

BERMUDA
THE INSURANCE ACT 1978
(Act No. 39 of 1978)

THE INSURANCE APPLICATIONS REGULATIONS 1980
(Section 4 of the Act)
Form 1B

1. State the name of the Company.

2. State the full address of —

(a) the registered office of the Company in Bermuda.

(b) the principal office of the Company in Bermuda.

(c) the registered office and the principal business address abroad (in case of company incorporated abroad).

3.a State date and place of incorporation.

3.b. State the basic characteristics of the Company by ticking the appropriate box under (i) and (ii).

(i) Company organised by shares

Mutual Company

(ii) Exempted Company

Permit Company

3.c. (i) State the amount of the issued and paid-up capital at present, and the date paid in.

(ii) Has the whole of the paid-up capital been subscribed in cash? If not, give full details.

4.a Will the Company be writing unrelated risks (i.e. risks of persons who, apart from insurance contract itself, have no connection or association with the Company).

(i) as a direct insurer _____

(ii) as a reinsurer _____

4.b If 4.a (i) and 4.a (ii) are both answered in the negative, explain the nature of the connection or association that exists between the Company and those persons whose risks the Company intends writing either directly or as a reinsurer.

4.c State the category of insurance business which the insurer proposes to write (i.e. general business only, long-term business only or both general and long-term business).

4.d. State the class or classes (e.g. property, casualty, marine, aviation) of general insurance business which the Company intends to write and state estimated gross and net premium by class of business for the first 2 years of operation. If it is intended to write products liability risks or professional liability risks or both, state estimated gross and net premium in respect of each separately.

4.e State when the Company intends to commence writing the above class or classes of business.

4.f In respect of general business, give estimated income for each of the first two years on as realistic a basis as possible using the following format —

Gross Premiums written

Less Reinsurance premiums coded

Net Premiums written

Less increase (plus decrease) in Unearned Premiums

Net Premiums Earned

Plus Investment Income

Plus other insurance income

SUBTOTAL

Net Losses and loss expenses incurred

Reserve for claims incurred but not reported (if applicable)

Commissions and brokerage incurred

General and administrative expenses

Personnel costs

Other expenses

Income taxes (if applicable)

SUBTOTAL

Estimated Net Income for Year

N.B.1 The Regulations provide for a solvency margin in accordance with the following formula —

General Business Premium Income Net Surplus)	Relevant Amount (Minimum paid-up Capital and
BD\$ 600,000 or less	BD\$ 120,000
BD\$ 600,001 — BD\$ 6,000,000	1/5th of GBPI
BD\$ 6,000,001 and above	1/10th of GBPI plus BD\$ 600,000

N.B.2 The Regulations provide for a minimum liquidity ratio for general business as follows —

“The value of the relevant assest of an insurer carrying on general business shall be not less than seventy-five per centum of the amount of its relevant liabilities, unless the insurer is a section 24(6) composite.”

4.g In respect of long-term insurance business, state as an appendix set out in the format shown below, on as realistic basis as possible, the estimated volume of business to be transacted during each of the first two years, giving for each type of policy the number of contracts, the total sums assured or amounts of annuity per annum, and the annual or single premiums — figures should be given both gross and net of reinsurance and should relate to world wide business. A final table should summarise the total premium income.

ORDINARY LONG TERM BUSINESS PLAN				
Type of Policy	No. of Contracts	YEAR 1		Total sums insured or amounts or annuity per annum
		Total premium income		
		Gross	Net of Reinsurance	

Note: Same format for year 2 as for year 1.

5. Give particulars of any business other than insurance business which the Company proposes to carry on.

6.a Give name of and limits carried by primary carrier, if any.

6.b State the maximum net retention by class of business, for any one risk per occurrence.

6.c State layer of retention (primary or XXX excess of XXX) by class of business.

6.d State whether annual aggregate (i.e. stop loss) reinsurance has been/will be arranged. If so, state maximum annual aggregate net losses to be retained by class of business.

7. Set forth in the columns below the nature and extent of the existing or proposed reinsurance arrangements in respect of each class of business, including in particular the names of, and, where they have been rated by recognised rating organisations, the most recent rating assigned to, the insurance companies or associations of underwriters which will reinsure each class of the Company's business and the amount which will be reinsured by each. (If more than ten companies will reinsure a class business, the names of only the principal reinsurers need be stated.)

Name	Rating	Class of Insurance	Amount Reinsured

8.a State the full name and address of the following who have accepted their appointment, attaching formal evidence of acceptance of appointment duly signed —

(i) Principal Representative (must be resident in Bermuda)

(ii) Insurance Manager (if Company has one).

(iii) Approved Auditor.

(iv) (Where required) Loss Reserve Specialist.

8.b For companies carrying on long-term business — state the full name and address of the Approved Actuary, attaching formal evidence of acceptance of appointment duly signed.

9.a Indicate by ticking the appropriate boxes which of the following are located in Bermuda —

- (i) general ledger
- (ii) general journal
- (iii) subsidiary ledgers (referred to in the general ledger)
- (iv) cash books — receipts and disbursements
- (v) premium registers
- (vi) loss registers
- (vii) reinsurance reports
- (viii) daily reports of claim files
- (ix) copies of policies
- (x) copies of reinsurance treaties and agreements.

9.b Will those of the foregoing business records which will be kept in Bermuda enable the directors to ascertain within a reasonable period and with reasonable accuracy the Company's position at the end of each three month period? Please answer "Yes" or "No". If No, please explain.

9.c Give the addresses where such records are located in Bermuda.

- (i) _____

- (ii) _____

- (iii) _____

10. State the date on which the Company's financial year will end.

11. If the answer to question 4.a was in the affirmative —

- (a) state the method or methods by which the business will be obtained (e.g. by the Company's own employees, by brokers or agents, or by both methods).

- (b) state the way in which settlement of claims will be handled (e.g. by the Company, by outside loss adjusters or assessors, or by other agents with authority to settle claims).

(c) give details of any connection or association (including in particular, a connection or association of a financial kind) which exists between any of the brokers, agents, loss adjusters and assessors referred to in (a) and (b) above, and any director of the Company, any director it is proposed at present to appoint, any person having a majority shareholding in the Company, or any other person on whose directions the directors of the Company or any of them act or will act.

(d) give details of any loans which the Company has made, or proposes to make, to any officer of the Company or his spouse or to any partnership in which an officer of the Company or his spouse has an interest.

(e) give details of any loans or investments, actual or proposed, to or in any subsidiary or associated company or any company at any general meeting of which any officer of the Company or any person controlling the Company, or his spouse, is entitled to exercise, or control the exercise of, one third or more of the voting power.

We certify that to the best of our knowledge and belief all of the information given in this application is true and correct and that all estimates given are true estimates based upon facts which have been carefully considered and assessed.

(Signed) _____ date _____
(Director)

(Name) _____

(Signed) _____ date _____
(Resident Director)

(Name) _____

(Signed) _____ date _____
(Principal Representative)

(Name) _____

Note: Any information supplied pursuant to this form will be dealt with in CONFIDENCE in accordance with Section 52 of the Act.