

**VIRGIN ISLANDS**  
**INSURANCE (AMENDMENT) REGULATIONS, 2015**

**ARRANGEMENT OF REGULATIONS**

*Regulation*

1. Citation and commencement.
2. Regulation 2 amended.
3. Regulation 4 amended.
4. Regulation 7 amended.
5. Regulation 13 amended.
6. Regulation 20 amended.
7. Regulation 21 amended.
8. New heading and regulations added.
9. Schedule amended.

**VIRGIN ISLANDS**

**STATUTORY INSTRUMENT 2015 NO. 53**

**INSURANCE ACT, 2008  
(No. 1 of 2008)**

**Insurance (Amendment) Regulations, 2015**

[Gazetted 16<sup>th</sup> July, 2015]

The Cabinet, acting on the advice of the Financial Services Commission and in exercise of the powers conferred by section 82 of the Insurance Act (No. 1 of 2008), makes these Regulations.

Citation and commencement.

1. These Regulations (hereinafter referred to as “the principal Regulations”) may be cited as the Insurance (Amendment) Regulations, 2015 and shall come into force on the date the Insurance (Amendment) Act, 2015 comes into operation.

Regulation 2 amended.

2. Regulation 2 of the principal Regulations is amended in subregulation (2) by adding at the end of paragraph (b) before the full-stop, the words “ or other rating agency”.

Regulation 4 amended.

3. Regulation 4 of the principal Regulations is amended

(a) in subregulation (1) by deleting the words “This regulation” and replacing them with the words “Unless the context otherwise requires, this regulation”; and

(b) by revoking subregulation (2) and replacing it with the following subregulation:

“(2) An individual is resident in the Virgin Islands if, during the course of any particular year, he has not been absent from the Virgin Islands for an aggregate period exceeding 120 days.”.

Regulation 7 amended.

4. Regulation 7 of the principal Regulations is amended

(a) by deleting the word “and” at the end of paragraph (a);

(b) by deleting the full-stop at the end of paragraph (b) and replacing it with “; and”; and

(c) by adding after paragraph (b), the following new paragraph:

“(c) a licensed foreign insurer.”.

5. Regulation 13 of the principal Regulations is amended in subregulation (9) by deleting the figure “\$15,000” and replacing it with the figure “\$40,000”. Regulation 13 amended.

6. Regulation 20 of the principal Regulations is amended in subsection (1) by adding at the end of paragraph (b) before the full-stop, the words “ or other rating agency”. Regulation 20 amended.

7. Regulation 21 of the principal Regulations is amended in subsection (2) by deleting the figure “\$15,000” and replacing it with the figure “\$30,000”. Regulation 21 amended.

8. The principal Regulations are amended

New heading and regulations added.

follows: (a) by adding after regulation 26 a new heading in italics as

“*Regulatory deposit*”; and

(b) by adding immediately after the new heading, the following new regulations:

“Regulatory deposit: application.

27. (1) This regulation and regulations 28, 29 and 30 apply to

(a) a specified foreign insurer that opts under subregulation (2) not to establish a trust as provided under regulation 13; and

(b) a BVI insurer that carries on domestic business.

(2) A specified foreign insurer may, instead of establishing a trust under regulation 13, opt to pay to the Commission the deposit prescribed in regulation 28.

(3) Where a specified foreign insurer makes the option referred to in subregulation (2), regulations 13 to 26 shall not apply in its case.

Payment of deposit.

**28.** (1) A BVI insurer, and a specified foreign insurer that makes an option under regulation 27 (2), shall pay to the Commission a deposit

(a) in the amount of \$250,000, or

(b) in an amount that is equal to the total of its domestic liabilities,

whichever is higher.

(2) A BVI insurer and specified foreign insurer shall ensure that, at all times, it has paid monies to the Commission equal to the deposit specified in subregulation (1) and, where its liabilities exceed the amount of the regulatory deposit paid to the Commission, it shall pay the difference to a level at least equal to the total of its liabilities.

(3) Where the liabilities of a BVI insurer or specified foreign insurer are less than \$250,000, the Commission may, either on the application of the BVI insurer or specified foreign insurer, direct that a lesser deposit, as the Commission may determine, be paid.

(4) A BVI insurer or specified foreign insurer that contravenes subregulation (1) or (2) commits an offence and is liable on summary conviction to a fine not exceeding \$40,000.

Use of regulatory deposit.

**29.** (1) A deposit paid by a BVI insurer or specified foreign insurer may be used by the Commission to satisfy

(a) any outstanding fees or penalties payable to the Commission;

(b) the costs of, or associated with, any enforcement action taken by the Commission against the BVI insurer or specified foreign insurer;

- (c) costs of, or associated with, the winding up of the BVI insurer or specified foreign insurer; and
- (d) any liabilities in respect of insurance policies as at the date of winding up of the BVI insurer or specified foreign insurer.

(2) If a BVI insurer or specified foreign insurer ceases to hold a licence under the Act, the Commission shall pay to the BVI insurer or specified foreign insurer the whole or such part of the deposit that the Commission is satisfied is not required for the purposes specified in subregulation (1).

(3) All income accruing in respect of a deposit, whether in the form of interest payment or otherwise, shall, subject to subregulations (1) and (4), be payable to the BVI insurer or specified foreign insurer making the deposit at such rate and in such manner as the Commission considers appropriate.

(4) The Commission may, subject to subregulation (1), retain up to 25 percent of any income accruing in respect of a deposit, as provided in subregulation (3), to cover its administrative and other expenses.

Termination of regulatory deposit.

**30.** A deposit paid under regulation 28 shall be retained by the Commission until

- (a) the BVI insurer or specified foreign insurer ceases to hold its licence; or
- (b) the deposit is required for the purposes outlined in regulation 29.”.

9. The Schedule to the principal Regulations is amended

Schedule amended.

(a) in Part A

- (i) by deleting the heading “GENERAL INSURANCE BUSINESS” and replacing it with the heading “PROPERTY AND CASUALTY INSURANCE BUSINESS”; and

- (ii) by deleting in Class No. 8 the words “general insurance business” and replacing them with the words “property and casualty business”;
- (b) in Part B
- (i) by deleting the heading “LONG-TERM INSURANCE BUSINESS” and replacing it with the heading “LIFE AND HEALTH INSURANCE BUSINESS”;
  - (ii) by deleting in the description in Class No. 11, the word “party” and replacing it with the word “partly”; and
  - (iii) by deleting in Class No. 13 the words “life insurance business” and replacing them with the words “life and health business”.

Made by the Cabinet this 9<sup>th</sup> day of July, 2015.

(Sgd.) Sandra Ward,  
Cabinet Secretary.