



BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B  
SOLVENCY REQUIREMENT) AMENDMENT (NO. 3) RULES 2016

BR 118 / 2016

TABLE OF CONTENTS

- 1 Citation
- 2 Amends Schedule I
- 3 Revokes and replaces Schedule IIA
- 4 Commencement

SCHEDULE

The Bermuda Monetary Authority, in exercise of the power conferred by section 6A of the Insurance Act 1978, makes the following rules:

Citation

1 These Rules, which amend the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008 (the “principal Rules”), may be cited as the Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Amendment (No. 3) Rules 2016.

Amends Schedule I

2 Schedule I to the principal Rules is amended—

- (a) in paragraph 1, in Table 2 (“Capital charge factors for *Eqastclass<sub>i</sub>*”) by deleting “*Other equity investments*” and substituting the following—

<i>Other equity investments</i>		
Company - occupied real estate less: encumbrances	Form 1EBS, Line 7(a)	10.0%

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY REQUIREMENT) AMENDMENT (NO. 3) RULES 2016

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Real estate investments less: encumbrances	Form 1EBS, Line 7(b)	20.0%
Other equity investments	Form 1EBS, Lines 2(e), 3(e) and Schedule IIA, Line 21, Column (7)	20.0%
Other tangible assets and deposit liabilities - net of segregated accounts	Form 1EBS, Lines 13(k), 14(d) and 36(f) Less 13(d)	20.0%

(b) in paragraph 6, in Table 5 (“Capital charge factors for *Concastclass<sub>i</sub>*”) by deleting “Investment in Affiliates - Unregulated financial operating entities” and substituting the following—

Investment in Affiliates - Unregulated financial operating entities	Schedule XXI Column D	55.0%
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Revokes and replaces Schedule IIA

3 Schedule IIA to the principal Rules is revoked and replaced.

Commencement

4 These Rules come into operation on 31 March 2017 and apply to financial years commencing on or after 1 January 2018.

INSURANCE (PRUDENTIAL STANDARDS) (CLASS 4 AND CLASS 3B SOLVENCY  
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SCHEDULE

(paragraphs 2 and 3)

*The Schedule referred to in paragraph 2 and 3 has been omitted from these Rules and published on the Authority's website [www.bma.bm](http://www.bma.bm) in accordance with section 6A(8) of the Insurance Act 1978.*

Made this 12th day of December 2016

Chairman  
The Bermuda Monetary Authority