Life Insurance																						
Pure Endowment																						
Life Annuity																						
Ordinary Subtotals																						
Industrial Life Weekly																						
Industrial Life Monthly Debit Ordinary																						
Industrial Sickness & Accident																						
Industrial Subtotals																						
Totals																						

NOTES

- (a) Including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable.
- (b) A separate return must be submitted for all business, other than Fiji Business, which constitute a liability on the Fiji operation.

FORM I—Contd.

BONUS ADDITIONS														
CLASS	Number of Policies according to mode of Payment						Sums Insured \$							
	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total	Single (a)	Annual	Half-Yearly	Quarterly	Monthly	Weekly	Total
Whole of Life Insurance														
Endowment Insurance														
Temporary Insurance														
Other Life Insurance														
Pure Endowment														
Life Annuity														
Ordinary Subtotals														
Industrial Life Weekly														
Industrial Life Monthly Debit Ordinary														
Industrial Sickness & Accident														
Industrial Subtotals														
Totals														

NOTES

- (a) Including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable.
- (b) A separate return must be submitted for all business, other than Fiji Business, which constitute a liability on the Fiji operation.

FORM K

CLAIMS SETTLEMENTS OPERATIONS IN THE YEAR ENDING 31 DECEMBER 19

Type of Policy	Claims Intimated during the year		Claims settled during the year		Claims outstanding at 31 December	
	Number	Amount	Number	Amount	Number	Amount
Whole of Life Insurance						
Endowment Insurance						
Temporary Insurance						
Other Life Insurance						
Pure Endowment						
Annuity						
Ordinary Subtotals						
Industrial Monthly Premium						
Industrial Weekly Premium						
Industrial Sickness and Accident						
Industrial Subtotals						
Totals						

THIRD SCHEDULE
(Regulation 14(a))

DIRECTIONS UNDER SECTION 38

PART I

- (i) Abstracts and statements shall be so arranged that the numbers and letters of the paragraphs correspond with those of the paragraphs of Part II.
- (ii) Specimen policy values shall be given at the rate of interest employed in the valuation in respect of whole life insurance policies effected at the respective ages of 20, 30, 40 and 50 and having been in force respectively for 5 years, 10 years and upwards at intervals of 10 years; and similar policy values shall be given in respect of endowment insurance policies effected at the respective ages of 20, 30 and 40 for endowment terms of 20 and 30 years, and in case of policies involving continuous disability benefits, specimens of the valuation factors must be given:

Provided that, where the specimen policy values or valuation factors required by this direction to be given are the same as those given in any abstract prepared under Part II previously submitted by the company to the Commissioner, it shall be sufficient in any abstract subsequently submitted to refer to the specimens so given in such manner as to enable the Commissioner to ascertain the required information.

- (iii) In showing the portion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, in accordance with the requirements of paragraph (iv) of Part II, no credit is to be taken for any adjustments made in order to secure that no policy is treated as an asset.
- (iv) (a) The average rate of interest earned or yielded in any year by the assets constituting a long term insurance fund shall, for the purposes of paragraph (v) of Part II, be calculated by dividing the interest of the year by the mean fund of the year; and for the purposes of any such calculation, the interest of the year shall be taken to be the whole of the interest, dividends and rents credited to the long term insurance fund during the year after deduction of rates and taxes (any refund of rates or taxes made during the year being taken into account) and the mean fund of the year shall be ascertained by adding a sum equal to one-half of the amount of the long term insurance fund at the beginning of the year to a sum equal to one-half of that fund at the end of the year and deducting from the aggregate of those 2 sums an amount equal to one-half of the interest of the year.
- (b) For the purposes of the calculation aforesaid, either—
 - (i) all profits and income arising during the year from sums invested in reversions shall be included in the interest credited to the long term insurance fund during the year; or
 - (ii) such portion of the long term insurance fund as is invested in the purchase of reversions, and the profits and income arising

therefrom, shall be excluded from the calculation; but in that case, a statement must be added to the information required under paragraph (v) of Part II, showing, in respect of the portion of the fund so excluded, the average rate of annual profit and income for which credit has been taken during the 3 years last preceding the valuation date, and explaining the manner in which the average rate has been calculated; or

- (iii) such other method for which the approval of the Commissioner shall have been obtained;
- (iv) the information given in accordance with paragraph (v) of Part II shall show clearly by which of the methods hereinbefore in this direction mentioned the sums invested in reversions and the profits and income arising therefrom have been dealt with;
- (v) Every abstract prepared in accordance with Part II shall be signed by an actuary and shall contain a certificate by him as to the accuracy of the valuations made for the purposes of the abstract and of the valuation data:

Provided that if the actuary who signs the abstract is not a permanent officer of the insurer, the certificate as to the accuracy of the valuation data shall be given and signed by the principal officer of the insurer as defined in section 2 of the Insurance Act and the actuary shall insert in the abstract a statement signed by him showing what precautions he has taken to ensure the accuracy of the data;

- (vi) For the purpose of these Directions—
 - “extra premium” means a charge for any risk not provided for in the minimum contract premium;
 - “inter-valuation period” means, in relation to any valuation in respect of any class of business, the period to the valuation date of that valuation from the valuation date of the last preceding valuation under the Insurance Act, or if there is no preceding valuation under the Insurance Act, from the valuation date of the last preceding valuation made in respect of that class of business, from the date on which the company began to carry on that class of business;
 - “maturity date” means the fixed date on which any benefit will become payable either absolutely or contingently;
 - “net premiums” means, in relation to any valuation, the premiums for which credit is taken in the valuation;
 - “premium term” means the period during which premiums are payable;
 - “valuation date” means, in relation to any valuation, the date at which the valuation is made.

PART II

The following statements shall be annexed to every abstract prepared in accordance with this Part:—

- (a) A Summary and Valuation in Form L as set out in these Directions of the policies included in the valuation date in the class of business to which the abstract relates; and

(b) A Valuation Balance Sheet in Form M as set out in these Directions; and every such abstract shall show—

- (i) the valuation date;
- (ii) the general principles and full details of the methods adopted in the valuation of each of the various classes of insurance and annuities shown in Form L, including statements on the following matters:—
 - (a) whether the principles were determined by the instruments constituting the company or by its articles of association or other rules, or, if not how the principles were determined;
 - (b) the method by which the net premiums have been arrived at and how the ages at entry, premium terms and maturity dates, have been treated for the purpose of the valuation;
 - (c) the methods by which the valuation age, period from the valuation date to the maturity date, and the future premium terms, have been treated for the purpose of the valuation;
 - (d) the rate of bonus taken into account where, by the method of valuation, definite provision is made for the maintenance of a specific rate of bonus;
 - (e) the method of allowing for—
 - (i) the incidence of the premium income; and
 - (ii) premiums payable otherwise than annually;
 - (f) the methods by which provision has been made for the following matters:—
 - (i) the immediate payment of claims;
 - (ii) future expenses and profits in the case of limited payment policies and paid-up policies;
 - (iii) the reserve in respect of lapsed policies, not included in the valuation, but under which a liability exists or may arise; and
 - (iv) payment of benefits or waiver of premiums during disability—
 - (a) in operation at the valuation date; and
 - (b) not in operation at that date;and whether any reserves have been made for those matters;
 - (g) whether under the valuation method adopted any policy would be treated as an asset, and what steps have been taken to eliminate any such asset from the valuation;
 - (h) a statement of the manner in which policies on under average lives and policies subject to premiums which include a charge for climatic, military or other extra risks have been dealt with; and
 - (i) the currency in which the valuation is made and the basis of conversion into that currency of the value of liabilities in other currencies;
- (iii) the tables of mortality sickness and accident used, and the rate of interest assumed, in the valuation;

- (iv) the proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, separately specified in respect of insurances with immediate profits, with deferred profits, and without profits;
- (v) the average rates of interest earned by the assets constituting the relevant statutory fund for each of the 5 years preceding the valuation date;
- (vi) the basis adopted in the distribution of surplus as between the company and policy owners, and whether that basis was determined by the instruments constituting the company, or by its articles of association or other rules, or, if not, how the basis was determined;
- (vii) the general principles adopted in the distribution of surplus among policy owners, including statements on the following matters:—
 - (a) whether the principles were determined by the instruments constituting the company, or by its articles of association or other rules, or, if not, how the principles were determined;
 - (b) the number of years' premiums to be paid, period to elapse, and other conditions to be fulfilled, before a bonus is allotted;
 - (c) whether the bonus is allotted in respect of each year's premiums paid, or in respect of each completed calendar year or year of insurance or, if not, how the bonus is allotted; and
 - (d) whether the bonus vests immediately on allocation or, if not, the conditions of vesting;
- (viii) the total amount of surplus arising during the inter-valuation period including surplus paid away and sums transferred to reserve funds or other accounts during that period, and the amount brought forward from the preceding valuation (to be stated separately) and the allocation of that surplus—
 - (a) to interim bonus paid;
 - (b) among policy owners with immediate participation, giving the number of the policies which participated and the sums insured under the policies (excluding bonuses);
 - (c) among policy owners with deferred participation, giving the number of the policies which participated and the sums insured under the policies (excluding bonuses);
 - (d) among shareholders or to shareholders' accounts (any such sums passed through the accounts during the inter-valuation period to be separately stated);
 - (e) to every reserve fund, or other fund or account (any such sums passed through the accounts during the inter-valuation period to be separately stated); and
 - (f) as carried forward unappropriated;

- (ix) specimens of bonuses allotted as at the valuation date to policies for \$1,000—
 - (a) for the whole term of life effected at the respective ages of 20, 30 and 40, and having been in force respectively for 5 years, 10 years and upwards at intervals of 10 years; (Where different rates of bonus are allotted to policies under which the premiums are payable for a limited term only, similar specimen bonuses shall be shown for policies having premium terms of 10 and 20 years respectively); and
 - (b) for endowment insurances effected at the respective ages of 20, 30 and 40, for endowment terms of 15, 20 and 30 years and effected at age 20 for an endowment term of 40 years, and having been in force respectively for 5 years, 10 years and upwards at intervals of 10 years, together with the amounts apportioned under the various ways in which the bonus is receivable;
- (x) where bonuses are allotted as reversionary additions to the sums insured under policies, a statement of the basis and conditions under which those bonuses may be surrendered for cash; and
- (xi) A statement in Form N as set out in these Directions of specimen policy reserve values held or required to be held according to the methods adopted in the valuation, and specimen minimum surrender values in respect of which life assurance policies for \$1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the first, second, third, fourth, sixth, seventh, eighth, ninth, tenth, fifteenth and twentieth annual premium, with similar specimen policy reserve values and specimen surrender values in respect of whole life assurance policies subject to premiums payable for 20 years and of endowment assurance policies maturing at age of 55;
- (xii) A statement showing how the liability under any disability clause in a policy has been determined in the valuation with full information of the tables of sickness or accident rates used for the purpose.

FORM M

VALUATION BALANCE SHEET OF (CLASS OF LONG TERM INSURANCE BUSINESS) OF
 (NAME OF COMPANY) AS AT 31ST DECEMBER 19.....

	<i>Total</i>	<i>Total</i>
	F\$	F\$
Net liabilities under policies—		
On registers in Fiji.....		Balance of Long term Insurance
		Fund.....
Other.....		Deficiency (if any).....
Surplus (if any).....		

FORM N

SPECIMEN POLICY RESERVE VALUES AND MINIMUM SURRENDER VALUES UNDER A
 POLICY FOR \$1,000

Number of premiums paid	AGE AT ENTRY 20		AGE AT ENTRY 30		AGE AT ENTRY 40		AGE AT ENTRY 50	
	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value
1.....								
2.....								
3.....								
4.....								
5.....								
6.....								
7.....								
8.....								
9.....								
10.....								
15.....								
20.....								

NOTE—Items in this Form to be stated to the nearest dollar.

FOURTH SCHEDULE
(Regulation 14(b))

STATEMENTS UNDER SECTION 38

- (i) Statements prepared under section 38(4) of the Act shall be prepared, so far as practicable, in tabular form and shall be identified by numbers and letters corresponding with the paragraphs of these Directions.
- (ii) Except with respect of rates of premium or contribution, items in statements prepared under section 38(4) of the Act shall be shown to the nearest dollar.
- (iii) Extra premiums where shown separately in Form M prepared under the directions issued under section 38(1) of the Act shall not be included in statements prepared under section 38(4) of the Act.
- (iv) Every statement prepared under section 38(4) of the Act shall be signed by the actuary making the investigation in connection with which it is prepared.
- (v) For the purposes of this Schedule—
 - “extra premiums” means a charge for any risk not provided for in the minimum contract premium;
 - “net premiums” means the premiums for which credit is taken in the valuation in connection with which any statement is prepared;
 - “valuation date” means, in relation to any valuation, the date as at which the valuation is made.
- (vi) Statements shall be prepared under section 38(4) of the Act both for the total business before deduction in respect of re-insurances of the risks of the company, and for those re-insurances.
- (vii) Where the rates of office premiums required to be shown in any statement prepared under section 38(4) of the Act are the same as the rates shown in any statement previously so prepared and submitted to the Commissioner, it shall be sufficient to refer to the rates so shown in such manner as to enable the Commissioner to ascertain the required information.

The Statements required to be prepared under section 38(4) of the Act are as follows:—

- (1) Statements as to policies issued in Fiji separately prepared in respect of policies with and without participation in profits, showing—
 - (a) in relation to policies for the whole term of life, the rates of office premiums charged, in accordance with the tables (copies of which should be submitted to the Commissioner) for new policies giving the rates for decennial ages at entry from 20 to 70 inclusive;
 - (b) in relation to endowment insurance policies, the rates of office premiums charged, in accordance with the published tables in use, for new policies with original terms of 10, 15, 20, 30 and 40 years giving the rates for ages at entry 20, 30 and 40, but excluding policies under which the age at maturity exceeds 60;
 - (c) in relation to policies specified in paragraphs (a) and (b) under which a continuous disability benefit is granted, the office premiums for that benefit under new policies, and the conditions which must be fulfilled before a continuous disability benefit—
 - (i) is allowed;
 - (ii) ceases to be allowed; and

- (d) in relation to sinking fund policies, the rates of office premiums charged in accordance with the published tables in use for new policies with original terms of 10, 15, 20 and 30 years:

Provided that in the case of industrial policies, there shall be shown, in lieu of the rates of office premiums charged as specified in paragraphs (a), (b), (c) and (d) the sums insured by new policies, in accordance with the published tables in use, in return for fixed weekly and monthly office premiums and in addition the sums insured for ages at entry 1, 5, 10 and 15.

- (2) Statements shall be separately prepared in respect of policies with immediate profits, and without profits, showing in quinquennial groups—

- (a) in relation to policies on single lives for the whole term of life—

- (i) the total amount insured (specifying sums insured and reversionary bonuses separately), grouped according to ages attained;
- (ii) the amount per annum after deducting abatements made by application of bonus, of office premiums payable throughout life, and of the corresponding net premiums, grouped according to ages attained; and
- (iii) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable for a limited number of years, and of the corresponding net premiums, grouped in accordance with the grouping adopted for the purposes of the valuation;

- (b) in relation to endowment insurance policies on single lives—

- (i) the total amount insured (specifying sums insured and reversionary bonuses separately), grouped in accordance with the grouping adopted for the purposes of the valuation; and
- (ii) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable and of the corresponding net premiums, grouped in accordance with the grouping adopted for the purposes of the valuation;

- (c) in relation to policies specified in paragraphs (a) and (b) under which a continuous disability benefit is granted—

- (i) to total amount of continuous disability benefit insured under the policies, grouped in accordance with the grouping adopted for the purposes of the valuation; and
- (ii) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable including premiums of which payment is, at the valuation date, suspended owing to disability arising from sickness or accident, and of the corresponding net premiums, grouped according to the grouping adopted for the purposes of the valuation; and

- (d) in relation to sinking fund policies (other than annuity policies)—

- (i) the total amount insured (specifying sums insured and reversionary bonuses separately), grouped according to the number of complete years from the valuation date to the date of maturity of the policies; and
- (ii) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable, and of the corresponding net premiums, grouped according to the number of years' payments remaining to be made:

Provided that—

- (a) in relation to endowment insurance policies or sinking fund policies which will reach maturity in less than 5 years, and which are grouped for the purposes of the valuation according to the years in which the policies will mature for payment, the information required by sub-paragraphs (b) (i), (c) (i) and (d) (i) shall be given for each year instead of in quinquennial groups; and
 - (b) where the net premiums in respect of policies for the whole term of life with premiums payable for a limited number of years, or the net premiums in respect of endowment insurance policies, are grouped for the purposes of the valuation otherwise than according to the number of years' payments remaining to be made, or where the sums insured under endowment insurance policies are grouped for the purposes of the valuation otherwise than according to the years in which the policies will mature for payment or in which they are assumed to mature if earlier than the true year, then, in any such case, the valuation constants and an explanation of the method by which they are calculated shall be given for each group, and, in the case of the sums insured under endowment insurance policies, a statement shall also be given of the amount insured maturing for payment in each of the 2 years following the valuation date.
- (3) Statements in relation to immediate annuities on single lives for the whole terms of life and annuities which were originally deferred but which have been entered upon before or on the valuation date, separately prepared in respect of annuities on male and female lives, showing in quinquennial age groups the total amount of those annuities, grouped according to ages attained at the valuation date.
- (4) Statements in relation to deferred annuities which have not been entered upon before or on the valuation date, separately prepared in respect of annuities on male and female lives, showing in quinquennial groups—
- (a) the total amount of those annuities, grouped according to the number of years from the valuation date to the date the annuity is to be entered upon, and either—
 - (i) the average age (obtained by weighing according to the amount of the annuity) attained at the valuation date by the prospective annuitants; or
 - (ii) the valuation constants and an explanation of the method by which they are calculated; and
 - (b) the amount per annum of office premiums payable and of the

corresponding net premiums, grouped according to the number of years' payments remaining to be made.

(5) Statements in relation to sinking fund policies, being immediate annuity policies showing in quinquennial groups the total amount of those annuities grouped according to the number of years from the valuation date to the date the annuities cease to be payable.

(6) Statements showing in quinquennial groups the amount per annum of continuous disability benefits payable at the valuation date in respect of disability of more than 1 year's duration, grouped according to ages attained.

(7) Statements showing the total amount of continuous disability benefit paid and premiums waived in each of the 5 years immediately preceding the valuation date.

FIFTH SCHEDULE
(Regulation 20)

MEMORANDUM OF TRANSFER

		TRANSFEREE										
Date of Transfer	Signature of Transferor	Specify reasons for Transfer, eg. natural love and affection, valuable consideration, etc.	In the case of conditional assignments specify the agency upon which the transferor reserves the right to receive the payments specified in the policy	*Witness	Name in full	Address	Occupation	Father's name	Signature of Transferee	*Witness	Date of registration of Transfer by company	Signature of Principal Officer of Company or person authorized by him

*N.B.—If the transferor is illiterate or is unable to read English, he must sign the assignment or affix his thumb impression to this Form in the presence of a Magistrate or Justice of the Peace. In such cases the Magistrate or Justice of the Peace should certify on the Form that the contents of the Form were fully explained in the language understood by the transferor and that the signature or thumb impression was affixed after the Transferor thoroughly understood the contents of the Form.

SIXTH SCHEDULE
(Regulation 21)

FORM OF APPOINTMENT WHERE NOMINEE IS A MINOR

I son/daughter
Name in full
of of
Name of father
..... the holder of
Address of person making appointment
ordinary life assurance policy no.
appoint of
(Name of Appointee) *(Address of Appointee)*
son/daughter of as the person
to receive the money secured thereby in the event of my death during the minority
of my nominee
(Name of nominee)

of son/daughter of
(Address of nominee)
Signed at this day of
..... 19

Witness:
Signature *Signature of holder*

Name:
Address:

I the abovenamed
Name in full

appointee hereby signify my consent to be appointed as aforesaid and to hold the
moneys payable under the aforesaid Policy No. for the benefit of

.....
Name of Minor nominee

Witness:
Signature of Appointee

.....
Name

.....
Address