



BERMUDA

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) AMENDMENT (NO. 3) RULES 2016

BR 117 / 2016

TABLE OF CONTENTS

- 1 Citation
- 2 Amends Schedule I
- 3 Revokes and replaces Schedule IIA
- 4 Amends Schedule XII
- 5 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) (Insurance Group Solvency Requirement) Rules 2011 (the “principal Rules”), may be cited as the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Amendment (No. 3) Rules 2016.

Amends Schedule I

2 Schedule I to the principal Rules is amended—

- (a) in paragraph 3, in Table 2 (“Capital charge factors for *Eqastclass_i*”) by deleting “*Other equity investments*” and substituting the following—

Other equity investments

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY REQUIREMENT) AMENDMENT (NO. 3) RULES 2016

Company-occupied real estate less: encumbrances	Form 1EBS, Line 7(a)	10.0%
Real estate investments less: encumbrances	Form 1EBS, Line 7(b)	20.0%
Other equity investments	Form 1EBS, Lines 2(e), 3(e) & 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) & 36(f) Less Lines 13(b), 13(c), 13(d)	20.0%

- (b) in paragraph 6, in Table 5 (“Capital charge factors for *Concastclass_i*”) 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.

Amends Schedule XII

4 Schedule XII to the principal Rules is amended in the Instructions Affecting Schedule XII—

- (a) in paragraph (e) by deleting the word “and” at the end of the paragraph;
- (b) in paragraph (f) by deleting the full-stop and substituting “; and”;
- (c) by inserting the following after paragraph (f)—

“(g) the highest regulatory capital requirement level (ECR equivalent) for each registered entity as determined by the jurisdiction where the group’s entity is licensed or registered.”.

Commencement

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

INSURANCE (PRUDENTIAL STANDARDS) (INSURANCE GROUP SOLVENCY
REQUIREMENT) AMENDMENT (NO. 3) RULES 2016

SCHEDULE

(paragraphs 2, 3, and 4)

The Schedules referred to in paragraphs 2, 3 and 4 have been omitted from these Rules, and published on the Authority's website 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