

**Notice No. : MAS 212**  
**Issue Date : 28 September 2018**

**\*Last revised on 19 December 2018**

## **NOTICE ON INSURANCE RETURNS (ACCOUNTS AND STATEMENTS) FOR MARINE MUTUAL INSURERS**

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### **Introduction**

1 This Notice is issued pursuant to sections 36(3), 36(3A) and 64(2) of the Insurance Act (Cap. 142) (“the Act”) and applies to all marine mutual insurers.

### **Definitions**

2 For the purposes of this Notice:

“Accounting Standards” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“Annual Report” means a report of an insurer, including any statement of account, for each financial year issued to the members of the insurer;

“auditor” means an auditor appointed with the approval of the Authority under section 36(6)(c) of the Act;

“Cargo” includes the insurer’s insurance business in Singapore relating to insurance against risks of loss of, or damage to any cargo in transit, and insurance against the risk of any liability arising from loss of or damage to such cargo in transit;

“electronic record” has the same meaning as in section 2 of the Electronic Transactions Act (Cap. 88);

“Marine Hull” includes the insurer’s insurance business in Singapore relating to:

- (a) marine terminal operator insurance;
- (b) insurance against risk of physical loss of or damage to a vessel or ship that is docked, in operation, or under service, repair or construction; and
- (c) insurance against the risk of any liability arising from the ownership or operation of a vessel or ship referred to in sub-paragraph (b);

“MASNET” means MAS Network;

“Offshore Insurance Fund” means an insurance fund established and maintained under section 17(1) of the Act for offshore policies;

“policy liabilities”, in relation to an insurance fund, means liabilities in respect of policies for which the insurance fund is established and maintained under section 17 of the Act;

“Singapore Insurance Fund” means an insurance fund established and maintained under section 17(1) of the Act for Singapore policies;

“valuation date” has the same meaning as in regulation 2 of the Insurance (Valuation and Capital) Regulations 2004.

[MAS Notice 212 (Amendment) 2018]

- 3 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

### **Forms**

- 4 The forms and annexes mentioned in this Notice are those set out in the Appendix B.

### **Submission Requirements**

- 5 Every marine mutual insurer must lodge all applicable forms and applicable annexes to such forms, and documents, set out in Appendix A, in the form and manner specified in the Appendix.

- 6 A marine mutual insurer must ensure that any form, annex or document that is required to be lodged by the marine mutual insurer under paragraph 5 in hard copy is sent by the marine mutual insurer to the Authority in accordance with the submission requirements and signatory requirements as specified in Appendix A.

- 7 Where a form, annex or document is required to be signed by or on behalf of a marine mutual insurer’s chief executive in Singapore, the marine mutual insurer must ensure that —

- (a) the form, annex or document is approved by its chief executive; and
- (b) if not signed by the marine mutual insurer’s chief executive, be signed by one of the marine mutual insurer’s officers in Singapore who is for the time being notified to the Authority as having authority for the purposes of this Notice to sign in place of the chief executive in Singapore.

- 8 A marine mutual insurer must submit electronically via MASNET, any form, annex or document that is required to be lodged by the marine mutual insurer under paragraph 5 in the form of an electronic record.

### **Provisions as to Returns Lodged**

- 9 A marine mutual insurer must ensure that all of the following requirements are complied with in relation to any form, annex or document that the marine mutual insurer is required to lodge under this Notice —

- (a) The form, annex or document is in English; and
- (b) All monetary amounts referred to in the form, annex or document are in Singapore dollars unless otherwise specified in the applicable form or annex.

- 10 In any form, annex or document which a marine mutual insurer is required to prepare in accordance with this Notice, the marine mutual insurer must ensure that the value or amount given for an asset or a liability of the marine mutual insurer is the value or amount of that asset or liability, as the case may be, as determined in accordance with any applicable regulation under the Insurance (Valuation and Capital) Regulations 2004, and any applicable direction issued under the Act.

[MAS Notice 212 (Amendment) 2018]

- 11 In any form, annex or document which a marine mutual insurer is required to prepare in accordance with this Notice, the marine mutual insurer must ensure that the value or amount given for an income item, an expense item, an equity item or a change in equity item of the insurer is valued in accordance with —
- (a) the instructions for completion in the forms and annexes; and
  - (b) where there are no applicable instructions for completion in the forms and annexes, the Accounting Standards.

- 12 In any form, annex or document which a marine mutual insurer is required to prepare under this Notice, the marine mutual insurer must recognise any asset, liability, equity, income, expense and change in equity in accordance with —
- (a) any applicable regulation under the Insurance (Valuation and Capital) Regulations 2004, and any applicable direction issued under the Act; and
  - (b) where sub-paragraph (a) does not apply, the recognition requirements in the Accounting Standards.

[MAS Notice 212 (Amendment) 2018]

### **Audit Requirements**

- 13 For the purposes of section 36(3A)(a) of the Act, a marine mutual insurer must ensure that any “Annual Returns” that is required to be lodged by the marine mutual insurer under paragraph 5 is audited by an auditor where the column labelled “To be audited” of Appendix A, is marked “Y”. For avoidance of doubt, “Other Annual Returns” do not need to be audited.

### **Deadlines for Submission of Returns**

- 14 A marine mutual insurer must lodge every form, annex or document that is required to be lodged with the Authority under paragraph 5 in accordance with the respective submission deadlines as specified in Appendix A.

### **Effective Date and Transitional Provisions**

- 15 This Notice shall take effect on 1 January 2019.
- 16 For avoidance of doubt, a marine mutual insurer shall comply with this Notice in respect of all accounting periods and financial years, as the case may be, beginning on or after 1 January 2019.

**SUBMISSION REQUIREMENTS**

Form	Annex	Title	Marine Mutual Insurers						To be audited
			General						
			Quarterly Returns	Other Annual Returns	Annual Returns				
			Electronic submission via MASNET	Electronic submission via MASNET	Electronic submission via MASNET	Hard copy submission			
Submission deadline	Submission deadline	Submission deadline	Submission deadline	Submission requirement	Signatory requirement				
			From the last day of the quarter	From the last day of the accounting period	From the last day of the financial year				
<b>A1</b>		<b>Statement of Financial Position</b>			6 months				Y
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business		3 weeks	6 months				Y
	A1-9	Other Reserves			6 months				
	A1-10	Exposures to Related Corporations, Head Office and Overseas Branches of Head Office			6 months				
	Notes				6 months				Y
<b>A2</b>		<b>Statement of Profit and Loss</b>			6 months				Y
	A2-1	Other Expenses		3 weeks	6 months				
	A2-2	Other Income			6 months				
	A2-5	Information in respect of Transactions with Related Corporations, Head Office and Overseas Branches of Head Office			6 months				
<b>A3</b>		<b>Statement of Changes in Equity</b>			6 months				Y
<b>A7</b>		<b>Certificate on the Accounts of the Insurer</b>				6 months	1 original and 1 copy	Chief Executive + 2 Directors	
<b>A8</b>		<b>Independent Auditor's Report</b>				6 months	1 original and 1 copy	Auditor	
<b>A9</b>		<b>Independent Auditor's Supplementary Report</b>				6 months	1 original and 1 copy	Auditor	
		"G" means only applicable to General business							
<b>G1</b>		<b>Statement of Operating Results by Line of Business</b>		3 weeks	6 months				Y
	Notes				6 months				Y
		<b>Annual Report of Insurer Incorporated in Singapore</b> (Applicable to insurers incorporated in Singapore only)				6 months	2 published copies	Per requirements under the Companies Act	Y
		<b>Financial Statements prepared in accordance with Singapore Financial Reporting Standards in respect of Operations in Singapore</b> (Applicable to insurers incorporated outside Singapore only)				6 months	2 published copies	Per requirements under the Companies Act	Y
		<b>Annual Report of Head Office in respect of Global Operations</b> (Applicable to insurers incorporated outside Singapore only)				6 months	2 published copies	Per requirements of home jurisdiction	Y
<b>Additional Returns Form 1</b>		<b>Annual Analysis of Calls, Premiums and Claims</b>			6 months	6 months	1 original and 1 copy	Chief Executive	
<b>Additional Returns Form 2</b>		<b>Statement on Adequacy of Claim Liabilities</b>				6 months	1 original and 1 copy	Chief Executive	

## Appendix B

### LIST OF INSURANCE FORMS FOR MARINE MUTUAL INSURERS

Form	Annex	Title
<b>A1</b>		<b>Statement of Financial Position</b>
	A1-5	Policy Liabilities (Gross of Reinsurance) and Reinsurers' Share of Policy Liabilities in respect of General Business
	A1-9	Other Reserves
	A1-10	Exposures to Related Corporations, Head Office and Overseas Branches of Head Office
	Notes	
<b>A2</b>		<b>Statement of Profit and Loss</b>
	A2-1	Other Expenses
	A2-2	Other Income
	A2-5	Information in respect of Transactions with Related Corporations, Head Office and Overseas Branches of Head Office
<b>A3</b>		<b>Statement of Changes in Equity</b>
<b>A7</b>		<b>Certificate on the Accounts of the Insurer</b>
<b>A8</b>		<b>Independent Auditor's Report</b>
<b>A9</b>		<b>Independent Auditor's Supplementary Report</b>
		<u>"G" means only applicable to General business</u>
<b>G1</b>		<b>Statement of Operating Results by Line of Business</b>
	Notes	
<b>Additional Returns Form 1</b>		<b>Annual Analysis of Calls, Premiums and Claims</b>
<b>Additional Returns Form 2</b>		<b>Statement on Adequacy of Claim Liabilities</b>

Co Code  Year  Month

Description	Annex	Row No.	Insurance Funds Established and Maintained by Insurer under the Act						Shareholders Fund			Total		
			Life Business in Singapore						General Business in Singapore		Overseas (Branch) Insurance Operations		Non-Insurance Operations	
			Singapore Insurance Fund			Offshore Insurance Fund			Singapore Insurance Fund	Offshore Insurance Fund	Life Business			General Business
			Participating	Non-Participating	Investment-Linked	Participating	Non-Participating	Investment-Linked						
<b>ASSETS</b>														
Equity securities:														
Listed collective investment schemes		1												
Unlisted collective investment schemes		2												
Other listed equity securities		3												
Other unlisted equity securities		4												
Total (1 to 4)		5												
Debt securities:														
Government debt securities		6												
Qualifying debt securities		7												
Other debt securities		8												
Total (6 to 8)		9												
Cash and deposits		10												
Other investments	A1-1	11												
Loans:														
Policy loans		12												
Other secured loans		13												
Unsecured loans		14												
Total (12 to 14)		15												
Property, plant and equipment:														
Land and buildings		16												
Other property, plant and equipment		17												
Total (16 to 17)		18												
Outstanding premiums	A1-2	19												
Deposits withheld by cedants		20												
Reinsurers' share of policy liabilities	A1-5	21												
Reinsurance recoverables on paid claims	A1-3	22												
Balances due from Head Office/ Shareholders Fund		23												
Balances due from Overseas Branches/ Related corporations		24												
Balances due from other insurance funds		25												
Other assets	A1-4	26												
<b>Total Assets (5 + (9 to 11) + 15 + (18 to 26))</b>		27												
<b>LIABILITIES</b>														
Policy liabilities (gross of reinsurance)	A1-5	28												
Outstanding claims		29												
Annuities due and unpaid		30												
Reinsurance deposits		31												
Amounts owing to insurers		32												
Bank loans and overdrafts		33												
Financial liabilities	A1-7	34												
Balances due to Head Office/ Shareholders Fund		35												
Balances due to Overseas Branches/ Related corporations		36												
Balances due to other insurance funds		37												
Other liabilities	A1-8	38												
<b>Total Liabilities (28 to 38)</b>		39												
<b>NET ASSETS (27 – 39)</b>		40												
<b>EQUITY</b>														
Paid-up capital		41												
Surplus/ Unappropriated profits/ (losses)		42												
Other reserves	A1-9	43												
<b>Total Equity (41 to 43)</b>		44												

ANNEX A1-5

POLICY LIABILITIES (GROSS OF REINSURANCE) AND REINSURERS' SHARE OF POLICY LIABILITIES IN RESPECT OF GENERAL BUSINESS

AS AT \_\_\_\_\_

Description	Row No.	Insurance Funds Established and Maintained by Insurer under the Act					
		General Business in Singapore					
		Singapore Insurance Fund			Offshore Insurance Fund		
		Policy Liabilities (Gross of Reinsurance) [1]	Reinsurers' Share of Policy Liabilities [2]	Policy Liabilities (Net of Reinsurance) [3] = [1] - [2]	Policy Liabilities (Gross of Reinsurance) [4]	Reinsurers' Share of Policy Liabilities [5]	Policy Liabilities (Net of Reinsurance) [6] = [4] - [5]
<b>PREMIUM LIABILITIES</b>							
Cargo	1						
Marine Hull	2						
Aviation Hull	3						
Property	4						
Motor	5						
Employers' Liability	6						
Personal Accident	7						
Health	8						
Public Liability/ Product Liability	9						
Surety	10						
Engineering	11						
Professional Indemnity	12						
Credit/ Credit-related	13						
Others	14						
Liability and Others	15						
Sub-total (1 to 15)	16						
<b>CLAIM LIABILITIES</b>							
Cargo	17						
Marine Hull	18						
Aviation Hull	19						
Property	20						
Motor	21						
Employers' Liability	22						
Personal Accident	23						
Health	24						
Public Liability/ Product Liability	25						
Surety	26						
Engineering	27						
Professional Indemnity	28						
Credit/ Credit-related	29						
Others	30						
Liability and Others	31						
Sub-total (17 to 31)	32						
Total (16 + 32) = Rows 21 and 28 of Form A1	33						







## Notes to Form A1 (to be shown separately for each fund)

The following shall be stated as Notes to this Form:

Note 1 The aggregate amounts of loans to and amounts due from —  
(a) directors as defined in section 31 of the Insurance Act (Cap. 142); and  
(b) employees of the insurer.

Aggregate amounts shall be shown separately for directors and employees.

Note 2 Description and amount of the following items:

(a) commitments and other off balance sheet obligations such as repurchase agreement, and securities borrowing and lending; and  
(b) contingent assets and liabilities.

Note 3 Description of any change in accounting policies and methodologies in the valuation of assets and liabilities and the quantification of their effects.

Note 4 Description of any prior adjustment and correction for errors and reasons for the adjustments and corrections.

Note 5<sup>1</sup> In respect of financial guarantee business —

(a) where premiums are payable in instalments, the present value of future instalment premiums payable by the insured in a future accounting period and the discount rate used; and  
(b) where the premiums are payable in full at the commencement of the policy of insurance, the full amount of the premiums payable by the insured in the accounting period in which the policy commences.

Note 6

(a) Where the difference between “policy liabilities (gross of reinsurance)” in the current period and preceding period does not reconcile to the “increase/ (decrease) in policy liabilities (gross of reinsurance)” in Form A2, an explanation should be provided.

(b) Where the difference between “reinsurers' share of policy liabilities” in the current period and preceding period does not reconcile to the “decrease/ (increase) in reinsurers' share of policy liabilities” in Form A2, an explanation should be provided.

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<sup>1</sup> This is not applicable to marine mutual insurers.

## **Instructions for completion of Form A1, Notes and Annexes A1-5, A1-9 and A1-10**

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For any Note where there are no entries, a “Nil” Note shall be submitted.
3. For the columns under “Insurance Funds Established and Maintained by Insurer under the Act”, the insurer shall only be required to complete the fields relating to insurance funds that it had established and maintained under the Act.
4. The columns under “Shareholders Fund” shall only be applicable to insurers incorporated in Singapore. The column “Overseas (Branch) Insurance Operations” refers to all branches of the insurer which are located outside Singapore and carrying on insurance business. The column “Non-Insurance Operations” includes overseas branches that do not carry on insurance business.
5. For insurers incorporated in Singapore, the "Total" column refers to the financial position in respect of global business operations. For insurers incorporated outside Singapore, the "Total" column refers to the financial position in respect of Singapore operations only. Balances between the insurance funds and shareholders fund (including overseas branches) shall be offset under the "Total" column.
6. The assets and liabilities shall be valued in accordance with the Insurance (Valuation and Capital) Regulations 2004.

[MAS Notice 212 (Amendment) 2018]

7. “Collective investment scheme”, “Equity securities”, “Debt securities” and “Government debt securities” have the same respective meanings as in regulation 2 of the Insurance (Valuation and Capital) Regulations 2004.
8. “Debt securities” includes accrued interest relating to debt securities.

9. "Qualifying debt securities" has the same meaning as in Table 7 of the Sixth Schedule of the Insurance (Valuation and Capital) Regulations 2004.
10. "Other debt securities" includes any listed or unlisted bonds issued by corporations and any bill of exchange.
11. "Loans" shall be reported net of provisions.
12. "Other secured loans" includes any loan guaranteed by a bank licensed under the Banking Act (Cap. 19).
13. "Land and buildings" includes any property acquired through foreclosures and in settlement of debts.
14. "Outstanding premiums" refers to premiums owed by insureds, policy owners, cedants and insurance intermediaries. It shall be reported net of premium refunds, commissions payable to insurance intermediaries, and approved claims and reinsurance commissions payable to cedants on an individual account basis. Where the commissions payable to any particular insurance intermediary exceed the premiums owed by that insurance intermediary, the net amount due to that insurance intermediary shall be reported under "other liabilities". Where the approved claims and reinsurance commissions payable to any particular cedant exceed the premiums owed by that cedant, the net amount due to that cedant shall be reported under "amounts owing to insurers".
15. "Deposits withheld by cedants" refers to amounts withheld by cedants under reinsurance inward contracts.
16. "Reinsurers' share of policy liabilities" refers to reinsurance assets, excluding "reinsurance recoverables on paid claims". For general business, it refers to the sum of reinsurers' share of premium liabilities and reinsurers' share of claim liabilities.
17. "Reinsurance recoverables on paid claims" means any amount that an insurer is entitled to recover, but has yet to recover, from its reinsurance counterparty in respect of claims that have been paid by the insurer and claims that have been approved by the insurer for payment but have not been paid. It shall be offset by any premiums owing to the reinsurer on an

individual account basis. Where the premiums owed to any particular reinsurer exceed the reinsurance recoverables on paid claims owed by that reinsurer, the net amount due to that reinsurer shall be reported under “amounts owing to insurers”.

18. “Policy liabilities (gross of reinsurance)” refers to the contractual obligations under insurance policies, excluding any recoveries from reinsurers, “outstanding claims” and “amounts owing to insurers”. It refers to the sum of premium liabilities (gross of reinsurance) and claim liabilities (gross of reinsurance).

19. “Outstanding claims” refers to claims (gross of reinsurance) which have been approved for payment but have not been paid and includes expenses associated with the settlement of such claims but does not include such claims that are already included in policy liabilities.

20. “Reinsurance deposits” refers to amounts withheld from reinsurers under reinsurance outward contracts.

21. “Amounts owing to insurers” refers to approved claims, profit commissions and reinsurance commissions owing to cedants, and premiums owing to reinsurers. Approved claims, profit commissions and reinsurance commissions owing to the cedant shall be offset by any premiums owed by that cedant on an individual account basis. Where the premiums owed by any particular cedant exceed the approved claims, profit commissions and reinsurance commissions owed to that cedant, the net amount due from that cedant shall be reported under “outstanding premiums”. Premiums owing to the reinsurer shall be offset by any reinsurance recoverables on paid claims owed by that reinsurer on an individual account basis. Where the reinsurance recoverables on paid claims owed by any particular reinsurer exceed the premiums owed to that reinsurer, the net amount due from that reinsurer shall be reported under “reinsurance recoverables on paid claims”.

22. Notwithstanding instructions 14, 17 and 21, “outstanding premiums”, “reinsurance recoverables on paid claims” and “amounts owing to insurers” shall not be offset against one another if there is no legal right to do so.

23. “Debt securities”, “cash and deposits”, “other investments”, “loans”, “outstanding premiums”, “deposits withheld by cedants”, “reinsurers' share of policy liabilities”, “reinsurance recoverables on paid claims”, “policy

liabilities (gross of reinsurance)", "outstanding claims", "annuities due and unpaid", "reinsurance deposits", "amounts owing to insurers", "bank loans and overdrafts" and "financial liabilities" include those in relation to counterparties which are related corporations.

24. "Type of Exposure" refers to the type of asset/ liability exposures with related corporations such as equity securities, debt securities, cash and deposits, secured/ unsecured loans, options/ swaptions, futures/ forwards, swaps and financial guarantees. For derivative and financial guarantee exposures, "Cost/ Notional Principal Amount" refers to the notional principal amount of the exposure. In other cases, it refers to the cost of the exposure.

25. Where an insurer has entered into any reinsurance financing contract (by whatever name) that does not involve significant insurance risk transfer by either a ceding insurer or an assuming insurer and that contract commences during the period, that insurer shall disclose, under the section on additional information for Form A1 lodged for that period, the following information:

- (a) a description of the terms of that reinsurance financing contract;
- (b) a description of the accounting treatment adopted and an explanation for adopting that treatment; and
- (c) a description of how items in Form A1 are affected by that reinsurance financing contract in monetary terms.

26. For Form A1 lodged for each period, an insurer shall disclose under the section on additional information a breakdown of any amounts paid and received during the period for each reinsurance financing contract (by whatever name) that does not involve significant insurance risk transfer by either a ceding insurer or an assuming insurer.











## **Instructions for completion of Form A2 and Annexes A2-1, A2-2 and A2-5**

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For the columns under “Insurance Funds Established and Maintained by Insurer under the Act”, the insurer shall only be required to complete the fields relating to insurance funds that it had established and maintained under the Act.
3. The columns under “Shareholders Fund” shall only be applicable to insurers incorporated in Singapore. The column “Overseas (Branch) Insurance Operations” refers to all branches of the insurer which are located outside Singapore and carrying on insurance business. The column “Non-Insurance Operations” includes overseas branches that do not carry on insurance business.
4. For insurers incorporated in Singapore, the "Total" column refers to the profit and loss in respect of global business operations. For insurers incorporated outside Singapore, the "Total" column refers to the profit and loss in respect of Singapore operations only. Transactions between the insurance funds and shareholders fund (including overseas branches) shall be offset under the "Total" column.
5. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered in the books of the insurer during the period. Commissions shall not be deducted from gross premiums.
6. “Outward reinsurance premiums” refers to premiums paid or payable on reinsurance ceded during the period and includes portfolio premiums in respect of ceded business.
7. “Gross claims settled” refers to gross claims paid, including portfolio losses, increase/ (decrease) in “outstanding claims” during the period, and medical and legal expenses incurred directly in the settlement of claims paid in the period, net of recoveries from salvages and subrogation, where applicable. “Outstanding claims” refers to such claims as described in instruction 19 of the Instructions for completion of Form A1, Notes and Annexes A1-5, A1-9 and A1-10.

8. “Reinsurance recoveries” refers to reinsurance recoveries received or receivable from reinsurance in respect of claims paid, including portfolio losses, during the period.

9. “Increase/ (decrease) in policy liabilities (gross of reinsurance)” excludes those changes in “policy liabilities (gross of reinsurance)” that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of “policy liabilities (gross of reinsurance)” from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars. In respect of general business, “Increase/ (decrease) in policy liabilities (gross of reinsurance)” refers to the sum of “increase/ (decrease) in premium liabilities (gross of reinsurance)” and “increase/ (decrease) in claim liabilities (gross of reinsurance)”.

10. “Decrease/ (increase) in reinsurers' share of policy liabilities” excludes those changes in “reinsurers' share of policy liabilities” that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of “reinsurers' share of policy liabilities” from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars. In respect of general business, “Decrease/ (increase) in reinsurers' share of policy liabilities” refers to the sum of “decrease/ (increase) in reinsurers' share of premium liabilities” and “decrease/ (increase) in reinsurers' share of claim liabilities”.

11. “Staff costs” includes —

- (a) salaries, bonuses and allowances;
- (b) contribution to the Central Provident Fund, pensions and gratuities;
- (c) staff medical expenses;
- (d) staff training;
- (e) skills development levy; and
- (f) fringe benefits.

12. “Office rent” includes imputed rental expenses on owner-occupied premises used for the insurer’s business. Owner-occupied premises are premises owned by the insurer and which are used for the insurer’s business.

13. "Head office/ related corporation expenses" refers to charges from the head office or other related corporations for services rendered.
14. "Managing agent's fees" refers to fees paid to an agent appointed by an insurer to both underwrite and manage a portfolio of business.
15. "Other management expenses" includes repairs and maintenance, public utilities, printing, stationery, periodicals, postage, telephone and telex charges, computer charges, hire of office equipment, licence and association fees, advertising expenses, subscriptions, entertainment expenses, and travelling expenses.
16. "Distribution expenses" includes all direct costs such as commissions and bonuses, all indirect costs of benefits and services provided by the insurer in the distribution of its products, agency allowances and profit commissions. "Distribution income" includes reinsurance commission income and profit commission income.
17. "Other expenses" includes depreciation on property, plant and equipment and any net loss on disposal of insurance business portfolio.
18. "Other income" includes any net gain on disposal of insurance business portfolio.
19. "Net investment income/ (loss)" includes imputed rental on owner-occupied premises used for the insurer's business, expenses incurred in earning interest, dividend and rents, expenses incurred in the management and sale of the investments, property maintenance costs and property tax.
20. Annex A2-5 shall be completed on an accrual basis. The sections "Head Office/ Overseas Branches of Head Office" are not applicable to insurers incorporated in Singapore.

NAME OF INSURER \_\_\_\_\_

FORM A3 – STATEMENT OF CHANGES IN EQUITY

FROM \_\_\_\_\_ TO \_\_\_\_\_

Co Code  Year  Month

Description	Row No.	Insurance Funds Established and Maintained by Insurer under the Act						Shareholders Fund				
		Life Business in Singapore						General Business in Singapore		Overseas (Branch) Insurance Operations		Non-Insurance Operations
		Singapore Insurance Fund			Offshore Insurance Fund			Singapore Insurance Fund	Offshore Insurance Fund	Life Business	General Business	
		Participating	Non-Participating	Investment-Linked	Participating	Non-Participating	Investment-Linked					
<b>PAID-UP CAPITAL</b>												
Balance at beginning of period	1											
Increase/ (decrease) in paid-up capital	2											
<b>Balance at End of Period (1 + 2)</b>	3											
<b>SURPLUS/ UNAPPROPRIATED PROFITS/ (LOSSES)</b>												
Balance at beginning of period	4											
Retrospective restatement to beginning balance	5											
Net income	6											
Transfer from/ (to) Head Office/ Shareholders Fund	7											
Transfer from/ (to) insurance funds maintained in Singapore	8											
Transfer from/ (to) Overseas (Branch) operations	9											
Less:												
Dividends paid	10											
<b>Balance at End of Period ((4 to 9) - 10)</b>	11											
<b>OTHER RESERVES</b>												
Balance at beginning of period	12											
Increase/ (decrease) in other reserves	13											
<b>Balance at End of Period (12 + 13)</b>	14											

### **Instructions for completion of Form A3**

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For the columns under “Insurance Funds Established and Maintained by Insurer under the Act”, the insurer shall only be required to complete the fields relating to insurance funds that it had established and maintained under the Act.
3. The columns under “Shareholders Fund” shall only be applicable to insurers incorporated in Singapore. The column “Overseas (Branch) Insurance Operations” refers to all branches of the insurer which are located outside Singapore and carrying on insurance business. The column “Non-Insurance Operations” includes overseas branches that do not carry on insurance business.

INSURANCE ACT  
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS  
(MARINE MUTUAL INSURERS)

Name of Insurer: \_\_\_\_\_

FORM A7 — CERTIFICATE ON THE ACCOUNTS OF THE INSURER

FOR THE FINANCIAL YEAR ENDED \_\_\_\_\_

We, the undersigned, hereby certify that in our belief —

- (a) the information provided in Forms A1, A2, A3 and G1, including the Notes and Annexes, are complete and accurate, and in accordance with all applicable requirements stipulated under the Insurance Act (Cap. 142) (“the Act”), any regulations made thereunder and any directions and Notices issued by the Authority;
- (b) in the relevant financial year, no part of the assets and liabilities of the insurance fund(s) established and maintained under the Act has been dealt with in contravention of section 17 or 18 of the Act; and
- (c) during the year, regulations made and directions issued for the purposes of section 19 of the Act have been complied with in relation to those assets,

except

Names and  
signatures of:

\_\_\_\_\_

Director

\_\_\_\_\_

Director

\_\_\_\_\_

Chief Executive

Date: \_\_\_\_\_



## **Instructions for completion of Form A7**

1. Insurers shall print a hard copy of this Form downloaded from the MAS Network (MASNET) and use that copy for completion. Any amendments made to the contents of this Form shall be clearly marked on that hard copy.

INSURANCE ACT  
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS  
(MARINE MUTUAL INSURERS)

Name of Insurer: \_\_\_\_\_

FORM A8 — INDEPENDENT AUDITOR'S REPORT

1. Pursuant to section 36(3A) of the Insurance Act (Cap. 142) ("the Act"), we have audited the attached Statement of Financial Position as at \_\_\_\_\_, Statement of Profit and Loss and other statutory returns (Forms A1, A2, A3 and G1, including the Notes but excluding the Annexes other than Annex A1-5) for the financial year ended \_\_\_\_\_. These statements of account and other statements are the responsibility of the insurer's directors. Our responsibility is to express an opinion on these statements of account and other statements based on our audit.

2. We conducted our audit in accordance with the Singapore Standards on Auditing to the extent that they are relevant to the audit. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of account are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of account. An audit also includes assessing the accounting principles, evaluating the presentation of the overall statements of account and the insurer's internal control systems used in the preparation of the statements of account and other statements. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of the information, and according to the explanations given to us —

- (a) the Statement of Financial Position, Statement of Profit and Loss and other statutory returns (Forms A1, A2, A3 and G1, including the Notes but excluding the Annexes other than Annex A1-5) have been prepared in accordance with the provisions of the Act, any regulations made thereunder and any directions issued by the Authority; and
- (b) the Statement of Financial Position presents a fair reflection of the financial position of the insurer for which the insurance fund(s) are valued as prescribed under the Insurance (Valuation and Capital) Regulations 2004, except for

[MAS Notice 212 (Amendment) 2018]

Public Accountants and  
Chartered Accountants  
Singapore

Date: \_\_\_\_\_

## **Instructions for completion of Form A8**

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INSURANCE ACT  
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS  
(MARINE MUTUAL INSURERS)

FORM A9 — INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

Date: \_\_\_\_\_

Chief Executive

Name of Insurer: \_\_\_\_\_

Dear Sir

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

1. We have audited the Statement of Financial Position, Statement of Profit and Loss and other statutory returns (Forms A1, A2, A3 and G1, including the Notes but excluding the Annexes other than Annex A1-5) and evaluated the internal control systems of \_\_\_\_\_ as at \_\_\_\_\_ and for the financial year ended \_\_\_\_\_.

2. Our audit was carried out in accordance with section 36(3A) of the Insurance Act (Cap. 142) ("the Act") for the purpose of expressing our opinion on the accounts drawn up in accordance with the provisions of the Act. Our audit was conducted on a test basis and included such samples as we deemed appropriate. In this connection, we have reviewed the accounting system and internal control systems used in the preparation of the statements of account and other statements, in operation in the insurer.

3. Based on our audit, we have no comments on the following (except for those matters stated in the Appendix):

- (a) the books of the insurer have been properly kept and have recorded fairly the affairs and transactions of the insurer in respect of its carrying on of insurance business;
- (b) all necessary and proper apportionments have been made in the Statement of Financial Position, Statement of Profit and Loss and other statutory returns, and such apportionments have been made in an equitable manner;
- (c) no part of the assets and liabilities of the insurance fund(s) established and maintained under the Act has been applied in contravention of section 17 of the Act;
- (d) the fund solvency requirement and capital adequacy requirement under section 18 of the Act, in our opinion, have been complied with;
- (e) the assets of the insurance fund(s) established and maintained under the Act have been invested and held in accordance with regulations prescribed or specified in directions under section 19 of the Act;
- (f) the accounting and internal control systems used in the preparation of statements of account and other statements;
- (g) other areas of material weakness in the operations of the insurer;
- (h) the implementation of directions and recommendations made by the Authority in respect of internal systems used in the preparation of the statements of account and other statements; and

(i) the implementation of the previous year's audit recommendations.

4. During the course of our audit (except for those matters stated in the Appendix), nothing came to our notice that caused us to believe that —

- (a) known bad debts of a material amount had not been written off or fully provided for;
- (b) adequate provision had not been made for known material doubtful debts and for any material diminution in value of other assets;
- (c) there was any non-compliance with the Act and regulations, licensing conditions and directions issued by the Authority;
- (d) the insurer has not followed up on any recommendation made by the Authority; and
- (e) there are conflicts of interests involving management or staff in areas such as underwriting, claims settlement and investment resulting or which may result in any person receiving an undue benefit or advantage at the expense of policy owners.

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Public Accountants and  
Chartered Accountants  
Singapore

Appendix

Independent Auditor's Findings	Independent Auditor's Recommendations	Insurer's Comments

## **Instructions for completion of Form A9**

1. Insurers shall print a hard copy of this Form downloaded from the MAS Network (MASNET) and use that copy for completion. Any amendments made to the contents of this Form shall be clearly marked on that hard copy.







## **Notes to Form G1 (to be shown separately for each fund)**

The following shall be stated as Notes to this Form:

Note 1 Items in this Form may be allocated according to a reasonable basis used by the insurer which is acceptable to its external auditor. The bases used shall be stated as a Note to this Form.

Note 2<sup>1</sup> Amount of gross premiums written for the following lines of business:

- (a) Agriculture;
- (b) Catastrophe excess of loss reinsurance;
- (c) Energy;
- (d) Luxury lines (such as fine art and specie, jewellers block, and yachts);
- (e) Professional indemnity (for Offshore Insurance Fund only);
- (f) Trade credit; and
- (g) Breakdown of Singapore Insurance Fund "Others" and Offshore Insurance Fund "Liability and Others" as follows:
  - (i) Cyber liability;
  - (ii) Environmental liability;
  - (iii) Political risk;
  - (iv) Terrorism;
  - (v) War; and
  - (vi) Others (to specify based on insurer's internal classification).

Note 3 Amount of gross premiums written for direct business from the following distribution channels:

- (a) Agents;
- (b) Brokers;
- (c) Bancassurance; and
- (d) Others.

### **Instructions for completion of Form G1 and Notes**

1. All amounts shown are to be rounded to the nearest dollar. Negative amounts shall be preceded by “—”.
2. For any Note where there are no entries, a “Nil” Note shall be submitted.

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<sup>1</sup> This is not applicable to marine mutual insurers.

3. For annual policies issued in respect of direct risks or facultative reinsurance inward risks, an insurer shall recognise the gross premium income in full when the risks commence. Where the quantum of such gross premium income cannot be ascertained at the policy commencement date, it shall be estimated.

4. “Gross premiums” refers to gross premiums received or receivable including portfolio premiums, after deduction of discounts and return premiums, which have been entered into the books of the insurer during the period. Commissions shall not be deducted from gross premiums.

5. “Reinsurance business ceded” refers to premiums paid or payable on reinsurance ceded during the period and includes portfolio premiums in respect of ceded business.

6. “Increase/ (decrease) in premium liabilities (gross of reinsurance)” excludes those changes in premium liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of premium liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

7. “Decrease/ (increase) in reinsurers' share of premium liabilities” excludes those changes in reinsurers' share of premium liabilities that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of premium liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.

8. “Gross claims settled” refers to gross claims paid, including portfolio losses, increase/ (decrease) in “outstanding claims” during the period, and medical or legal expenses incurred directly in the settlement of claims paid in the period, net of recoveries from salvages and subrogation, where applicable. “Outstanding claims” refers to such claims as described in instruction 19 of the Instructions for completion of Form A1, Notes and Annexes A1-5, A1-9 and A1-10.

9. "Recoveries from reinsurance business ceded" refers to reinsurance recoveries received or receivable from reinsurance in respect of claims settled, including portfolio losses, during the period.
10. "Increase/ (decrease) in claim liabilities (gross of reinsurance)" excludes those changes in claim liabilities (gross of reinsurance) that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of claim liabilities (gross of reinsurance) from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.
11. "Decrease/ (increase) in reinsurers' share of claim liabilities" excludes those changes in reinsurers' share of claim liabilities that relate to transfers of insurance business portfolios into or out of any insurance fund established and maintained under the Act, and any changes in exchange translation reserves resulting from the translation of reinsurers' share of claim liabilities from a non-Singapore dollar denominated functional currency to the presentation currency in Singapore dollars.
12. "Management expenses" has the same meaning as in Form A2.
13. "Other distribution expenses/ (income)" includes agency allowances and profit commissions.
14. "Net investment income" has the same meaning as "Net investment income/ (loss)" in Form A2.

NAME OF INSURER \_\_\_\_\_

FORM 1 - ANNUAL ANALYSIS OF CALLS, PREMIUMS AND CLAIMS

FROM \_\_\_\_\_ TO \_\_\_\_\_

Co Code  Year  Month

**SINGAPORE INSURANCE FUND**

Policy Year Ended		Row No.	Calls Made/ Refunded in Financial Year	Anticipated Future Calls/Refunds	Reinsurance Premiums Paid/Payable in Financial Year	Outstanding Net Claims Reserve b/f (including IBNR)	Net Payments Made in Financial Year	Outstanding Net Claims Reserve c/f (including IBNR)	Gross Payments Made in Financial Year	Estimate of Gross Payments Remaining on Reported Claims	Estimate of Gross Payments for IBNR Claims
Month	Year										
		1	1	2	3	4	5	6	7	8	9
		2									
		3									
		4									
		5									
		6									
		7									
		8									
		9									
Prior years		10									
Total (1 to 10)		11									

Premiums in respect of Fixed Premium Business: \$ \_\_\_\_\_

**OFFSHORE INSURANCE FUND**

Policy Year Ended		Row No.	Calls Made/ Refunded in Financial Year	Anticipated Future Calls/Refunds	Reinsurance Premiums Paid/Payable in Financial Year	Outstanding Net Claims Reserve b/f (including IBNR)	Net Payments Made in Financial Year	Outstanding Net Claims Reserve c/f (including IBNR)	Gross Payments Made in Financial Year	Estimate of Gross Payments Remaining on Reported Claims	Estimate of Gross Payments for IBNR Claims
Month	Year										
		1	1	2	3	4	5	6	7	8	9
		2									
		3									
		4									
		5									
		6									
		7									
		8									
		9									
Prior years		10									
Total (1 to 10)		11									

Premiums in respect of Fixed Premium Business: \$ \_\_\_\_\_

Name and signature of Chief Executive: \_\_\_\_\_

Date: \_\_\_\_\_

INSURANCE ACT  
(CHAPTER 142)

NOTICE ON INSURANCE RETURNS  
(MARINE MUTUAL INSURERS)

Name of Insurer: \_\_\_\_\_

FORM 2 — STATEMENT ON ADEQUACY OF CLAIM LIABILITIES

FOR FINANCIAL YEAR ENDED \_\_\_\_\_

To the best of my knowledge and belief, I, Chief Executive of \_\_\_\_\_, do state that the amounts of claim liabilities as shown in the books of accounts of the company/branch\* and in Form A1: Statement of Financial Position are adequate to meet all ultimate claim payouts under each insurance fund established in accordance with section 17(1) of the Insurance Act (Cap. 142).

The claim liabilities referred to in this Statement include the expected future payments in relation to all claims incurred prior to the valuation date (other than payments which have fallen due for payment before the valuation date), whether or not they have been reported to the company/branch\*, including any expense expected to be incurred in settling those claims and any provision for any adverse deviation from the expected experience. In attesting to the adequacy of claim liabilities, I have satisfied myself that —

- (a) the company/ branch\* has in place proper systems and records to properly assess the claim liabilities set up in the books of accounts;
- (b) the claim liabilities have been estimated using a proper and consistent method based on properly collated claims statistics. Particular attention has been paid to 'long-tail' business and large or catastrophic losses;
- (c) the claim liabilities have been set up using a conservative approach in order to ensure that the claim liabilities maintained will be adequate to meet all ultimate claim payouts; and
- (d) the reinsurance arrangements of the company/ branch\* have been examined and the impact arising from any of the reinsurance arrangements being rendered inadequate or ineffective has been taken into account in determining the amount of claim liabilities; except\*

Name and signature of Chief Executive: \_\_\_\_\_

Date: \_\_\_\_\_

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\* Delete whichever is inapplicable