

BELIZE :

INSURANCE BILL, 2023

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BELIZE:**BILL****for**

AN ACT to repeal the Insurance Act, Chapter 251 and the International Insurance Act, Chapter 269 of the Substantive Laws of Belize Revised Edition 2020, and replace them with new provisions to, develop and promote the maintenance of a fair, safe and stable insurance sector in Belize for the benefit and protection of policyholders and other claimants; contribute to the financial stability of Belize; and to satisfy the requirements of the Financial Action Task Force (FATF) Recommendations and the International Association of Insurance Supervisors (IAIS) Insurance Core Principles; and to provide for matters connected therewith or incidental thereto.

(Gazetted, 20.....)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:

PART I*Preliminary*

Short title. **1.**–(1) This Act may be cited as the–

INSURANCE ACT, 2023.

(2) The Act shall come into operation on such day or days as the Minister may by order or orders appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes and different provision.

Interpretation. **2.**–(1) In this Act unless the context otherwise provide–

“accounts” means the balance sheet, profit and loss account, cash flow statement and revenue account or accounts of a company prepared in accordance with international accounting standards;

“actuary” means a person who is–

- (a) a Fellow of an international society or institute that is a full member of the International Actuarial Association; and also a current member in good standing of the Caribbean Actuarial Association; or
- (b) an actuarial professional possessing such other qualifications as may from time to time be approved by the Supervisor;

“admissible assets” means the assets of an insurer which are acceptable for determining an insurer’s solvency and shall include those identified in Schedule III, and to the extent indicated in Regulations but shall not include receivables outstanding or unpaid for a period of more than twelve months; Schedule III.

“agent” means any individual, firm or body corporate appointed by an insurer and not being an employee of such insurer, to solicit applications for insurance or negotiate insurance on their behalf, and if authorised to do so by the insurer, to effectuate and countersign insurance contracts;

“annuities on human life” means contracts whereby, in return for one or more premiums paid to the insurer, the insurer pays a sum or a series of sums to the insured in the future but does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependants of such persons;

“assets” means anything owned by a person having commercial or exchange value and which is acceptable to the Supervisor as prescribed by Regulations, and may include land, buildings, cash in hand and on deposit and securities and investments identified in Schedule III and as prescribed by Regulations, but does not include goodwill;

Schedule III.

“auditor” means a person who is a member in good standing of—

- (a) the Institute of Chartered Accountants of Belize and who holds a current practicing certificate from that Institute or Organization as the case may be; or
- (b) such other similar professional accounting association as may be prescribed from time to time and who holds a current practicing certificate from that association;

“aviation insurance business” means the business of effecting and carrying out contracts of insurance—

- (a) upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft;
- (b) upon the freight of, or any other interest in, or relating to, aircraft;

- (c) against loss, damage or liability arising out of, or in connection with, the use of aircraft;
- (d) upon goods, merchandise or property of any description whatever on board aircraft; or
- (e) against damage arising out of or in connection with the use of aircraft, including third party risks;

“bond investment business” means, subject to section 11, the business of issuing bonds or endowment certificates by which the company, in return for subscriptions payable at periodical intervals of less than six months, contracts to pay the bond holder a sum at some future date, not being life assurance business, industrial assurance business or sinking fund business;

“chief executive officer” means a person employed by an insurer, who, subject to any directions of the directors of the company, is responsible for the conduct of the insurance business of the insurer;

“claims outstanding” means the amount set aside by a company at the end of its financial year for the purpose of meeting unsettled claims (including claims in respect of which the amounts have not been determined and claims arising out of incidents occurring which have not been notified to the company), under contracts of insurance in respect of incidents occurring before the end of the year and for the purpose of meeting expenses likely to be incurred in connection with the settlement of such claims; but does not include the reduction of amounts recoverable from other insurers or other persons;

Schedule I.

“class of insurance business” means any class of insurance business specified in Schedule I or by the Regulations;

“collector” includes every person, however remunerated, who calls on policyholders for the purpose of receiving premiums payable under industrial life insurance policies or any other insurance policy;

No. 11 of 2022.

“company” includes a company incorporated or licensed under the Belize Companies Act, a corporate body incorporated outside Belize, and any statutory corporation, which carries on or proposes to carry on any insurance business in Belize;

“collector” includes every person, however remunerated, who calls on policyholders for the purpose of receiving premiums payable under industrial life insurance policies or any other insurance policy;

“conduct of business risk” means the risk to customers, insurers, the insurance sector or the insurance market that arises from insurers and/or intermediaries conducting their business in a way that does not ensure fair treatment of customers;

For the purposes of this Act, customer include also potential customers and beneficiaries of insurance products.

“contingent and prospective liabilities” means an insurer’s financial obligations to an insured party in relation to past and future events which though possible may or may not occur;

“controlling interest” has the meaning given in section 4;

“Court” means the High Court of Belize;

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2022.

“document” includes, in addition to a document in writing–

- (a) information on electronic form;
- (b) any map, plan, graph or drawing;
- (c) any photograph;
- (d) any disc, tape, soundtrack, or other device in which sounds or other data, not being visual images, are embodied so as to be capable, with or without the aid of some other equipment of being reproduced; and
- (e) any film, negative, tape or other device in which one or more visual images are embodied so as to be capable, with or without the aid of some other equipment, of being reproduced;

“divestment directive” means a directive issued under section 33;

“employers’ liability insurance business” means the issue of, or the undertaking of liability under, policies insuring employers against liability to pay compensation or damages to workmen in their employment due to negligence of the employer, but does not include any business carried on as incidental only to marine, aviation and transit insurance;

“financial group” means a related group, the members of which are incorporated in Belize and are limited in their activities to–

- (a) the business of insurance;
- (b) the business of banking;
- (c) financial business;
- (d) international banking;
- (e) trading in securities; and

- (f) subject to the approval of the Supervisor, providing necessary services to support the activities of the members of the related group,

and includes a financial holding company;

“financial holding company” means a local company that is the holding body corporate of an insurer or insurance intermediary required by section 36;

“financial year” means each period of twelve months at the end of which the balance of the accounts of the company is struck, or, if no such balance is struck, means the calendar year;

“fit and proper person” has the meaning given in section 3;

“foreign company” has the meaning specified in sub-section (3);

Schedule I.

“general insurance business” means insurance business of any class or classes specified in Schedule I or Regulations not being long-term insurance business;

“gross premiums” means premiums after deduction of refunds and rebates of premiums but before deduction of premiums for reinsurance ceded and commission payable by the company;

“holding body corporate” means a body corporate that has a controlling interest in another body corporate;

“inclusive insurance” are all insurance products aimed at the excluded or underserved market and includes microinsurance;

“index-based insurance” or “parametric insurance” means a non-indemnity insurance that pays out benefits on the basis of a predetermined and objective index, for possible loss of assets and investments, resulting from the event;

“industrial life insurance business” means the business of effecting insurance upon human life, premiums in respect of which are payable at intervals of less than two months in each case and are contracted to be received, or are usually received, by means of collectors sent by the insurance company to each policy holder, or to his residence or place of work;

“industrial life insurance policy” means a policy in respect of which the premiums are contracted to be paid at intervals of less than two months and are contracted to be received or are usually received by means of collectors, and includes—

- (a) a policy that has at any time been such a policy; and

- (b) a paid-up policy (not being a policy expressed to be a non-industrial policy) granted in lieu of an industrial policy or of a policy referred to in paragraph (a);

“insurance adjuster” means a person or an entity possessing such skills, experience or qualifications as may be prescribed by Regulations and who represents an insurer in investigations and dealings with respect to the settlement or adjusting of insurance claims but shall not include a salaried employee of an insurer while acting on behalf of such insurer in the settlement or adjusting of an insurance claim;

“insurance broker” means an individual who is a representative of an insurance brokerage firm licensed in accordance with Part IX and not being itself an insurer or agent of an insurer;

“insurance business”–

- (a) means the assumption of the obligations of an insurer in any class of insurance business; and
- (b) includes reinsurance business;

“insurance brokerage firm” means a firm or body corporate registered in accordance with Part IX of this Act which, on behalf of existing or prospective policyholders and not being itself an insurer or agent of an insurer, for compensation as an independent contractor, in any manner directly or through representatives or other means carries on insurance intermediation. Insurance brokerage firms are able to select products from those available across the market from one or more insurers;

“insurance company” or “insurer” means a body corporate which is licensed to carry on insurance business in Belize or from within Belize, and licensed by the Supervisor pursuant to this Act;

“insurance intermediary” means any insurance brokerage, insurance broker, agent or sub-agent and includes a collector;

“insurance intermediation” means the activity of soliciting, negotiating, selling and servicing insurance contracts through any medium where:

- (a) “solicit” means attempting to sell insurance or asking a person to apply for a particular kind of insurance from a particular insurer for compensation.
- (b) “Negotiate” means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtain insurance from insurers for purchasers.

- (c) “Sell” means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.
- (d) “Service” means the advice and support to clients after the sale of the contract that includes the renewal or modification of the policy,

but does not include carrying on insurance business.

“insurance liabilities” means in relation to an insurance company, any debt due from or other liabilities of the company under any contract of insurance to which it is a party;

“insurance sub-agent” means any person appointed by a registered corporate agent with the authority of the insurance company that is the agent’s principal, and not being an employee of the agent, to solicit applications for insurance or to negotiate insurance through that agent;

“internal controls system” is a part of the insurer’s overall corporate governance framework that should ensure effective and efficient operations, adequate control of risks, prudent conduct of business, reliability of financial and non-financial information reported (both internally and externally), and compliance with laws, regulations, supervisory requirements and the insurer’s internal and decisions;

“liability insurance business” means the business of effecting and carrying out contracts of insurance, against risks of the persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of motor vehicles or out of, or in connection with the use of vessels or aircraft or risks incidental to the construction, repair or docking of vessels or aircraft. Where the principal object of a contract of insurance is to insure a person against risks of such kinds that the business of effecting and carrying out contracts of insurance against such risks constitutes property insurance business, a company shall not for the purpose of this Act be treated as carrying on liability insurance business by reason only of the incidental inclusion in such a contract of a provision whereby the company assumes liability against the risk of the person insured incurring liabilities to third parties.

“licence” means a licence issued under this Act;

“licenced corporate agent” means an entity licensed as an insurance agent under Part IX;

“licensed insurance agent” means an insurance agent licensed in accordance with Part IX;

“licensed Insurance Manager” means a person who exercises, in relation to any licensed insurer under categories 2,3, and 4 of which he is not an employee, managerial functions (including administration and underwriting, or such other functions as may be prescribed by Regulations;

“licensed insurance broker” means an insurance broker licensed in accordance with Part IX;

“licensed insurance brokerage firm” means an insurance brokerage firm licensed in accordance with Part IX;

“licensed insurer” means an insurer licensed in accordance with Part III as the case may be;

“life insurance business” means the issue of, or the undertaking of liability under policies of insurance upon human life, or the granting of annuities upon human life;

“life insurance fund” means the fund to which the receipts of an insurer in respect of his life insurance business are carried into, and from which payments in respect of that business are made;

“life insurance policy” means an ordinary life insurance policy, an industrial life insurance policy or a sinking fund policy;

“life insurer” means a licensed insurer carrying on life insurance business;

“local company” means a company incorporated in Belize under the Belize Companies Act;

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“local policy” means an insurance policy issued in Belize and includes an ordinary life insurance policy issued outside Belize and subsequently made payable in Belize at the request of the policy holder to which the policy holder has agreed in writing, but does not include an ordinary life insurance policy made payable outside Belize at the request of the policy holder to which the policy holder has agreed in writing, or an insurance policy issued by a person carrying on insurance business from within Belize;

“long term insurance business” means insurance business of all or any of the following classes, namely—

- (a) ordinary life insurance business;
- (b) industrial life insurance business;
- (c) bond investment business;
- (d) in relation to any insurer, insurance business carried on by the insurer as incidental only to any of the classes of business referred to in paragraphs (a), (b), and (c);

“loss assessor” means a person with specialist knowledge appointed by the insured to assess his claim and negotiate a settlement with the insurer or insurer’s representative;

“marine, aviation and transit business” means the business of effecting and carrying out, otherwise than incidentally to some other class of insurance business, contracts of insurance—

- (a) upon vessels or aircraft, or upon the machinery, tackle, furniture, or the equipment of vessels or aircraft; or
- (b) upon goods, merchandise or property of any description whatever on board vessels or aircraft; or
- (c) upon the freight of, or any other interest in or relating to, vessels or aircraft; or
- (d) against damage arising out of or in connection with the use of vessels or aircraft, including third party risks; or
- (e) against risks incidental to the construction, repair or docking of vessels, including third party risks; or
- (f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance, but not including risks the insurance of which is motor vehicle insurance business; or
- (g) against any other risks the insurance of which is customarily undertaken in conjunction with or as incidental to any business referred to in the foregoing paragraphs of this definition;

“marine insurance business” means the business of effecting and carrying out contracts of insurance—

- (a) upon vessels, or upon the machinery, tackle, furniture or equipment of vessels;
- (b) upon the freight of, or any other interest in, or relating to, vessels;
- (c) against loss, damage or liability arising out of, or in connection with the use of vessels, including third party risks;
- (d) against risks incidental to the construction, repair or docking of vessels, including third- party risks;
- (e) upon goods, merchandise or property of any description whatever on board vessels;

“microinsurance” means insurance designed for people, families, and businesses that fall within the low-income segment of the population, and the business of effecting those contracts

“microinsurance agent” means any individual, firm, or body corporate appointed by an insurer or up to a maximum of insurers prescribed by Regulations, and not being an employee of such insurer(s), to act on their behalf to carry on insurance intermediation, for microinsurance products exclusively;

“microinsurance insurer” means a licensed insurer under Category 4(ii) authorised by the Supervisor to sell only microinsurance products;

“Minister” means the Minister responsible for insurance;

“motor vehicle insurance business” means the business of effecting contracts of insurance against loss of, or damage to or arising out of or in connection with the use of, motor vehicles, including third party risks but exclusive of transit risks and a company shall not be treated as carrying on motor vehicle insurance business by reason only of the fact that goods, merchandise or property upon which a contract of insurance is effected by it (being goods, merchandise or property on board of a vessel or an aircraft) consist of, or include motor vehicles;

“mutual company” means a company whose capital is owned by the policy holders of the company;

“non-viable” means that a company is unlikely to be no longer viable in the cases described in section 57;

“officer” in relation to anybody includes the chief executive officer, the manager, secretary of the board, treasurer, actuary, or key persons in control functions of that body or any other person designated as an officer of a company or association by its articles of association, its by-laws or any rules regulating its operation;

“ordinary life insurance” means insurance business whereby an insurer assumes in return for the payment of a sum or sums of money a contingent obligation dependent upon human life but does not include industrial life insurance, personal accident, sinking fund or cancellable group life insurance;

“overseas company” or “foreign company” means a company incorporated outside Belize;

“pecuniary loss insurance business” means the business of effecting and carrying out contracts of insurance against any of the following risks—

- (a) loss to the person insured arising from the insolvency of their debtors or from the failure (otherwise than through insolvency) of their debtors to pay their debts when due;

- (b) loss to the person insured arising from their having to perform contracts of guarantee entered into by them;
- (c) loss to the person insured attributable to interruptions of the carrying on of business carried on by them or to reductions of the scope of business so carried on;
- (d) loss to the persons insured attributable to the incurring of unforeseen expenses; or
- (e) neither falling within any of the foregoing sub-paragraphs nor being a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class;

(Where the principal object of the contract of insurance is to insure a person against risks of such kinds that the business of effecting and carrying out contracts of insurance against such risks constitute marine, aviation and transport insurance business, motor vehicle insurance business or property insurance business, a company shall not for the purpose of this Act be treated as carrying on pecuniary loss insurance business by reason only of the incidental inclusion in such a contract of a provision whereby the company assumes liability against the risks specified in paragraphs (c) and (d));

“personal accident insurance business” means the business of effecting and carrying out contracts of insurance which pay out capital sums contingent upon the life insured’s death or permanent disablement, including loss of limb, sight, etc., and weekly benefits for temporary disablement for a defined period from working following accidental bodily injury but not death or disablement following illness or disease;

(Where the principal object of a contract of insurance is to insure a person against risks of such kinds that the business of effecting and carrying out contracts of insurance against such risks constitute marine, aviation and transport insurance business, motor vehicle insurance business or property insurance business, a company shall not for the purpose of this Act be treated as carrying on personal accident insurance business by reason only of the incidental inclusion in such a contract of a provision whereby the company assumes liability against the happening of personal accidents, whether fatal or not);

“personal accident and sickness insurance business” means personal accident insurance business which in addition pays a benefit for temporary disablement up to a period of fifty-two weeks following the insured’s illness or disease;

“policy”–

- (a) in relation to life insurance business or industrial life insurance business, includes an instrument evidencing a contract to pay an annuity upon human life; and

- (b) in relation to accident and sickness insurance business, motor vehicle insurance business, marine, aviation and transit insurance business or employers' liability insurance business, includes any instrument under which there is for the time being an existing liability already accrued, or under which any liability may accrue; and
- (c) in relation to bond investment business, includes any bond, certificate, receipt or other instrument evidencing a contract with the company;

"policyholder" means the person who for the time being has the legal title to the policy and includes any person to whom a policy is for the time being assigned;

"principal office" means the office notified to the Supervisor in accordance with section 90;

"principal representative" means the representative notified to the Supervisor in accordance with section 90;

"property insurance business" means the issue of or the undertaking of liability under policies of insurance against loss or damage to real or personal property of every kind and interests therein, from any hazard or cause, or against loss consequential upon such loss or damage, not being risks the insurance of which is motor vehicle insurance business or marine, aviation and transit insurance business;

"rebate" means any gift of money, share of commission, consideration or thing of value given or offered by an insurance intermediary to induce or persuade another party to purchase an insurance policy or to enter into an insurance contract with an insurer or through that intermediary;

"the Regulations" means regulations made by the Minister, under this Act;

"reinsurance ceded" includes reinsurance retroceded;

"reinsurance recoveries" includes recoveries in connection with reinsurance ceded or retroceded;

"related group" means—

- (a) two or more bodies corporate that are controlled by the same person;
- (b) the direct and indirect subsidiaries of the bodies corporate referred to in paragraph (a); and
- (c) the controlling person referred to in paragraph (a);

"risk management system" means a part of the insurer's overall corporate governance framework that includes, at least a risk management strategy that defines the insurer's

risk appetite, a risk management policy outlining how all material risks are managed within the risk appetite and the ability to respond to changes in the insurer's risk profile in a timely manner;

“segregated company” means a company incorporated according to the Belize Companies Act as a segregated company;

“sinking fund policy” means a policy whereby one party to the contract assumes the obligation to pay, after the expiration of a certain period or during a specified period, a certain sum or certain sums of money to a particular person in return for the payment from time to time of certain sums of money by the other party to the contract;

“statutory fund” in relation to a company, means a statutory fund maintained by the company under section 44;

“sub-agent” means any person appointed by a licensed corporate agent, with the authority of the insurance company that is the agent's principal and not being an employee of the agent, to solicit applications for insurance or to negotiate insurance through that agent;

“subsidiary” means a company in which fifty per cent or more of its shares are held directly or indirectly by another company, or whose board of directors is controlled directly or indirectly by another company;

“substantial investment” has the meaning given in section 5;

“Supervisor” means the Supervisor of Insurance appointed under section 207;

“transit insurance business” means the business of effecting and carrying out contracts of insurance against loss of or damage to merchandise, baggage and all other goods in transit, (whether the transit is by sea, inland water, land or air or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance, but not including risks the insurance of which is motor vehicle insurance business;

“Unclaimed Monies Fund” means the fund referred to in section 88;

“unearned premiums” means the amount set aside by a company at the end of its financial year out of premiums in respect of risks to be borne by the company after the end of its financial year under contracts of insurance entered into before the end of the year;

“unexpired risks” means the amount set aside by a company at the end of its financial year, in addition to unearned premiums, in respect of risks to be borne by the company after the end of its financial year under contracts entered into before the end of that year;

“without lawful excuse” means the lack of a legally justifiable reason for a person's act or omission.

(2) Where, in return for subscriptions payable at periodic intervals of less than six months, a person or body of persons, whether incorporated or not (not being, or being deemed to be registered under the Trade Unions Act, the Credit Unions Act, the Building Societies Act, or the Friendly Societies Act, undertakes, by prospectus or otherwise, to pay to the subscriber at a future date the amount of the subscriptions with interest thereon (with or without a right on the part of the subscriber to the return of his subscriptions in the meantime), that business shall for the purposes of this Act be deemed to be a bond investment business, and the card, book or other document in which receipts of subscriptions are entered shall be treated as the instrument evidencing the contract, and the subscriber shall be treated as the owner of the policy.

CAP. 300.
CAP. 314.
CAP. 310.
CAP. 317.

(3) In this Act, “foreign company” means a body corporate incorporated, registered or formed outside Belize but excludes a company so established that is—

- (a) a Belize company incorporated under the Act No. 11 of 2022. Belize Companies Act;
- (b) a company continued as a Belize company under that Act; or
- (c) a company registered to operate or hold assets in Belize,

other than a dissolved company and a company that has continued as a company incorporated under the laws of a jurisdiction outside Belize in accordance with that Act.

3.—(1) For the purposes of this Act, and subject to sub-section (2), whether a person (being an individual) is a fit and proper person shall be determined by the Supervisor, and in making such determination, the Supervisor shall make such investigations and inquiries as necessary and shall consider—

Fit and proper.

- (a) the probity of the person;
- (b) the background, experience, integrity, competence and soundness of judgment of the person;
- (c) the diligence with which the person is fulfilling or is likely to fulfill the responsibilities of the position in question;
- (d) whether the interest of policyholders or potential policyholders of the insurer are, or are likely to be, in any way threatened by the person holding a particular position; and
- (e) any other matter the Supervisor considers appropriate.

(2) Without prejudice to the generality of sub-section (1), in determining whether a person is a fit and proper person, the Supervisor may have regard to the previous or existing conduct and activities in business of financial matters of the person in question, and, in particular, to any evidence that the person—

- (a) has had any judgment, including a consent judgment, made against him or any penalty or fine imposed upon him by any court or other competent judicial authority in any country in any matter involving fraud, deception, dishonesty or breach of trust;
- (b) has had a sanction applied by a competent authority under the Money Laundering and Terrorism (Prevention) Act; Money Laundering and Terrorism Prevention Act, CAP. 104.
- (c) engaged in any business practices appearing to the Supervisor to be deceitful, oppressive or otherwise improper, whether lawful or not, or which otherwise discredit his method of conducting business;
- (d) has an employment record which leads the Supervisor to believe that the person carried out an act of impropriety in the handling of his employer's business;
- (e) engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment; or
- (f) has, in the opinion of the Supervisor, as a director or senior officer of a bank, financial institution, insurer or investment company participated in or contributed to decisions or other actions which seriously threatened the continued financial viability of the bank, financial institution, insurer or investment company.

(3) In determining whether a company is a fit and proper person the Supervisor shall have regard to, but not limited by, the following—

- (a) whether the directors of the company are fit and proper under subsections (1) and (2);
- (b) whether the company has been found guilty of insider trading or fraud involving trading in securities by a local or foreign authority;
- (c) whether the company has been convicted of any offence under this Act or the Money Laundering and Terrorism (Prevention) Act;
- (d) whether the company has been sanctioned by a Competent Authority under the Money Laundering and Terrorism (Prevention) Act;
- (e) whether in the opinion of the Supervisor the company has not carried on its business in a prudent manner;
- (f) whether in the opinion of the Supervisor the company is non-viable or is likely to be no longer viable;

- (f) whether the company has suspended or is about to suspend payment in respect of, or is unable to meet its obligations, as they fall due;
- (g) whether in the opinion of the Supervisor the affairs of the company or any associated person are being conducted in a manner prejudicial to the soundness of the financial institution in question or the financial system of Belize; and
- (h) any other matter which the Supervisor may prescribe.

4.-(1) For the purposes of this Act—

Controlling
interest.

- (a) a person has a controlling interest in a body corporate if—
 - (i) shares of the body corporate to which are attached more than twenty-five per cent of the votes that may be cast to elect directors of the body corporate are controlled or beneficially owned by the person and the votes attached to those shares are sufficient, if exercised, to elect a majority of the directors of the body corporate;
 - (ii) the person can appoint or remove a majority of the board of directors of the body corporate; or
 - (iii) the person is able to exert a significant influence over the body corporate;
- (b) a person has a controlling interest in an unincorporated entity, other than a limited partnership, if—
 - (i) more than twenty-five per cent of the ownership interests, however designated, into which the unincorporated entity is divided are controlled or beneficially owned by the person and the person is able to direct the business and affairs of the unincorporated entity; or
 - (ii) the person is able to exert a significant influence over the unincorporated entity; and
- (c) the general partner of a limited partnership has a controlling interest in the limited partnership.

(2) A person who has a controlling interest in an entity is deemed to have a controlling interest in any entity that is controlled by the entity.

(3) A person is deemed to have a controlling interest, within the meaning of subsection (1)(a) or (b), in an entity if the aggregate of—

- (a) the shares or ownership interests of the entity that are beneficially owned by the person; and
- (b) the shares or ownership interests of the entity that are beneficially owned by any entity controlled by the person,

is such that, if that person and all of the entities referred to in paragraph (b) that beneficially own shares or ownership interests of the entity were one person, that person would have a controlling interest in the entity.

Substantial investment.

5.—(1) A person has a substantial investment in a body corporate if—

- (a) the voting rights attached to the aggregate of the voting shares of the body corporate controlled or beneficially owned by the person and by an entity in which the person has a controlling interest, exceed ten per cent of the voting rights attached to all of the outstanding voting shares of the body corporate; or
- (b) the aggregate of any shares of the body corporate controlled or beneficially owned by the person and by an entity in which the person has a controlling interest, represents ownership of greater than ten per cent of the shareholders' equity of the body corporate.

(2) A person has a substantial investment in an unincorporated entity where the aggregate of the ownership interests, however designated, into which the entity is divided, controlled or beneficially owned by the person and by an entity in which the person has a controlling interest, exceeds twenty-five per cent of all of the ownership interests into which the entity is divided.

Application. Schedule I.

6.—(1) This Act shall apply to all insurers and insurance intermediaries whether established within or outside Belize which carry on or conduct or transact in Belize and from within Belize any class of insurance business specified in Schedule I or the Regulations.

Belize Companies Act, Act no. 11 of 2022.

(2) A company as defined by section 5 of the Belize Companies Act, which carries on insurance business of a class specified in Schedule I or the Regulations in any part of the world other than in Belize shall, for the purposes of this Act, be deemed to be a company carrying on such business from within Belize.

(3) For the purposes of this Act, the reinsurance of liabilities under insurance policies shall be treated as insurance business of the class and type to which the policies would have belonged if they had been issued by the reinsurer and all the provisions of this Act shall apply to such reinsurance except that a company carrying on such reinsurance shall not be required to make in respect of such reinsurance any deposits as required by section 42.

(4) No corporate insurance agent shall be permitted to represent another corporate insurance agent, nor shall one insurer be the agent of another insurer unless approved by the Supervisor under special conditions.

(5) Except in relation to insurance-based or related products or activities this Act shall have no application to—

- (a) any person or body of persons registered under the Trade Unions Act, the Credit Unions Act, the Building Societies Act, or the Friendly Societies Act; CAP. 300.
CAP. 314.
CAP. 310.
CAP. 317.
- (b) any association of persons which may be declared by the Minister by notification published in the *Gazette* to be exempt from this Act.

7. The objects of this Act are to—

Objects of the Act.

- (a) develop and promote the maintenance of a fair, safe and stable insurance sector in Belize for the benefit and protection of policyholders and other claimants;
- (b) contribute to financial stability;
- (c) facilitate the prevention of money laundering, terrorist financing and proliferation financing.

PART II

Unauthorized Insurance

8. —(1) Subject to Part III, a person shall not carry on or purport to carry on any insurance business in Belize or from within Belize unless that person holds a licence that authorises the person to carry on that type of insurance business in accordance with this Act.

Prohibition against unlicensed insurance.

(2) A person shall not, except in the case of reinsurance and such classes of business as may be prescribed, place or cause to be placed with an insurer not licensed under this Act, insurance in respect of—

- (a) property situated in Belize;
- (b) liabilities arising in Belize; or
- (c) goods being imported into Belize.

(3) A person who desires to enter into an insurance contract with an unlicensed insurer (except a contract relating to reinsurance), or to cause to be placed such a contract,

shall apply to the Supervisor for permission to do so and the Supervisor may grant such permission if he is satisfied that—

- (a) it is not possible to obtain similar protection from an insurer carrying on insurance business in Belize licensed under this Act; and
- (b) the applicant meets the prescribed requirements.

(4) For the avoidance of doubt, it is hereby declared that the Supervisor, by granting permission under sub-section (3), does not assume any liability towards the applicant in relation to the insurance contract concerned or its placement.

Action by
Supervisor.

9—(1) Where a person contravenes section 8, the Supervisor shall, after giving the person 14 days written notice of the intention to impose an administrative penalty, which notice shall offer the person a reasonable opportunity to be heard or to make written representations, impose an administrative penalty not exceeding twenty thousand dollars, and shall notify the person of the right to review under section 221 and or the appeal under Part XI.

(2) Where after the imposition of a penalty in accordance with sub-section (1) the violation continues, a person commits an offence and shall be liable on summary conviction to a fine not exceeding one hundred and fifty thousand dollars and to a penalty of five thousand dollars for each day on which the offence is continued after conviction.

(3) In the case of an individual, if that person is carrying on insurance business from within Belize without the respective licence, that person commits an offence and is liable on summary conviction, to a fine of two thousand dollars for every day the offence continues and, to imprisonment for a term not exceeding six months.

Restrictions on
the use of
insurance terms.

10. Subject to the provisions of this section—

- (a) no person carrying on any class of insurance business may have or use, or continue to have or use, the word “Insurance” or “Assurance”, or any other word or derivative thereof which connotes insurance business, in the name under which such person is carrying on business, unless such person is licensed under this Act or exempted from licensing thereunder;
- (b) no person carrying on any class of Insurance business may have or use or continue to have or use, in the name under which such person is carrying on business any words indicating that such person is a principal insurer unless that person is licensed under Part III or VII or is exempted from licensing thereunder;
- (c) no person licensed under Part III or Part IX may, without the written consent of the Supervisor, carry on any insurance business unless such person has and uses as part of the business name of such person the word “Insurance” or “Assurance”, “casualty”, “guarantee”, “indemnity”, “reinsurance”, “surety”,

“underwriting” or any word or a derivative thereof which, in the Supervisor’s opinion, connotes insurance business;

- (d) no person licensed under Part IX as a broker may, without the written consent of the Supervisor, carry on business as such unless such person has and uses as part of the business name of such person the words “Insurance Broker” or “Assurance Broker”;
- (e) no person licensed under Part IX as an agent, collector, sub-agent (and not also licensed under Part II) may, without the written consent of the Supervisor, carry on business as such unless such person has and uses as part of the business name of such person the words “Insurance Agent” or “Assurance Agent” or “Insurance Sub-Agent” or “Assurance Sub-Agent” or “insurance collector”;
- (f) no person licensed under Part VIII as an insurance manager may, without the written consent of the Supervisor, carry on business as such unless such person has and uses as part of the business name of such person the words “Insurance Manager”;

11. Where, in return for subscriptions payable at periodic intervals of less than six months, a person or body of persons, whether incorporated or not (not being, or being deemed to be registered under the Trade Unions Act, Cap 300, the Credit Unions Act, Cap. 314, the Building Societies Act Cap. 310, or the Friendly Societies Act, 317, undertakes, by prospectus or otherwise, to pay to the subscriber at a future date the amount of the subscriptions with interest thereon (with or without a right on the part of the subscriber to the return of his subscriptions in the meantime), that business shall for the purposes of this Act be deemed to be a bond investment business, and the card, book or other document in which receipts of subscriptions are entered shall be treated as the instrument evidencing the contract, and the subscriber shall be treated as the owner of the policy.

Bond investment business.

PART III

Insurance Companies

Bodies qualified to carry out insurance business.

12. Subject to this Act, no person other than a body corporate shall carry on insurance business in or from within Belize.

13.–(1) Subject to section 8, a body corporate shall not carry on in or from within Belize insurance business of any of the classes unless—

Licensed companies to carry on insurance.

- (a) the Supervisor is satisfied that the Memorandum of Association or constitution of the body corporate restricts it to the carrying on of insurance business solely;
- (b) it is licensed by the Supervisor under this Act in respect of the licence category and each class of insurance business it proposes, and that the name in which the company is licensed is the same name as that in which the company is registered by the Registrar of Companies;
- (c) the applicant has filed a business plan satisfactory to the Supervisor, demonstrating how the applicant will develop its insurance business in Belize over the ensuing five years, and demonstrating that its solvency and capital position will at all times exceed minimum supervisory requirements;
- (d) it has made the deposit required by section 42;
- (e) its shareholders, directors and executive officers and other key functionaries are fit and proper persons to conduct insurance business; and
- (f) in the case of a foreign company, it has filed with the Supervisor the names and addresses of one or more persons resident in Belize and authorised to accept on behalf of the body corporate service of process in any legal proceedings; and
- (g) in the case of an entity licenced under categories 2,3 or 4, it has filed the name and address of its Insurance Manager, when corresponds.

(2) Nothing in this section shall operate to avoid or render unenforceable any contract made or policy issued in contravention thereof.

14. The categories of licenses that may be granted to insurers by the Supervisor are—

- (a) category 1: for carrying on insurance business in Belize.
- (b) category 2: for carrying on insurance business, but not reinsurance business, outside of Belize from within Belize in respect of which:
 - (i) at least ninety-five per cent of the net written premiums will originate from the insurer's related business, and annual net earned premiums are less than fifteen million dollars.
 - (ii) over fifty per cent of the net premiums written will originate from the insurer's related business, and annual net earned premiums are less than fifteen million dollars. A licensed insurer under this

category is also allowed for carrying on insurance business, included for licensed insurers under category 2(a).

(iii) fifty per cent or less of the net premiums written will originate from the insurer's related business and annual net earned premiums are less than fifteen million dollars. A licensed insurer under this category is also allowed for carrying on insurance business, included for licensed insurers under categories 2(a) and 2(b).

(iv) fifty per cent or less of the net written premiums will originate from the insurer's related business and annual net earned premiums are equal to or greater than fifteen million dollars. A licensed insurer under this category is also allowed for carrying on insurance business, included for licensed insurers under categories 2(a), 2(b) and 2 (c).

(c) category 3: for the carrying on of reinsurance business and such other related business as may be approved in respect of any insurer licensed by the Supervisor.

(d) category 4: for carrying on insurance business, but not reinsurance business, in Belize or from within Belize and that:

(i) may only raise capital for underwriting from qualified investors; whether via subscription for, or purchase of, debt or equity instruments or otherwise; or by listing of securities; whether debt, equity, or derivative instruments, issued by the insurer on an investment exchange licensed or recognised by the Financial Services Commission established under section 3 of the Financial Services Commission Act; or by such other means, or from such other persons, as may be approved in writing by the Supervisor.

(ii) Insurers that the Supervisor agrees, in writing, may fall into this category.

(iii) In the case of a segregated company, incorporated accordingly to the Belize Companies Act, each cell and the company must be allocated to one of the above categories.

Composite Insurers.

15.—(1) Upon the commencement of this Act, no further companies licensed under Category 1 shall be licensed to write long-term insurance business in Belize in addition to general insurance business or motor insurance business except where such company is licensed to carry on microinsurance business.

(2) Licensed insurers under categories 2, 3 and 4 may be authorized by the Supervisor as a composite insurer to write long-term insurance business in addition to

general insurance business or motor insurance, or both or any combination, or long-term insurance business only or general insurance business only or motor insurance only.

Application of section 14 licensing categories to pre-existing business.

16. Every company that, immediately before the commencement of this Act or any provision thereof, was licensed by the Supervisor to carry on any category of insurance business in Belize under the Insurance Act or from within Belize under the International Insurance Act, shall be deemed to have been licensed under this Act in each respective category.

Share capital and deposit required for licensing.

17.—(1) Prior to be licenced, every licensed insurer under category 1 shall comply with a minimum capital requirement as follows—

- (a) long-term insurance business or general insurance business (not inclusive of motor insurance business) unless—
 - (i) if it is a local company: Bz\$1,000,000; or
 - (ii) if it is a foreign company: Bz \$3,000,000; or
 - (iii) if it is a mutual company, Bz\$3,000,000;
- (b) motor insurance business: Bz\$250.000,

such capital to be fully paid-up in cash or cash equivalent and maintained as a minimum accepted level of capital to operate.

(2) Prior to be licensed, every licensed insurer under categories 2, 3 and 4 shall comply with a minimum capital requirement as follows—

- (a) Category 2 (i)—
 - (i) General: Bz\$100,000;
 - (ii) Long-term: Bz\$200,000;
 - (iii) Composite: Bz\$300,000;
- (b) Category 2 (ii)—
 - (i) General: Bz\$150,000;
 - (ii) Long-term: Bz\$300,000;
 - (iii) Composite: Bz\$450,000;
- (c) Category 2 (iii)—

- (i) General: Bz\$200,000;
 - (ii) Long-term: Bz\$400,000;
 - (iii) Composite: Bz\$600,000;
- (d) Category 3–
- (i) General: Bz\$25,000,000;
 - (ii) Long-term: Bz\$25,000,000;
 - (iii) Composite: Bz\$50,000,000;
- (e) Category 4–
- (i) General: Bz\$1500;
 - (ii) Long-term: Bz\$1500;
 - (iii) Composite: Bz\$3000,

and the capital shall be fully paid-up in cash or cash equivalent and maintained as a minimum accepted level of capital to operate, and shall be deposited with an approved financial institution in Belize and shall not be removed without the prior written permission of the Supervisor.

(3) In the case of a segregated company, each cell and the company must be allocated to one of the above categories, but the minimum capital requirement only applies to the overall company and will be the highest minimum capital corresponding to the licence category of any of its cells.

(4) No company may be licensed under Category 1 to carry on long-term insurance business or general insurance business or motor insurance in Belize, unless, in addition to complying with sub-section (1) it has deposited with the Supervisor the deposit required under section 42.

(5) Existing companies licensed under Category 1 to write long-term insurance business in Belize in addition to general insurance business or motor insurance business shall have, a minimum paid-up share capital of two million, two hundred and fifty thousand.

(6) Notwithstanding sub-sections (1), (2) and (4), the Supervisor may, if it appears to him to be necessary, require a company seeking licensing under the Act to increase its paid-up share capital beyond the minimum levels stated in sub-sections (1), (2) and (4).

(7) The above capitalisation requirements shall apply and shall be attained by equal increments over an 18-month period from the date on which this Act takes effect where the insurer's fully paid-up uncommitted capital at the time of passing this Act falls below the minimum levels indicated.

Application for
licensing.

18.—(1) An application for licensing under this Part shall be made to the Supervisor in the prescribed form and shall be accompanied by evidence of payment of the prescribed fee and by such documents as may be prescribed or as may be required by this Act.

(2) The Supervisor may, upon receipt of an application under this section, request the applicant insurance company to furnish such additional information as he may consider to be relevant in relation to the application and the company shall comply with any such request.

Conditions for
grant of
licensing.

19.—(1) If the Supervisor, after appropriate inquiry, or by the production of documentary evidence, or both, is satisfied in respect of the applicant insurance company that—

- (a) the requirements of this Part, and particularly of sections 17 and 18, in so far as they are applicable, have been complied with; and
- (b) the company is meeting the minimum capitalization amounts specified in section 17; and
- (c) the company has made adequate and appropriate arrangements for the reinsurance of each class of insurance business which the company proposes to carry on in or from within Belize; and
- (d) the class of insurance business for which the application is made will be conducted by the applicant in accordance with sound insurance principles; and
- (e) the company is likely to be able to comply with such of the provisions of this Act and the Money Laundering and Terrorism (Prevention) Act as would be applicable to it; and
- (f) in the case of a company which carries on, or proposes to carry on, some other form of business in addition to insurance business, such other business is ancillary to its business of insurance and in the opinion of the Supervisor, the carrying on of both insurance business and the other business, is not contrary to the public interest and is not likely to give rise to any conflict of interest with its insurance business; and;
- (g) the name of the company is not identical with or does not so closely resemble the name of an insurance company already licensed under this Act or under any other Act or legislation as to be likely to deceive; and

Money
Laundering and
Terrorism
Prevention Act,
CAP. 104.

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- (h) the shareholders, directors, managing director or chief executive officer, compliance officer or principal representative of the company, as the case may be, and its executive officers are fit and proper persons to manage the affairs of the company; and
 - (i) the names and addresses of its directors, auditors and in the case of a company carrying on long-term insurance business, the name of the actuary or consulting actuary as the case may be, are stated in its application; and
 - (j) the business plan filed demonstrating how the applicant will develop its insurance business in Belize over the ensuing five years, and demonstrating that its solvency and capital position will at all times exceed minimum supervisory requirements is satisfactory to the Supervisor, and
 - (k) the applicant has been able to demonstrate that if necessary, it will have access to additional capital resources that will be sufficient to enable it to develop according to the business plan filed pursuant to paragraph (j);
 - (l) the Supervisor is satisfied that the applicant's systems of corporate governance, risk management, risk control, enterprise risk management and information technology as planned for Belize, appear to provide for sound and prudent management and oversight of the insurer's business, and adequately protect the interests of policyholders;
 - (m) where the applicant is a member of a corporate group, the applicant has filed with the Supervisor—
 - (i) a copy of the group corporate structure identifying all the members, both supervised and unsupervised, and showing the shareholding relationships between the members;
 - (ii) the most recent, audited, consolidated financial statements for the group, and;
 - (iii) such other information as the Supervisor may require to assess the risk profiles of the various group members and the entire group overall.
 - (n) being a foreign company, it, in addition to having fulfilled the requirements of paragraphs (a) to (m)—
 - (i) is lawfully constituted in accordance with the laws of the country in which it is incorporated and has undertaken insurance business in that country in the classes of business which it has applied to transact in Belize for at least three years before the date of the application; and

- (ii) has appointed some person resident in Belize to be its principal representative in Belize for the service of process and has informed the Supervisor in writing of the name and address of that person, and
- (o) the Supervisor has consulted with the supervisor or other relevant authority in the jurisdiction concerned, and has not become aware of any reason why the applicant company should not be licensed in Belize;

the Supervisor shall, either unconditionally or subject to such conditions as he may specify, license the insurance company in respect of such category and class or classes of insurance business, and shall notify the applicant accordingly, and shall by notice publish the licensing in the Gazette and on its website.

(2) If the Supervisor is not satisfied, as to one or more of the conditions set out in sub-section (1), he shall notify the insurance company in writing that he proposes to refuse to licence it or, as the case may be, that he proposes to refuse to licence it in respect of one or more of the classes of insurance business for which application is made, or he proposes to license the company subject to certain conditions, he shall so notify the applicant in a timely manner, giving his reasons for so doing and shall notify it of its right of review under section 221 and of appeal under Part XI.

Certificate of Licensing.

20.—(1) The Supervisor shall, subject to the payment of the prescribed fees and to section 19, furnish to every company licensed under this Act a certificate in the prescribed form that the company has been so licensed, and the certificate shall state the category and class or classes of insurance business for which it is licensed and shall be prima facie evidence that the insurance company specified in the certificate has been so licensed.

Money Laundering and Terrorism (Prevention) Act, CAP. 104.

(2) Every certificate issued under this section shall be valid for the calendar year in which issued and may be renewed by the Supervisor for subsequent periods subject to the insurance company satisfying the requirements of sections 16, 27, 29 and 216, the provisions of the Money Laundering & Terrorism (Prevention) Act, and upon payment of the required fees.

(3) In accordance with this Act and any the Regulations, the Supervisor shall indicate in the certificate of the license the activities allowed and the activities restricted or conditioned to the insurer.

Notifications of changes in particulars of application.

21. Where, after the licensing of any company under this Act any change takes place in the particulars specified in the application of the company for licensing or in the particulars of the information in or documents required to accompany the application, the company shall, within thirty days of such change, notify the Supervisor in writing of the change.

Grounds for cancellation or suspension of licence.

22.—(1) Subject to sub-section (2), the Supervisor may notify in writing an insurance company licensed under this Act that he proposes to cancel or suspend its licence, giving

his reasons for so doing (and notifying the company of its right of review under section 221 and of appeal under Part XI, where—

- (a) the Supervisor is satisfied that,
 - (i) such licensing was procured as a result of any misleading or false representation or in consequence of any incorrect information (whether or not done wilfully);
 - (ii) the company is non-viable or is likely to be no longer viable;
 - (iii) the company's insurance business or any class thereof is not being conducted in accordance with sound insurance principles and practice;
 - (iv) in the case of a company which carries on, or proposes to carry on, some other form of business in addition to insurance business, the carrying on of both the insurance business and that other business is or is likely to be contrary to policyholders' or the public's policyholders' or the public's interest;
 - (v) any of its reinsurance arrangements are not satisfactory;
 - (vi) it has been guilty, without reasonable cause, of delay in the payment or settlement of any claim payable under any policy issued by it; or
 - (vii) it has contravened this Act or any regulations made thereunder or any condition, direction or requirement imposed under this Act by the Minister or by the Supervisor, or has been an accessory or party to the contravention thereof by any other person;
 - (viii) it has contravened the Money Laundering and Terrorism (Prevention) Act, or any regulations made thereunder or any condition, direction or requirement imposed under this Act by the Minister or by the Supervisor, or has been an accessory or party to the contravention thereof by any other person;
- (b) a judgment is obtained against the company in any court in Belize which remains unsatisfied for twenty-one days, and no appeal from such a judgment is brought or taken within twenty-one days of the judgment, or if it is so brought is abandoned or dismissed.

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(2) No new business shall be written by an insurance company whose licence has been suspended or cancelled by the Supervisor and pending the hearing of any review by the Supervisor under section 221 or of any appeal under Part XI.

(3) Where the licence of a company has for any reason been cancelled, revoked or not renewed, the provisions of this Act continue to apply to the extent required to protect the positions of policyholders and claimants of the company.

Failure to review.

23. Where an insurance company has been notified under section 19(2) or under section 22(1) of its right to request the Supervisor to refer the proposal concerned to the Appeals Board for review and either—

- (a) fails to make any such request; or
- (b) having made such request, withdraws the request or the result of the review is the confirmation, with or without variation, of the Supervisor's proposal,

then, subject to any such variation, the Supervisor shall give effect to his proposal and notify the company in writing accordingly.

Summary Cancellation of Licence.

24. The Supervisor may at any time cancel an insurance company's licence under this Act—

- (a) if proceedings for its winding-up have begun;
- (b) if he is satisfied that it has not, within one year of its licensing, begun to carry on in or from within Belize insurance business of any class;
- (c) if he is satisfied that it has ceased to carry on insurance business in Belize or from within Belize for more than one year; or
- (d) if the insurance company, or its liquidator, judicial manager or trustee so requests.

Effect of cancellation.

25.—(1) Notwithstanding section 24, upon the cancellation of an insurance company's licence—

- (a) it shall be lawful for it to continue to carry on business relating to policies issued before the date on which it is notified of such cancellation (hereinafter in this section referred to as "the date of notification") and it shall continue to carry on such business unless the Supervisor is satisfied that it has made suitable arrangements for its obligations under those policies to be met; and
- (b) it shall not be lawful for it, after the date of notification, to issue any new policy or to enter into any new contract in relation to which licensing under this Act is required.

(2) Nothing in sub-section (1) (a) of this section, shall be taken as authorising the renewal of or an increase of the liability, after the date of notification, of any general

insurance policy issued before that date, and where any such policy is renewed or increased after that date the company shall be regarded as having issued a new policy in contravention of paragraph (b) of that sub-section.

(3) Where any person is in contravention of this section the Supervisor shall, after giving 14 days written notice, impose an administrative penalty of ten thousand dollars in the first instance, but an appeal shall lie to the Court within thirty days of the imposition of such fine.

(4) Where after the imposition of a penalty in accordance with sub-section (3) of this section the violation continues, a person shall be liable on summary conviction to punishment in accordance with section 246.

26. Section 25 shall apply (with the necessary modifications) in relation to an insurance company that was carrying on insurance business in Belize immediately before the commencement of this Act and whose licensing is refused, as they shall apply to an insurance company whose licensing has been cancelled.

Modification of effect of cancellation.

27.—(1) Every company licensed under this Part shall prominently display its licensing certificate at its principal place of business in Belize, in a part thereof to which the public have access, and a copy thereof shall be similarly displayed at each of its branches and agencies in Belize.

Display and surrender of licence certificate.

(2) On the notification to an insurance company that its licence has been cancelled, it shall forthwith surrender the licensing certificate and every copy thereof to the Supervisor.

(3) Every person who without lawful excuse fails to comply with this section, or who displays a licensing certificate or, any copy thereof, which is not currently valid, commits an offence and is liable to an administrative fine of five thousand dollars in the first instance and a daily fine of one thousand dollars for each day the offence continues.

Ownership

28.—(1) A person shall not acquire or hold any share in an insurer unless he is fit and proper.

Acquisition and holding of shares.

(2) A person shall not, unless the prior written approval of the Supervisor is obtained, acquire—

- (a) a substantial investment or controlling interest in an insurer; or
- (b) the right to exercise control, in any manner, over any voting share of an insurer or insurance intermediary where such acquisition would give the right to exercise control over more than ten per cent of—
 - (i) any class of voting shares, or

(ii) the total votes attached to all outstanding voting shares.

(3) Notwithstanding sub-section (2), an intermediary licensed under Part IX may not acquire a substantial investment in an insurer.

(4) A person who has obtained the written approval of the Supervisor to acquire a substantial investment in an insurer pursuant to sub-section (2), shall not increase that substantial investment, by ten percent or more unless the prior written approval of the Supervisor is obtained.

(5) The Supervisor shall not grant approval for the purpose of sub-section (2) and (4) unless the Supervisor is satisfied that following the acquisition, the person who, acquires the substantial investment, increase in substantial investment; or the right to exercise control over voting shares is fit and proper.

Transfer of substantial investment.

29.—(1) A person who owns or holds a substantial investment in an insurer or insurance intermediary shall not sell, transfer, charge or otherwise dispose of his substantial investment in the insurer or insurance intermediary, or any part of his substantial investment, unless the prior written approval of the Supervisor has been obtained.

(2) The Supervisor shall not grant approval for the purpose of sub-section (1) unless the Supervisor is satisfied that, following the sale, transfer, charge or other disposal, the person who acquires a substantial investment is fit and proper.

Duties of insurer, share issue and transfer.

30. An insurer shall not, unless the prior written approval of the Supervisor has been obtained—

- (a) cause, permit or acquiesce in the acquisition referred to in section 28;
- (b) cause, permit or acquiesce in a sale, transfer, charge, or other disposition referred to in section 29 (1); or
- (c) issue or allot any shares or cause, permit, or acquiesce in any other reorganisation, including of its share structure, that results in,
 - (i) a person acquiring a substantial investment or controlling interest in the insurer; or
 - (ii) a person who already owns or holds a substantial investment in the insurer, increasing the substantial investment by ten per cent or more.

Application for approval.

31.—(1) A person who seeks the approval of the Supervisor for the purposes referred to in sections 28 (2), (3) and (4) and 29 (1), shall submit to the Supervisor an application containing such information and in such form as the Supervisor may specify.

(2) The Supervisor may refuse to accept an application which does not contain all information specified under sub-section (1).

32–(1) The Supervisor, in considering an application received in accordance with section 31 shall make such investigations and inquiries, as necessary, and shall consider–

Determination of application.

- (a) the terms and conditions of the proposed acquisition, sale, transfer, charge or other disposal;
- (b) the financial resources and history of the shareholder or proposed shareholder;
- (c) the financial condition and capitalisation of the insurer;
- (d) any proposed change in the business, corporate structure, or management of the insurer;
- (e) the completeness and truthfulness of the information submitted by the shareholder or proposed shareholder; and
- (f) any other matters that the Supervisor considers appropriate.

(2) The Supervisor shall determine an application received in accordance with this section and give the applicant written notice of the decision within one hundred and twenty days of the acceptance of the application.

(3) Notwithstanding sub-section (2), the Supervisor may, upon giving the applicant written notice that further investigation or inquiry is needed, extend the time period for determination and giving the decision by a maximum of sixty days.

(4) The Supervisor may specify further procedures for the implementation of this section.

(5) Where the Supervisor is of the opinion that the interests of a group of two or more persons are so interrelated that they should be considered as a single unit, the total shareholdings in an insurer of that group shall be combined and deemed to be the holdings of a single person for purposes of this section.

33–(1) The Supervisor may by written directive require a person who holds a substantial investment or controlling interest in an insurer (herein referred to as “the shareholder”) to divest all or a specified proportion of the shares held by the shareholder if–

Divestment directive.

- (a) section 28 (2), (3), (4) or 26 (1) has been violated;
- (b) the shareholder is not fit and proper;

- (c) the information provided in the application for approval under section 31, was materially inaccurate or misleading; or
- (d) a circumstance exists or existed at the time of the application for approval, for which the Supervisor would not have granted approval if the Supervisor was aware of it at the time of approval; or
- (e) the shareholder has violated the provisions of the Money Laundering & Terrorism (Prevention) Act meriting such sanction.

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(2) The Supervisor shall, prior to issuing a divestment directive notify the insurer and the shareholder in writing of the intention to issue the directive and shall afford them an opportunity to make representations to the Supervisor within fifteen days after the date of the notice, or within any longer period that the Supervisor permits.

(3) If the Supervisor is of the opinion that the public interest may be prejudiced by the shareholder continuing to exercise any shareholder rights attached to the shares to be divested, including, but not limited to, the right to attend or vote at meetings of the shareholders, during—

- (a) the period for making representations specified in sub-section (2);
- (b) the period preceding the decision of the Appeals Board under section 34;
- (c) the period preceding the decision of the High Court where an application has been made to the High Court by the Supervisor under section 35; or
- (d) the period preceding the decision of the Court of Appeal or the Caribbean Court of Justice where an appeal has been made to that court, the Supervisor may prohibit the shareholder from exercising any such rights until final determination of the matter.

(4) The Supervisor shall, upon affording the shareholder and the insurer or insurance intermediary an opportunity to make representations in accordance with sub-section (2), notify them without delay if the Supervisor issues the divestment directive.

Appeal of
Divestment
directive.

34. The shareholder, where aggrieved by the issue of the divestment directive, may appeal to the Appeals Board within thirty days after the date of receipt of notice of the divestment order under section 33(4).

Enforcement.

35.—(1) If a shareholder, does not appeal in accordance with section 34 or appeals and the decision of the Supervisor is affirmed, and the shareholder fails to comply with the divestment directive, the Supervisor may, without prejudice to any other remedy available under this Act or any other law, apply summarily to the High Court for such orders as may be necessary for enforcing the divestment order.

(2) Without limiting the generality of sub-section (1), the order of the Court may include an order conferring on the Registrar of the Court authority to do any act or take any step necessary to secure compliance with the divestment order.

(3) A person commits an offence and is liable on summary conviction, to a fine of ten thousand dollars for every day the offence continues and, to imprisonment for a term not exceeding six months, in the case of an individual, if that person—

- (a) contravenes section 28 (2), (3), (4) or 29 (1); or
- (b) fails to comply with a divestment directive.

(4) The authority conferred on the Supervisor under this section shall be in addition to and shall not derogate from any other authority, power or duty conferred on the Supervisor under this Act or any other law.

36.—(1) If an insurer or proposed insurer is, or is about to become, a member of a related group in which—

Requirement for financial holding company.

- (a) the activities of one or more member, in addition to the insure or, proposed insurer is limited to those permitted to a member of a financial group; and
- (b) the activities of one or more member is not limited to those permitted to a member of a financial group,

a person who has a controlling interest in the insurer or proposed insurer, is required to be a financial holding company described in sub-section (2) or (3) and to register the financial holding company in accordance with section 39.

(2) For the purposes of sub-section (1), if the person who, directly or indirectly, has a controlling interest in the related group is a holding body corporate, the financial holding company is required to be another holding body corporate that is the immediate subsidiary of the first mentioned holding body corporate.

(3) For the purposes of sub-section (1), if the person who, directly or indirectly, has a controlling interest in the related group referred to in sub-section (1) is an individual or unincorporated entity, the financial holding company shall be a holding body corporate of which the shares shall be directly held by that individual or unincorporated entity.

(4) If, a person referred to in sub-section (1) is not a financial holding company in accordance with sub-section (1) and (2) at the time this section comes into force, that person shall, within a period of two years—

- (a) comply with sub-sections (1) to (3); or

- (b) divest itself of its controlling interest in the insurer or insurance intermediary.

(5) A financial holding company required by this section shall apply to the Supervisor for registration pursuant to section 39.

(6) Notwithstanding sub-section (1) to (5), if the person who has a controlling interest in an insurer is itself an insurer under this Act, this section shall not apply.

Exception,
foreign
controlling
interest.

37.—(1) Subject to sub-section (2), section 36 shall not apply if an insurer, or proposed insurer is, or is about to become, a member of a related group and—

- (a) the members of the related group whose activities are restricted to the activities permitted to members of a financial group described in section 36 (1) are directly controlled by—
 - (i) an insurance company or other financial institution that is a foreign company; or
 - (ii) a foreign holding body corporate described in sub-section (2); and
- (b) the insurer or proposed insurer is, or will be, directly controlled by the foreign company referred to in paragraph (a).

(2) Sub-section (1) shall apply where the Supervisor is satisfied that—

- (a) the foreign company referred to in sub-section(1)(a)—
 - (i) is subject to regulation and supervision acceptable to the Supervisor; and
 - (ii) is not directly or indirectly affiliated with any entity that carries on any business other than an activity permitted to a member of a financial group, except for its link through common ownership by the person who controls it directly or indirectly; and
- (b) there is no obstacle to the Supervisor obtaining information from the foreign company referred to in sub-section(1)(a), or from the relevant regulatory authority.

Restrictions on
activities of
financial holding
companies

38.—(1) A financial holding company referred to in section 37 shall not—

- (a) carry on any activity other than administering its holding of shares in members of its financial group;

- (b) directly or indirectly control any member of another financial group, whether through establishment or acquisition, without the prior approval of the Supervisor; or
- (c) directly or indirectly, acquire or hold any share or ownership interest in any commercial, agricultural, or industrial company or unincorporated entity, except as may be prescribed.

(2) For the purpose of sub-section(1)(c), the Minister, after consultation with the Supervisor, may prescribe regulations which may include—

- (a) the maximum percentage of shares of any class or the maximum value of ownership interests that may be acquired or held;
- (b) the maximum aggregate value of any such shares and ownership interest; and
- (c) the requirement for the prior approval of the Supervisor.

Application for registration.

39—(1) A person who is required under this Part to register as a financial holding company shall apply for registration in writing and in the prescribed form and manner, together with the prescribed non-refundable application fee and the following—

- (a) the capital resources and capital structure of the body corporate that is the proposed financial holding company, including identification of the person who controls it and of any person who holds more than ten percent of any class of shares;
- (b) organisational and managerial structures;
- (c) composition of the board of directors;
- (d) whether the directors and officers of the proposed financial holding company are fit and proper;
- (e) whether the person controlling the proposed financial holding company is fit and proper;
- (f) audited financial statements for the past three years, if applicable;
- (g) strategic and operational business plans;
- (h) financial plans, including projections for the next three years;
- (i) sources of funds for initial and ongoing costs; and
- (j) any other information that the Supervisor may require.

(2) The Supervisor shall consider the information referred to in sub-section (1) and shall not register an applicant as a financial holding company unless—

- (a) the person controlling the proposed financial holding company is fit and proper and is not likely to prejudice the interests of policyholders and other customers of the insurers or insurance intermediary; and
- (b) ownership of shares by the person controlling the proposed financial holding company, given the corporate affiliations or structure of that person, is not likely to—
 - (i) hinder effective supervision under this Act; or
 - (ii) prejudice the interests of policyholders and other customers of an insurer or insurance intermediaries.

(3) The Supervisor may attach conditions to the registration of a financial holding company under this section, including, without limitation, conditions to ensure that—

- (a) the capital available to the financial group is adequate and will not jeopardize the financial position of an insurer or insurance intermediary, bank or financial institution within the financial group; no double or multiple gearing or excessive leveraging of capital exists or will take place;
- (b) the financial group is structured and managed in such a manner that it may be supervised by the Supervisor; each member of the financial group maintains adequate control mechanisms enabling it to provide to the Supervisor any data or information relevant to its supervision; and
- (c) activities or foreign locations of operations that may be injurious to the insurer or insurance intermediary or other licensees that are members of the financial group are prevented.

(4) The Supervisor may, at any time and from time to time, vary, remove, or add further conditions to the registration of a financial holding company under this section.

Control by bank.

40. In the event that an insurer or insurance intermediary is controlled by a bank to which the Domestic Banks and Financial Institutions Act applies and that bank also controls all other members of the related group, the financial holding company required under section 37 shall be a financial holding company referred to in the Domestic Banks and Financial Institutions Act or the International Banking Act, as the case may be.

CAP. 263.
CAP. 267.

41.—(1) The Supervisor may by notice in writing require an insurer or insurance intermediary to submit within such period and in such form as may be specified by the Supervisor, a list of shareholders on its register of any class of its issued share capital, and the names of the ultimate beneficial owners of such shares.

Disclosure of shareholders, beneficial owners and agreements.

(2) An insurer or insurance intermediary may by notice in writing require its registered shareholders to submit, within such time and in such form as may be specified by the insurer or insurance intermediary, the names of the ultimate beneficial owners of the shares registered in their names.

(3) If an insurer or insurance intermediary has reason to believe that a registered shareholder has transferred or agreed to transfer to any other person ownership or control of any of the rights associated with the shares, including, but not limited to, the right to attend or vote at meetings of shareholders, the insurer or insurance intermediary may, by notice in writing, require any such shareholder or other person to submit to the insurer or insurance intermediary within such time and in such form as may be specified—

- (a) a statement disclosing the particulars of any such transfer or agreement to transfer; and
- (b) copies or particulars of any agreement, transfer form, correspondence, writing or other document in the possession, control, or knowledge of the person relative to such transfer or agreement to transfer.

(4) A person who fails to comply with the requirements of a notice issued under sub-section (2) or (3) or who knowingly provides inaccurate, incomplete, or misleading information or a document in response to the notice commits an offence and is liable on summary conviction to a fine of five thousand dollars for every day the offence continues and to imprisonment for a term of six months.

Statutory Deposit & Statutory Fund

42.—(1) A company licensed under Category 1 shall not be licensed under this Act to carry on, and may not carry on, any class of insurance business unless it has deposited with the Supervisor a sum equal to fifteen per cent of the premium income net of reinsurance premiums of the company earned from all insurance business carried on in Belize during the financial year last preceding the date of deposit.

Amount and form of deposit for companies licensed under Category 1.

(2) Subject to sub-section (4), at the end of each subsequent financial year a company, having made a deposit as required by sub-section (1) shall, where necessary, deposit or be refunded, as the case may be, an amount equal to the difference between the last preceding deposit and fifteen per centum of the net premium income during such financial year.

(3) Notwithstanding sub-section (1), the minimum amount to be deposited with the Supervisor under this section shall be as follows—

- (a) in the case of a company incorporated under the Belize Companies Act, one hundred thousand dollars;
- (b) in the case of any other company, three hundred thousand dollars.

(4) Any deposit made under this section may be either in the form of approved securities or partly in cash and partly in approved securities. A letter of Undertaking issued by an acceptable and licensed financial institution in Belize holding such securities or deposit to the order of the Supervisor may be in the form set out in Schedule IV or Regulations.

Schedule IV.

(5) The amounts of the deposit payable under this section may, from time to time, be varied by the Minister, on the advice of the Supervisor, by Order published in the Gazette.

Further provisions relating to deposits. Schedule II.

43. The provisions contained in Schedule II or Regulations shall have effect in relation to deposits made with the Supervisor pursuant to this Part.

Establishment of statutory funds.

44.—(1) Every company licensed under Category 1 and Category 4(ii) of this Act to carry on any class of insurance business in Belize shall establish and maintain a Statutory Fund in respect of all such classes of business.

(2) The statutory fund shall be established at the date on which the company commences the carrying on of any class of insurance business referred to in sub-section (1).

(3) The fund referred to in sub-section (1) shall be established and maintained—

- (a) in the manner set out in sub-sections (4), (5) and (6); or
- (b) under an appropriate name in respect of each class of insurance business referred to in sub-section (1).

(4) Every company carrying on long-term insurance business in Belize shall place in trust in Belize assets equal to its liabilities and contingency reserves, less the amount deposited on account pursuant to section 42 with respect to its policyholders in Belize as established by the revenue account and balance sheet of the company as at the end of its last financial year.

(5) Every company carrying on motor vehicle insurance business in Belize shall place in trust in Belize assets equal to its liabilities and reserves, less the amount deposited on account pursuant to section 42 with respect to its policyholders in Belize as established by the revenue account and balance sheet of the company as at the end of its last financial year.

(6) Assets required to be placed in trust pursuant to sub-sections (4) and (5) shall be so placed not more than three months after the end of the financial year to which the balance sheet or the revenue account, as the case may be, of the company relates.

(7) A statutory fund of all classes—

- (a) shall be as absolutely the security of the policy holders of that class as though it belonged to a company carrying on no other business than insurance business of that class;
- (b) shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of insurance of that class; and
- (c) shall not be applied, directly or indirectly for any purpose other than those of the class of insurance business to which the fund is applicable.

(8) No insurance company carrying on insurance business of any class and no company of which any such insurance company is a subsidiary, shall declare a dividend at any time when the value of the assets representing each fund established and maintained by the company as determined in such manner as may be prescribed, is less than the amount of the liabilities attributed to such business.

(9) A company carrying on more than one class of insurance business in respect of which it is required to establish and maintain a statutory fund shall keep such books of accounts and other records as are necessary for the purpose of identifying—

- (a) the assets representing each statutory fund; and
- (b) the liabilities attributable to each class of insurance business.

45. No dividend shall be paid by any insurer while its assets are less than the amount required for solvency under the terms of a risk-based solvency requirement to be prescribed by regulation, nor shall any dividend be paid that would reduce its assets below the same amount or impair its capital.

Dividend not to impair capital.

46.—(1) A trust mentioned in section 44 shall be created by trust deed, the contents, and the trustees of which shall be approved by the Supervisor prior to creation.

Method of trusteeing.

(2) Notwithstanding sub-section (1), the Supervisor may, on such terms and conditions as the Minister may think fit, allow the assets required to be placed in trust in Belize to be placed in trust outside Belize.

(3) For the purposes of this section, the Supervisor may allow the assets required to be placed in trust to be held by an acceptable licensed bank or financial institution in Belize to the order of or on behalf of the Supervisor on the strength of a signed letter of undertaking in the form set out in Schedule IV or by the

Schedule IV.

Regulations and such assets shall be deemed to be placed in trust and such licensed bank or financial institution shall be deemed to be a trustee therefor.

Duties of trustee.

47.—(1) The trustee may not deal with any assets placed in trust pursuant to section 44(3) except on the instructions of the company so placing those assets or where this Act so requires.

(2) The trustee may not deal with or release any assets held on trust by him in pursuance of section 44 without the prior general or specific written approval of the Supervisor.

(3) Every trustee appointed of a trust created in pursuance of section 44 shall in the event of a contravention of the provisions of this section, be under the same liability as if the appropriate policyholders had been beneficiaries of such trust.

Investment of statutory funds.

48. The assets of a statutory fund shall not be invested except as provided by this Act or prescribed by the Regulations

Company's statement to Supervisor.

49. A company shall, within thirty days after the date of establishment of any statutory fund and thereafter within four months of the expiration of each financial year, furnish to the Supervisor a statement in accordance with the prescribed form showing—

- (a) particulars of the liabilities of the company in respect of which the fund is established, as at the date of the establishment of the fund;
- (b) particulars of the assets comprising the fund;
- (c) the method or basis used to place a value on each category of asset shown in the particulars referred to in paragraph (b).

Consideration of statement of company.

50. If it appears to the Supervisor that—

- (a) a statement furnished to him under section 49 is in any respect unsatisfactory, incomplete, inaccurate or misleading or otherwise fails to comply with the requirements of that section; or
- (b) the value of the assets, or of the assets included in a particular class of assets as shown by the statement is insufficient or excessive,

the Supervisor may, after considering any explanation made by or on behalf of the company, give to the company such directions in writing as he thinks necessary—

- (i) for the variation of the statement;
- (ii) for an increase or decrease in the value of the assets respectively,

and the company shall within thirty days comply with any directions so given.

51. A company shall, if directed by the Supervisor, within thirty days furnish him such information as he requires for the purpose of exercising his powers under section 50.

Company to comply with Supervisor's ~~backing~~ review of Supervisor's orders.

52. A company aggrieved by any direction of the Supervisor given under section 50 may seek a review thereof in the manner prescribed in section 221.

53. The assets shown—

Assets of companies.

- (a) by a statement furnished to the Supervisor by a company under section 46; or
- (b) where directions are given by the Supervisor, for the variation of the statement, by the statement so varied,

as being assets of any statutory fund shall be deemed to form part of those assets, unless they more properly form part of the assets of some other statutory fund.

54.—(1) The principles and rules governing how a company licensed under Category 1 or Category 4(ii) may invest the assets of its statutory funds are set out in the regulation.

Principles and rules for investment of assets of the statutory fund.

(2) All investments and deposits of the funds of a local company shall be made in the company's corporate name and no director or officer of the company and no member of a committee that can exercise any authority over the investment or disposition of the funds of the company shall—

- (a) either directly or indirectly be a beneficiary or accept any fee, brokerage commission or gift or other consideration for or on account of any loan, deposit, purchase, sale, payment or exchange made by or on behalf of the company; or
- (b) be pecuniarily interested in any purchase, sale or loan made by or on behalf of the company, whether solely or jointly, except where the director, officer or member of the committee is a policyholder then he is entitled to all the benefits accruing to him under the terms of his contract.

(3) In this section, “funds” means all funds of a company.

55.—(1) Every company authorized as a Category 1 insurer, shall have invested in assets in Belize, an amount equal to at least eighty percent of the Belize dollar liability in each statutory fund.

Minimum assets to be invested in Belize.

(2) For the purpose of sub-section (1), assets not exceeding ten per cent of the value of each statutory fund shall be deemed to be assets in Belize where the assets are approved by the Supervisor in writing.

(3) Where a company establishes and maintains a statutory fund in respect of long-term insurance business for the purpose of determining whether the company is complying with sub-section (1), policy loans shall be excluded from the assets and deducted from the liabilities of the company.

(4) For the purpose of this section “assets in Belize” means assets which—

- (a) originate in Belize;
- (b) are denominated in Belize dollars;
- (c) are physically held in Belize.

Own Risk & Solvency Assessment

Own Risk and
Solvency
Assessment.

56.—(1) Each year, senior management of each Belize incorporated insurer shall present to its board for approval, a report entitled Own Risk and Solvency Assessment (herein called “ORSA”), which will provide the insurer’s own assessment of its risk profile and risk level, and demonstrate how capital will be managed to ensure that the solvency level of the insurer, as measured by a risk-based solvency requirement to be prescribed by Regulations, will be adequate at all times, including after taking account of the insurer’s plans for growth and development in the coming year.

(2) If the insurer is a member of a corporate group, the ORSA report must include a risk analysis and assessment of the entire group, generally demonstrating that group membership will not jeopardize the solvency position of the insurer over the term of the report.

(3) Every insurer should be prepared to submit a copy of its ORSA report to the Supervisor, if requested to do so, or to have its ORSA report be reviewed by officers from the Supervisor’s Office during an on-site review of the insurer’s business and operations.

(4) Sub-sections (1) to (3) apply to foreign insurer licensed in Belize but in that case “board” means the board of the insurer in its home jurisdiction and the ORSA report will be in respect of the insurer’s Belize business only.

(5) Sub-sections (1) to (3) shall apply to insurers other than Category 1 and Category 4(ii) only when the Supervisor requests it of the insurer.

Non-viability

57. A company shall be deemed to be non-viable—

- (a) if the company is in breach of the minimum allowable risk-based solvency control level as may be defined in regulation, or

- (b) in the case of a company carrying on only long-term insurance business, if the value of its admissible assets exceeds its liabilities by less than the amount prescribed in Regulations;
- (c) in the case of a company carrying on only general insurance business, if its admissible assets exceed its liabilities by less than the percentage of its net premium income in respect of its general insurance business in its last financial year as prescribed by Regulations; or
- (d) in the case of an existing company carrying on both long term insurance business and general insurance business, if the excess of its total admissible assets over its total liabilities is less than the total amounts specified in paragraphs (a) and (b)
- (e) if in the opinion of the Supervisor—
 - (i) the financial position of the company is significantly impaired and there is a strong likelihood that policyholders will not receive payments as they become due, or
 - (ii) there is a strong likelihood that proposed recovery measures will not be sufficient to enable the insurer to meet solvency requirements prescribed by regulation, or that such measures cannot be implemented in a sufficiently timely manner to protect policyholders.

58. For the purpose of section 57—

- (a) in computing the amount of the liabilities of a company, all contingent and prospective liabilities of the company in respect of policies including adequate provision for unexpired policies and outstanding claims, but not liabilities in respect of share capital, shall be taken into account; and
- (b) the premium income of a company in any financial year shall be assessed on the basis of the net amount of premium remaining after deduction of any premiums paid by the company for reinsurance in that year in respect of all insurance business carried on by it.

Computation of assets and liabilities for solvency determination.

59. Where any notice, advertisement or other official publication of an insurance company contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid-up.

Issue of capital by companies.

60.—(1) A person shall not publish in respect of any insurance company or in respect of an insurance company proposed to be formed, a prospectus, notice, circular, advertisement or other invitation offering to the public for subscription any shares in the

Publication of authorized, subscribed, and paid-up capital.

company or proposed company, unless the prospectus, notice, circular, advertisement or other invitation is first submitted to and approved by the Supervisor.

(2) A person acting as promoter of any such proposed company shall not accept any office of profit in the company or any payment or pecuniary advantage other than as provided in any such prospectus, notice, circular, advertisement or other invitation.

Corporate Governance

61.—(1) A local company shall not, after the commencement of ^{Prohibition on} this Act, directly or indirectly—^{loans.}

- (a) acquire or deal in its own shares or lend money or make advances on the security of its own shares;
- (b) lend any of its funds to a director or officer of the company or to the wife or a child of a director or officer except on the security of its own policies;
- (c) lend any of its funds to another company where more than one-third of the shares of that other company are owned either jointly or severally by a director or an officer of the company or by the spouse or a child of a director or of an officer or by any combination of such persons;
- (d) grant unsecured credit facilities to any person, except for temporary cover which in the case of general insurance does not exceed sixty days;
- (e) pay any dividend on its shares until all its capitalised expenditure (including preliminary expenses, share selling commission and brokerage) not represented by tangible assets, has been completely written off; and
- (f) enter into any guarantee or provide any security in connection with a loan by any other person to any such person or company as is mentioned in paragraph (b) or (c).

(2) Sub-section (1) shall apply to a foreign company in respect of such insurance business as the company is carrying on in Belize.

Minimum number of directors.

62. An insurer, or financial holding company, or a corporate insurance intermediary licensed under this Act, shall have at least three directors with at least one of them being an independent director.

Duties of directors and officers.
Act No. 11 of 2022.

63.—(1) Without limitation to the duties of the directors, officers, the principal representative, and in addition to the requirements of the Belize Companies Act, the directors, officers, the principal representative, and the Insurance Manager of an insurer or financial holding company shall—

-
- (a) manage or supervise the management of the business and affairs of the insurer, intermediary or financial holding company;
 - (b) maintain a high standard of conduct in relation to the insurer, intermediary or financial holding company;
 - (c) notify the Supervisor of any developments that pose material risks to the insurer or intermediary or financial holding company, including breaches of legal and prudential requirements;
 - (d) establish appropriate risk management policies and systems to promptly identify, measure, assess, report and control risks undertaken by the insurer with the objective of ensuring the financial well-being of the insurer and protection of its policyholders, and establish adequate levels of premiums and reinsurance with respect to those risks;
 - (e) establish an effective and documented system of internal controls that have functions with the necessary authority, independence and resources;
 - (f) approve and implement an investment policy of a kind that a reasonable and prudent person would apply in respect of a portfolio of investments, to avoid undue risk of loss and obtain a reasonable return, and that appropriately reflects the liability structure of the insurer and complies with regulations that may be prescribed with regard to the investment policies
 - (g) have effective control functions as prescribed by regulation, with the necessary authority, independence and resources to monitor the implementation of the policies, standards and procedures referred to in paragraph (f);
 - (h) adopt policies and procedures that provide for identification and monitoring of transactions between the insurer or intermediary and related parties;
 - (i) establish policies and procedures concerning the fair treatment of policyholders and potential policyholders and establish procedures for dealing with complaints and claims effectively and fairly;
 - (j) have effective control functions with the necessary authority, independence and resources to monitor the implementation of the policies and procedures referred to in paragraph (i);
 - (k) have a duty of care to establish and effectively monitor, policies and procedures that are reasonably designed to ensure that the intermediaries that represent them in Belize are complying with the

provisions of this Act and the Money Laundering and Terrorism (Prevention) Act that are applicable to them;

- (l) exercise independent and informed judgment in the performance of their duties;
- (m) be and remain suitable to fulfil their respective roles;
- (n) set and oversee the implementation of the insurer's corporate culture, business objectives and strategies for achieving those objectives, in line with the insurer's long term interests and viability;
- (o) perform any other duties and responsibilities that the Supervisor may prescribe from time to time; and

the Supervisor may propose to the Minister regulations to make provisions concerning the principles and requirements of the risk management system and the internal controls system that are generally in accordance with international standards for insurance supervision, as are relevant to the circumstances of Belize.

Appointment of directors and officers.

64.—(1) A person shall not serve or continue to serve as a director, officer or principal representative, or Insurance Manager of an insurer or insurance intermediary, if that person is—

- (a) not fit and proper;
- (b) an appointed auditor for the insurer or insurance intermediary or is an officer of an entity which is such an appointed auditor;
- (c) an appointed actuary for the insurer;
- (d) an agent of the insurer or an insurance broker; or
- (e) less than eighteen years of age.

(2) An insurer shall not elect, appoint or employ a person as a director, officer, Insurance Manager or principal representative of the insurer unless—

- (a) the insurer is satisfied that the person is fit and proper within the meaning of section 3;
- (b) the insurer has notified the Supervisor of the intended appointment, and
- (c) the Supervisor has not filed a notice of objection to the appointment within twenty-one days of his receipt of the notice.

(3) Where the Supervisor is notified of a provisional appointment pursuant to sub-section (2), he shall be satisfy himself as to the fitness and propriety of the person and if he is of the view the that the person is not fit and proper, he shall notify the company within twenty one days of his receipt of the notice that the person is disqualified from serving in the position because in the opinion of the Supervisor, the person is not fit and proper.

(4) Where a person is appointed, becomes or ceases to be a Director or Chief Executive Officer or Managing Director or an Executive Officer or the Compliance Officer or Insurance Manager of an insurance company, the company shall before the expiration of twenty-one days, beginning with the day next following that on which the person has been appointed, becomes or ceases to be a Director or its Chief Executive Officer, or Managing Director or Executive Officer or Compliance Officer or Insurance Manager give written notice of such fact to the Supervisor.

(5) A person, insurer who—

- (a) wilfully contravenes this section; or
- (b) fails to remedy the contravention within 21 days after receipt of a written notice of the contravention from the Supervisor,

commits an offence and is liable on summary conviction to a fine of ten thousand dollars for each day the offence continues.

Committees.

65. The directors of an insurer shall appoint from their number—

- (a) an audit committee; and
- (b) such other committee or committees as the Supervisor or the insurer considers necessary or desirable.

Audit
Committee.

66.—(1) The audit committee appointed under section 65 shall consist of at least two directors who are not officers of the insurer.

(2) Without limitation to the generality of sub-section (1), the audit committee of an insurer shall—

- (a) review the consolidated annual statement of the insurer before it is approved by the directors;
- (b) review such reports of the insurer as the Supervisor may specify;
- (c) require the management of the insurer to implement and maintain appropriate internal control procedures, and review, evaluate and approve those procedures;

- (d) review such investments and transactions that could adversely affect the well-being of the insurer as the auditor, or any officer of the insurer may bring to the attention of the committee;
- (e) recommend the external auditor;
- (f) review the internal audit functions and approve all audit plans;
- (g) meet with the auditor to discuss the consolidated annual statement and the reports and transactions referred to in this sub-section;
- (h) meet with the chief internal auditor of the insurer, or the officer or employee of the insurer acting in a similar capacity, and with management of the insurer, to discuss the effectiveness of the internal control procedures established for the insurer;
- (i) meet with the appointed actuary to discuss the parts of the annual statement and reports prepared by the actuary;
- (j) meet with the Compliance Officer to discuss updates to policies and procedures in respect to anti-money laundering, countering terrorist financing, and countering proliferation financing;
- (k) ensure compliance with policies, laws, regulations and circulars; and
- (l) report to the directors following each meeting of the audit committee.

(3) In the case of the consolidated annual statement and reports of an insurer that under this Act must be approved by the directors of the insurer, the audit committee of the insurer shall report thereon to the directors before the approval is given.

(4) The audit committee of an insurer may call a meeting of the directors of the insurer to consider any matter of concern to the committee.

Meeting of directors.

67.—(1) The directors of an insurer shall meet at least four times during each financial year.

(2) Three-quarters of the total number of directors shall constitute a quorum at any meeting of directors, and two directors shall constitute a quorum at any meeting of a committee of directors, or such greater number in either case as may be established by the by-laws of the insurer.

Conflict of interest.

68.—(1) A director or officer of an insurer who—

- (a) is a party to a material loan, contract or transaction, or a proposed material loan, contract or transaction with the insurer; or

- (b) is a director or officer of, or has a material interest in or a material relation to, any person who is a party to a material loan, contract or transaction, or a proposed material loan, contract or transaction with the insurer,

shall disclose in writing to the insurer the nature and extent of the material interest or relation and different conditions may be imposed in respect of categories 2, 3 and 4 insurers.

(2) The disclosure required by sub-section (1) shall be made by the director or officer to the board of directors in writing when the matter or proposed contract comes or ought reasonably to have come to the attention of the director or officer.

(3) Notwithstanding sub-section (2), a director or officer sufficiently discloses a material interest in relation to a contract if that director or officer gives a written notice to the board of directors which—

- (a) discloses every person with whom the director or officer has a commercial, financial, agricultural, industrial, or other business or family interest—
 - (i) at the time the director or officer is appointed or employed; and
 - (ii) from time to time, not being less than annually; and
- (b) indicates that the director or officer is to be regarded as having a material interest in any material contract between the insurer or insurance intermediary and the person disclosed under paragraph (a).

(4) A director or officer who has a material interest or a material relation within the meaning of sub-section (1) or (3) shall leave any meeting at which the matter is discussed, and shall refrain from voting on any matter related thereto which becomes the subject of action by the board of directors of the insurer or intermediary, provided that such an interest, if so disclosed, shall not disqualify the interested person for purposes of constituting a quorum.

(5) For the purposes of sub-sections (1) and (3), a director or officer shall be deemed to have a material interest in, or material relation to, another person, if that director or officer, or the spouse, parent, sibling or child of that director or officer—

- (a) is or was, during the last fiscal year, an officer, director or partner of or had a controlling interest or substantial investment in that person;
- (b) owes money or is otherwise indebted to, or is a guarantor of any obligation of that person in an amount exceeding two per cent of the fully paid-up uncommitted capital referred to in section 17, the deposit

referred to in section 42 and the statutory funds referred to in section 44, and that person is an insurer;

- (c) engages or engaged during the last fiscal year in any transaction with that person in an amount which exceeds ten per cent of the director's or officer's net worth; or
- (d) is the spouse, parent, sibling, or child of any person described in paragraph (b) or (c).

(6) Notwithstanding sub-section 36(5), the Supervisor may determine that a particular director or officer is affiliated with a company for the purposes of this Act if, in the opinion of the Supervisor, the director or officer has a significant or sufficient commercial, business or financial relationship with the company or with an affiliate of the company to the extent that the relationship can be construed as being material to the director or officer and can reasonably be expected to affect the exercise of the director's or officer's best judgment.

(7) Transactions between an insurer and a related party are prohibited, except to the extent that the board of directors expresses its prior approval of any such transaction taking place, such approval being dependent on the board being satisfied that—

- (a) the transaction in question is transacted at market value; and
- (b) the transaction in question is in the business interests of the insurer; and
- (c) in any twelve-month consecutive period prior to the date of the proposed transaction, the total of all such transactions will not exceed 5% of the insurer's capital and surplus amount as shown in the most recent audited financial statements of the insurer, and

different conditions may be imposed in respect of categories 2, 3 and 4 insurers.

(8) For the purposes of sub-section (7)—

- (a) a "related party" includes—
 - (i) A corporation or person who, directly or indirectly, has a substantial investment in the insurer; and
 - (ii) A corporation or person who, directly or indirectly, has a relationship with the insurer such that, in the opinion of the Supervisor, the nature of the relationship might reasonably be expected to affect the exercise of the best judgement of the person; and

- (b) “a transaction” includes, directly or indirectly, the sale or purchase of an asset, the assumption or transfer of a liability, a loan from or to the insurer, or a joint investment or other joint transaction with the related party.

(9) If a director or officer fails to comply with this section, the Supervisor may—

- (a) require the insurer or insurance intermediary to suspend the director or officer from office; or
- (b) remove the director or officer from office.

(10) This section shall not apply to the directors or officers outside Belize of a foreign company licensed as Category 1 insurer, and different conditions may be imposed in respect of category 2, 3 and 4 insurers.

(11) A director or officer who contravenes sub-section (1), (3) or (4) commits an offence and is liable on summary conviction to a fine of twenty-five thousand dollars or to imprisonment for a term of one year, or to both such fine and imprisonment.

False statements
and obstructions.

69. A director or officer of an insurer or intermediary who with intent to deceive—

- (a) makes any false or misleading statement or entry, or omits any statement or entry that should be made in any book, account, report or statement of the insurer; or
- (b) obstructs or endeavours to obstruct the proper performance by an auditor of his duties in accordance with the provisions of this Act, or a lawful examination of the insurer by the Supervisor or a duly authorised examiner appointed by the Supervisor,

commits an offence and shall be liable on summary conviction to a fine not exceeding fifty thousand Belize dollars, or to imprisonment for a term not exceeding twelve months, or to both such fine and imprisonment.

Voting by post.

70.—(1) Notwithstanding anything contained in the instruments constituting, or in the articles of association or other rules of any insurance company not having shareholders, the company shall, within one year after it is licensed under this Act, make arrangements for the—

- (a) establishment of a postal voters’ roll relating to voting in contested elections of directors of the company or on questions as to the alterations of the instruments constituting the company or of the articles of association or other rules of the company;

- (b) enrolment on the postal voter's roll of any member of the company entitled to vote in such elections or on such questions who applies to be so enrolled;
- (c) voting by post in any such election or on any such question by every member so enrolled; and
- (d) making of inspections of the postal voters' roll and the taking of copies of, or extracts from, the roll, on and after the close of nominations and before the close of the voting in any such election, by any person nominated for election as a director of the company,

and all regular votes of members given in pursuance of any such arrangements shall be valid and effectual for all purposes.

(2) For greater certainty, nothing in sub-section (1) precludes the roll being kept and the voting thereon being carried out electronically.

Control Functions

Appointed Auditor

Appointment and qualification of auditors.

71.—(1) The shareholders of an insurer shall appoint annually an auditor who is—

- (a) knowledgeable and experienced in the audits of insurers to the satisfaction of the directors of the insurer and the Supervisor; and
- (b) independent, within the meaning of sub-section (2), of the insurer or insurance intermediary, its subsidiaries and other affiliates and the directors and officers of the insurer or insurance intermediary, its subsidiaries and other affiliates.

(2) For the purposes of this section, independence is a question of fact and an auditor is not independent of an insurer if he—

- (a) has any financial relationship with the insurer or insurance intermediary other than as a policyholder;
- (b) is a director, officer, employee or agent of the insurer or insurance intermediary or of any of its subsidiaries or other affiliates;
- (c) has any financial relationship with a director, officer, employee or of any of its subsidiaries or other affiliates;
- (d) owns any share or other security of the insurer or beneficially owns or controls, directly or indirectly, a material interest in the shares or other

securities of the insurer or of any of its subsidiaries or other affiliates;
or

- (e) has been a receiver, receiver manager, liquidator, judicial manager or trustee in bankruptcy of the insurer or any subsidiary or other affiliate of the insurer within two years immediately preceding the appointment of the auditor, other than a subsidiary or affiliate acquired through a realisation of security.

(3) Notwithstanding sub-section (2), the Supervisor may determine that a particular auditor is not independent of an insurer for the purposes of this Act if, in the opinion of the Supervisor, the auditor has a professional, business or financial relationship with the insurer or with an affiliate of the insurer to the extent that the relationship can be construed as being material to the auditor and can reasonably be expected to affect the exercise of the auditor's best judgment.

(4) Upon the appointment of an auditor in accordance with sub-section (1), the insurer shall immediately give written notice to the Supervisor of the appointment, and if the Supervisor has valid reason to believe that the auditor is not qualified for appointment, he may disapprove the appointment and notify the insurer or insurance intermediary in writing, whereupon the insurer shall immediately remove that auditor and appoint another auditor who is qualified.

(5) If an insurer does not or is unable to appoint an auditor qualified under this section, the Supervisor, notwithstanding sub-section (6) or any provisions of the Belize Companies Act, shall have the power to appoint an auditor for the insurer, and the remuneration of the auditor so appointed shall be determined by the Supervisor and paid by the insurer.

(6) An insurer, immediately upon the resignation or termination of appointment of an auditor for any reason, shall—

- (a) notify the Supervisor in writing giving the reasons for the resignation or termination; and
- (b) appoint another auditor in conformity with the requirements of this section.

Act No. 11 of
2022.

Auditor's right to
information.

72.—(1) On the request of the auditor of an insurer, a present or former director, officers, employee or representative of the insurer shall, to the extent that the person is reasonably able to do so—

- (a) permit access to any record, asset or security held by the insurer or any subsidiary of the insurer; and

- (b) provide such information and explanation, as is, in the opinion of the auditor, necessary to enable the auditor to perform the duties of the auditor of the insurer.

(2) On the request of the auditor of an insurer, the directors of the insurer or insurance intermediary shall, to the extent that they are reasonably able to do so—

- (a) obtain from a present or former director, officer, employee or representative of any entity which the insurer controls the information and explanation that such person is reasonably able to provide and that is, in the opinion of the auditor, necessary to enable the auditor to perform the duties of auditor of the insurer; and
- (b) provide the auditor with the information and explanation so obtained.

Duties of
Auditors.

73.—(1) An auditor appointed under section 71 shall—

- (a) make a full review of the records and accounts of an insurer in accordance with standards and formats required by regulation;
- (b) prepare and submit to the directors and shareholders of the insurer or insurance intermediary, or the principal representative a report on the financial statements and state in that report whether, in the auditor's opinion, such financial statements—
 - (i) are full and fair and properly drawn up;
 - (ii) exhibit a true and correct statement of the affairs of the insurer or insurance intermediary in accordance with standards and formats required by regulation and requirements; and
 - (iii) comply with prescribed requirements with regard to form and content;
- (c) report, in any case in which the auditor has called for information or explanation from the directors, officers or agents of the insurer, pursuant to section 72, whether a satisfactory response was received;
- (d) make a full review and submit, to the directors or principal representative of the insurer, a full and fair report of—
 - (i) the internal control structure, information technology, reserving systems, reinsurance arrangements, capital adequacy, compliance with AML/CFT/CPF regulation, and procedures for financial reporting insurer; and

- (ii) the procedures of the insurer for compliance with the requirements of this Act and the regulations, guidelines or instructions made under this Act.

(2) If an insurer is a foreign company, the reviews and reports required under sub-section (1) shall be in respect of the branch or branches of the insurer in Belize and the conduct of its business in Belize.

(3) For the purpose of performing the duties under sub-section (1) or (2), the auditor for an insurer shall request from the insurer and review, any instruction, recommendation, requirement, orders or directives issued and other action taken by the Supervisor under this Act in respect of that insurer or insurance.

(4) If the Supervisor, on reasonable grounds, is not satisfied with the annual report of an auditor appointed by an insurer, he may appoint another auditor to make an independent audit report, and in every such case, the Supervisor shall determine the reasonable remuneration to be paid by the insurer to that auditor appointed under this sub-section.

(5) If, during the course of any review required under this section, an auditor learns of any fact, transaction, action or course of conduct concerning a insurer which—

- (a) may pose a substantial risk to the financial condition of the insurer or insurance intermediary;
- (b) may result in a significant loss to the insurer;
- (c) may seriously prejudice the interests of the insurer's policyholders or customers;
- (d) is a violation of any provision of this Act or any regulations guideline or instruction made hereunder;
- (e) indicates involvement in fraudulent or criminal activity; or
- (f) indicates that the insurer is or may soon become non-viable; or
- (g) is a violation under the Money Laundering & Terrorism Prevention Act; or
- (h) is a violation of the Accounting Records (Maintenance) Act,

CAP. 104.

CAP. 261.

the auditor shall, as soon as possible, report such matters to the directors of the insurer, insurance intermediary or the principal representative, and the Supervisor.

(6) An auditor who fails to report his findings to the Supervisor as required under subsection (5), commits an offence and is liable on summary conviction to a fine of ten not exceeding fifty thousand dollars.

Removal and registration of auditors.

74.—(1) An insurer or insurance intermediary shall immediately give notice to the Supervisor if—

- (a) the insurer or insurance intermediary proposes to give special notice to its shareholders of an ordinary resolution to remove an auditor before the expiration of his engagement;
- (b) the insurer or insurance intermediary gives notice to its shareholders of an ordinary resolution to replace an auditor at the expiration of his engagement with a different auditor, or
- (c) an auditor ceases to be an auditor of the insurer or insurance intermediary otherwise than as a consequence a resolution referred to in paragraph (a) or (b).

(2) An insurer that is a foreign company shall immediately give notice to the Supervisor if—

- (a) the insurer removes an auditor before the expiration of his engagement;
- (b) the insurer replaces an auditor at the expiration of his engagement with a different auditor; or
- (c) an auditor otherwise ceases to be an auditor of the insurer.

(3) An auditor of an insurer or insurance intermediary appointed under section 71 shall immediately give written notice to the Supervisor if he—

- (a) resigns before the expiration of his engagement; or
- (b) does not seek to be reappointed.

(4) An insurer or insurance intermediary or auditor who fails to comply with this section commits an offence and shall be liable on summary conviction to a fine not exceeding one hundred thousand dollars.

Auditor's protection from liability.

75.—(1) No duty to which an auditor may be subject shall be regarded as contravened by reason of his communicating in good faith to the Supervisor, whether or not in response to a request made by him, any information about a insurer or insurance intermediary or an opinion pursuant to an obligation of the auditor under this Act.

(2) Suitable and quality outcomes for the customers shall be delivered by insurers and intermediaries. To achieve that objective, strategic definitions, policies, and processes

should seek to embed fair and equitable treatment of consumers into the model of business, corporate culture, and governance of the product through all the phases of the products life cycle.

Appointed Actuary

Appointment and qualification of actuary.

76.—(1) An insurer shall appoint an actuary annually, as a member of its staff or as a consulting actuary.

(2) Upon the appointment of an actuary in accordance with sub-section (1), the insurer shall immediately give written notice to the Supervisor of such appointment, and if the Supervisor has valid reason to believe that the actuary is not qualified for appointment pursuant to the requirements of sub-section (3), he may disapprove the appointment and notify the insurer in writing, whereupon the insurer shall immediately remove that actuary and appoint another actuary who is qualified to be appointed.

(3) No person may carry out the function of an actuary unless the Supervisor is satisfied that he possesses the prescribed qualifications to carry out such functions.

(4) If an insurer does not or is unable to appoint an actuary, the Supervisor shall have the power to appoint an actuary for the insurer, and the remuneration of the actuary so appointed shall be determined by the Supervisor and paid by the insurer.

Actuary's right to information.

77.—(1) On the request of the actuary of an insurer, a present or former director, officer, employee, representative or key functionaries of the insurer shall, to the extent that the person is reasonably able to do so—

- (a) permit access to any record, asset or security held by the insurer or any subsidiary of the insurer; and
- (b) provide such information and explanation, as is, in the opinion of the actuary, necessary to enable the actuary to perform his duties as actuary of the insurer.

(2) On the request of the actuary of an insurer, the directors of the insurer shall, to the extent that they are reasonably able to do so—

- (a) obtain from a present or former director, officer, employee, key functionary and representative of any entity which the insurer controls the information and explanation that such persons are reasonably able to provide and that are, in the opinion of the actuary, necessary to enable the actuary to perform his duties as actuary of the insurer; and
- (b) provide the actuary with the information and explanation so obtained

Duties of Actuaries.

78.—(1) The actuary of an insurer carrying on long term insurance business shall value the actuarial and other policy liabilities of the insurer as at the end of each financial year

and shall value any other matters specified in any guideline or direction that may be made by the Supervisor and shall report thereon to the insurer and the Supervisor.

(2) In the case of an insurer that is a foreign company, the valuations and report required under sub-section (1) shall relate to the conduct of the insurance business in Belize.

(3) The valuation of an actuary shall be in accordance with international generally accepted actuarial practice with such changes as may be determined by the Supervisor and any additional directions that may be made by the Supervisor.

(4) The actuary shall, in making any valuation or establishing any provision required by this Act, follow the standards of practice and methodologies that would be required to be followed in respect of corresponding matters by the organisation of actuaries to which he belongs, pursuant to section 77 (2).

(5) Prior to making the valuations required by this section, the actuary shall request from the insurer and review, any instruction, recommendation, requirement, orders or directives issued and other action taken by the Supervisor under this Act in respect of that insurer.

(6) The report of an actuary required under sub-section (1) or (2) shall be sent by the insurer to the Supervisor as soon as they are available but not later than four months after the close of the insurer's financial year, or such longer period as the Supervisor may in writing approve.

(7) Every insurer who fails to comply with the requirements of sub-section (6) shall be liable to pay, upon being called upon in writing by the Supervisor to do so, a penalty of five hundred dollars for each day of such failure to comply, except where an extension to the period has been granted in writing by the Supervisor.

(8) If the Supervisor, on reasonable grounds, is not satisfied with the valuations and report of an actuary appointed by an insurer, he may appoint another actuary to make an independent valuation, and in every such case, the Supervisor shall determine the reasonable remuneration to be paid by the insurer to such actuary appointed under this sub-section.

(9) If, during the course of any valuation or review required under this section, any actuary learns of any fact, transaction, action or course of conduct concerning an insurer which—

- (a) may pose a substantial risk to the financial condition of the insurer;
- (b) may result in a significant loss to the insurer;
- (c) may seriously prejudice the interests of the insurer's policyholders or customers;

- (d) is a violation of any provision of this Act or any regulation, guideline or instruction made under the Act;
- (e) indicates involvement in fraudulent or criminal activity; or indicates that the insurer is or may soon become non-viable, the actuary shall, as soon as possible, report such matters to the directors of the insurer or the principal representative, and to the Supervisor.

(10) Any actuary who fails to report his findings to the Supervisor as required under sub-section (9), commits an offence and is liable on summary conviction to a fine of ten thousand dollars.

Removal and
resignation of
actuaries.

79.—(1) An insurer carrying on long term insurance business shall immediately give notice to the Supervisor if—

- (a) the insurer proposes to give special notice to its shareholders of an ordinary resolution removing an actuary before the expiration of his engagement;
- (b) the insurer gives notice to its shareholders of an ordinary resolution replacing an actuary at the expiration of his engagement with a different actuary; or
- (c) an actuary ceases to be an actuary of the insurer otherwise than as a consequence of a resolution referred to in paragraph (a) or (b).

(2) An insurer that is a foreign company carrying on long term insurance business in Belize shall immediately give notice to the Supervisor if—

- (a) the insurer removes an actuary before the expiration of his engagement;
- (b) replaces an actuary at the expiration of his engagement with a different actuary; or
- (c) an actuary otherwise ceases to be an actuary of the insurer.

(3) An actuary of an insurer appointed under section 76 (1) shall immediately give written notice to the Supervisor if he—

- (a) resigns before the expiration of his engagement; or
- (b) does not seek to be reappointed.

(4) An insurer, upon the resignation or termination of appointment of an actuary, so appointed, for any reason, shall—

- (a) immediately, notify the Supervisor in writing giving the reasons for the resignation or termination; and
- (b) within three months of the resignation or termination appoint another actuary in conformity with the requirements of section 76.

(5) Where the appointment of an actuary is terminated, the company shall within twenty-one days of appointing another actuary notify the Supervisor in writing of the appointment.

(6) An insurer or actuary who fails to comply with this section commits an offence and is liable on summary conviction to a fine of one hundred thousand dollars.

Conduct

80.—(1) Insurers and intermediaries shall treat customers fairly and equitably.

(2) Suitable and quality outcomes for the customers shall be delivered by insurers and intermediaries. To achieve that objective, strategic definitions, policies, and processes should seek to embed fair and equitable treatment of consumers into the model of business, corporate culture, and governance of the product through all the phases of the products life cycle.

81.—(1) A company shall not issue or accept any form of proposal or policy unless the standard form has been approved by the Supervisor, and the Supervisor shall not approve any such form if it is not in compliance with this Act or if it is likely to mislead a proponent or policyholder.

(2) Every insurer shall file with the Supervisor a digital copy of each policy form in use at the time of the coming into force of this Act, and thereafter a copy of each new or revised policy form that it brings into use in Belize, utilizing such software or other form of filing that the Supervisor may prescribe.

82.—(1) If an insurer issues a policy or uses an application within Belize that, in the opinion of the Supervisor, does not comply in any substantial respect with the requirements of this Act or is unfair, misleading, fraudulent, or not in the public interest, the Supervisor may prohibit the insurer from issuing or using the form of policy or application or may direct that changes be made thereto to rectify the situation.

(2) If an insurer distributes an information folder, advertising brochure or any other material in order to promote the sale of policies in Belize that, in the opinion of the Supervisor—

- (a) Fails to comply in any substantial respect with the requirements of this Act;

Fair and equitable treatment of consumers.

Approved policy forms to be used.

Misleading policy wording.

- (b) Contains any description or information that is unfair, fraudulent, misleading or not in the public interest;
- (c) Contains any promise, estimate, illustration or forecast that is misleading, false or deceptive;
- (d) Conceals or omits to state any material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made;

then the Supervisor may prohibit the insurer from distributing the information folder, advertising brochure or other material and may direct that changes be made thereto to rectify the situation, and, if in the opinion of the Supervisor the circumstances of the case so warrant, he may apply a monetary penalty of one thousand dollars for every day from the day the prohibition of distribution was required to the day the distribution ended, unless a satisfactory explanation is provided to the Supervisor.

(3) Any insurer that has distributed material of a kind described in sub-section (2), may be required by the Supervisor to make good on any promise, estimate, illustration or forecast which may have been misleadingly offered to consumers.

Advertisement.

83. No insurer or insurance intermediary shall orally, make any statement, or issue, or permit to be issued any advertisement, statement, circular, descriptive booklet or other document, or make or permit to be made a statement by means of any broadcasting or other medium which misleads or is calculated to mislead the public.

84.—(1) Where, in relation to any policy, any dispute or difference arises between an insurer and a policyholder or third party, the Supervisor may appoint an independent person to act as arbitrator of the dispute or difference.

Appointment of independent arbitrator.

(2) An arbitration under this section shall be conducted in accordance with the provisions of the Arbitration Act.

(3) According to section 207(4)(j), before appointing an arbitrator, the Supervisor may handle and resolve disputes referred to in sub-section (1).

85.—(1) Where a person has entered into a contract of insurance with an insurance company, the company shall forward to that person the relevant insurance policy documents within sixty days of the entering into the contract or such other time as the Supervisor may consider reasonable.

Forwarding of insurance policy documents, etc.

(2) No insurer shall issue a policy in Belize which, whatever its nature, is not clearly legible or intelligible, and no insurance policy shall be issued or used in Belize unless that policy wording model has first been approved in writing by the Supervisor.

(3) Any insurer which contravenes this section commits an offence and is liable on summary conviction to a fine not exceeding five thousand dollars.

(4) A company shall in accordance with section 86, keep a register of policies at its principal office in Belize. Every such register shall, at all times during the normal business hours of the company, be available for inspection by the Supervisor of Insurance, the Commissioner of Police and the Commissioner of Income Tax or by some person authorised in writing by any of those public officers.

Issue and registration of policies.

86.—(1) Every policy in Belize shall be registered by the company in the register kept at its registry in Belize. The supervisor may issue guidelines determining the admissible documents for the register as alternative to printed forms.

(2) Unless otherwise agreed by the company and the policyholder, all moneys payable in respect of a policy shall be payable at the registry at which it is for the time being registered.

(3) Any policy may, at the request in writing of the policy holder, and with the consent of the company, be transferred from a register outside Belize to a register in Belize or from a register in Belize to a register outside Belize.

(5) All expenses incurred in connection with any transfer of a policy in pursuance of either sub-section (2) or (3) of this section shall be borne by the policyholder.

Lost policy.

87.—(1) Where—

- (a) the holder of a policy; or
- (b) a person claiming the benefit of the provisions of section 157 or 158 in respect of a policy,

claims that the policy (in this section referred to as “the original policy”) is lost or has been destroyed, the company liable under the original policy may, subject to this section, upon application by the holder or that person and upon such evidence as to the loss or destruction of the original policy as the company thinks sufficient, issue to the applicant a special policy in substitution for the original policy.

(2) Where an application under sub-section (1)(b) of this section, is made by a person referred to in that sub-section, the company shall not issue a special policy unless the company is satisfied that section 157 or 158, should be applied in favour of the applicant in relation to the policy.

(3) A special policy shall—

- (a) be a copy, as nearly as can be ascertained, of the original policy in substitution for which it has been issued;
- (b) contain copies of every endorsement on the original policy registered by the company; and

(c) state the reason for the issue of the special policy.

(4) Before issuing a special policy the company shall, if the amount insured, exclusive of bonus additions, exceeds the amount prescribed by the Supervisor give at least one month's notice of its intention to do so in the Gazette and in a national newspaper published in Belize.

(5) The expenses of the advertisement and all other reasonable costs of the issue of a special policy shall be paid by the applicant at the time of application.

(6) The fact of the issue of a special policy and the reason for its issue shall be recorded by the company in the appropriate register of policies.

(7) A special policy is valid and available for all purposes for which the original policy in substitution for which it has been issued would have been valid and available and, after the issue of the special policy, the original policy in substitution for which it has been issued is void.

(8) Where the company fails to issue a special policy within six months after receipt of an application in writing from the policyholder, the Court may, upon application by the policy holder, and upon such evidence as to the loss or destruction of the original policy as the Court thinks sufficient, order the company, upon such terms and within such time as the Court thinks fit, to issue a special policy.

(9) Where the holder of a special policy or a person claiming the benefit of the provisions of section 157 or 158, in respect of a special policy, claims that the special policy is lost or has been destroyed, this section shall apply as if the special policy were an original policy issued by the company.

88.—(1) A company shall, not later than sixty days after the end of its financial year publish, weekly for four consecutive weeks in two newspapers circulated in Belize and shall also promptly deliver a certified copy thereof to the Supervisor, a statement of all unclaimed monies as at the end of its financial year and in the possession of or under the control of the company for a period of two or more years at that date.

Unclaimed monies.

(2) The publication under sub-section (1) shall state—

(a) in respect of each policy to which it refers, the name of the person whose life is insured, the name of the policy owner (if known), their last known addresses, the amount due, and the date on which it became due; and

(b) that unless within one year from the date of the first publication of the statement a claim is established to those monies to the satisfaction of the company concerned or, failing that, to the satisfaction of a court of competent jurisdiction, the monies shall be dealt with in accordance with sub-section (3) of this section.

(3) Upon the expiration of the one-year period, unclaimed moneys shall lapse to and become part of the revenues of the Unclaimed Monies Fund, and shall be paid by the company to the Financial Secretary for payment into the Unclaimed Monies Fund, accompanied by a statement of account made in the prescribed form and approved by the Supervisor.

(4) All unclaimed monies paid to the Financial Secretary shall be net of any reasonable and identifiable advertising expenses.

(5) Subject to sub-section (1) of this section, upon payment of unclaimed moneys to the Financial Secretary under this section, the company is discharged from further liability in respect of that amount.

Further provisions relating to unclaimed monies.

89.—(1) If a company, after paying to the Financial Secretary an amount in respect of a policy pursuant to section 88 satisfies the Supervisor that the amount so paid exceeds the amount that would have been payable under the policy to the policy owner, the Supervisor shall cause the company to be refunded the amount of the excess.

(2) A company which fails to comply with any provision of section 88, or of this section, that applies to it commits an offence.

(3) For the purposes of section 88 and of this section, “unclaimed moneys” means all sums of money which, became or become legally payable by a company in respect of policies but in respect of which the time within which proceedings may be taken for their recovery has expired, and includes sums of money payable on the maturity, after the commencement of this Act, of an endowment policy or endowment insurance policy which are not claimed within seven years after the maturity date of the policy and are still in the insurance company’s possession.

Supervisory Review and Reporting

90.—(1) Every company licensed under this Act shall maintain a principal office in Belize, and shall appoint—

Maintenance of principal office, etc. in Belize.

- (a) a person resident in Belize to be its principal representative in Belize, and
- (b) in the case of an insurer licensed under Category 2, 3 and 4, a person resident in Belize and licensed by the Supervisor to be its Insurance Manager, who will accordingly be its principal representative.

(2) Every such company shall notify the Supervisor in writing of the situation of its principal office and of the name of its principal representative and Insurance Manager, as applicable.

(3) If any such company changes the situation of its principal office or appoints a new principal representative, it shall, within twenty-one days of the change or appointment, give written notice thereof to the Supervisor.

Required
financial filings
and audits.

91.—(1) Subject to sub-section (4) of this section, a company shall, within four months of the end of each financial year, or within such extended period not exceeding two months as the Supervisor may allow in writing, submit to the Supervisor two copies of—

- (a) a balance sheet and a statement of cash flow prepared in accordance with International Financial Reporting Standards showing the financial position of the company at the close of that year;
- (b) a profit and loss account in respect of all insurance business in that year;
- (c) separate revenue accounts in respect of each class of insurance business carried on by it;
- (d) an analysis of long-term insurance policies in force at the end of that year;
- (e) a certificate that the assets of its insurance business are in the aggregate at least of the value shown in the balance sheet;
- (f) a certificate signed by its independent auditor that the company is not in breach of the minimum allowable risk-based solvency requirement as defined prescribed by regulation;
- (g) and a copy of the management letter or statement for management prepared by the auditors in respect to the audit done; and
- (h) such other documents and information as may be required by the Supervisor.

(2) A company shall submit to the Supervisor, within 30 days of the end the quarter, unaudited quarterly financial statements including—

- (a) a balance sheet and a statement of cash flow prepared in accordance with International Financial Reporting Standards showing the financial position of the company at the close of that quarter;
- (b) a profit and loss account in respect of all insurance business in that quarter;
- (c) separate revenue accounts in respect of each class of insurance business carried on by it;

(d) a copy of statutory deposit form and statutory fund form showing the position of the statutory deposit and statutory fund at the end of that quarter.

(3) In addition to sub-sections (1) and (2) a company shall submit the Electronic Accounts and Forms as prescribed by Regulations.

(4) The Supervisor may require licensed insurers other than Category 1 insurers to provide financial data in the manner as prescribed in regulations.

(5) A company shall furnish the Supervisor with a copy of any report on the affairs of the insurer submitted to the policyholders or shareholders of the insurer in respect of the financial year to which those documents relate.

(6) All documents required to be furnished under sub-section (1) of this section, shall be signed by two directors and separately provide information on the world-wide business of the company as well as the business in Belize, and such documents shall be prepared in such form as may be prescribed.

(7) A company incorporated outside of Belize carrying on business in Belize shall submit to the Supervisor a copy of the statement of accounts submitted to the regulatory authority in the country of its incorporation within thirty days of the date on which the statement was due to be filed with the home jurisdiction regulator.

(8) Where, in the opinion of the Supervisor, a document furnished by a company under sub-section (1) of this section, is incorrect or incomplete or is not prepared in accordance with this Act, he may, by notice in writing call upon the company to amend the document or to furnish a correct document, as the case may be.

(9) If a document has been rejected by the Supervisor under sub-section (5) of this section, the company shall be treated as having failed to comply with sub-section (1) of this section, in relation to that document, unless it has furnished within the time specified another document in accordance with the directions of the Supervisor.

(10) A company which fails to submit any account, statement or other document required under this section, shall pay a penalty of five hundred dollars for every day that the account, financial statement or other document remains not submitted after the due date or the date extended by the Supervisor, and such penalty shall be payable by the company on such date as may be fixed by the Supervisor and if not paid the company commits an offence and, in addition, is liable on summary conviction to a fine not exceeding fifty thousand dollars together with any penalty incurred for not submitting the statements or other documents on the due date or on the date extended by the Supervisor.

(11) If, after amendment to any document submitted to him, the Supervisor is not satisfied with the information submitted, the Supervisor may, at the company's expense,

appoint another independent auditor to conduct an audit of that information or of that company's accounts with a view to establishing the accuracy of such information.

(12) If the Supervisor is of the opinion that a special audit or financial review is required to clarify any matters in respect of a particular area of an insurer's business or its financial position, or if for any other reason he is of the opinion that a special audit or financial review is required, he may, at the expense of the company, require the independent auditor of the insurer, or a different independent auditor that he may select, to carry out a special audit or financial review of the company, subject to such directions as he may specify.

(13) A company shall, at the request of a policyholder make available to that policyholder a copy of the profit and loss account and balance sheet prepared by the company under sub-section (1) of this section in respect of its last financial year.

(14) The documents required to be furnished under sub-sections (1) and (3) shall be certified by an independent auditor, the secretary or the principal representative, and a director of the company.

(15) The documents required to be furnished under sub-section (2) or a monthly unaudited financial statement required by the Supervisor, shall be certified by the secretary of the Board, and a director of the company.

(16) In addition, where a company is carrying on long-term insurance business, every balance sheet which it is required to prepare under sub-section (1) shall bear a certificate signed by its actuary or the consulting actuary stating whether or not, in his opinion, the aggregate amount of the liabilities of the company in relation to its long-term insurance business at the end of its financial year exceeded the aggregate amount of the liabilities shown in the balance sheet of the company.

92. Every company shall keep at its head office or at the office of its principal representative in Belize, as the case may be, such books, vouchers, records, receipts and other documents as may be necessary in accordance with the Accounting Records Maintenance Act, and as may be prescribed by regulation, to enable it to prepare for transmission to the Supervisor a statement of the insurance business carried on by it in Belize.

Maintenance of documents at head office, etc.

Maintenance of separate insurance business records.

93. A company which carries on general insurance business in addition to its long-term insurance business, shall keep separate accounts in respect of its long-term insurance business.

Group Accounts.

94. All licensed insurance companies which operate as separate entities that can be wound-up under the law of Belize or of another jurisdiction shall render separate accounts in respect of each separate entity but where they are associated together in a group, the parent company shall also furnish to the Supervisor consolidated accounts for the group as a whole, along with such other information as the Supervisor may require to assess the overall financial health and stability of the group of companies.

Appreciation and depreciation of assets.

95. Where a company treats any assets as having appreciated or depreciated in value, the company shall regard the amount of the appreciation or depreciation as an item of income or expenditure as the case may be.

Professional valuation of real property.

96.—(1) Where on perusal of any information furnished to the Supervisor under this Act it appears—

- (a) that the value placed by the company on any real property owned by it in Belize is too great; or
- (b) that the property is not adequate security for any loan secured by mortgage on such property and the interest thereon,

the Supervisor may request the company to have the real property appraised by a valuer approved by him, and failing compliance with such request, the Supervisor may cause an appraisal of the real property to be done at the expense of the company.

(2) Where the appraised value of the real property of a company is substantially less than the value disclosed in the information furnished pursuant to section 91, the Supervisor may, in order to ascertain the ability of the company to meet its obligations, substitute the appraised value for the value disclosed.

(3) Where the appraised value of the real property of a company is not adequate security for a loan secured by mortgage on such property and the interest thereon, the Supervisor may write off from the loan and interest a sum sufficient to reduce them to such amount as may be fairly realizable from the sale of the real property; but the reduced sum shall in no case exceed the appraised value of such property.

Annual audit of company's account.

97.—(1) The accounts of every company shall be audited annually by its auditors, and every revenue account and balance sheet required to be prepared by the company under section 91(1) shall be accompanied by a report of the auditors addressed to the Supervisor stating whether in their opinion—

- (a) the accounts have been prepared in accordance with this Act;
- (b) the revenue account and the profit and loss account present fairly the results of the company's operations for the financial period to which they relate;
- (c) the balance sheet presents fairly the state of the company's affairs at the end of the financial period to which it relates;
- (d) adequate records of account have been maintained by the company and are reasonably up to date;
- (e) the reserves relating to unexpired policies have been calculated in accordance with section 170;

- (f) the company is meeting the minimal acceptable solvency requirement as measured by a risk-based solvency requirement to be prescribed by regulation.
- (g) the provisions regarding the settlement of outstanding claims are adequate, having regard to the latest estimated costs of settlement of such claims.

(2) Sub-section (1) (e), (f) and (g) shall apply only to a company carrying on general insurance business in Belize.

(3) Where the auditors, for the purpose of exercising the responsibilities conferred on them by sub-section (1) of this section—

- (a) are unable to obtain all the information they require; or
- (b) are not completely satisfied with the information contained in the accounts on which they are reporting,

they shall in their report to the Supervisor specify the matters in respect of which they were unable to obtain all the information or matters about which they were not completely satisfied.

Publication of
financial
information.

98.—(1) An insurer is required to maintain a website containing at least the following information relating to the insurer—

- (a) its audited financial statements;
- (b) its annual reports;
- (c) any other information prescribed by regulation.

(2) The information on the website shall be kept up to date and any new document required to be posted under this section shall be posted promptly upon the document being available to the insurer.

(3) Notwithstanding sub-section (1), no information is required to remain posted on a public issuer's website that relates to a financial period that ended more than five years earlier.

Transfer and Amalgamation

99.—(1) A Company shall not transfer or amalgamate any class of insurance business, either in whole or in part, to or with the insurance business of any other company, except in pursuance of a scheme—

Transfer and
amalgamation.

- (a) prepared in accordance with this section and with sections 100 to 102; and
- (b) approved by the Supervisor.

(2) An application for the approval of a scheme shall be made to the Supervisor by or on behalf of any company engaged in the transfer or amalgamation, and an application with respect to any matter connected with a scheme or a proposed scheme may be made at any time before it is approved, by any person who, in the opinion of the Supervisor, is likely to be affected by the scheme or the proposed scheme.

(3) Where an application is made under sub-section (2), the Supervisor shall set a date not less than two months from the date of the application for the hearing thereof.

(4) At the hearing of the application, the company is entitled to appear and to be heard either through one of its officers or through an attorney-at-law.

(5) The Supervisor may hear such other evidence as he considers necessary and any person who, in the opinion of the Supervisor, is likely to be affected by the scheme is entitled to be heard.

(6) A company which is aggrieved by the refusal of the Supervisor to confirm a scheme may appeal to the Appeals Board under Part XI against the decision.

(7) In the case of a foreign company, this section shall Apply only to the transfer or amalgamation of insurance business relating to its policies in Belize.

Scheme of transfer and amalgamation.

100. A scheme shall set out the terms of the agreement or deed under which it is proposed to effect the transfer or amalgamation and shall contain such further provisions as are necessary to give effect thereto.

Approval of scheme by Supervisor.

101.—(1) Before a scheme for the transfer or amalgamation of the insurance business of a company is approved by the Supervisor—

- (a) certified copies of the assets and liabilities of the companies engaged in the transfer or amalgamation shall be submitted to the Supervisor;
- (b) a copy of the scheme together with copies of the actuarial and other reports, if any, upon which the scheme was founded, shall be submitted to the Supervisor;
- (c) copies of the scheme and of every report submitted to the Supervisor or summaries of the scheme and reports approved by the Supervisor shall, unless the Supervisor otherwise directs, be transmitted to every policyholder affected by the scheme by the companies engaged in the transfer or amalgamation, at least fifteen days before the application for approval of the scheme is to be heard;

- (d) notice of the intention to make the application (the notice to contain such particulars as may be prescribed by the Supervisor) shall, not less than one month after the copy of the scheme is submitted to the Supervisor, be published in the Gazette and in such local newspapers as may be approved by the Supervisor;
- (e) the scheme shall be open for inspection by any policyholder or shareholder affected by it, for a period of fifteen days after the publication of the notice, at the office of each company engaged in the transfer or amalgamation;
- (f) the Supervisor, in the case of the transfer of long-term insurance business, may cause a report on the scheme to be made by an independent actuary and shall cause a copy of the report to be sent to each of the companies engaged in the transfer or amalgamation; and
- (g) the Supervisor may give directions concerning—
 - (i) the publication of advertisements of the scheme;
 - (ii) the giving of notices to shareholders, policyholders or creditors of the companies;
 - (iii) the holding of meetings of any company affected and such directions shall be complied with by the person to whom they are given.

(2) When approved by the Supervisor, the scheme shall be binding on all persons and shall have effect notwithstanding anything in the instruments constituting the company or in the articles of association or in any rules of the company and the directors of any company affected by the scheme shall cause a copy of the scheme to be filed with the Registrar of Companies.

(3) All expenses incurred by the Supervisor in obtaining the report of any actuary on the scheme shall be defrayed by the companies engaged in the transfer or amalgamation, and any sum due in respect of those expenses may be recovered summarily as a civil debt by the Supervisor from the companies either jointly or severally.

102. Where the insurance business carried on by a company is transferred to or amalgamated with the insurance business of another company, the company to which the insurance business is transferred or the company carrying on the amalgamated insurance business shall, within one month after the transfer or the amalgamation, submit to the Supervisor—

- (a) a certified copy of the agreement or deed under which the transfer or the amalgamation is effected; and

Returns on
transfer or
amalgamation.

- (b) a statutory declaration made by the Chairperson of the board of directors or by the principal representative of the company—
 - (i) specifying every payment made or to be made to any person in respect of the transfer or amalgamation; and
 - (ii) stating that to the best of his knowledge and belief no other payment, other than those specified has been or is to be made in money, policies, bonds, valuable securities, property of any description or any other valuable consideration, by or with the knowledge of any parties to the transfer or amalgamation.

Intervention, Exit from the Market and Resolution

103.—(1) Subject to section 104, the Supervisor may at any time intervene in the affairs of a company licensed under this Act to carry on insurance business. Power of Supervisor to intervene.

(2) The power of intervention shall be exercised where the Supervisor is satisfied that—

- (a) the exercise of the power is essential in order to protect policyholders or potential policyholders of the company against the risk of the company's inability to meet its liabilities or, where a company is carrying on long-term insurance business, to fulfil the reasonable expectations of policyholders or potential policyholders.
- (b) the company has failed to satisfy any obligation imposed on it by this Act;
- (c) company has furnished misleading or inaccurate information to the Supervisor under or for the purposes of this Act or the Money Laundering and Terrorism (Prevention) Act;
- (d) adequate arrangements have not been or will not be made for the reinsurance of risks against which persons are insured by the insurer and in respect of which he considers such arrangements to be necessary;
- (e) the composite risk level of the insurer, as assessed by the Supervisor in accordance with section 210, has reached a level where in the opinion of the Supervisor, preventive and corrective measures should be applied in an escalating manner to reduce the risk level of the insurer;
- (f) an application for registration would be refused if such an application were made at the time of the proposed intervention;
- (g) a company is deemed to be non-viable in accordance with section 57;

- (h) after liability has been established that there has been unreasonable delay in the settlement of claims under policies issued by the company; or
- (i) the company has failed to submit to the Supervisor financial statements and returns within six (6) months of the end of the company's financial year; or
- (j) to take preventative and corrective measures.

Written notification of grounds for intervention.

104. The Supervisor shall, before exercising the power conferred on him by section 103, serve on the company a written notice that he is exercising the power of intervention and the grounds on which it is being exercised.

105.—(1) In exercising his power of intervention, the Supervisor may require the company by instrument in writing to perform any or all of the following—

Requirement of insurer on intervention.

- (a) to refrain, from the date specified in the instrument—
 - (i) from effecting any contracts of insurance either generally or with respect to a specified class whether or not the effecting of the contract falls within a class of insurance business which the company is authorised to carry on;
 - (ii) from varying any existing contracts;
- (b) to limit to a specified amount the aggregate amount of premiums to be written by the company whether the aggregate relates to premiums to be received by the company or to the aggregate after deducting any premiums payable by the company for reinsuring the liabilities in consideration of which premiums are to be received;
- (c) to refrain from making investments of a specified class or description;
- (d) to realise, before the expiration of the period specified in the instrument, the whole or a specified portion of investments of a specified class or description held by the company;
- (e) to refrain from conducting new business activities or acquisitions;
- (f) to refrain from transferring assets;

- (g) to prepare and submit at earlier dates and with greater frequency, the documents required to be prepared and furnished under section 91 of this Act;
- (h) to have an actuary, an auditor or any other person appointed by the Supervisor to investigate at the expense of the company the financial position of the company in respect of its insurance business or any part thereof, and to submit to the Supervisor a report of the investigation on or before a specified date;
- (i) to take such action as appears to the Supervisor to be necessary for the purpose of protecting policyholders or potential policyholders of the company against the risk that the company is or is likely to be unable to meet its liabilities or, in the case of an insurance company carrying on long-term insurance business, to fulfil the reasonable expectations of policyholders or potential policyholders; or
- (j) to take such action as appears to him necessary for the proper administration of the Act including the suspension of the insurance company's licence pending an investigation into the company's affairs and operations.

(2) The Supervisor may, where he considers it desirable so to do rescind or vary any requirements imposed by him on a company pursuant to sub-section (1) of this section.

(3) Notice of the imposition of a requirement or the rescission or variation thereof may be published in the Gazette and in a newspaper circulating in Belize.

Application for
judicial
management.

106.—(1) The Supervisor may apply to the Court for an Order that a company or any part of the business of a company be placed under judicial management where, after exercising his power of intervention under section 103(1) he is of the opinion that it is necessary or proper to apply for such an Order.

(2) A company may after giving the Supervisor one month's notice in writing of its intention so to do, apply to the Court for an Order that it or any part of its business be placed under judicial management.

(3) A company and the Supervisor are both entitled to be heard on any application made to the Court for an Order under this section.

(4) Where an application is made under this section for an Order in respect of any company, all actions and the execution of all writs, summonses and other processes against the company shall, by virtue of this section, be stayed and shall not be proceeded with, without the prior leave of the court unless the Court directs otherwise.

Order for judicial
management.

107.—(1) An Order for the judicial management of a company or any part of the business of a company shall be subject to this section and to sections 108, 109, 110, 111 and 113.

(2) The Court shall appoint a Judicial Manager who shall receive such remuneration from the company as it directs and it may at any time cancel such appointment and appoint some other person as the Judicial Manager.

(3) The Court may, if it thinks fit, charge the remuneration charges and expenses of the Judicial Manager on the property of the company in such order of priority, in relation to any existing charges on that property, as it thinks fit.

(4) Where the Court by Order directs that a company or any part of the business of a company be placed under judicial management, the management of the company or of that part of its business to which the Order relates shall, on and after the date specified in the Order, vest exclusively in the Judicial Manager, who shall have complete control of the management of the company not withstanding any appointment of a receiver prior or subsequent to the appointment of the Judicial Manager.

(5) A person who is appointed Judicial Manager shall not, except with the leave of the Court, issue any new policy or renew any existing policy or enter into any new contract.

(6) The Court shall from time to time issue to the Judicial Manager such directions regarding his powers and duties as it considers necessary.

(7) The Judicial Manager shall act under the control of the Court and may at any time apply to the Court for instructions as to the manner in which he shall conduct the judicial management or in relation to any matter arising in the course of the judicial management.

(8) The Judicial Manager shall give the Supervisor such information as the Supervisor may, from time to time, require and shall report to the Supervisor whenever he intends to apply to the Court for instructions and shall, at the same time furnish the Supervisor with particulars of the application.

(9) The Supervisor shall be entitled to be heard on any application made pursuant to sub-section (7) of this section and may himself make an application to the Court to be heard on any matter relating to the conduct of the judicial management.

Management by
judicial manager.

108.—(1) The Judicial Manager shall conduct the management of the company with the greatest economy compatible with efficiency, and shall as soon as possible after his appointment, file with the Court a report opinion, most advantageous to the general interests of the policyholders of the company—

- (a) the transfer of the business of the company to some other company in pursuance of a scheme to be prepared in accordance with this Act (whether the policies of the business continue for the original sum insured, with the addition of bonuses that are attached to the policies, or for reduced amounts);

- (b) the carrying on of its business by the company (whether the policies of the business continue for the original sums insured, with the addition of bonuses that attach to the policies, or for reduced amounts);
- (c) the winding-up of the company or of any part of the business of the company; or
- (d) the dealing with part of the business of the company in one manner, and with another part in another manner.

(2) The Judicial Manager shall, as soon as he has filed the report, furnish a copy of it to the Supervisor and make a written application to the Court for an Order to give effect to the course stated in the report.

(3) The report or a copy of it shall be open for inspection by any person during official hours at the Registry of the Court in which the report is filed or at such other place as the Supervisor determines.

Decision of Court on report of judicial manager.

109.—(1) The Court shall, on hearing an application made under section 106—

- (a) after hearing the Supervisor, the Judicial Manager, and any other person who in the opinion of the Court ought properly to be heard; and
- (b) after considering the report of the Judicial Manager,

make an Order giving effect to the course which it considers in the circumstances to be most advantageous to the general interest of the policyholders of the company.

(2) The Order of the Court shall be binding on all persons, and shall have effect notwithstanding anything in the instruments constituting the company or in the articles of association or other rules of the company.

Confirmation of Court of scheme of transfer.

110. Where an Order is made by the Court for the transfer of the business of a company to some other company, the Judicial Manager shall prepare a scheme of arrangement for the transfer in accordance with this Act and until the scheme is confirmed by the Court in accordance with this Act, the management of the company shall continue to be vested in the Judicial Manager.

Cancellation of contracts or agreements by Court.

111. The Court may, either on its own motion or on the application of the Judicial Manager, at any time while an Order made under section 107, is in force with respect to a company, after hearing all persons who, in the opinion of the Court, are entitled to be heard, cancel or vary, either unconditionally or subject to such conditions as the Court thinks just, any contract or agreement other than a policy between the company and any other person, which the Court is satisfied is detrimental to the interest of the policyholders.

Indemnity of judicial manager.

112. The Judicial Manager shall not be subject to any action claim or demand by, or liability to, any person in respect of anything done or omitted to be done in good faith in the exercise of or in connection with the exercise of the powers conferred on him under this Part.

Application for
cancellation of
order of Court.

113.—(1) The Judicial Manager or any interested person may at any time apply to the Court for the cancellation of an Order made by the Court under section 109(1).

(2) Where an application is made under sub-section (1) the Court may cancel the Order if it appears to it that—

- (a) the purpose of the Order has been fulfilled; or
- (b) it is undesirable for the Order to remain in force.

(3) Upon the cancellation of an Order, the Judicial Manager shall be divested of the management which shall thereupon vest in the board of directors or other governing body of the company.

Application for
cancellation of
order of Court.
Act 11 of 2022.

114.—(1) The Court may order the winding-up of a company in accordance with the Belize Companies Act but subject to this section, sections 115 to 119, and to the condition that the company may be ordered to be wound up—

- (a) on the petition of ten or more policy holders owning policies of an aggregate sum assured of not less than one million dollars; or
- (b) on the petition of the Supervisor.

(2) A petition shall not be presented except by leave of the Court, and such leave shall not be granted unless—

- (a) a prima facie case has been established to the satisfaction of the Court;
and
- (b) security for costs for such amounts as the Court may think reasonable has been given.

(3) The Supervisor shall be a party to any proceedings under the Belize Companies Act, relating to the winding-up of a company and the liquidator in such a winding-up shall give the Supervisor such information about the affairs of the company as he may, from time to time, require.

Act no. 11 of
2022.

(4) A reference in this section to a company shall include a company which has ceased to be licensed under this Act, but remains under any liability in respect of policyholders in Belize.

(5) Notwithstanding anything contained in this Act, where a company that is registered or licensed in a jurisdiction outside Belize has a subsidiary in Belize and is being wound-up in that jurisdiction, the Supervisor, upon learning of the winding up,

(6) The Court may grant relief to the policyholders as it thinks fit, and the costs awarded to the Supervisor may be recovered at the Supervisor's discretion, against the subsidiary or company that is being wound up.

115.—(1) An Order of the Court for the winding-up of a company under section 114 shall be subject to sections 116 to 120. Procedure on winding up.

(2) On making an Order for the winding-up of a company, the Court shall appoint a liquidator.

(3) Subject to sub-sections (4) and (6) of this section, the liquidator shall act under the authority of the Court and may apply to the Court at any time for instructions as to the manner in which he shall conduct the winding-up or in relation to any matter arising in the course thereof.

(4) The liquidator may, in the case of a company which was carrying on long-term insurance business, unless the Court otherwise orders, continue to carry on the business with a view to it being transferred as a going concern to another insurance company, whether in existence or being formed for that purpose.

(5) For the purpose of exercising his functions under sub-section (4), the liquidator may agree to the variation of any contracts of insurance in existence at the date of the order but he shall not effect any new contracts of insurance.

(6) Where the liquidator is satisfied that the interests of the creditors in respect of liabilities of the company attributable to its long-term insurance business require the appointment of a special manager, he may apply to the Court for such an appointment.

(7) The Court may on an application under sub-section (6), appoint a special manager to act during such time and with such powers as the Court may direct.

(8) The Court shall give to the liquidator such directions as may appear necessary or desirable for the purpose of the winding-up.

(9) The liquidator shall furnish the Supervisor with such information as the Supervisor may from time to time require and shall report to him whenever he intends to apply to the Court for instruction, and particulars of the application shall be furnished simultaneously with the report.

(10) The Supervisor is entitled to be heard on an application under sub-section (9) of this section and may himself make an application to the Court to be heard on any matter relating to the conduct of the winding-up.

(11) A liquidator or a special manager, or both, shall receive such remuneration as the Court directs and the Court, at any time, cancel the appointment of a liquidator or a special manager or both and appoint some other person as such.

116.—(1) The liquidator shall ascertain, in such manner and on such basis as the Court may approve, the value of the liability of the company to every person who, according to the books of the company, is entitled to or is interested in a policy issued by the company and shall in such manner as he thinks proper give notice to every such person of the value so ascertained.

Valuation of liabilities under policies. such

(2) A person to whom notice is given under sub-section (1) of this section, shall be bound by the value ascertained by the liquidator unless he disputes the valuation in such manner and within such time as is prescribed by Rules of Court or as the Court in any particular case, by Order direct.

117.—(1) The value of the liabilities and of the assets of an insurance fund of a company shall, on the winding-up of the company, be ascertained separately from the value of any other liabilities or from the value of any other assets of the company, and no assets of the insurance fund shall be applied to the discharging of any liabilities other than those in respect of that fund except in so far as those assets exceed the liabilities of that insurance fund.

Treatment of assets and liabilities of insurance fund.

(2) Where, on the winding-up of a company the liabilities and assets of an insurance fund of the company have been ascertained and there is a surplus of the assets over the liabilities, there shall be added to the liabilities of that insurance fund an amount equal to the proportion of the surplus equivalent to the proportion of the profits if any, in the class of insurance business to which the insurance fund relates, which was allocated to shareholders and policyholders during the ten years immediately preceding the commencement of the winding-up.

(3) The assets of an insurance fund referred to in sub-section (2) of this section, shall be deemed to exceed the liabilities of that fund only in so far as the assets exceed the liabilities after the addition referred to in that sub-section, but where it appears to the Court that by reason of special circumstances it would be inequitable for the amount specified to be added to the liabilities of the insurance fund, the amount to be added shall be such amount as the Court directs.

118.—(1) Where in the course of the winding-up of a company, the Court is satisfied that the amount of an insurance fund has been diminished by reason of any contravention of this Act, every person who at the time of the contravention was a director, the principal representative or an officer of the company, shall be deemed in respect of the contravention to have committed a misfeasance unless he proves that the contravention occurred without his knowledge and that he used all due diligence to prevent its occurrence.

Diminution of insurance fund.

(2) The Court may assess the sum by which the amount of the insurance fund has been diminished by reason of the misfeasance and may order any person found guilty of misfeasance to contribute to the insurance fund the whole or any part of that sum by way of compensation.

Application of deposits.

119. On the winding-up of a company, the Supervisor shall pay to the liquidator all moneys and securities held as a deposit in respect of that company and the liquidator shall in the first instance, in accordance with this Act, apply such moneys and securities towards discharging the liabilities of the company in respect of policies issued by it.

120.—(1) Where the Court makes an Order for the winding-up of ^{Winding up scheme.} part of the business of a company, a scheme for the purpose of the winding-up shall be prepared and submitted for the confirmation of the Court—

- (a) by the person who made the application, where an Order is made after the hearing of an application under section 113;
- (b) by the Judicial Manager appointed in respect of the company, where the Order is made pursuant to section 107 of this Act.

(2) Any scheme prepared under this section shall provide—

- (a) for the allocation and distribution of the assets and liabilities of the company between any classes of business affected by the winding-up (including the allocation of any surplus assets which may arise on the proposed winding-up);
- (b) for any future rights of every class of policyholders in respect of their policies; and
- (c) for the manner in which any part of the business of the company may be wound up and may contain such provisions as are expedient for giving effect to the scheme.

(3) Sections 104 to 110 of this Act shall apply with such adaptations as are necessary, on a winding-up in accordance with a scheme under this section.

PART IV

Licensed insurer other than Category 1

121. This Part shall apply to licensed insurers under categories and 4 according to section 14. Application of Part IV. 2, 3

122. The Supervisor may propose supplementary regulation to Minister for approval and may issue guidance regarding the Supplementary regulation. the

standards of conduct and practice expected in relation to any aspect of the regulatory framework, by licensed insurers under categories 2, 3 and 4.

123. (1) The Supervisor may, by notice in writing, and subject ^{Exemptions.} to such conditions as it thinks fit, exempt any person or licensed insurer under categories 2, 3 and 4 or class, description or category of person or licensed insurer from the application of any of the requirements of section 3, Parts III, IV and XII, either generally or in any particular case or class of case, and whether before or after the event in question.

(2) Contracts of insurance executed for or in connection with insurance business of a licensed insurer under categories 2, 3, and 4(i) licence under this Act shall be exempted from stamp duty.

(3) Any insurance business conducted by a licensed insurer under categories 2, 3, and 4 licence under this Act shall be exempted from any currency exchange control restrictions or exchange control regulations.

(4) No foreign exchange levy shall be imposed or be payable in respect of any insurance business conducted by a licensed insurer under categories 2, 3, and 4 licence in accordance with this Act.

(5) Notwithstanding sub-section (3) and (4), the Supervisor must indicate in writing if the insurer licensed under category 4 under this Act can be exempted.

124. Licensed insurers under categories 2, 3 and 4 may be authorized by the Supervisor as a composite insurer to write long-term insurance business in addition to general insurance business or motor insurance, or only long-term insurance business or only general insurance business and motor insurance, or any combination of them. According to this Act and the regulation, the Supervisor will indicate in the certificate of the license the activities allowed and the activities restricted or conditioned to the insurer.

Composite Insurers.

125. The application process for seeking licence under ^{Application.} categories 2, 3 and 4 will be prescribed by the regulations proposed by the Supervisor and issued by the Minister.

126. Licensed insurers and cells under categories 2(ii), 2(iii), 3 ^{Prescribed capital requirement.} and 4(ii) shall comply with a prescribed capital requirement as defined in the regulations proposed by the Supervisor and issued by the Minister

127. Licensed insurers and cells under categories 2, 3 and 4 ^{Requirements.} shall at all time–

- (a) comply with its obligations under the Belize Companies Act, or any other enactment under which the applicant is incorporated;
- (b) be licensed only under one category of insurer licence;

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- (c) has a registered office in Belize;
- (d) has at all times, management in Belize with adequate knowledge and expertise of the insurance business to be carried on that can be carried by an insurance manager has at all times, at least one director resident in Belize; or appointed a registered insurance manager in Belize with adequate corporate governance and knowledge and experience of the insurance business to be carried on; and appointed an attorney-at-law resident in Belize (consent of which appointment shall be signified by the person in writing) who is approved by the Supervisor for the purpose of accepting service of process in any legal proceedings to which the insurer is a party and any notices required to be served on it;
- (e) keep at its registered office in Belize financial and technical information as to correctly record and explain its business, transactions, and financial position;
- (f) monitor the amount of its regulatory capital resources and minimum capital requirement on an ongoing basis;
- (g) calculate its prescribed capital requirement and any other capital requirement and report the results of that calculation to the Supervisor as prescribed by regulation;
- (h) must, at all times, hold regulatory capital resources, as prescribed by the regulation, greater or equal to its minimum capital requirement and to its prescribed capital requirement or other capital requirements when prescribed by regulation. For a cell, the regulatory capital resources must be calculated as if it were a stand-alone insurer, subject to a maximum for the cell;
- (i) Keep separate accounts when carrying on both long term business and general business. The regulation and the Supervisor may request recording and reporting measures to clearly understand separately the business, transactions, and financial position of both businesses.

Enforcement.

128. Notwithstanding the powers of the Supervisor to take the necessary preventive and corrective measures as may be prescribed by or determined in accordance with this Act and its regulation, any registered insurer who fails to comply with this section may commit an offence against this Act.

PART V

Long Term Insurance Business

129.—(1) Every company carrying on long-term insurance business shall annually—

Frequency of
actuarial reports
on long-term
insurers.

- (a) cause an independent actuary approved by the Supervisor to make an investigation into its financial position including valuation of its liabilities in respect of every class of long-term insurance business and to furnish the Supervisor with a report of the result of the investigation; and
- (b) cause an abstract of the report of the independent actuary and statement of its long-term insurance business to be prepared.

(2) A valuation balance sheet shall be annexed to every abstract prepared under this section.

(3) The basis of valuation adopted shall be such as to place a proper value upon the liabilities, having regard to the average rate of interest from investments and to expenses of management, including commissions, and shall be such as to ensure that no policy shall be treated as an asset.

(4) Nothing in this section shall prohibit the Supervisor from requesting a long-term insurance company to submit each year a certificate signed by its actuary confirming his satisfaction that to the best of his knowledge and belief the company's liabilities do not exceed the funds earmarked for meeting those liabilities as disclosed in the company's annual financial statement, and that taking into account the company's financial position and business in general, its current reinsurance arrangements are adequate, appropriate and satisfactory.

130.—(1) A company shall not issue any policy unless the rate of premium chargeable under the policy is a rate which has been approved by an actuary as suitable for the class of policy to which that policy belongs.

Premium rates.

(2) The Supervisor may at any time require the company to obtain and to furnish him with a report by an actuary as to the suitability of the rate of premium chargeable under any class of policy issued by the company and, if the actuary considers that the rate is not suitable, a report as to the rate of premium which the actuary approves as suitable in respect of that class of policy.

(3) Where any requirement is made under sub-section (2) of this section, in respect of the rate of premium chargeable under any class of policy, the company shall not issue any policy of that class until the company has, in accordance with the requirement, obtained the approval of the actuary for the rate of premium.

Commissions and reductions of premium.

131. Where a rate of premium is approved by an actuary in respect of any class of policy the company shall not, except with the approval of an actuary, pay or allow in respect of any policy of that class a commission or reduction of premium at a rate greater than—

- (a) the maximum rate of commission or reduction of premium to which the first mentioned actuary had regard when approving the rate of premium; or
- (b) the maximum rate of commission or reduction of premium payable by the company, immediately before the commencement of this Act, in respect of policies of that class (if any) issued at the rate of premium so approved, whichever is the greater.

Approval of proposal and policy forms by Supervisor.

132.—(1) A company shall not issue or accept any form of proposal or policy unless the standard form has been approved by the Supervisor, and the Supervisor shall not approve any such form if it is not in compliance with this Act or if it is likely to mislead a proponent or policyholder.

(2) A form of proposal shall be framed so as to require a person making a proposal for a life policy to specify the place and date of birth of the person whose life is proposed to be insured, and it shall be the duty of the person making the proposal to supply those particulars to the best of his knowledge and belief. The supervisor may issue guidelines.

133.—(1) Where a company issues a life policy which provides proof of age of the person whose life is insured is a condition precedent to the payment of the sum, the company shall, unless the age of the person whose life is insured has already been admitted by it, issue on or with the policy a printed notice stating that proof of age of the person whose life is insured may be required before the payment of the sum insured.

Notice of proof of age.

that

Procedure where company declines to accept proof of age.

134.—(1) If a company declines to accept the proof of age tendered in respect of a policy, whether issued before or after the commencement of this Act, the policyholder may apply to a Judge in Chambers, by summons for an Order directing the company to accept the proof tendered.

(2) On any such application, the Judge in Chambers may make such Order in relation to the application as he thinks just.

(3) Every Order under this section shall be binding on the company and shall be complied with on its part.

Misstatement of age and non-avoidance of policy.

135.—(1) A policy shall not be avoided by reason only of a misstatement of the age of the person whose life is insured.

(2) Where the true age as shown by the proof is greater than that on which the policy is based, the company may vary the sum insured by, and the bonuses (if any) allotted to, the policy so that, as varied, they bear the same proportion to the sum insured by, and the

bonuses (if any) allotted to, the policy before variation as the amount of the premiums that have become payable under the policy as issued bears to the amount of the premiums that would have become payable if the policy had been based on the true age.

(3) Where the true age as shown by the proof is less than that on which the policy was based, the company shall either—

- (a) vary the sum insured by, and the bonuses (if any) allotted to, the policy so that, as varied, they bear the same proportion to the sum insured by, and the bonuses (if any) allotted to, the policy before variation as the amount of the premiums that have become payable under the policy as issued bears to the amount of the premiums that would have become payable if the policy had been based on the true age; or
- (b) reduce, as from the date of issue of the policy, the premium payable to the amount that would have been payable if the policy had been based on the true age and repay the policyholder the amount of overpayments of premium less any amount that has been paid as the cash value of bonuses in excess of the cash value that would have been paid if the policy had been based on the true age.

(4) A policy issued after the commencement of this Act shall not be avoided by reason only of any incorrect statement (other than a statement as to the age of the person whose life is insured) made in any proposal or other document on the faith of which the policy was issued or reinstated by the company unless the statement—

- (a) was fraudulently untrue; or
- (b) being a statement material in relation to the risk of the company under the policy, was made within the period of three years immediately preceding the date on which the policy is sought to be avoided or the date of the death of the person whose life is insured, whichever is the earlier.

136. Nothing in any term or condition of a life policy issued after the commencement of this Act or in the law relating to insurance shall operate to except an insurance company from liability under the policy or to reduce the liability of the company under the policy on the ground of any matter relating to the state of health of the person whose life is insured, other than the ground of the proposer's having, when making the proposal or thereafter and before the making of the contract, either—

- (a) made an untrue statement as regards the matter; or
- (b) failed to disclose to the company something known or believed by him as regards that matter.

Provision relating to state of health of insured.

Minors.

137.—(1) A minor who has attained the age of ten years but has not attained the age of sixteen years may, with the written consent of his parent or of a person standing in loco parentis to the minor—

- (a) effect a policy upon his own life or upon another life in which he has an insurable interest; or
- (b) take an assignment of a policy.

(2) A minor who has attained the age of sixteen years may—

- (a) effect a policy upon his own life or upon another life in which he has an insurable interest; or
- (b) take an assignment of a policy,

and, subject to sub-section (3) of this section, is as competent in all respects to have and exercise the powers and privileges of a policyholder in relation to a policy of which he is the holder as he would be if he were of full age.

(3) A minor who has attained the age of sixteen years may assign or mortgage a policy with the prior consent in writing of his parent or of a person standing in loco parentis to the minor.

Insurable
interest.

138.—(1) For the purposes of this Act, but without restricting the meaning of the expression “insurable interest”, an insurable interest for long term insurance shall be deemed to be had by—

- (a) a parent of a child under twenty-one years of age, or a person in loco parentis to such a child - in the life of the child;
- (b) a husband - in the life of his wife;
- (c) a wife - in the life of her husband;
- (d) any person - in the life of another upon whom he is wholly or in part dependent for support or education;
- (e) a company or other person - in the life of an officer or employee thereof; and
- (f) a person who has a pecuniary interest in the duration of the life of another person - in the life of that person.

(2) This section shall apply to policies whether effected before or after the commencement of this Act.

(3) For the purposes of this section, the expression - “child”, in relation to any person, includes—

- (a) an adopted child;
- (b) a step child; and
- (c) any other child, whether legitimate or not, living with that person and wholly or mainly maintained by that person.

139.—(1) The provisions of this section and of sections 140 to 148 , subject to anything to the contrary contained in those sections, apply in respect of policies whether taken out before or after the commencement of this Act.

Designation of beneficiary.

(2) A policyholder may at the time the policy is taken out or at any time thereafter designate his personal representative or a named person, to be the beneficiary under his policy and may, subject to section 140, alter or revoke the designation by declaration in writing.

(3) A designation in favour of “heirs”, “next of kin”, “estate” or similar designation shall be deemed to be a designation of the personal representative of the policyholder.

140.—(1) Subject to sub-sections (4) and (5) of this section, a policyholder may, in writing, by declaration filed with the insurance company at the time the policy is taken out designate irrevocably a named person to be beneficiary under the policy and, in such a case—

Irrevocable designation of beneficiary.

- (a) the policyholder subject to section 143, may not during the lifetime of the named beneficiary alter or revoke the designation without the consent of the beneficiary; and
- (b) the moneys payable under the policy are not subject to the control of the policyholder or the creditors of the policyholder and do not form part of his estate.

(2) Notwithstanding sub-section (1) (a) of this section, consent of the beneficiary is not required where the beneficiary is a former spouse and the marriage ended in divorce or, as the case may be, the common law union has come to an end.

(3) Where the insured purports to designate a beneficiary irrevocably in a declaration that has not been filed with the insurer as required by sub-section (1) of this section or in a will, the designation has the same effect as if the insured had not purported to make the designation irrevocable.

(4) An irrevocable designation may only be made by a policyholder in favour of a spouse or to a child, including a child born out of wedlock.

(5) A designation shall not be regarded as irrevocable unless the words creating the irrevocable designation are clear and unequivocal and are prominently displayed on the proposal form and signed by the policyholder and there is sufficient evidence that it was explained to the policyholder that the designation was irrevocable.

Effect of will on
policy
designation.

141. A designation by a will does not affect a designation made under a policy.

142.—(1) A policyholder may, in writing, by contract or by declaration appoint a trustee for a beneficiary and may alter or revoke the appointment by declaration in writing.

Appointment,
etc. of trustee for
beneficiary.

(2) A payment by an insurance company to a trustee for a named beneficiary discharges the insurer from payments to the beneficiary to the extent of the payment.

143.—(1) Where under section 139, by a contract or by a declaration, filed with the insurance company, a person has been named as beneficiary under a policy and the person so named as beneficiary under a policy predeceases the policy holder and no provision is made in the contract or agreement or declaration for the disposition of moneys payable under the policy in the event of the beneficiary predeceasing the policyholder, then, without limiting or affecting the application of section 140, the moneys payable under the policy shall vest in the following persons in the following order—

Death of
beneficiary
before
policyholder.

- (a) in the surviving beneficiary, if any;
- (b) in the surviving beneficiaries in equal shares, if there is more than one surviving beneficiary; and
- (c) in the policyholder or his personal representatives, if there are no surviving beneficiaries.

(2) Where two or more beneficiaries are designated otherwise than alternatively, and no provision is made as to the quantum of their respective shares of the moneys payable under the policy, then, they are entitled to the moneys in equal shares.

Enforcement of
payments by
beneficiary and
trustee.

144. A beneficiary, may enforce for his own benefit, and a trustee appointed pursuant to section 142 may, in accordance with the terms of the contract or declaration, as the case may be, enforce payment of moneys payable under a policy even though there is no privity of contract, but the insurance company may invoke against the beneficiary or trustee any defence available against the policy holder or his personal representative.

Insured's estate,
exclude
designated
policy proceeds.

145.—(1) Where a beneficiary has been designated, the insurance money, from the time of the happening of the event upon which the insurance money becomes payable, does not form part of the estate of the insured and is not subject to the claims of the creditors of the insured.

(2) While a designation in favour of a spouse or child of a policyholder or any of them is in effect, the rights and interests of the policyholder in the insurance money and in the contract are exempt from execution or seizure.

(3) For the purposes of sub-section (2) of this section, "child" has the meaning assigned to it by section 138 (3) of this Act.

146.—(1) Where a beneficiary is not designated irrevocably, the policy holder may assign, exercise rights under or in respect of, surrender or otherwise deal with the contract as provided therein or in this Part or as may be agreed upon with the insurer.

Rights of policyholder on beneficiary irrevocably designated.

(2) Where a beneficiary is designated irrevocably, the policyholder may not assign the policy, use the policy as a security, surrender it or otherwise deal with it without the consent in writing of the designated beneficiary.

147.—(1) Notwithstanding the designation of a beneficiary irrevocably, the policyholder is entitled, while living, to the dividends or bonuses declared on a contract, unless the contract otherwise provides.

Living policyholder's entitlement to dividend or bonuses, etc.

(2) Unless the policyholder otherwise directs, the insurance company may apply the dividends or bonuses declared on the contract for the purpose of keeping the contract in force.

148.—(1) An assignee of a contract who gives notice in writing of the assignment to the head office of the insurance company has priority of interest as against—

Assignee's priority of interest.

(a) any assignee other than one who gave notice earlier in like manner; and

(b) a beneficiary other than one designated irrevocably as provided in section 140 of this Act, prior to the time the assignee gave notice to the insurance company of the assignment in the manner prescribed in this sub-section.

(2) Where a contract is assigned as security, the rights of a beneficiary under the contract are affected only to the extent necessary to give effect to the rights and interests of the assignee.

(3) Where a contract is assigned absolutely, the assignee has all the rights and interests given to the policyholder by the contract and by this Part and shall be deemed to be the policy holder.

(4) A provision in a contract to the effect that the rights or interests of the policyholder, or, in the case of group insurance, the group life insured, are not assignable is valid.

149. A group life insured may, in his own name enforce a right given him under a contract, subject to any defence available to the insurance company against him or against the insured.

Right of group life insure to enforce contract.

Protection of interest of insured.	<p>150.—(1) The property and interest of any person in a policy effected (whether before or after the commencement of this Act) upon his own life shall not be liable to be applied or made available in payment of his debts by any judgment, Order or process of any Court.</p> <p>(2) In the event of a person who has effected a policy on his own life dying after the commencement of this Act, the moneys payable upon his death under or in respect of such policy shall not be liable to be applied or made available in payment of his debts by any judgment, Order or process of any Court, or by retainer by an executor or administrator, or in any other manner whatever, except by virtue of a contract or charge made by the person whose life is insured, or by virtue of an express direction contained in his will or other testamentary instrument executed by him that the moneys arising from the policy shall be so applied.</p> <p>(3) A direction to pay debts, or a charge of debts upon the whole or any part of the testator's estate, or a trust for the payment of debts, shall not be deemed to be an express direction referred to in sub-section (2) of this section.</p>
Paid-up policies.	<p>151.—(1) A policyholder who desires to discontinue further premium payments on a policy on which three or more years' premiums have been paid shall, and if the policy has a cash surrender value, on application to the company, be entitled to receive, instead of that policy, a paid-up policy.</p> <p>(2) The paid-up policy shall be payable upon the happening of the contingency upon the happening of which the amount insured under the original policy would have been payable.</p>
Surrender of policies.	<p>152. The owner of a policy which has been in force for at least three years, shall, on the application to the company, be entitled to surrender the policy and to receive not less than the cash surrender value of the policy less the amount of any debt owing to the company under, or secured by, the policy notwithstanding the terms and conditions of a particular policy.</p>
Relaxation of obligation as to surrender values.	<p>153. The Supervisor may, on application by a company, if in his opinion, the payment in cash of surrender values as required by section 152 would be prejudicial to the financial stability of the company or to the interests of the policyholders of that company, suspend or vary, for such period and subject to such conditions as the Supervisor thinks fit, the obligation of the company to pay those surrender values.</p>
Non-forfeiture of ordinary policies in certain cases.	<p>154.—(1) An ordinary policy shall not be forfeited by reason only of the non-payment of any premium (in this section referred to as the overdue premium) if—</p> <ul style="list-style-type: none"> (a) three or more years' premiums have been paid on the policy; and (b) the surrender value of the policy (calculated as at the day immediately preceding that on which the overdue premium falls due) exceeds the

sum of the amount of the debts owing to the company under, or secured by, the policy, and the amount of the overdue premium.

(2) The company may, until payment of the overdue premium, charge compound interest on it, on terms not less favourable to the policyholder than such terms (if any) as may be specified in the policy.

(3) The over due premium and any interest charged on it under this section and unpaid shall for the purposes of this Act be deemed to be a debt owing to the company under the policy.

(4) Without affecting the generality of the foregoing provisions of this section, an ordinary policy on which three or more years' premiums have been paid shall not be forfeited by reason only of the non payment of a premium unless, on or after the day on which the premium fell due—

- (a) the company liable under the policy serves a notice on the policyholder stating—
 - (i) the amount due or payable to the company at the date of the notice in respect of the policy;
 - (ii) that the policy will be forfeited at the end of twenty- eight days after the date of the notice if a sufficient sum is not paid to the company in the meantime; and
- (b) a period of at least thirty days has passed after the service of the notice.

(5) For the purposes of sub-section (4) of this section, a notice posted to the last known address of the policyholder shall be deemed to be a notice on the policyholder.

155.—(1) A policy shall not be avoided merely on the ground that the person whose life is insured died by his own hand or act, sane or insane, or suffered capital punishment, if, upon the true construction of the policy, the company there by agreed to pay the sum insured in the events that have happened.

Suicide, capital punishment and war risks.

(2) Any term or condition of a policy issued after the Commencement of this Act which limits, to an amount less than the sum insured, the amount payable under the policy in the event of the death of the life insured occurring, as a result of war, shall not have any force or effect, unless the person who effected the policy agreed in writing to the insertion in the policy of that term or condition.

156. Where under any provision of this Part, a policyholder is entitled to receive, or a company is required to grant, a paid-up policy and there is any debt owing to the company under or secured by the policy, the company may elect—

Treatment of debts on grant of paid-up policies.

- (a) to treat the debt so owing as a debt secured by the paid-up policy, and thereupon the paid-up policy shall be a security for the debt so owing; or
- (b) in the ascertainment of the amount of the paid-up policy, to reduce the amount by taking into account, upon a basis approved by the Supervisor, the debt so owing to the company, and thereupon the debt shall cease to be owing to the company.

Payment without probate, etc. in certain cases.

157.—(1) An insurance company by which any moneys are payable under one or more policies to the personal representative of a deceased person may, without requiring the production of probate or letters of administration, pay out of such moneys any amount (including any bonuses added to the policy or policies) not exceeding five thousand dollars to any person who satisfies the insurer that he is entitled to the property of the deceased person or that he is entitled to obtain probate of the will of the deceased person or to take out letters of administration to his estate.

(2) An insurance company which, pursuant to sub-section (1) proposes to make payment of any moneys due under the policy or policies shall retain an amount equal to ten per cent of the total moneys due under the policy or policies and shall pay that amount to the Registrar General as an instalment on any duties which became due and payable on the estate of the deceased person under the Estate Duty Act, before its repeal.

(3) Where any moneys are paid by an insurance company to the Registrar General under sub-section (2) of this section, then, if the Registrar General is satisfied that—

- (a) no duty was payable under the Estate Duty Act, before its repeal in respect of the estate of the deceased person; or
- (b) moneys paid under sub-section (2) are in excess of the amount of duty payable under the Estate Duty Act, before its repeal in respect of the deceased person's estate,

the moneys or the excess of duty so paid shall be refunded to the insurance company.

(4) The insurance company making any such payment shall be thereby discharged from all further liability in respect of the moneys so paid.

(5) All persons to whom any such moneys are paid shall apply those moneys in due course of administration and, if the insurance company thinks fit, it may require those persons to give sufficient security by bond or otherwise that the moneys so paid will be so applied.

Death of holder of policy not being life insured.

158.—(1) Subject to this section, where a policyholder, not being the person whose life is insured by the policy, predeceases the person whose life is so insured, and a person satisfies the company which issued the policy—

- (a) that he is entitled under the will or on the intestacy of the deceased policyholder, to the benefit of the policy; or
- (b) that he is entitled to obtain probate of the will, or to take out letters of administration of the estate, of the deceased policyholder,

the company may, without requiring the production of any probate or letters of administration endorse on the policy a declaration that the person has so satisfied the company and is the holder of the policy, and thereupon that person becomes, subject to sub-section (2), the holder of the policy.

(2) Sub-section (1) does not confer on a person declared to be the holder of a policy any beneficial interest in the policy which he would not otherwise have had.

(3) This section applies in relation to a policy referred to in sub-section (1), whether the deceased holder dies before or after the commencement of this section.

(4) This section does not apply in relation to—

- (a) a policy the surrender value of which, at the date of the death of the deceased holder, exceeds or exceeded two thousand dollars; or
- (b) a policy which is one of two or more policies held by the deceased holder and issued by the same company if the aggregate of the surrender values of those policies at the date of death of the deceased holder, exceeds or exceeded two thousand dollars.

(5) For the purposes of sub-section (4), the surrender value of a policy is the amount (including any amount in respect of bonus additions) that would be paid by the company issuing the policy upon its surrender.

Liability of
Company on
application of
moneys.

159. Nothing contained in this Part shall be construed as requiring a company to see to the application of any moneys paid under sections 158 and 159 by the company in respect of any policy.

Power to pay
money into
court.

160.—(1) Subject to Rules of Court, any insurance company carrying on life insurance business may, after giving notice in writing to the Supervisor pay into the Court any moneys payable by the company under a contract of life insurance in respect of which in the opinion of the directors no sufficient discharge can otherwise be obtained.

(2) The receipt or certificate of the Registrar or Deputy Registrar of the Court shall be a sufficient discharge to the company for the moneys so paid into court and such moneys shall, subject to Rules of Court and any Regulations made under this Act, be dealt with according to the orders of the Court.

Objection to
policies.

161.—(1) If, within twenty-eight days after a company delivers an industrial policy—

- (a) to the policyholder; or
- (b) at the residence of the policyholder to some other person who resides there and is apparently not less than 16 years of age and by whom any premium in respect of the policy is paid on behalf of the policyholder,

the policyholder returns the policy to the company with an objection in writing to any term or condition of the policy, the company shall immediately refund any premium which has been paid in respect of the policy which shall thereupon be cancelled.

(2) Where an industrial policy is sent by post by a company to the person to whom it is issued, it shall, unless the contrary is proved, be deemed to have been delivered to him at the time at which it would reach him in the ordinary course of post.

(3) For the purposes of this section, a policy shall be deemed to have been returned to a company with an objection if the policy and the writing specifying the objection are posted for transmission to the company by registered letter.

Return of industrial policies, etc. after inspection.

162. Where a company which carries on industrial life insurance business, or any person authorised by such a company takes possession of an industrial policy or premium receipt book or other document issued in connection with the policy, a receipt for the policy, book or document shall be given to the person from whom it was received, and the policy, book or document shall be returned to that person on demand at any time after the expiration of twenty-eight days, unless—

- (a) it is required for the purposes of evidence in legal proceedings;
- (b) the policy has been terminated by reason of the satisfaction of all claims capable of arising under it; or
- (c) in the case of a policy, the company is entitled to retain the policy as security for money owing to the company by the policyholder.

Falsification of collecting book or premium receipt book.

163. If any person wilfully makes, or orders or allows to be made, any entry or erasure in, or omits any entry, or orders or allows any entry to be omitted from, a collecting book or premium receipt book, with intent to falsify the book, or to evade any of the provisions of this Act, that person commits an offence.

Avoidance of policy by reasons of particular in proposal.

164.—(1) Where any agent or servant of a company writes or fills in or has before the commencement of this Act written or filled in any particulars in a proposal for an industrial policy with the company, then, notwithstanding any agreement to the contrary between the proponent and the company, any policy issued in pursuance of the proposal shall not be avoided by reason only of any incorrect or untrue statement contained in any such particulars so written or filled in unless the incorrect or untrue statement was in fact made by the proponent to the agent or servant for the purposes of the proposal.

(2) The burden of proving that any such statement was so made shall lie upon the company.

(3) Nothing in this section shall be deemed to allow the avoidance of any policy for any reason or in any circumstances for or in which the policy could not have been avoided apart from this section.

Particulars to be set out in premium book for industrial policies.

165. Every industrial policy issued by a company after the appointed day shall contain an endorsement in distinctive type setting out—

- (a) whether the policy is or is not a participating policy; and
- (b) a short statement in a form approved by the Supervisor as to—
 - (i) the right of the policyholder to be granted a paid-up policy;
 - (ii) the right of the policyholder to surrender his policy and to receive in cash the surrender value of the policy; and
 - (iii) the forfeiture of the policy.

(2) A company shall, in respect of each industrial policy issued by the company, issue to the policyholder a premium-receipt book in compliance with this section—

Issue of premium receipt book.

- (a) where the policy was issued before or is issued within the period of twelve months immediately following the commencement of this Act before the end of that period of twelve months; or
- (b) where the policy is issued after the end of that period of twelve months at the time of the issue of the policy.

(3) Notwithstanding sub-section (2), if the policyholders concerned do not object, the company may—

- (a) issue one premium receipt book in respect of two or more policies if held by the same policyholder or by two or more policyholders who are members of the same household; or
- (b) add the endorsements and entries required by this section in respect of any policy to the premium receipt book issued in respect of any earlier policy held by the same policyholder or by a member of the same household.

(4) A company shall not issue or permit to be used one premium receipt book in respect of two or more policies held by different policyholders not being members of the same household.

(5) Every premium receipt book must contain in respect of each policy to which it relates—

- (a) an endorsement in distinctive type of the particulars referred to in section 164 (a) and (b);
- (b) an entry made by the company of the following matters—
 - (i) the surname and initials of the policy holder and, where the policy is issued in respect of the life of a person other than the policyholder, the surname and initials of that person;
 - (ii) the date and number of the policy;
 - (iii) the amount of the weekly or other periodical premium; and
- (c) a notice stating that proof of age may be required before payment of the sum insured.

Payments under
industrial
policies

166.—(1) Every payment in respect of premiums under an industrial policy made to an agent or servant of the company shall be recorded by the agent or servant in the premium-receipt book so as clearly to indicate the date to which premiums have been paid in respect of the policy or policies to which the premium-receipt book relates, and the record shall—

- (a) if it is the first entry on a page of the premium- receipt book be signed by the agent or servant with his usual signature; and
- (b) if it is not such an entry, be signed by the agent or servant with his usual signature or be initiated by him.

(2) Where a premium-receipt book relates to more than one policy and any payment for premiums on the policies is made which is less than the aggregate of the weekly or other periodical premiums in respect of all those policies, the person making the payment shall be required by the agent or servant of the company to whom the payment is made to state the policy or policies in respect of which no payment or an insufficient payment is made, and the agent or servant shall clearly record in the premium-receipt book the fact stated.

(3) Unless the amount of the deficiency is paid before any further premiums are paid, the company shall cause a separate premium-receipt book in compliance with the provisions of section 164 to be issued in respect of any policy in relation to which the deficiency exists and shall cause the particulars and entry in the first mentioned premium-receipt book relating to any such policy to be cancelled.

Non-forfeiture of
industrial
policies.

167.—(1) An industrial policy on which one or more year's premiums have been paid shall not be forfeited by reason only of the non-payment of any premium, unless the premium has remained unpaid for more than four weeks after it became due.

(2) An industrial policy on which one year's but less than two years' premiums have been paid shall not be forfeited by reason only of the non-payment of any premium, unless the premium has remained unpaid for eight or more weeks after it became due.

(3) An industrial policy on which two or more years' premiums have been paid shall not be forfeited by reason only of the non-payment of any premium, unless the premium has remained unpaid for twelve or more weeks after it became due.

(4) In the event of an industrial policy on which three or more years' premiums have been paid being forfeited by reason of the non-payment of any premium, the company shall, without requiring any application from the policyholder, grant a paid-up policy for an amount not less than that specified in the table included in the policy.

(5) The paid-up policy shall be payable upon the happening of the contingency upon the happening of which the amount insured under the original policy would have been payable.

(6) The company shall notify the policy holder in writing of the fact that the paid-up policy has been granted and shall specify the amount of the policy and the contingency upon which the policy is payable.

(7) An industrial policy shall not be forfeited by reason only of the non-payment of any premium where such non-payment is due to non-collection by the company.

PART VI.

Annuity Plans, Schemes and General Insurance Classes

168. No person, employer, company, trustee or insurer shall establish, administer or operate an annuity plan in Belize or for the benefit of persons resident in Belize unless that plan complies with the requirements and provisions of Regulations made under this Act and has first been approved in writing by the Supervisor.

Prior approval of annuities, etc.

169. This section and sections 170 to 174 apply to all insurance companies licensed under this Act to transact insurance business in respect of any class of business other than long-term insurance business.

Application of this Part.

170.—(1) Every company shall, in respect of its outstanding unexpired policies, include among the liabilities provided in its annual statement deposited with the Supervisor reserves not less than eighty percent, of the unearned premiums computed *pro rata per mensem* as at the date of the statement.

Computation of reserve liability.

(2) For the purpose of this section, “premium” means in relation to a class of insurance business such premium as may be prescribed as being the net premium in relation to that class.

Dividend not to impair capital.

171. No dividend shall be paid by any local company while its assets are less than the amount required for viability by section 57 nor shall any dividend be paid that would reduce its assets below the same amount or impair its capital.

Contravention.

172. Where it appears to the Supervisor that the assets of any company fall below the requirements for viability of section 57 and upon expiry of a period of thirty days given to the company to be heard by him, the Supervisor shall—

- (a) cancel the licence of the company; or
- (b) upon such terms and conditions as the Supervisor thinks proper, set a time within which the company shall make good the deficiency (the company’s licensing being continued in the meantime) and upon the company’s failure to make good such deficiency within the time so set, the licensing of the company shall be cancelled,

but if the company’s assets are less than the liabilities including the unearned premiums calculated as provided in section 170, or if the company has contravened the requirements of section 171, its certificate of licensing shall be withdrawn.

Annual appropriation for surplus.

173.—(1) Until the surplus of a local company equates or exceeds the liability of the company in respect of outstanding un-matured policies required to be included in the annual statement in accordance with section 170, the company shall at the end of each year appropriate towards surplus at least twenty-five per cent of the profits of the company for the year last past.

(2) For the purposes of this section, the expression “surplus” means the excess of assets over the paid-up capital of the company and all the liabilities of the company including the liability in respect of outstanding un-matured policies required to be included in the annual statement in accordance with section 170.

Disclosure of pro rata condition of average.

174.—(1) Where a contract of insurance contains a *pro rata* condition of average, the condition is of no effect unless, before the contract is entered into, the insurer informs the insured in writing of the nature and effect of the condition requiring that the insured be his own insurer for the proportion by which the value of the risk exceeds the sum insured.

(2) For the purpose of this section, “value” means—

- (a) if the policy is on a reinstatement basis, the cost of reinstating the buildings or contents to their condition when new or the cost of replacement at the date of any loss or damage, which ever shall be less;

(b) if the policy is on an indemnity basis, the cost of reinstatement calculated as in paragraph (a), less a reasonable provision for depreciation.

(3) This section shall not apply to an insurance contract entered into or renewed before the commencement date of this Act.

175.—(1) In addition to the reserves required by section 170, every company transacting motor vehicle insurance business shall provide reserves for meeting outstanding claims arising from accidents which have occurred.

Additional reserves for motor vehicle insurance.

(2) Every company shall furnish to the Supervisor details of the method used in calculating such reserves.

176.—(1) An insurance company carrying on motor vehicle insurance business shall provide to the Department of Transport information relating to the period and type of insurance issued and shall notify of any cancellation of the policy within thirty days of cancellation.

Notice of expiration etc., of cover notes and policies.

(2) Information required under sub-section (1) may be provided as data transferred directly to any system used by the Department of Transport for the recording of vehicle registration and licensing information on the period of insurance, including the issuance and expiry date on the motor vehicle identified by vehicle identification number or licence plate.

177. A company carrying on motor vehicle insurance business shall issue a certificate of insurance as required by the Motor Vehicle Insurance (Third Party Risks) Act on or before the expiration of the cover note or where no cover note has been issued within seven days of receipt of the first premium or part premium paid on behalf of the policy in respect of which that certificate is so required.

Issue of policies.

CAP. 231.

178. Whenever a company carrying on motor vehicle insurance business has accepted a vehicle involved in an accident as a total loss or agreed to pay the insured for loss of the vehicle, the company shall within thirty days of such acceptance or agreement notify the Department of Transport accordingly giving full details of the damage to the vehicle.

Report to Department of Transport.

PART VII

Microinsurance

179.—(1) Microinsurance insurance business may be carried on in Belize by any licensed insurance under categories 1 and 4 (ii).

Microinsurance entities.

(2) A company licenced to carry on microinsurance business could be licensed to write long-term insurance business in addition to general insurance business or motor

insurance, or any combination of them, or long-term insurance business only or only general insurance business only or motor insurance only.

Microinsurance agents.

180.—(1) Microinsurance products may be distributed by the insurer of the product, and also the agents, insurance brokers and microinsurance agents of the insurer.

(2) For greater certainty—

- (a) the insurer is liable to the policyholder for acts and omissions of his agents and microinsurance agents;
- (b) insurance brokerage firms, insurance brokers, agents and sub-agents are allowed to intermediate microinsurance products according to their license.

(3) An insurer may also authorize the microinsurance agent to effectuate and countersign microinsurance contracts and perform additional functions as prescribed, however a microinsurance agent shall not distribute any insurance product other than a microinsurance product.

(4) An insurer shall appoint a microinsurance agent by entering into a deed of agreement, which shall clearly specify the terms and conditions of such appointment, including the duties and responsibilities of both the microinsurance agent and the insurer and the microinsurance products that the microinsurance agent can distribute.

(5) Subject to forms and terms prescribed by regulation, every insurer shall publicly disclose the updated list of microinsurance agents appointed by him, indicating the products offered and his key information.

Conduct of business.

181. According to the conduct of business rules and principles for microinsurance products defined by the regulation, insurers and their distribution channels offering microinsurance products in Belize shall document and effectively implement key processes, policies and controls that—

- (a) procure fair treatment to customers through the whole product's life cycle, before a contract is entered into and through the point at which all obligations under a contract have been satisfied;
- (b) avoid or properly manage any potential conflicts of interest;
- (c) guarantee that the insurer completes due diligence before appointing a microinsurance agent or any other participant in the value chain of the microinsurance product with regard to the reputation, track record and ability to perform their functions and comply with the regulations and in the best interests of policyholders; and that arrangements with those providers are in place to ensure fair treatment of customers;

- (d) ensure that product developing and distributing stages take into account the compliance with regulatory requirements and the interest of different types of consumers, particularly those of vulnerable groups;
- (e) ensure that microinsurance policies, promotion and any document associated with the sale and the service of the product is drafted and communicated timely in simple, not misleading and easily understood by the policyholder language. Regulation may prescribe quality and quantity limits for these purposes;
- (f) ensure that microinsurance customers are informed on how to access timely and appropriate advice about the product from the insurer or intermediaries when allowed by the insurer to do so;
- (g) when customers receive advice before concluding a microinsurance contract, ensure that the advice provided by insurers and intermediaries takes into account the customer's disclosed circumstances;
- (h) servicing policies is appropriate and fair and any agreed contractual change during the contract's life is timely disclosed to the policyholder and duly motivated.
- (i) claims and complains are handle in a timely, fair and transparent manner. confidential information of customers is duly used and protected.
- (j) any other aspect of the business model, culture and product governance of the insurer and intermediary prescribed by regulation to support fair treatment to customers and transparency.

182. The Supervisor may publicly disclose or require the insurer to disclose the microinsurance policy models and forms needed in an electronic and easy-to-access database.

Public disclosure.

183. Every document, within the meaning of this Act, shall be recognized as legal and valid by an insurer to communicate with customers, send and receiving information, and prove consent and other actions.

Communication.

PART VIII

Insurance Managers

184.—(1) No person shall act as an Insurance Manager for, or in relation to, a licensed insurer, unless that person is licensed by the Supervisor in accordance with the Regulations and has paid to the Supervisor the prescribed licence fee and every prescribed renewal fee

Insurance Manager.

(2) An applicant for insurance manager licence shall provide such documents and information as may be required by the Supervisor including, without limiting the generality of the foregoing, such documents and information to satisfy the Supervisor that the applicant is fit and proper and has or has available adequate knowledge and expertise to provide satisfactory insurance management services in Belize.

(3) The Supervisor may, in relation to an application under this section, if he thinks it proper to do so—

- (a) grant the licence;
- (b) refuse the licence;
- (b) cancel any licence at any time.

(4) Part II (Unauthorized insurance) shall apply, in relation to any person acting as an insurance manager who has not been duly licensed by the Supervisor.

(5) Where a person carries on a business which in any respect is, or in the opinion of the Supervisor appears to be, of a similar character to the business carried on by an Insurance Manager, that person, upon a declaration made by the Supervisor in writing, shall be subject to the provisions of this section and shall be deemed to be acting as an insurance manager.

Duties of
Insurance
Manager.

185.—(1) An insurance manager shall use his best endeavours to manage insurance business only for fit and proper insurers licensed as Category 2,3 and 4(i).

(2) If the insurance manager, in respect of any insurer for or with whom the insurance manager is managing insurance business—

- (a) has concerns regarding the fitness and probity of the insurer;
- (b) obtains information or suspects that the insurer is unable or likely to become unable to meet its obligations as they fall due;
- (c) obtains information or suspects that the insurer is carrying on or attempting to carry on business in a fraudulent or criminal manner;
- (d) obtains information that the insurer is involved in any criminal proceedings, whether in Belize or abroad;
- (e) obtains information about a material change in the nature of the insurer's business that has not been reported to the Authority, or;
- (f) obtains information or suspects that the insurer is carrying on or attempting to carry on business otherwise than in compliance with the conditions of its category of licence, this Act and its regulations, the

Money Laundering and Terrorism (Prevention) Act and its Regulations, Economic Substance Act, and the Accounting Maintenance Act, or any other Act or regulation applicable,

the insurance manager shall report the information, suspicion or concerns forthwith to the Supervisor.

(3) Any registered insurance manager who fails to comply with sub-section (2) commits an offence against this Act.

(4) An insurance manager carrying out or charged with the carrying out of any duty, obligation or function under this section shall not be liable in damages for anything done or omitted in the discharge or purported discharge of that duty, obligation or function, unless it is shown that the act or omission was in bad faith.

PART IX.

Insurance Intermediaries

186.—(1) No person may, in respect of any class of insurance business, carry on insurance intermediation or in any form acts as an insurance intermediary unless that person is licensed under this Part, however this sub-section does not apply to microinsurance agents regulated by section 180.

Licensing of insurance intermediaries.

(2) A person who contravenes this section commits an offence and is liable on summary conviction to a fine of five thousand dollars or to imprisonment for twelve months or both.

187.—(1) An application for licensing under this Part shall be made to the Supervisor in the prescribed form and shall be accompanied by evidence of payment of the prescribed fee and by such documents as may be prescribed.

Application for licence.

(2) If a person wishes to be licensed as an agent or sub-agent for more than one person, a separate application shall be made in respect of each agency or sub-agency, as the case may be, and a separate fee shall be payable in respect of each agency or sub-agency.

(3) The Supervisor may, upon receipt of the application request the applicant to furnish such additional information as the Supervisor may consider to be relevant in relation to the application, and the applicant shall comply with any such request.

(4) The application referred to in sub-section (2) of this section shall be endorsed by the Chief Executive Officer of the licensed insurer or a person authorised by him with the approval of the Supervisor.

188.—(1) No person may be licensed under this Part to carry on insurance intermediation if he is—

General restrictions on licensing.

- (a) under the age of eighteen years in the case of a collector;
- (b) under the age of twenty-one years in the case of a broker, agent or sub-agent;
- (c) an undischarged bankrupt, unless he has been granted leave to carry on such business by the Court by which he was adjudged bankrupt; or
- (d) a person who has been found by a Court of competent jurisdiction to be of unsound mind.

(2) No person may be licensed under this Part as an agent, sub-agent, or collector of an insurer unless that insurer is licensed under Part III or is exempted from licensing thereunder.

(3) No person may be licensed under this Part as a sub-agent of another person unless that other person is licensed under this Part as an agent or is exempted from licensing thereunder

(4) No person may be licensed under this Part as a collector, unless the insurer or agent by whom he is so employed or engaged is licensed under Part III, as the case may be, or is exempted from licensing thereunder.

(5) Sub-sections (2), (3) and (4) do not apply to microinsurance agents regulated by sub-section 180.

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2022.

(6) No person or entity may be licensed as an insurance brokerage firm unless that person or entity is established and registered as a corporate entity under the Belize Companies Act, and has a fully paid-up share capital of one hundred thousand dollars (\$100,000).

(7) No insurance brokerage firm shall place business with an insurer in Belize unless the insurer with which such business is placed is licensed in Belize as an insurer under Part III of this Act.

Special Broker
Licence.

(8) Notwithstanding sub-section (7), if an insurance brokerage firm has a risk that cannot be placed in the licensed market in Belize, he may place the risk out of Belize and may use a broker that holds a special brokerage licence as provided for and subject to the conditions prescribed by regulation.

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2022.

(9) No insurance brokerage firm or corporate agent shall be licensed under this Part in a name which differs from that in which such insurance brokerage firm or corporate agent is registered under the Belize Companies Act.

(10) No corporate insurance agent shall be permitted to represent another corporate insurance agent nor shall one insurer be the agent of another insurer.

(11) No insurance company and no person carrying on business as an insurer, or an agent shall be licensed as a broker and no person carrying on business as a broker shall be licensed as an insurer or an agent.

(12) No person carrying on business as an insurance collector shall be licensed as an agent, sub-agent or a broker.

189.—(1) Where the Supervisor is satisfied in respect of an applicant—

Licensing of intermediaries.

- (a) that the requirements of section 187 have been complied with;
- (b) that section 188 does not apply;
- (c) that the applicant is a person of good character and is otherwise a fit and proper person to be an insurance intermediary as the case may be;
- (d) that the applicant is sufficiently competent and knowledgeable to carry on business as a broker, agent or sub-agent as the case may be, in respect of any relevant class or classes of insurance; in the case of a person who was, before the commencement of this Act, carrying on business in Belize as a broker, collector, agent or sub-agent, that he conducted such business in a sound and proper manner;
- (e) if the applicant is then required by Regulations made under this Act to pass any examination, that he has passed such examination; and
- (f) in the case of a person applying to carry on business as an insurance brokerage firm or a corporate agent that such applicant—
 - (i) is duly incorporated, in the same name, as a body corporate under the Belize ^{Act No. 11 of 2022.} Companies Act and that the memorandum of association or constitution of the body corporate empowers it to conduct insurance business of the type for which it is seeking to be licensed;
 - (ii) has and undertakes at all times to maintain in force professional indemnity insurance cover for a minimum of one million dollars and any specifications as to such cover as may be prescribed by the Supervisor,

he shall, either unconditionally or subject to such conditions as he may specify, licence the applicant as—

- (aa) an insurance brokerage firm;
- (bb) a collector;

(cc) an agent, (individual or corporate) of the insurance company or person for whom the applicant has been appointed as agent or sub-agent; or

(dd) a sub-agent as the case may be,

in respect of such class or classes of insurance as he shall specify and shall notify the applicant accordingly.

(2) If the Supervisor is not satisfied, in relation to all or any of the classes of insurance business in respect of which the application is made, as to one or more of the conditions set out in sub-section (1) of this section, he shall notify the applicant in writing that he proposes to refuse to licence the applicant or, as the case may be, that he proposes to refuse to licence the applicant in respect of one or more of the classes of insurance applied for, giving his reasons for doing so, and notifying him of his right under Part XIII to appeal to the Appeals Board within ten days for a review of the Supervisor's decision

Certificate of licence and intermediary card.

190. The Supervisor shall furnish to every person licensed under this Part a certificate and an intermediary card in the prescribed form that such person has been licensed as a broker, collector, individual agent or sub-agent as the case may be, and such certificate and intermediary card shall—

- (a) state the class or classes of insurance in respect of which such person is so licensed;
- (b) state any conditions subject to which such person has been so licensed; and
- (c) in the case of the licensing of a person as an agent, sub-agent or collector specify the insurance company or person for whom such first mentioned person has been licensed as an agent, or as the case may be, a sub-agent or collector, and the certificate and intermediary card shall be prima facie evidence that the person stated therein as having been licensed has been so licensed for the calendar year in which the licence and intermediary card were issued.

(2) In the case of agents, sub-agents and brokers, the certificate shall be prominently displayed at the principal place of business of the person to whom it was issued and a copy thereof shall be similarly displayed at each of the branches and agencies of the business of such persons in Belize; the intermediary card shall be available for production by the intermediary whenever its production is requested.

(3) A person who—

- (a) without reasonable excuse fails to comply with the provisions of sub-section (2) of this section; or

- (b) displays a certificate which is not valid,

shall be liable to the imposition of an administrative penalty by the Supervisor of one up to five thousand dollars and where the violation continues for a period of one month, he commits an offence and is liable on summary conviction to a fine of up to twenty thousand dollars.

191.—(1) The Supervisor may give 30 days' notice in writing to a person licensed under this Part that he proposes to cancel such person's licence, giving his reasons for doing so, and notifying such person of his right of appeal to the Appeals Board under Part XIII, if at any time the Supervisor is satisfied—

Right of appeal grounds for cancellation, etc.

- (a) that such licensing was procured as a result of any misleading or false representation or in consequence of any incorrect information (whether such representation or information was made or supplied wilfully or otherwise);
- (b) that such person has become disqualified for such licensing by virtue of section 188;
- (c) that such person is carrying on business otherwise than in accordance with sound insurance principles and practice;
- (d) that such person has not, within a period of one month from a date on which the Supervisor demanded from him in writing any information which he was entitled under this Act to demand from him, furnished that information duly and satisfactorily;
- (e) that such person has been guilty of a fraudulent or dishonest practice;
- (f) that such person has demonstrated that he is not sufficiently competent and knowledgeable to carry on business in the class or classes of insurance in respect of which he was licensed or that he is otherwise not a fit and proper person to carry on such business;
- (g) that such person has contravened any of the provisions of this Act or its regulations or any condition, direction or requirement imposed under this Act by the Minister or by the Supervisor or has been an accessory to the contravention thereof by any other person; or
- (h) that the person has repeatedly and unreasonably delayed transmitting monies received for the account of an insurer or client to the person entitled thereto; or
- (i) that the person has violated any provision of the Money Laundering and Terrorism (Prevention) Act or Regulations.

(2) Where the Supervisor has notified any person that he proposes to cancel that person's licence, he may suspend that person's licensing pending the outcome of the appeal, and shall notify that person of any such suspension.

Implementation of proposal to refuse to licence, etc.

192. Where any person has been notified under sections 189(2), 191(1) or (2), of the right of appeal to the Appeals Board and—

- (a) does not so appeal or discontinues the appeal; or
- (b) the result of the appeal is the affirmation, with or without variation, of the Supervisor's decision,

then, subject to any such variation, the Supervisor shall give effect to his decision and notify the person in writing accordingly.

Summary cancellation of licence.

193. The Supervisor may at any time cancel the license of a person under this Part—

- (a) if he is satisfied that such person has not carried on business in Belize as a broker, collector, agent or sub-agent as the case may be, during the one year period following his licensing, or has not carried on business in Belize as such for a period of more than one year;
- (b) in the case of a person licensed as an agent, or sub-agent that the licensing under this Act of the insurer or person for whom such first mentioned person was licensed as an agent, or sub-agent has been cancelled, or that the agency or sub-agency has been terminated;
- (c) if such person so requests; or
- (d) is required under the Money Laundering and Terrorism (Prevention) Act as a sanction.

CAP. 104.

Information to be supplied to Supervisor.

194.—(1) Where an agency or sub-agency in respect of which a person has been licensed under this Part as an agent or, as the case may be, or as a sub-agent is terminated, notice in writing in the prescribed form shall immediately be given to the Supervisor both by such person and by the person for whom he was appointed as such agent, or sub-agent.

(2) Where the employment of a collector licensed under this Part is terminated, notice in writing in the prescribed form shall immediately be given to the Supervisor both by the collector and his employers in that employment, and upon the collector entering any new employment, notice in writing in the prescribed form shall forthwith be given to the Supervisor both by the collector and his new employers.

(3) The Supervisor may demand in writing from any person licensed under this Part or from his employer or principal any information relating to any matter in connection with that person's business as a broker, collector, agent, or sub-agent, as the case may be.

(4) Any person who contravenes this section commits an offence.

Production of
certificate of
licensing.

195.—(1) Every person licensed under this Part shall if requested to do so by the Supervisor or by any person authorised by the Supervisor or by any person with whom such first-mentioned person is dealing in the course of his business as a broker, collector, agent or sub-agent as the case may be, produce his certificate of licensing or intermediary card for inspection.

(2) Every person who fails to comply with sub-section (1) of this section, commits an offence.

196. An insurance agent, sub-agent, or collector, shall, for the purpose of receiving any premium for a contract of insurance, be deemed to be the agent of the insurer notwithstanding any conditions or stipulations to the contrary and the licensed insurer shall be deemed to have received any premium received by the agent, collector, sub-agent.

Agency.

197.—(1) An agent, sub-agent, broker, or collector who knowingly procures by fraudulent representation payment or the obligation for payment of any premium on an insurance policy commits an offence.

Fraudulent
representation.

(2) No person shall cause an insured to discontinue any policy of insurance without being satisfied on reasonable grounds that such discontinuance is to be for the benefit of the insured under this Act.

198. An agent, sub-agent, or broker is personally liable to the insured on all contracts of insurance unlawfully made by or through him directly with any insurer not licensed to carry on insurance business in Belize in the same manner as if such agent, sub-agent, or broker were the insurer.

Liability for
unlawful
contracts.

199.—(1) An insurance agent, sub-agent, broker, collector or commits an offence where he receives money—

Paying over of
premiums to
insurer.

- (a) from an insurer for the account of an insured and fails to pay over same within fifteen days;
- (b) from a client for the account of an insurer and fails to pay over same to the insurer within thirty days after the receipt by him of the premium; or
- (c) in the case of an agent or a broker, he may with the agreement, in writing, of the insurer deduct any commission or other monies to which he is entitled by the agreement before paying over the premium.

(2) Where an insurer at the request of an insurance broker provides cover to an insured, the insurance broker is liable to the insurer for the premium due in respect of

such cover and such premium may be sued for and recovered from the insurance broker as a civil debt.

Compensation for placing or negotiating insurance.

200. No insurer, and no officer, employee, agent, or sub-agent thereof, and no broker, or collector shall directly or indirectly pay or allow, or agree to pay or allow compensation or anything of value to any person for placing or negotiating insurance on lives, property or interests in Belize, or for negotiating the continuance or renewal thereof, or for attempting to do so, who, at the date thereof, is not a licensed insurer or agent, broker, or collector and whoever knowingly contravenes this section commits an offence.

Misbehaviour.

201. An insurance agent, sub-agent, broker or collector commits an offence when he engages in any practice or activity which constitutes “misbehavior” as defined by regulation prescribed under the Act.

Prohibition of payment of premium other than on agreed policy.

202. No agent or collector thereof, and no broker shall directly or indirectly make or attempt to make an agreement as to the premium to be paid for a policy other than as set forth in the policy, or pay, allow or give, or offer or agree to pay, allow or give, a rebate of the whole or part of the premium stipulated by the policy, or any other consideration or thing of value intended to be in the nature of a rebate of premium, to any person insured or applying for insurance in respect of life, person or property, liability or interest in Belize, and an insurance intermediary or other person who contravenes this section commits an offence.

203. Nothing in sections 202 and 204 shall affect any payment ^{Application of sections 202 and 204.} way of dividend, bonus, profit or savings that is provided for by ^{by} the policy, or be construed so as to prevent an insurer compensating, a *bona fide* salaried employee of its head or branch office or a spouse, or child thereof, in respect of insurance issued by the employing insurer upon the life or property of such person or so as to require that such person shall be licensed as an agent under this Part to effect such insurance.

Making returns to Supervisor.

204. Every insurer shall make a return to the Supervisor in such form and at such time as the Supervisor requires showing all persons, partnerships and companies duly authorised as its agents, or brokers in Belize, and of persons, partnerships or companies to whom it has, within such period as the form of return requires, paid or allowed or agreed to pay or allow, directly or indirectly, compensation for placing or negotiating insurance on lives, property or interests in Belize, or negotiating the continuance or renewal thereof, or for attempting to do so.

Keeping of records by licensed brokers, etc.

205. Every broker and corporate agent licensed in accordance with this Part shall—

- (a) establish and maintain within Belize distinct accounts for each insurer with which such broker or corporate agent places insurance business and shall make available to the Supervisor on the Supervisor’s written request—

- (i) a record of all local policies issued by him on behalf of any licensed insurer
 - (ii) a record of the aggregate amount of the premiums received on such policies; and
 - (iii) an analysis of premiums payable to insurers by the number of days such premiums have been outstanding;
- (b) submit to the Supervisor within four months of the end of its financial year a copy of its audited financial statements.

206.—(1) Sections 28 to 40 apply to brokerage firms and corporate insurance agents.

Ownership and corporate governance for intermediaries.

(2) Every insurance brokerage firm or corporate insurance agent shall have a board of directors comprised of at least 3 directors who shall be fit and proper.

(3) The board of the brokerage or corporate insurance agent shall meet at least four times per year.

(4) Every insurance brokerage firm or corporate insurance agent shall have board approved policies and procedures that are reasonably designed to ensure that the individual brokers employed or retained by the insurance brokerage firm or corporate insurance agent—

- (a) are fit and proper within the meaning of this Act and
- (b) are carrying out their brokerage activities in a professional manner, in the best interests of their clients and in accordance with this Act and any Code of Conduct that may be approved by the Supervisor

(5) Every insurance brokerage firm shall have board approved policies that are reasonably designed to ensure that premiums collected by the insurance brokerage firm and by individual brokers, are maintained by the brokerage in bank accounts that are earmarked as trust funds, in trust for the insurers to which they are directed, with such funds not to be intermingled with any other funds of the insurance brokerage firm or of individual brokers.

(6) The insurance brokerage firm shall complete and submit to the Supervisor for review, and subject to such requirements as the Supervisor may from time to time specify, any forms, whether in electronic or printed format, which are designed to reconcile insurance premiums collected and remitted to insurers, with funds on deposit for the brokerage in bank accounts of the type described in sub-section (5).

(7) A insurance brokerage firm that is found by the Supervisor to not be complying with the requirements in this section commits an offence.

PART X.

*Supervisor of Insurance*Supervisor of
Insurance.

207.— (1) For the purposes of this Act there shall be a Supervisor of Insurance who is appointed by the Minister using public procedures and shall be responsible for the general administration of this Act and the accomplishment of its objects according to section 4, and for supervising provisions of the Money Laundering and Terrorism (Prevention) Act.

CAP. 104.

(2) The office of the Supervisor of Insurance shall be a public office and the Supervisor may only be removed from office for a cause with the reasons therefore publicly disclosed.

(3) In the exercise of his responsibilities and powers, the Supervisor shall be operationally independent of, but accountable to the Minister, and will have adequate resources to discharge his responsibilities under this Act.

(4) In administering this Act, and subject to the over-riding interests of policyholders and the general public interest, the Supervisor shall—

- (a) allocate supervisory resources on the basis of risk with more resources being allocated to insurers and intermediaries for which, based on the Supervisor's assessment, there is a relatively higher risk of not meeting the objectives of this Act;
- (b) take account of the nature, scale and complexity of each insurer's operations;
- (c) keep the Minister apprised with regard to levels of risk in the insurance industry and with regard to any situations where the Supervisor considers there to be high levels of risk in particular insurers;
- (d) monitor and analyze market and financial developments and other environmental factors in the Belize insurance and business marketplace that may impact insurers and the insurance market and use this information in the supervision of individual insurers, and where appropriate, utilizing information from, and insights gained by, other national authorities;
- (e) as a risk-based supervisor, in recognition of accepted international standards and notwithstanding that this Act does make provision for monetary penalties to be assessed with regard to situations of non-compliance, to the extent possible apply preventive and corrective interventions in an escalating manner as provided for in section 103 (2), in lieu of monetary penalties;

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- (f) on an 'as required' basis, issue guidance to insurance companies and intermediaries with regard to improving the effectiveness of compliance, clarifying the meaning and intent of particular supervisory policies and provisions in this Act and otherwise providing the industry with guidance in respect of supervisory matters;
 - (g) effectively supervise reporting entities and take necessary measures for the purpose of securing compliance by reporting entities with the requirements of this Act and the Money Laundering and Terrorism Prevention Act through on-site and off-site examinations or other means;
 - (h) in the exercise of its cooperative functions, enter into memorandum of understanding with foreign supervisory authorities for—
 - (i) the purpose of assisting a foreign authority or any designated third party to carry out its supervision, investigation or enforcement functions;
 - (ii) the purpose of assisting in consolidated supervision with such foreign supervisory authority, or any designated third party;
 - (iii) such other purposes as the Supervisor may deem fit;
 - (i) the Supervisor shall notify the Minister of each memorandum of understanding and promptly publish it in the Gazette;
 - (j) handle and resolve any dispute or difference between and insurer and a policyholder or third party, according to policies and procedures prescribed.

(5) Where any function is by this Act or any other Act or by any statutory instrument made or issued thereunder, required, permitted or otherwise to be performed by the Supervisor, that function may be performed by some other public officer or person or entity authorized in that behalf by the Supervisor.

(6) Neither the Minister nor the Supervisor nor any officer or person acting pursuant to any authority conferred by the Minister or the Supervisor, as the case may be, shall be liable to any action, suit or proceeding for, or in respect of any act or matter done or omitted to be done in good faith in the exercise of the functions conferred by or under this Act or any Regulations made thereunder.

(7) Information acquired by the Supervisor in the course of carrying out his functions shall be regarded as confidential except to the extent that its disclosure appears to the Supervisor to be necessary—

- (a) to enable the Supervisor to carry out any of his statutory functions;

- (b) in the interests of the prevention or detection of crime;
- (c) in connection with the discharge of any international obligation to which Belize is subject;
- (d) to obtain and exchange supervisory cooperation and information with other supervisory agencies domestic and international in respect of legal entities and corporate groups, and, subject to ensuring confidentiality, purpose and use requirements;
- (e) to assist, in the interests of the public, any authority which appears to the Supervisor to exercise in a place outside Belize functions corresponding to those of the Supervisor; or
- (f) to comply with the directions of the Court in Belize.

(8) In addition to all other powers given to the Supervisor under this Act and without prejudice to any other action that may be instituted or taken against a person, the Supervisor may, by notice in writing and without a hearing, give a direction to any person if it appears to the Supervisor that—

- (a) it is desirable for the protection of policyholders;
- (b) a person is contravening, has contravened, or is about to contravene any provision of or requirement under this Act;
- (c) a person has failed to comply with any provision of or requirement under this Act; or
- (d) a person, in purported compliance with any provision or requirement, has furnished the Supervisor with information that is false, inaccurate or misleading.

(9) A direction under sub-section 8 may contain one or more of the following prohibitions or requirements—

- (a) require a person to cease and desist from the contravention;
- (b) require a person to comply with the provision or requirement;
- (c) prohibit a person from entering into transactions of a class or description specified in the notice or prohibit entering into the transactions otherwise than in the specified circumstances or to the extent specified;
- (d) prohibit a person from soliciting business;

- (e) prohibit a person from carrying on business in a specified manner or otherwise than in a specified manner;
- (f) as regards any assets, whether in Belize or elsewhere and whether they are the assets of the person or not—
 - (i) prohibit the person from disposing of such assets or prohibit the person from dealing with them in a manner specified in the notice; or
 - (ii) require a person to deal with such assets in, and only in, a manner specified in the notice;
- (g) require a person to maintain in Belize assets of such value as appears to the Supervisor to be desirable with a view to ensuring that the person will be able to meet its liabilities in respect of its securities business; or
- (h) require a person to transfer control of assets of a specified class or description to a trustee approved by the Supervisor.

(10) A direction under sub-section (8) shall be for such specified period as the Supervisor considers necessary and may be extended for such period as the Supervisor deems necessary. A direction containing any prohibition or requirement under sub-section (9) (f), (g) or (h) shall be for a period not exceeding thirty days.

(11) A person who fails to comply with a direction of the Supervisor commits an offence.

(12) Every document filed with the Supervisor, and all records and accounts required to be kept under this Act, shall be in the English language. Where a document is not in the English language it shall be accompanied by an authentic English translation, and in the event of any conflict in meaning between the foreign language and the English version, the English version shall prevail.

(13) The Supervisor shall in any notification, state the reasons for his decision

208.—(1) The Supervisor of Insurance must take such steps as it considers appropriate—

- (a) to co-operate with other regulatory or supervisory authorities and law enforcement authorities in relation to the development and implementation of policies to counter, fraud, money laundering and terrorist financing;
- (b) to co-ordinate activities to counter, fraud, money laundering and terrorist financing with other regulatory or supervisory authorities and law enforcement authorities;

Duty to cooperate.

- (c) to co-operate with authorities in third countries to ensure the effective supervision of a reporting entity to which paragraph (b) applies.

(2) This sub-section applies to a reporting entity—

- (a) based in Belize, which has its head office in a third country; or
- (b) based in a third country but which has its head office in Belize;

(3) Co-operation may include the sharing of information which the regulatory authority is not otherwise prevented from disclosing.

(4) Nothing in sub-section (1) or any other law of Belize, prevents the Supervisor from disclosing or sharing information with a local or foreign regulatory body or agency that regulates or supervises financial entities, including insurers, for the purpose of such regulation or supervision, subject to appropriate safeguards.

(5) For the purpose of sub-section (2), “financial entity” has the meaning assigned to it in section 2 of the Domestic Banks and Financial Institutions Act.

CAP. 263.
Supervisory
policies and
procedures.

209. The Supervisor will follow supervisory policies and procedures that are generally in accordance with international standards for insurance supervision, as are relevant to the circumstances of Belize, and will endeavour to ensure that such policies and procedures are made public if material.

Supervisory risk
assessment of
insurers.

210.—(1) According to risk-based planning and considering section 219 and 220, the Supervisor shall cause assessments, including on-site inspections of each licensed insurer to be carried and on an on-going basis shall monitor insurer financial performance, trends in performance and over-all financial soundness, conduct of business, corporate culture and corporate governance framework, and other areas as may be prescribed to determine the insurer’s composite risk level. The assessment should include the risks which insurers may pose to policyholders, the insurance sector and financial stability.

(2) The Supervisor shall have as an over-riding objective, the assessment of the composite risk level of the insurer, where the composite risk level will be a function of the following main factors—

- (a) the magnitude and diversity of the categories of external and inherent risk to which the insurer is exposed. As prescribed in the regulation, those risks could include, but are not limited to macroeconomic and macroprudential external risks, and credit, market, technical, operational, strategic, financial crime/money laundering and conduct inherent risks; and
- (b) the extent to which those categories of external and inherent risk are estimated by the Supervisor to be mitigated by the quality of the insurer’s systems of corporate governance, risk management and risk

control, thereby enabling the Supervisor to estimate the net or residual risk level of the insurer; and

- (c) the degree to which the overall level of net or residual risk of the insurer is, in the opinion of the Supervisor, further mitigated or increased by the insurer's financial strength and soundness, thus leading to the Supervisor's assessment of the composite risk level of the insurer.

(3) In making the risk assessments described in sub-section (2), the Supervisor shall take into account the nature, scale and complexity of the insurer, and confidentiality requirements.

(4) As the composite risk level of an insurer increases, the Supervisor may apply preventive and corrective measures as set out in section 103(3) in an escalating manner, with the objective of reducing the level of risk for the insurer.

(5) The Supervisor may from time-to-time issue guidance to insurers providing additional information with regard to the system of risk-based supervision, composite risk assessment, on-site inspections and other related matters.

(6) Nothing in this Act shall prevent the Supervisor in any event from conducting or authorising the carrying out periodically of on-site inspections.

211.—(1) For the purposes of assessing the solvency position of an insurer, the Supervisor may obtain an independent valuation or appraisal of any asset or group of assets or any liability or group of liabilities of a company and use the values so obtained when applying any risk-based solvency requirement or other solvency requirement that may be prescribed.

Independent valuation and appraisal.

(2) The Supervisor may charge the cost of any independent valuation or appraisal carried out pursuant to sub-section (1) to the insurer concerned.

212. If the Supervisor has a valid reason to believe that the auditor, actuary, or any key person in control functions are not qualified for appointment, he may disapprove the appointment and notify the insurer or insurance intermediary in writing, whereupon the insurer or insurance intermediary shall immediately remove that person and appoint another who is qualified.

Disapproval of appointment.

213.—(1) The Supervisor may require any company licensed under this Act or the director, manager, insurance manager, officer, auditor, actuary, key person in control functions, Compliance Office, or secretary of the Board thereof to furnish him, within such time as he may specify, with such information as the Supervisor reasonably believes may be necessary to assess the composite risk level of the company pursuant to section 210 (2) to ascertain the ability of the company to meet its obligations under policies issued by it, and to counter, fraud, money laundering and terrorist financing.

Provision of information to Supervisor to assess composite risk compliance.

(2) A person, company or any director, manager, insurance manager, officer, auditor, actuary, key person in control functions, Compliance Officer, or secretary of the Board of a company who without reasonable excuse fails to comply with the requirements of sub-section (1) commits an offence.

Maintenance of Registers.

214. The Supervisor shall maintain or cause to be maintained separate registers of—

Schedule I.

- (a) companies licensed to carry on in Belize the various classes of insurance business specified in Schedule I or as specified in Regulations, according to their Category of licensing;
- (b) reinsurers;
- (c) financial holding companies;
- (d) insurance intermediaries;
- (e) Micro-Insurance agents; and
- (f) such other registers as may be required to be maintained under the Act or any regulations made thereunder.

Annual report.

215.—(1) The Supervisor shall on or before the last day of September in each year or such later date as the Minister may specify prepare and submit to the Minister a report containing—

- (a) information with regard to the conduct of supervision and the performance of the Supervisor in meeting supervisory objectives, including, subject to confidentiality considerations and in so far as it does not jeopardize other supervisory objectives, information about any failed insurers and supervisory actions taken;
- (b) printed copies or summaries of documents lodged with the Supervisor under section 90 and 101;
- (c) information and analysis about the financial situation of the insurance sector in Belize; and
- (d) a list of insurance companies and intermediaries licensed as at the reporting date, and for insurance companies, including the category of license of the insurers and the classes of insurance business for which each company is licensed.

(2) The Supervisor may attach to any printed copies or summaries furnished pursuant to sub-section (1)(b), such comments on the document as the Supervisor considers necessary, together with a copy of any correspondence relating to the document.

(3) The Minister shall, as soon as practicable after the receipt of the Supervisor's report, cause a copy of the report to be laid before the National Assembly.

216.—(1) The Supervisor may require any person by notice in writing—

General
authority to
access
information, etc.

- (a) to furnish him at such time and in such manner as he may determine with such information in connection with a licensed person or with activities that shall be authorized under this Act;
- (b) to produce at such time and place as he may determine such books, papers or other documents in connection with a licensed person or with activities that shall be authorized under this Act as he may specify; or
- (c) to produce to any person authorized in writing by him such books or papers or other documents as he may specify.

(2) A person who is authorised in writing by the Supervisor pursuant to sub-section (1)(c) of this section shall, where requested to do so, produce evidence of his authority to the person.

(3) The powers conferred under sub-section (1) on the Supervisor or on a person authorised by him may be exercised even where the books, papers, or other documents are in the possession of another person, except that where the person who is in possession claims a lien on books, papers or other documents the production shall be without prejudice to the lien.

(4) The powers conferred under sub-section (1) on the Supervisor or on a person authorised by him includes a power—

- (a) to take copies of or extracts from the books, papers or other documents which have been produced; and
- (b) to require the company or the person in whose possession the books, papers or other documents were, or any other person who is or was a director or auditor of the company or who is or was employed by the company to explain any of the contents thereof; or
- (c) where the books, papers or other documents have not been produced, to require the company which or the person who was requested to produce them to give reasons for failing to do so.

(5) The Supervisor may, in exercising its powers under this section, seek the assistance of the Commissioner of Police.

217.—(1) The Supervisor shall collect at such times as are prescribed such statistics in relation to insurance business as are prescribed.

Power to collect
statistics.

(2) For the purpose of enabling the Supervisor to collect statistics under this section, every company shall furnish to the Supervisor in accordance with the prescribed form and at such times as are prescribed such particulars as are specified in that form.

Risk based supervision under Money Laundering and Terrorism (Prevention) Act.

218.—(1) The Supervisor shall, in addition to its powers under the Money Laundering and Terrorism Prevention Act—

- (a) adopt a risk-based approach to the exercise of its AML/CFT supervisory functions, being a risk-based approach, the frequency and intensity of AML/CFT on-site and off-site supervision should be informed by—
 - (i) the risk assessments carried out by the authority under section 219; and
 - (ii) the money laundering and terrorist financing risks present in Belize.
 - (iii) the characteristics of the reporting entities, in particular the diversity and number of reporting entities and the degree of discretion permitted under that Act to reporting entities in taking measures to counter money laundering and terrorist financing;
- (b) ensure that its employees have access to relevant information on the domestic and international risks of money laundering and terrorist financing which affect the reporting entities under its supervision;
- (c) keep a written record of the actions it has taken in the course of its supervision, and of its reasons for deciding not to act in a particular case;

(2) In accordance with its risk-based approach, the Supervisor must take appropriate measures to review—

- (i) the risk assessments carried out by insurance companies and insurance intermediaries, including the Insurance Manager under Money Laundering and Terrorism (Prevention) Act; CAP. 104.
- (ii) the adequacy of the policies, controls and procedures adopted by reporting entities under the Money Laundering and Terrorism (Prevention) Act and the way in which those policies, controls and procedures have been implemented. CAP. 104.

(3) The Supervisor of Insurance must take necessary measures for the purpose of ensuring compliance by reporting entities with

CAP. 104.

the requirements of the Money Laundering and Terrorism (Prevention) Act.

219.—(1) The Supervisor must identify and assess the international and domestic risks of money laundering, terrorism financing and proliferation financing to which the insurers are subject

Money
Laundering,
Terrorism
financing,
proliferation
financing risk
assessment.

(2) The Supervisor must keep an up-to-date record in writing of all the steps it has taken under sub-section (1).

(3) The Supervisor must develop and record in writing risk assessments for each insurer.

(4) The Supervisor may prepare a single risk assessment under sub-section (3) in relation to two or more insurers if the following conditions are met—

- (a) the insurers share similar characteristics; and
- (b) the risks of money laundering, terrorist financing and proliferation financing applicable to those insurers are similar.

(5) Where the Supervisor has prepared one risk assessment for two or more insurers, the Supervisor must keep under review whether an individual risk assessment should be prepared in relation to any insurer if sub-section (4) (i) or (ii), or both are no longer relevant to that insurer.

(6) In developing the risk profiles referred to in sub-section 3, the Supervisor must take full account of the risks that insurers might not take appropriate action to identify, understand and mitigate money laundering and terrorist financing risks.

(7) The Supervisor must review the risk profiles developed under sub-section (3) at regular intervals and following any significant event or developments in the management or operations of reporting entities which might affect the risks to which reporting entities are subject. Such reviews should be documented.

Group wide Supervision

220. If a group of associated companies operating in Belize includes at least one insurance company, the Supervisor will assess the risk profile of the insurance company in the context of the group-wide risk profile and—

Group risk
profile.

- (a) will confer with supervisory agencies in other jurisdictions where group members are authorized to operate, to determine, on a cooperative basis, which supervisory agency will assume the role of group-wide supervisor; and
- (b) will coordinate his activities, including the sharing of information pursuant to section 208(3), with supervisors in foreign jurisdictions

who are responsible for licensing any foreign insurance companies that are also members of the group; and

- (c) if one or more other types of financial institutions that require a licence to operate in or from within Belize are members of the group and are operating in or from within Belize, the Supervisor shall, on a best effort basis, coordinate his risk assessment activity in respect of the group, with the supervisory authorities responsible for licensing the other group financial institutions in Belize.

PART XI

Insurance Appeals

Right of review of Supervisor's decision.

221. Any person who, pursuant to this Act or any Regulations made thereunder, is directly affected by a decision of the Supervisor, other than those stated not to be subject to appeal, in any case may within thirty days of such notification, request the Supervisor by memorandum in writing, setting out the grounds for his request for a hearing before the Supervisor to review the case and, if, after that, the requestor is not satisfied, to refer the case for appeal to the Appeals Board regulated in this Part.

Appeal against decision of Supervisor.

222. Any person who, pursuant to this Act or any Regulations made thereunder, is directly affected by a decision of the Supervisor, other than those stated not to be subject to appeal, may appeal against the decision to the Appeals Board.

Appointment of Appeals Board.

223.—(1) The Minister shall cause to be appointed an Insurance Appeals Board (referred to in this Act as the “Appeals Board”) to hear and determine all appeals in respect of matters which may be referred under this Act to the Appeals Board.

(2) The Appeals Board for the purpose of this Act shall be constituted of—

- (a) the Chief Justice or other Judge of the High Court or any other person nominated by the Chief Justice, who shall be the Chairman of the Appeals Board; and
- (b) two other members appointed by the Minister from among persons who have knowledge of insurance or other related disciplines provided that no serving member of the office of the Supervisor, the Minister or of any licensee, and no employee, director, owner, provider of a licensee in Belize shall be appointed as a member of the Appeals Board.

(3) The terms of office of the members appointed under sub-section (2)(b) shall be such as may be specified in their instruments of appointment.

Procedure for hearing appeals.

224.—(1) The Appeals Board may make rules to regulate its procedure for hearing appeals, provided that such procedure shall comply with the rules of natural justice.

(2) In the event of any doubt or dispute arising on any question of practice and procedure, it may be settled by the Chairman of the Appeals Board, whose decision shall be final.

225. The quorum at any sitting of the Appeals Board shall be two members, one of whom shall be the Chief Justice or the Judge nominated by him.

Quorum of Board.

226. At any meeting of the Appeal Board, a decision may be taken by a majority of its members, provided that the members constituting the majority shall include the Chief Justice or the Judge nominated by him.

Decision by majority

227.—(1) Upon an appeal under the Act, the Appeal Board may affirm or set aside the decision appealed against or may make any other decision which the Supervisor could have made.

Power of Appeals Board.

(2) The Appeals Board may give such directions as it thinks fit for the payment of costs or expenses by any party to the appeal.

228. An appeal to the Appeals Board against a decision of the Supervisor shall not have the effect of suspending the execution of such decision, unless on an *inter partes* application made to the Chairman of the Appeal Board, the Chairman having heard both sides, is of the opinion that exceptional circumstances exist that warrant the grant of a stay of any further action by the Supervisor.

Effect of Appeal.

229.—(1) Any party aggrieved by a decision of the Appeals Board may appeal to the Court of Appeal on the ground that the decision was erroneous on a point of law.

Appeals to the Court of Appeal.

(2) On any such appeal, the Court of Appeal may affirm or set aside the decision appealed against and may remit the matter to the Appeals Board for rehearing and determination by it.

PART XII

Miscellaneous

230. Every policy issued in Belize or to a person resident in Belize through a person or office in Belize shall be governed by the laws of Belize and shall be subject to the jurisdiction of the Courts of Belize, notwithstanding any provision to the contrary in the policy or in any agreement relating to the policy.

Jurisdiction of local courts on other classes of insurance policies.

231. Subject to the Exchange Control Regulations Act—

Payment of money in local currency.
CAP. 52.

- (a) in respect of which the premiums are payable or paid in Belize, such premiums shall be payable or paid, as the case may be, and any sums payable or paid upon the maturity of such policy shall be payable or paid in the currency of Belize unless the parties have, at or subsequent to the issue of the policy, expressly otherwise agreed in writing;
- (b) where the parties to a policy have agreed that the premiums shall be payable or paid, as the case may be, or that any sums payable or paid upon the maturity of such policy shall be payable or paid, as the case may be, in some currency other than the currency of Belize, that fact and the currency adopted shall be stated in or endorsed on the policy in distinct terms and in printed or typed letters no smaller than, and as legible as, the letters of the other provisions of the policy.

Mutualisation.

232. Notwithstanding anything in its memorandum or other instruments of incorporation or in its articles or other rules, or in this Act, a company incorporated in Belize that has a share capital and that is licensed under this Act to transact insurance business, may, with the permission of the Supervisor, establish and implement a plan for the conversion of the company into a mutual company by the purchase of shares of the company or the conversion of the shares into debentures in accordance with such conditions as may be prescribed by Regulations made under this Act.

Issue and inspection of documents.

233. Any person may, upon payment of such fee as is prescribed, inspect at the Office of the Supervisor any document furnished to the Supervisor under section 91(a) and (b) and make a copy of, or extract from, the document.

Documents to be received in evidence.

234. Every document purporting to be certified by the Supervisor to be a document lodged with him under this Act, and every document purporting to be similarly certified to be a copy of such a document, shall be deemed to be such a document or copy, as the case may be, and shall be received in evidence as if it were the original document, unless some variation between it and the original document is proved.

Authority to sign documents.

235. Any document required by or under this Act to be signed by a director or the principal officer of a company may be signed by any other officer of the company if that officer is thereto authorised by the board of directors and the board of directors has notified the Supervisor in writing of the authorisation.

Printing of documents.

236. Where a document is, by this Act, required to be printed, the Supervisor may, in his discretion, permit it to be type written or lithographed or to be reproduced by mechanical means approved by the Supervisor.

Service of notices.

237.—(1) Where a notice is required or permitted by this Act to be given to or served upon a person, the notice shall be in writing and may be given or served—

- (a) in the case of a notice addressed to a person other than a company - by serving it upon him personally or by sending it by registered post

addressed to him at his usual or last known place of abode or business;
and

- (b) in the case of a notice addressed to a company - by serving it personally upon the person last known to the Supervisor as being a director or the principal representative or officer of the company or by sending it by licensed registered post addressed to him at his address last known to the Supervisor or to the address filed with the Supervisor under section 13 (1),

and if it is so sent by post, shall be deemed to have been given or served on the date on which it would have been delivered in the ordinary course of post.

(2) In this section, “company” includes a body corporate which has ceased to carry on insurance business in Belize.

238. Failure on the part of a company to comply with any provision of this Act shall not in any way invalidate any policy issued by the company.

Validity of policies of non-compliant companies.

239.—(1) Where—

Gazetting of licensing, etc.

- (a) the application for licensing of an insurance company or of any person is refused;
- (b) an insurance company, or a person is licensed; or
- (c) the licensing of an insurance company, or of any person is cancelled,

the Supervisor shall cause notice of the refusal, licensing or cancellation to be published at least once in the *Gazette* and in a national newspaper published in Belize and on its website.

(2) The Supervisor shall, from time to time cause to be published in the *Gazette*, in a newspaper published in Belize, and on its website up to date lists of companies and persons licensed under this Act.

240. Where any provision of this Act requires anything to be done within a specified period of time and no provision is made for the extension thereof, that period may in any particular case be extended by the Supervisor.

Extension of limits.

241.—(1) On the advice of the Supervisor, the Minister may make regulations for giving effect to this Act and, in particular, but without limiting the generality of the foregoing, such regulations may make provision in relation to all or any of the following—

Regulations.

- (a) the prescribing of anything required or permitted by this Act to be prescribed;
- (b) the forms to be used in connection with any of the provisions of this Act;
- (c) the fees to be paid for licensing of a company, an agent, a sub-agent, a broker, and a collector for the purpose of carrying on insurance business, and the fees to be paid annually by the company, the agent, the sub-agent, the broker, and the collector licensed to carry on insurance business; and the time for payment of such fees;
- (d) submission of the statement in connection with or for the purpose of assessment of fee for initial licensing and annual licensing;
- (e) the matters in respect of which other fees shall be payable and the amount of such fees;
- (f) the matters in respect of which other fines shall be payable and the amount of such fines;
- (g) deposits by insurers;
- (h) the recovery of the expenses of any investigation under this Act;
- (i) the assignment of policies generally or by way of mortgage or upon trust;
- (j) the disposal and vesting of policy moneys which have remained unclaimed for the prescribed period;
- (k) the holding of examinations for insurance intermediaries;
- (l) amalgamations and transfers falling within sections 99 to 102;
- (m) the registers to be kept for the purposes of this Act;
- (n) the establishment of insurance pools by insurers;
- (o) the minimum requirements and qualifications for auditors, actuaries, insurance loss adjusters and insurance loss assessors;

- (p) the definitions of classes of insurance business as they may need to be added to, deleted or modified over time to reflect changing conditions in the industry;
- (q) the corporate governance, risk management and risk control systems and enterprise risk management rules and principles;
- (r) the prescription of solvency and risk-based capital requirements for insurers , including assets and liability management and admissible assets;
- (s) the consumer protection and conduct of business by insurers and intermediaries, embedding fair and equitable treatment of consumers into the business model, corporate culture, and product governance through all the phases of the product life cycle including, the implementation of an internal mechanism to deal effectively with consumer complaints;
- (t) the prevention of the use of the insurance for money laundering and terrorist financing; and
- (u) providing, where there is no provision or not sufficient provision in this Act in respect of any matter or thing necessary to give effect to this Act, the manner or form in which the deficiency is to be supplied.

1

(2) Any Regulations made under this Act may provide for the imposition of a fine not exceeding twenty thousand dollars or imprisonment for a term not exceeding twelve months for any contravention of any of the provisions of such Regulations.

(3) Regulations made under this Act may contain such incidental or supplementary provisions as appear to the Minister to be expedient for the purposes of the Regulations.

(4) The Supervisor may issue guidelines on any matter the Supervisor considers necessary to further effect to the objects of this Act and aid in compliance with its provisions.

(5) Any person who contravenes any of the requirements of guidelines is liable to pay such penalty as may be prescribed thereby or in the absence thereof a fine of ten thousand dollars for each contravention, and one thousand dollars for every day the contravention continues; however, such contravention does not thereby invalidate any transaction.

242.—(1) Without prejudice to any special power of exemption (however expressed) conferred by any other provision of this Act, the Supervisor may by order—

Exemptions.

- (a) declare that, with effect from a date specified in the order, such provisions of this Act as may be so specified shall not apply in relation to such class or division of insurance business as may be so specified;

- (b) in the case of any insurance company or class of insurance company or any other person or class of person direct that, subject to such conditions (if any) as he thinks fit, such insurance business of a class referred to in Schedule 1 or Regulations, shall be treated as if it were insurance business of another class so specified or as if it were insurance business of a class not so specified;

Schedule I.

- (c) exempt, subject to such conditions (if any) as he thinks fit, any insurance company or class of insurance company or any other persons or class of persons from all or any of the provisions of this Act,

and may at any time revoke, amend or suspend any such order or vary any such condition.

(2) All exemptions granted under this Act shall be published by the Supervisor on its website.

Licences fees.

243.—(1) In accordance with regulations made under section 241 prescribing fees to be paid, there shall be paid to the Financial Secretary, by every company or acting in Belize as an agent of an insurance company or insurance intermediary, application, annual and any other fees prescribed and on the basis or rate indicated.

(2) Within four (4) months of the close of its financial year, every company, or relevant intermediary liable to pay a fee under this section which is based on premium income shall submit to the Supervisor of Insurance a true and full certified statement of the gross premiums received in respect of the business transacted in Belize during the previous year.

(3) The party submitting the statement under sub-section (2) shall furnish such other relevant particulars or information as the Supervisor may in writing call for and shall permit the Supervisor or his representative to inspect the books, accounts or any document for the purpose of verifying the statement submitted if so required.

(4) At the time of submitting the statement, the insurance company, or intermediary submitting the statement shall pay to the Financial Secretary the sum payable on the basis of the statement and according to sub-section (1), but the payment so made shall be provisional only and shall be received by the Financial Secretary as such.

(5) The Supervisor may after examining the statement refuse to accept it as being a full and true statement of the gross premiums received in respect of the business transacted during the previous year and require the party concerned to offer such explanations as he may require.

(6) If the Supervisor accepts the statement as accurate he shall in writing notify the party concerned.

(7) Any company or relevant intermediary liable to pay a fee under this section which is based on premium income who fails to submit a statement and make payment as required by sub-sections (2) and (4), is liable to pay to the Financial Secretary in addition to the appropriate fee payable under this section a penalty equal to such fee.

(8) Any company or relevant intermediary liable to pay a fee under this section which is based on premium income who carries on insurance business without having submitted a statement and made payment as required by sub-sections (2) and (4), commits an offence and is liable on summary conviction to a fine of five hundred dollars for every day on which the business is carried on.

244. The fee payable under section 243 together with an additional penalty if any, payable thereunder, and the fee payable under any regulations or guidelines made under section 241 shall be recovered as a debt in civil proceedings.

Fees recoverable
as civil debt.

245.—(1) Any company or person who—

Offences.

- (a) contravenes this Act, or any Order or Regulation made under this Act, or any direction or requirement given or made by the Supervisor (or person authorised by him under section 216 (2));
- (b) causes any person to enter into, or make an application for entering into, a contract of insurance in contravention of this Act;
- (c) in purported compliance with a requirement imposed under this Act to supply information or provide an explanation or make a statement—
 - (i) supplies information, provides an explanation or makes a statement which he knows to be false in a material particular; or
 - (ii) recklessly supplies information, provides an explanation or makes a statement which is false in a material particular; and
- (d) where required under sections 41 and 91, to produce information, books, securities or other documents, destroys, mutilates or falsifies or is privy to the destruction, mutilation or falsification of such information, books, securities or other documents, or makes or is privy to the making of a false entry in such books or documents, or fraudulently parts with or alters or makes an omission in any such books or documents, or is privy to fraudulently parting with, altering or making an omission in any such books,

commits an offence unless he can prove that he did not knowingly commit or cause such contravention or omission, and where the offence consists of a default in complying with any provision, direction or requirement, it shall be deemed to be a continuing offence so long as the default continues.

(2) Where an offence under this Act or any Regulations made thereunder is committed by a body corporate, every person who at the time of the commission of the offence was a director, manager, secretary, principal representative or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to have committed that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

(3) If any document required by this Act to be signed by any person is false in any particular to the knowledge of any such person who signs it, that person commits an offence.

(4) Notwithstanding any limitation on the time for the taking of proceedings which is contained in any Act, summary proceedings for offences against this Act may be commenced at any time within one year from the date on which there comes to the knowledge of the Supervisor evidence sufficient in his opinion to justify a prosecution for the offence.

(5) No such proceedings shall be commenced after the expiration of three years from the commission of the offence.

(6) For the purposes of this section, a certificate purporting to be signed by the Supervisor as to the date on which that evidence came to his knowledge shall, in any such summary proceedings, be evidence of that date.

(7) Any proceedings against a company for an offence under this Act shall be without prejudice to any proceedings for the judicial management, or the winding-up, of the company or of any part of the business of the company which may be taken in respect of the matter constituting the offence.

Penalties.

246.—(1) All offences against this Act for which no penalty is prescribed shall be punishable on summary conviction, in the case of a body corporate, by a fine of one million dollars, and in the case of an individual, by a fine of fifty thousand dollars, or to imprisonment for a period of twelve months.

(2) In the case of a continuing offence, the offender shall, in addition to the penalty prescribed in sub-section (1), be liable to a fine of five hundred dollars for every day during which the offence continues.

(3) Any person in breach of any provision of the Act solely by reason of failing to file with or deliver to the Supervisor a document within the required time period, shall be subject to an automatic administrative penalty of one thousand dollars for every day from the day the document was required to be filed or delivered to the day the document was filed or delivered, unless a satisfactory to the supervisor explanation.

Repeal and savings.

247.—(1) The Insurance Act and the International Insurance Act are hereby repealed.

(2) Notwithstanding the repeal of the said Act, all rules, Regulations and orders made thereunder shall continue in force insofar as they are not inconsistent with the provisions of this Act, and until repealed and replaced by rules, regulations and orders made under this Act.

248.—(1) Notwithstanding the repeal of the Insurance Act and the International Business Act, nothing in this Act shall affect any thing done, or any proceedings taken or a right which has accrued or a liability which has been incurred under the repealed Acts.

Transitional.

(2) Every thing done or proceedings commenced under the repealed Acts shall be continued and completed as if the thing or the proceeding had been commenced under this Act.

SCHEDULE I

Classes of Insurance Business

[section 2(1)]

The classes of insurance business to which this Act applies are,

- (a) liability insurance including employers' liability and public liability but excluding liability relating to ships, aircraft and motor vehicles;
- (b) marine, aviation and transit insurance including transit and liability risks relating thereto;
- (c) motor vehicle insurance inclusive of risks relating to property damage and liability incurred in connection with the use of motor vehicles;
- (d) long-term insurance business which shall include ordinary life and industrial insurance business, permanent personal accident and health insurance and group life insurance business;
- (e) pecuniary loss and financial interest insurance including credit, loss of profits or business interruption or consequential loss and fidelity guarantee and credit insurance;
- (f) health insurance business which includes, group health insurance business personal accident and sickness insurance, critical illness insurance business;
- (g) property insurance including loss of, or damage to glass, or property by fire, theft and natural forces;

- (h) private pension and annuity plans and schemes;
- (i) all other classes of insurance not listed above but as are specified on the licence issued by the Supervisor.

SCHEDULE II

*Deposits under Sections**[section 42]*

1.-(1) All deposits made by or on behalf of a licensed insurer pursuant to section 42 shall be deemed to form part of the assets of the insurer.

(2) All interests and dividends accruing due on any securities deposited pursuant to section 42 shall be paid to the licensed insurer.

2. The Supervisor shall, on demand by a licensed insurer, furnish to the insurer a certificate in writing setting out the nature and extent of any deposit held by the Supervisor under section 42 in respect of that insurer together with the particulars of the securities (if any) forming the whole or part of the deposit.

3.-(1) If the Supervisor is satisfied that by reason of depreciation in the value of securities or other cause the value of money and prescribed securities deposited by or on behalf of a licensed insurer with him falls short of the value required by Part III he shall, by notice in writing, require the licensed insurer to deposit with him money or prescribed securities or both to a value deemed by him to be sufficient to bring the amount of the deposit to the value required by Part III, as the case may be.

(2) A notice under this paragraph shall not be issued until the Supervisor has given an opportunity to the licensed insurer to be heard in connection with the matter.

(3) Any licensed insurer who fails to deposit with the Supervisor money or prescribed securities or both as required by him under this paragraph commits an offence and the Supervisor may, if he considers it necessary in the interest of the policyholders, cancel the licence of the insurer.

4. If any moneys or securities held by the Supervisor as, or as part of, the deposit required to be made by the licensed insurer under section 24, are lost, stolen, destroyed or damaged while so deposited, the injury occasioned to all persons interested in the moneys or securities shall be made good out of moneys to be provided for the purpose by the National Assembly.

5.-(1) A licensed insurer may at any time substitute for any security or cash held by the Supervisor as, or as part of, the deposit required to be made under section 42 any prescribed security, but so that the total amount then deposited is not less than the amount required by Part III and any security so substituted shall be subject to the same charge or liability as the security or cash withdrawn.

(2)(a) when a licensed insurer has ceased to transact business and has given written notice to that effect to the Supervisor or when the licence of an insurer has been cancelled the securities and cash of the insurer in the

hands of the Supervisor shall not be delivered to the insurer until all his outstanding risks are insured or until surrenders thereof are obtained to the satisfaction of the Supervisor.

- (b) upon making application for its securities or cash, a licensed insurer shall file with the Supervisor, in respect of all policies issued locally, a list of all policyholders who have not been so reinsured, or who have not surrendered their policies; and the licensed insurer shall at the same time publish, and continue the publication at least once a week for twelve consecutive weeks, in the *Gazette* and in at least one newspaper published in Belize, a notice that he will apply to the Supervisor for the release of his securities and cash on a certain day not less than three months after the date on which the notice is first published in the *Gazette* and calling upon the policyholders opposing such release to file notice of their opposition with the Supervisor on or before the day so named.
- (c) after the day so named in the said notice, if the Supervisor is satisfied that the deposit of the licensed insurer with him is substantially in excess of the requirements of Part III in respect of the continuing policyholders, he may with the concurrence of the Minister from time to time release to the insurer such portion of the excess as he thinks proper in the circumstances, and shall continue to hold the remainder of the deposit for the protection of the continuing policyholders as provided for in Parts III.
- (d) thereafter from time to time as such policies lapse, or proof is adduced that they have been satisfied, further amounts may be released on the authority aforesaid.
- (e) notwithstanding this paragraph, where the licensed insurer is a body corporate, then, if it is in liquidation, the securities of such insurer may, on the Order of any Court having jurisdiction under this Act or the Belize Companies Act, be released by the Supervisor to the liquidator.

(3) Where the licensing of a licensed insurer who has not commenced to carry on insurance business in Belize is cancelled pursuant to Part III, the Supervisor shall refund to such insurer any moneys, and deliver to him any securities, deposited by him pursuant to section 42.

SCHEDULE III¹*Investment of Statutory Funds**[section 44]*

1. A company may invest its statutory funds in assets of the following classes—

- (a) the bonds, debentures, stocks, or other evidences of indebtedness of or guaranteed by the Government of—
 - (i) any Commonwealth country or dependency or the Republic of Ireland; or
 - (ii) the United States of America or a state thereof; or
 - (iii) any country approved by the Minister in which the company carries on insurance business; and
 - (iv) the country in which the head office of the company is situated or a province or state thereof;
- (b) the bonds or debentures of a corporation that are secured by the assignment to a trust corporation in Belize or the country in which the head office of the company is situated or a province or state thereof of an annual payment that the Government of Belize or of the country in which the head office of the company is situated or a province or state thereof has agreed to make, where such annual payment is sufficient to meet the interest falling due on the bonds or debentures outstanding and the principal amount of the bonds or debentures maturing for payment in the year in which the annual payment is made;
- (c) the bonds or debentures issued by a charitable, educational or philanthropic corporation where annual subsidies, sufficient to meet the interest as it falls due on the bonds or debentures and to meet the principal amount of the bonds or debentures on maturity, are, by virtue of a general or private Act of Belize of the country in which the head office of the company is situated or a province or state thereof payable by or under the authority of such country, state or province to a trust corporation as trustee for the holders of the bonds or debentures;
- (d) the bonds, debentures or other evidences of indebtedness of a corporation incorporated in Belize or the country in which the head office of the company is situated or a province or state thereof that are fully secured by statutory charge upon real estate or upon the plant or

¹This Schedule was amended by Statutory Instrument 117 of 2008.

equipment of the corporation used in the transaction of its business, if interest in full has been paid regularly for a period of at least ten years immediately preceding the vesting thereof in trust upon the securities of that class of the corporation then outstanding;

- (e) the bonds, debentures or other evidences of indebtedness issued by an authority or other body without share capital established and empowered pursuant to a statute of Belize or the country in which the head office of the company is situated or a province or state thereof to administer, regulate the administration of, provide or operate port, harbour, airport, bridge, highway, tunnel, transportation, communication, sanitation, water, electricity or gas services or facilities and for any of these purposes to levy, impose or make taxes, rates, fees or other charges that may be used only in carrying out the objects of this authority or other body and are sufficient to meet its operating, maintenance and debt service charges;
- (f) the bonds, debentures and other securities of or guaranteed by the International Bank for Reconstruction and Development established by the Agreement for an International Bank for Reconstruction and Development;
- (g) the bonds, debentures or other evidences of indebtedness—
 - (i) of a corporation incorporated in any country listed in sub-paragraph (a) that has paid—
 - (A) a dividend in each of the five years immediately preceding the vesting thereof in trust at least equal to the specified annual rate upon all of its preferred shares; or
 - (B) a dividend in each year of a period of five years ended less than one year before the date of vesting thereof in trust upon its common shares of at least four per cent of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid; or
 - (ii) of or guaranteed by a corporation incorporated in any country listed in sub-paragraph (a), where the earnings of the corporation, in a period of five years ended less than one year before the date of the vesting thereof in trust, have been equal in sum total to at least ten times and in each of any four of the five years have been equal to at least one and one-half times the annual interest requirements at the date of vesting in trust on all indebtedness of or guaranteed by it other than indebtedness classified as a current liability in the balance sheet of the corporation; and if the

corporation owns directly or indirectly more than fifty per cent of the common shares of another corporation, the earnings of the corporation during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporation shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation; and for the purpose of this subparagraph "earnings" shall mean earnings available to meet interest charges on indebtedness classified as a current liability;

- (h) guaranteed investment certificates issued by a trust company incorporated in any country listed in sub-paragraph (a) that, at the date of vesting thereof in trust, complied with the requirements described in sub-paragraph (g)(i) in respect of the payment of dividends;
- (i) the preferred shares of a corporation in any country listed in sub-paragraph (a) that has paid—
 - (A) a dividend in each of the five years immediately preceding the date of vesting of such preferred shares in trust at least equal to the specified annual rate upon all of its preferred shares; or
 - (B) a dividend in each year of a period of five years ended less than one year before the date of the said vesting upon its common shares of at least four per cent of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid;
- (j) the fully paid common shares of a company incorporated in any country listed in sub-paragraph (a) that during a period of five years that ended less than one year before the date of purchase of the common shares has either—
 - (A) paid a dividend in each such year upon its common shares; or
 - (B) had earnings in each such year available for the payment of a dividend upon its common shares, of at least four per cent of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends, as the case may be, but a company shall not purchase more than thirty per cent of the common shares

of any corporation; and a company shall not purchase its own shares and a company licensed to transact the business of life insurance shall not, in respect of its life insurance business, purchase the shares of a company transacting the business of life insurance.

2. Mortgages and other titles for repayment of loans secured by—

- (a) any of the bonds, debentures or other evidences of indebtedness, shares or other securities which the company may invest in under paragraph 1, but the amount at which the mortgage or other title so secured shall not exceed the amount at which the bonds, debentures, or other evidences of indebtedness, shares or other securities might be vested in under paragraph 1;
- (b) real estate or leaseholds for a term of years or other estate or interest in real estate in Belize or the country in which the head office of the company is situated, where the amount of the loan together with the amount of indebtedness under any mortgage or other charge on the real estate or interest therein ranking equally with or superior to the loan does not exceed three quarters of the value of the real estate or interest therein, subject to the exception that a company that has real estate invested in its funds, may upon sale thereof, invest a mortgage or other title accepted as part payment and secured thereon for more than three quarters of the sale price of the real estate;
- (c) real estate or leaseholds in Belize or in the country in which the head office of the company is situated or in a province or state thereof, notwithstanding that the loan exceeds the amount that the company may otherwise invest in, if the excess is guaranteed or insured by the Government of Belize or through an agency of the Government of Belize or the Government of the country in which the head office of the company is situated or of a province or state thereof;
- (d) ground rents, mortgages or hypothecs on real estate or leaseholds in Belize or in the country in which the head office of the company is situated, where the amount of the mortgage or hypothec together with the amount of indebtedness under any mortgage or hypothec on the real estate or leasehold ranking equally with or superior to the mortgage or hypothec that is invested in does not exceed three quarters of the value of the real estate or leasehold covered thereby.

3. Real estate or leaseholds—

- (a) real estate or leaseholds for the production of income in Belize or in the country in which the head office is situated, either alone or jointly with any other company transacting the business of insurance in Belize or in

the country in which the head office of the company is situated or with any loan company or trust company incorporated in Belize or in the country in which the head office of the company is situated if—

- (i) a lease of the real estate or leasehold is made to, or guaranteed by the Government of Belize or in the country in which the head office of the company is situated or an agency of any such government or a municipality in Belize or in the country in which the head office of the company is situated or any agency thereof;
- (ii) the lease provides for a net revenue sufficient to yield a reasonable interest return during the period of the lease and to repay at least eighty-five per cent of the amount invested in the real estate or leasehold within the period of the lease but not exceeding thirty years from the date of investment,

but a parcel of real estate or a leasehold may not be included in the assets if the total investment by the company therein exceeds two per cent of the accepted value of the total assets in Belize or in the country in which the head office of the company is situated.

- (b) real estate or leaseholds for the production of income in Belize or in the country in which the head office of the company is situated, either alone or jointly with any other company transacting the business of insurance in Belize or in the country in which the head office of the company is situated, or with any loan company or trust company incorporated in Belize or in the country in which the head office of the company is situated, if the real estate or leasehold has produced in each of the three years immediately preceding the date of investing thereof net revenue in an amount that, if received in each year following the date of investment, would be sufficient to yield a reasonable interest return on the amount invested in the real estate or leasehold and to repay at least eighty-five per cent of that amount within the portion of the economic lifetime of the improvements to the real estate or leasehold that remained at the date of investment but not exceeding forty years from that date; but a parcel of real estate or a leasehold may not be included in the assets if the total investment by the company therein exceeds two per cent of the accepted value of the total assets in Belize or in the country in which the head office of the company is situated;
 - (c) real estate in Belize or in the country in which the head office of a company is situated required by the company for its actual use or occupation or reasonably required by it for the natural expansion of its business or acquired by foreclosure of a mortgage on real estate where the mortgage is an investment under this Act;
4. (a) cash balances in Belize or in the country in which the head office of the company is situated, funds in the hands of the trustee or in a trust

account maintained by the trustee in a licensed and regulated bank, building society or credit union in Belize or in the country in which the head office of the company is situated;

- (b) the total accepted value of the assets of any company invested in common shares shall not at any time exceed twenty-five percent of the accepted value of the total assets in the country of the company;
- (c) the total accepted value of the real estate or leaseholds for the production of income invested under this Schedule, shall not at any time exceed ten percent of the accepted value of the total assets in the country of the company;
- (d) a company shall not invest in trust bonds, debentures or other evidences of indebtedness on which payment of principal or interest is in default.

5. Units held in the Money Market Fund subject to the following conditions,

- (a) the unit account shall be marked “COLATERAL for Statutory Fund or Statutory Deposit”;

Schedule IV.

- (b) the Unit Certificate must be accompanied by a letter in the form of Schedule IV to the Insurance Act;
- (c) the money market fund shall constitute no more than 2% of the total admissible assets of the company.

SCHEDULE IV

Letter of Undertaking from Licenced Financial Institution to Hold Insurer's
Statutory Deposit to the Order of Supervisor of Insurance

[section 42]

*(To be submitted on the official letterhead of the Bank, Building Society or Credit
Union, as the case may be)*

To: The Supervisor of Insurance

Office of the Supervisor of Insurance

Belmopan

Dear Sir/Madam,

WHEREAS, the (Name of Insurer _____) has deposited with the (Name
of licensed and regulated Bank, Building Society or Credit Union) the sum of
\$ _____
(_____-(in words) in a term deposit
no. _____ dated _____;

NOW in consideration of your agreeing to accept the said term deposit as approved
security for the purpose of sections 42 of the Insurance Act, Cap. 251 we, the undersigned
(Bank, Building Society or Credit Union) hereby undertake to hold the said term deposit
solely to your order and to pay you on your first simple demand notwithstanding any
contestation from the above-mentioned insurer any sum which you may so demand from
time to time subject to the total amount payable under this undertaking being limited
to \$ _____(in words) in all;

On the maturity of the said term deposit, we undertake to pay to you the entire proceeds
thereof (principal and interest) unless you and the said insurer shall jointly advise us in
writing that the said deposit shall be held for a further term in which case we undertake
to hold the same during the renewed term solely to your order and to pay to you on your
first simple demand any sum which you may so demand up to the total amount of the
said term deposit; and so on for any further renewals of the said term deposit.

IN WITNESS WHEREOF we enclose herewith the original Certificate of Deposit No.
_____ dated _____ which you may lawfully keep and retain as collateral for
this undertaking.

DATED this _____ day of _____ 20 _____

Signature on behalf of Bank, Building Society or Credit Union

(Official seal to be affixed)
EXECUTED BEFORE ME,

.....
Justice of the Peace or Notary Public