



BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY
REQUIREMENT) AMENDMENT (NO. 2) RULES 2016

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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) (Insurance Group Solvency Requirement) Rules 2011 (the “principal Rules”), may be cited as the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment (No. 2) Rules 2016.

Amends paragraph 6

2 Paragraph 6 of the principal Rules is amended—

- (a) in subparagraph (1) by deleting “and XV” and substituting “, XV, XVIII, XIX, XX and XXI”;

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- (b) in subparagraph (2) by deleting “and XV” and substituting “, XV, XVIII, XIX, XX and XXI”;
- (c) in subparagraph (3)(b) by deleting “and XIII” and substituting “, XIII, XV, XVIII, XIX, XX and XXI”.

Amends Schedule I

3 Schedule I to the principal Rules is amended—

- (a) in Table 1 by deleting the words “Schedule V(h)” wherever they occur and substituting “Schedule XIX”;
- (b) in Table 4 by deleting the words “Schedule V(i)” wherever they occur and substituting “Schedule XX”;
- (c) in Table 5 by deleting the words “Schedule V(j)” wherever they occur and substituting “Schedule XXI”;
- (d) in Table 8 by deleting the words “Schedule V paragraph (d)” wherever they occur and substituting “Schedule XVIII”.

Amends Schedule V

4 Schedule V to the principal Rules is amended—

- (a) by deleting the following—
 - (i) paragraph (d);
 - (ii) paragraph (x);
 - (iii) paragraph (y);
 - (iv) paragraph (z);
- (b) in the INSTRUCTIONS AFFECTING SCHEDULE V —
 - (i) in paragraph (b)(viii) by inserting after “the” the words “gross and”;
 - (ii) by inserting the following after paragraph (c)(ii)(A)—

“(AA) counterparties involved, including where they are located;”
 - (iii) by deleting the following—
 - (A) paragraph (d);
 - (B) paragraph (x);
- (c) in the INSTRUCTIONS AFFECTING SCHEDULE V(h) by deleting paragraph (y);
- (d) in the INSTRUCTIONS AFFECTING SCHEDULE V(i) by deleting paragraph (z).

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Amends Schedule XIV

5 Schedule XIV to the principal Rules is amended in paragraph 14 of the INSTRUCTIONS AFFECTING FORM 1EBS by inserting after “conditions.” the words “This shall include non-balance sheet reserves such as those set out under Modified Coinsurance arrangements under paragraph “(r)” of THE INSTRUCTIONS AFFECTING SCHEDULE V: The corresponding assets supporting these modified coinsurance arrangements shall be included in Lines 1 to 15 of Form 1EBS.”

Inserts Schedules XVIII, XIX, XX and XXI

6 The principal Rules are amended by inserting the following Schedules after Schedule XIV—

- (a) “Schedule XVIII Expanded Particulars of Ceded Reinsurance”;
- (b) “Schedule XIX Schedule of Cash and Cash Equivalents Counterparty Analysis”;
- (c) “Schedule XX Schedule of Currency Risk”;
- (d) “Schedule XXI Schedule of Concentration Risk”.

Commencement

7 These Rules come into operation on 1 January 2017 and apply to financial years commencing on or after 1 January 2016.

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SCHEDULE

(paragraphs 3, 4, 5 and 6)

The Schedules referred to in paragraphs 3, 4, 5 and 6 of these Rules have been omitted. In accordance with section 6A(8) of the Insurance Act 1978, the Schedules are published separately on the website of the Authority, www.bma.bm.

Made this 19th day of July 2016

Chairman
Bermuda Monetary Authority