

INSURANCE ACT

FSC Rules made by the Financial Services Commission under sections 24 and 130 of the Insurance Act and section 93 of the Financial Services Act

1. Citation

These Rules may be cited as the Insurance (Deposit) Rules 2017.

2. Interpretation

In these Rules -

“Act” means the Insurance Act;

“Commission” has the same meaning as in the Financial Services Act;

“deposit” means the deposit referred to in section 24(1)(b) of the Act;

“insurer” has the same meaning as in the Act.

3. Application of these Rules

These Rules shall apply to insurers licensed by the Commission under the Act.

4. Amount of deposit

- (1) An insurer shall, in respect of its long term insurance business or its general insurance business, at all times make and maintain a deposit of Rs 8 million.
- (2) A deposit made and maintained under section 24(1)(b) of the Act shall consist of bank deposits.
- (3) The bank deposit shall be deposited with a bank licensed by the Bank of Mauritius and approved by the Commission and shall be pledged in favour of the Commission.
- (4) All income accruing in respect of a deposit shall be payable to the insurer making the deposit, except where the insurer is declared insolvent, or is the subject of liquidation proceedings or investigation.

5. Restriction on use of deposit

- (1) A deposit made and maintained by an insurer in respect of long term insurance business shall be deemed to form part of the assets of the long term insurance fund.
- (2) Where any part of a deposit made under these Rules is used in the discharge of any liability of an insurer, the insurer shall make good any deficiency within a period of 2 months from the date the deposit is used.

6. Shortfall in deposit

Subject to the provisions of these Rules, the market value of a deposit shall be determined as at each balance sheet date and with reference to that year, and if the deposit is found to be short of the required amount of deposit under these Rules, the insurer shall be required forthwith to make good the shortfall.

7. Refund of deposit

- (1) A deposit made by an applicant for a licence as an insurer shall be returned by the Commission if the applicant is not so licensed.
- (2) Subject to these Rules, a deposit made in terms of these Rules shall be retained by the Commission until either it is returned as provided in subparagraph (3), or is required in the winding up of the affairs of the insurer.
- (3)
 - (a) Where the Commission is satisfied that an insurer has ceased to transact or carry on any category of insurance business in respect of which it has been licensed and that its liability in respect of that category of business has been satisfied or is otherwise provided for, the Commission shall, on the application of the insurer, return to the latter the deposit as, in the opinion of the Commission, is not required in respect of any other category of insurance business carried on by the insurer.
 - (b) No such return shall be made in relation to any category of insurance business until after the expiration of the third balance sheet date of the insurer from the date when the last policy in respect of that category of insurance business was issued or such shorter period as the Commission may approve.

8. Transitional Provisions

Existing insurers holding Government of Mauritius Securities in lieu of bank deposits or in addition to bank deposits, shall have until the maturity date of the securities, to comply with the provisions of these Rules.

9. Commencement

These Rules shall come into operation on XXX (or date of publication).

Made by the Financial Services Commission on XXX 2017.

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