



BELIZE

**INTERNATIONAL INSURANCE ACT
CHAPTER 269**

REVISED EDITION 2000
SHOWING THE LAW AS AT 31ST DECEMBER, 2000

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Laws of Belize, Revised Edition 1980 - 1990.

This edition contains a consolidation of the following laws-

Page

ARRANGEMENT OF SECTIONS

3

INTERNATIONAL INSURANCE ACT

7

Amendments in force as at 31st December, 2000.



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CHAPTER 269

INTERNATIONAL INSURANCE

ARRANGEMENT OF SECTIONS

PART I

Preliminary

1. Short title.
2. Interpretation.

PART II

Administration of Act

3. Appointment of Supervisor of International Insurance and Deputy Supervisor of International Insurance.
4. Registration of International Insurance Companies.
5. Application for registration.
6. Refusal of registration.
7. Registration.
8. Renewal of registration.
9. Cancellation or suspension of, or imposition of conditions on, certificate of registration.

10. Appeal against cancellation or suspension of, or imposition of conditions on, certificate of registration.
11. Place of business.
12. Notification of changes.

PART III

Records, Accounts and Long-Term Business

13. Interpretation of words and phrases used in this Part.
14. Keeping of business records.
15. Annual accounts.
16. Long-term business fund.
17. Transfer of long-term business.
18. Solvency margins.
19. Solvency margin for reinsurer and captive insurer.

PART IV

Regulation of Registered Insurers

20. Restriction of business.
21. Advertising.

-
22. Insurance managers.
 23. Management.
 24. Power to obtain information.
 25. Inspection and investigation.
 26. Use of information.
 27. Winding-up of registered insurer.
 28. Winding-up on petition of Supervisor.
 29. Winding-up of insurer with long-term business.
 30. Continuation of long-term business insurers in liquidation.
 31. Reduction of contracts as alternative to winding-up.
 32. Confidentiality of information.

PART V

Taxation and Exemptions

33. Profits and dividends.
34. Exemption from stamp duty.
35. Exemption from currency and exchange control.

PART VI

Miscellaneous

- 36. Indemnity.
- 37. False statements.
- 38. General penalty provision.
- 39. Regulations.
- 40. Procedure to be taken where no procedure laid down in this Act or regulations.
- 41. English the authentic text.

CHAPTER 269

INTERNATIONAL INSURANCE

10 of 1999.

[3rd May, 1999]

Commencement
[3. 5. 1999]

PART I

Preliminary

1.-(1) This Act may be cited as the International Insurance Act.

Short title.

2. In this Act, unless the context otherwise requires:-

Interpretation.

“auditor” means an accountant holding:-

(a) a current practicing certificate in accordance with section 9 of the Accountancy Profession Act; and

CAP. 305.

(b) a certificate under the hand of the Supervisor certifying that in his opinion such person is qualified to undertake the audit of an insurer;

“captive insurance business” means insurance business where the insured is a parent or affiliated company of the registered insurer or is a person in respect of whom the registered insurer is authorized by the Supervisor to provide insurance;

“category of business” means, as the case may be, long-term insurance business, general insurance business, reinsurance business or captive insurance business;

“chief executive” means, in relation to a registered insurer, an employee of

such insurer, who, either alone or jointly with another, is responsible under the immediate authority of the directors for the conduct of the whole of the insurance business of that insurer;

CAP. 250.
CAP. 270.

“company” means a company incorporated under the provisions of the Companies Act, or incorporated or continued under the provisions of the International Business Companies Act, or a foreign company;

“conditions” includes restrictions;

“contract” includes policy;

“contract of insurance” includes any contract the effecting of which constitutes the carrying on of insurance business;

“controller”, in relation to a licensee which is a body corporate, means a director, or any person in accordance with whose decisions the directors are accustomed to act, or any person entitled to exercise not less than thirty *per centum* of the votes at a general meeting. In determining, for the purposes of this definition, the voting rights which a body corporate may be entitled to exercise, it shall be deemed to be entitled to exercise, in addition to any voting rights it has solely on its own account, those of any company of which it is subsidiary and those of its subsidiary company or companies. In determining, for the purposes of this definition, the voting rights which a natural person may be entitled to exercise, he shall be deemed to be entitled to exercise, in addition to any voting rights he has solely on his own account, those of any partner, parent, brother, sister, spouse, minor child or minor step-child;

“Court” means the Supreme Court of Belize or a Judge thereof;

“dollar” means a unit of the currency of the United States of America and the sign “\$” has the same meaning;

“foreign company” means a company incorporated under the laws of a jurisdiction other than Belize which has not continued into Belize as an international business company pursuant to the provisions of the International Business Companies Act; CAP. 270.

“general insurance business” means insurance business other than long-term insurance business;

“insurance” includes assurance and reinsurance;

“insurance agent” means a person appointed by an insurer and not being an employee of the insurer to solicit applications for insurance or negotiate insurance on behalf of the insurer, to effectuate and countersign insurance contracts;

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

- (a) protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed;
or
- (b) to pay a sum of money or other thing of value upon the happening of an event, and includes reinsurance business and running off business including the settlement of claims;

“insurance manager” means a company operating in or from within Belize which provides insurance expertise to or for insurers and which has in its employment a person who -

- (a) is qualified by examination as a fellow or associate of the Chartered Insurance Institute of London, or who is a member of either the Society of Chartered Property and

Casualty Underwriters and who is either a current member of good standing of the applicable professional body or of some other professional insurance association recognized by the Supervisor of Insurance for the purpose of this Act; or

- (b) is a person of good standing and has been approved by the Supervisor of Insurance;

‘insurance policy’ means -

- (a) any policy or other contract or insurance and any policy, bond, certificate, receipt or other instrument evidencing the contract with the insurer or underwriter or any person named in a policy or other contract of insurance who is liable to pay or contribute towards payment of the sum secured by the policy or contract;
- (b) an instrument evidencing a contract to pay an annuity;
- (c) any policy or other contract in relation to insurance business of any class under which there is for the time being an existing liability already accrued or under which a liability may accrue;

CAP. 270. “international business company” means a company incorporated or continued into Belize pursuant to the International Business Companies Act;

“international insurance business” means the carrying on or the conducting, whether from within or outside Belize, of any insurance business where each of the insured, the person to whom the policy moneys are payable and the owner of the policy or any one or more of such persons-

- (a) is not domiciled or ordinarily resident in Belize, or is

not a company incorporated or registered in Belize under any legislation other than the International Business Companies Act; or CAP. 270.

(b) is a company licensed to carry on offshore banking business under the Offshore Banking Act; CAP. 267.

“long-term business” means insurance business of any of the following kinds, namely-

- (a) effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life;
- (b) effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class, or dying as the result of an accident or of an accident of a specified class, or becoming incapacitated in consequence of disease or disease of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either not expressed to be terminated by the insurer before the expiration of five years from the taking effect thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned;
- (c) effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the persons insured in the future, not being contracts such as to fall within either paragraph (a) or (b) of this definition; and

- (d) any kind of insurance business declared by regulations to be long-term business;

“long-term business fund” means a fund established pursuant to section 16 of this Act;

“Minister” means the Minister for the time being responsible for Offshore Financial Services;

“policy holder” means a person who for the time being is the legal holder of a policy for securing a contract with an insurer, including an assignee and -

- (a) in relation to such long-term business as consists in the granting of annuities upon human life, includes an annuitant; and

- (b) in relation to insurance business of any kind, includes a person to whom, under a policy, a benefit is due or a periodic payment is payable;

“person” includes any body of persons, corporate or unincorporated;

“principal insurance representative” means a person operating in or from within Belize, who, on his own account and not as the employee of any other person, maintains for an insurer full and proper records of the business activities of that insurer;

“registered international insurer” means an insurer registered under section 7 of this Act to carry on insurance business;

“registered insurance manager” means a person registered under section 22 of this Act;

“Supervisor” means the Supervisor of International Insurance appointed under section 3 of this Act;

“regulations” means regulations made under section 39 of this Act,

“reinsurance business” means insurance business where the risk insured by a person is a risk that person has accepted from an insurer;

“statutory fund” means a fund established pursuant to subsection (1) of section 16 of this Act;

“solvency margin” shall have the meaning ascribed to it by subsection (1) of section 18 of this Act; and

“year” means a calendar year.

PART II

Administration of Act

3.-(1) The Minister may by notice in the *Gazette* appoint a person, either by name or by office, to be Supervisor of International Insurance, who shall have the charge and control of this Act and shall carry out the duties and functions vested in him by or under this Act.

Appointment of Supervisor of International Insurance and Deputy Supervisor of International Insurance.

(2) The Minister may by notice in the *Gazette* appoint a Deputy Supervisor of International Insurance as may be required for the purposes of this Act.

(3) Anything by this Act appointed or authorized or requested to be done by the Supervisor may be done by any such Deputy Supervisor in the absence of the Supervisor and shall be as valid and effectual as if done by the Supervisor.

(4) All Courts, Judges, and persons acting judicially shall take judicial notice of the seal and also of the signature of the Supervisor and of any Deputy Supervisor who acts in the absence of the Supervisor.

Registration of
International
Insurance
Companies.

4. No person shall carry on or transact or hold himself out as carrying on or transacting any international insurance business in or from within Belize unless that person holds a valid certificate of registration issued under this Part and any person who contravenes this section commits an offence against this Act.

Application for
registration.

5.-(1) Applications for registration to carry on an international insurance business shall be made in writing on the prescribed form to the Supervisor and shall be accompanied by:-

(a) a certified copy of the Act, Charter, Deed of Settlement, Memorandum of Association and Articles of Association of the body corporate, or other document or documents by which the body corporate is constituted; and

(b) such fee as may be prescribed by regulations; and

(c) such evidence as the Supervisor may require -

CAP. 250.
CAP. 270.

(i) to show that the applicant has complied with its obligations under the Companies Act, the International Business Companies Act, or any other enactment under which the applicant is incorporated,

(ii) showing the nature and character of the applicant's business;

(iii) showing the financial standing of the applicant;

- (iv) showing the shareholding and management of the applicant; and
- (v) showing the ultimate beneficial ownership of the stocks or shares of the applicant;
- (d) the address of its registered office in Belize;
- (e) such references as the Supervisor may require; and
- (f) such other information as may be required by regulations.

(2) In addition to the documents, information, and evidence which shall accompany an application under subsection (1) of this section, an applicant shall, if required to do so by the Supervisor, furnish such additional documents, information, or evidence as the Supervisor may require.

6. The Supervisor shall not register any applicant under section 7 of this Act unless the applicant -

Refusal of registration.

- (a) is a company, a mutual society, a syndicate or a pool; and
- (b) satisfies the Supervisor that the amount paid up on its share capital-
 - (i) in a case where the applicant proposes to carry on long-term business but no other category of business, is \$100,000 or more;
 - (ii) in a case where the applicant proposes to carry on general business but no other category of

business, is \$100,000 or more;

(iii) in a case where the applicant proposes to carry on reinsurance business but no other category of business, is \$50,000 or more;

(iv) in a case where the applicant proposes to carry on captive insurance business but no other category of business, is \$25,000 or more;

and additionally satisfies the Supervisor that the minimum paid up share capital shall be deposited with an offshore bank or other licensed financial institution in Belize and shall not be removed without the prior written permission of the Supervisor; and

(c) satisfies the Supervisor that the controller, directors and chief executive (if any) of the applicant are fit and proper persons to be associated with insurance companies; and

(d) satisfies the Supervisor that it has, or has available, adequate knowledge and expertise of the insurance business to be carried on; and

(e) satisfies the Supervisor that it has either -

(i) management in Belize with adequate knowledge and expertise of the insurance business to be carried on and has at least one director resident in Belize; or

(ii) appointed a registered insurance manager in

Belize with adequate knowledge and experience of the insurance business to be carried on; and

- (iii) 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;
- (f) complies with the criteria contained in any regulations made pursuant to this Act.

7.-(1) In relation to every application for registration, the Supervisor shall either:-

Registration.

- (a) issue a certificate of registration to the applicant authorizing it to carry on, subject to such terms and conditions as he thinks appropriate, a defined category or categories of insurance business; or
- (b) reject the application; or
- (c) defer the application and direct that such further enquiries, submissions or clarifications as he considers necessary be made.

(2) Where the Supervisor rejects an application, he shall notify the applicant in writing of the rejection.

(3) If any terms and conditions are imposed under paragraph (a) of subsection (1) of this section, the Supervisor may from time to time vary or revoke any of those terms or conditions or impose any additional conditions.

Renewal of
registration.

8.-(1) A registered insurer shall pay to the Supervisor an annual licence fee as prescribed by regulations.

(2) Where application to renew the certificate is not made before the date of expiry, or the annual renewal fee is not paid prior to that date, a renewal certificate may nevertheless be issued, on payment of the prescribed penalties provided that -

- (a) the certificate of registration has not been cancelled or revoked;
- (b) a renewal application is made and the annual renewal fee is paid within one month after the date of expiry of the certificate; and
- (c) the Supervisor is satisfied that there were good and sufficient reasons as to why an application for renewal or payment of the renewal fee was not made prior to the date of expiry of the certificate.

(3) Every certificate of registration shall show on its face the date of its expiry.

(4) Any director or officer of a registered insurer who knowingly permits the company to continue to carry on its insurance business after the date of expiry of its certificate of registration and before a current certificate of registration has been issued commits an offence against this Act.

Cancellation or
suspension of, or
imposition of
conditions on,
certificate of
registration.

9.-(1) A certificate of registration may be cancelled or suspended or be made subject to conditions by the Supervisor at any time and for such period as the Supervisor deems fit, where there has been any change in the circumstances of the registered insurer (including any change in shareholding, management, or beneficial ownership) which would have caused the Supervisor to have refused an application for registration if such changed

circumstances had been part of the original application or where the registered insurer -

- (a) fails to furnish any document, information or evidence which he has been required to furnish; or
- (b) fails to notify the Supervisor of any material changes which have taken place, as required by section 12 of this Act; or
- (c) has a winding-up order made against it; or
- (d) fails to comply with any term or condition subject to which the certificate of registration was issued; or
- (e) is in breach of any duty or obligation imposed upon it by this Act or commits an offence under this Act; or
- (f) ceases to transact international insurance business from within Belize for a period of one year and requests that the certificate of registration be cancelled; or
- (g) conducts its affairs in a manner which is or might be prejudicial to the interests of present or potential policy holders and the general public.

(2) Where the Supervisor intends to suspend or cancel a certificate of registration or impose conditions on such certificate as provided in subsection (1) of this section, he shall give the registered insurer written notice of his intention and a period of six weeks to show cause why the certificate should not be suspended or cancelled or be subjected to conditions.

(3) Where the Supervisor has given written notice to the registered insurer of his intention to suspend or cancel a certificate of registration or impose conditions on such certificate under subsection (2) of this section, the

Supervisor, after considering any submissions and evidence tendered by the registered insurer, may -

- (a) suspend or cancel, or impose conditions on, the certificate of registration;
- (b) alter his intention by suspending instead of cancelling the certificate of registration; or
- (e) not proceed with his intention to suspend or cancel, or impose conditions on, the certificate of registration,

and he shall give written notice to the registered insurer of his decision and such decision shall take effect from such date as is specified by the Supervisor in the notice.

(4) Where the Supervisor gives notice to the registered insurer of his decision to suspend or cancel a certificate of registration or impose conditions on such certificate under subsection (3) of this section, the registered insurer shall return the certificate of registration to the Supervisor forthwith.

Appeal against cancellation or suspension of, or imposition of conditions on, certificate of registration.

10.-(1) Any person who is aggrieved by the cancellation or suspension of a certificate of registration or imposition of conditions on such a certificate may, within fourteen days of the giving of the notice under subsection (3) of section 9 of this Act, appeal against such cancellation, suspension or imposition of conditions to a Judge of the Court in Chambers, whose decision thereon shall be final and a copy of the application shall be served on the Supervisor seven days prior to the hearing.

(2) Pending the determination of any appeal under subsection (1) of this section, the judge may at any time and from time to time defer the cancellation, suspension or imposition of conditions which is the subject of the appeal.

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| <p>11. A registered insurer shall transact business only from its registered office in Belize unless it applies in writing and receives the prior written permission of the Supervisor to maintain its office at another location and the Supervisor may grant such written permission upon such terms and conditions as he thinks fit.</p> | <p>Place of business.</p> |
| <p>12.-(1) A registered insurer shall within twenty-one days after the making of an alteration in the Act, Charter, Deed of Settlement, Memorandum of Association, Articles of Association or other document by which it was constituted a body corporate, submit to the Supervisor particulars in writing of the alteration certified by a director or the secretary of the registered insurer.</p> | <p>Notification of changes.</p> |
| <p>(2) A registered insurer shall within fourteen days notify the Supervisor in writing of any material change in the particulars set out in the application for registration or in the documents, information, or evidence accompanying that application or in any documents, information or evidence, if any, given under section 5 of this Act.</p> | |

PART III

Records, Accounts and Long-Term Business

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| <p>13. In this Part, unless the context otherwise requires:-</p> <p>“business records” include accounting, policy and claims records of the registered insurer and such working papers and other documents as are necessary to explain the methods and calculations by which its accounts are made up;</p> <p>“accounts” means profit and loss accounts and balance sheets, and includes notes (other than directors’ reports) attached to, or intended to be read with, any of those profit and loss accounts or balance sheets.</p> | <p>Interpretation of words and phrases used in this Part.</p> |
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Keeping of
business records.

14.-(1) A registered insurer shall at its registered office in Belize -

- (a) keep and maintain such business records as to correctly record and explain its transactions and financial position; and
- (b) keep and maintain its business records in such a manner as to enable true and fair accounts to be prepared from time to time, and
- (c) keep and maintain its business records at its registered office in Belize unless otherwise authorized in writing by the Supervisor.

(2) Any registered insurer who fails to comply with this section commits an offence against this Act.

Annual accounts.

15.-(1) In this section, the expression “annual accounts” means:-

- (a) the revenue or fund account for the year; and
- (b) the profit and loss account for the year or, in the case of a registered insurer not trading for profit, income and expenditure account for the year; and
- (c) the balance sheet as at the end of the year in such form (being a form calculated to enable comparisons to be made between the registered insurer’s business for the year in respect of which the statements are prepared and the registered insurer’s business for the year immediately preceding that year),

and shall contain such information as may be prescribed.

(2) A copy of the registered insurer's audited annual accounts, signed by two directors, shall be submitted to the Supervisor within twenty one days after the date of the meeting at which the accounts were approved by the board of directors, and in any event not later than three months after the close of the financial year to which they relate.

(3) Such statements, reports, certificates and information as may be required by regulations made under this Act, or required by any other enactment to be annexed or attached to the annual accounts for any purpose, shall be produced to the Supervisor at the same time as the annual accounts are submitted.

(4) For the purpose of this section, an audit shall be carried out by an independent auditor approved for that purpose by the Supervisor.

(5) Any registered insurer who wilfully fails to comply with subsections (2) and (3) of this section commits an offence against this Act.

(6) If an insurer deposits with the Supervisor a written undertaking satisfactory to him that it will not engage in any business other than the re-insurance of risks covered by one or more named insurers acceptable to the Supervisor, the Supervisor may by writing under his hand exempt the insurer from the whole or any part of the provisions of this section or section 6 subject to such conditions, if any, as the Supervisor may think fit to impose.

(7) The Minister may make regulations providing for the manner and form in which registered insurers shall keep and maintain annual accounts, and providing for the auditing of such accounts.

16.-(1) Payments from the long-term business fund shall not be made directly or indirectly for any purpose other than those of the insurer's long-term business, except insofar as such payments may be made out of any surplus certified by an auditor to be distributable otherwise than to a policy holder.

Long-term
business fund.

(2) Every such insurer carrying on long-term business may establish any number of separate accounts in respect of respective premiums paid to it to provide:-

- (a) annuities on human life; and
- (b) contracts of insurance on human life,

and such respective premiums shall be kept segregated one from the other and independent of all other funds of the insurer, and notwithstanding the provisions of any other law to the contrary, shall not be chargeable with any liability arising from any other business of the insurer.

(3) A contract for an annuity or insurance on human life may provide that:-

- (a) the benefit and obligations of the said contract may be assigned, in whole or in part, to a third party; and
- (b) premiums therefor are payable in cash, securities, promissory notes, bonds, debentures, real or personal property or any other asset or thing of value acceptable to the insurer.

Transfer of long-term business.

17.-(1) Where it is proposed to carry out a scheme under which the whole or part of the long-term business carried on by a registered insurer ("the transferor") is to be transferred to another registered insurer ("the transferee"), the transferor or transferee may apply to the Court by petition, for an order sanctioning the scheme.

(2) The Court shall not determine an application under this section unless the petition is accompanied by a report on the terms of the scheme by an independent actuary (not being an employee of, nor actuary to, either registered insurer) and the Court is satisfied that the requirements of sub-

section (3) of this section have been complied with or that in the circumstances compliance is unnecessary.

(3) The requirements referred to in subsection (2) of this section are-

(a) that a notice has been published in such two newspapers circulating in Belize as the Supervisor shall approve stating that the application has been made and giving the address of the offices at which, and the period for which, copies of the documents mentioned in paragraph (d) of this subsection shall be available as required by that paragraph;

(b) except where the Court has otherwise directed, that the statement -

(i) setting out the terms of the scheme; and

(ii) containing a sufficiently detailed summary of the report mentioned in subsection (2) of this section necessary to indicate the opinion of the actuary on the likely effects of the scheme on the long-term policy holders of the registered insurers concerned,

has been sent to each of those policy holders and to every member of those registered insurers;

(c) that a copy of the petition and of the report mentioned in subsection (2) of this section and of any statement sent out under paragraph (b) of this subsection has been served on the Supervisor and that a period of not less than three weeks has elapsed since the date of such service; and

(d) that copies of the petition and of the report mentioned in subsection (2) of this section have been open to inspection at the office in Belize of the registered insurers concerned or their representatives for a period of not less than three weeks beginning with the date of the publication of a notice in accordance with paragraph (a) of this subsection.

(4) Each of the registered insurers concerned shall furnish a copy of the petition and of the report mentioned in subsection (2) of this section to any person who asks for one at any time before an order sanctioning the scheme is made on the petition.

(5) On any petition under this section -

(a) the Supervisor; and

(b) any person (including any employee of the transferor or the transferee) who alleges that he would be adversely affected by the carrying out of the scheme,

shall be entitled to be heard.

(6) The Court shall not make an order sanctioning the scheme unless it is satisfied that the transferee is, or, immediately after the making of the order will be, authorized to carry on any long-term business to be transferred under the scheme.

(7) No such transfer as is mentioned in subsection (1) of this section shall be carried out unless the scheme relating to the transfer has been sanctioned by the Court in accordance with this section and no order shall be made under the Companies Act or the International Business Companies Act, in respect of so much of any compromise or arrangement as involves any such transfer.

CAP. 250.
CAP. 270.

(8) Where the Court makes an order under this section sanctioning a scheme the Court may, either by that order or by any subsequent order, make provision for all or any of the following matters:-

- (a) the transfer to the transferee of the whole or any part of the undertaking and of the property or liabilities of the transferor;
- (b) the allotting or appropriation by the transferee of any shares, debentures, policies or other like interests in the transferee which under the scheme are to be allotted or appropriated by the transferee to or for any person;
- (c) the continuation by or against the transferee of any legal proceedings pending by or against the transferor;
- (d) the dissolution, without winding-up, of the transferor;
- (e) such incidental, consequential and supplementary matters as are necessary to secure that the scheme shall be fully and effectively carried out.

(9) Where any such order provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee, and in the case of any property, if the order so directs, such property shall become free from any mortgage or charge which is by virtue of the scheme to cease to have effect.

(10) For the purposes of any provision requiring the delivery of an instrument as a condition for the registration of the transfer of any property, an order which by virtue of this section operates to transfer any property shall be treated as an instrument of transfer.

(11) Where a scheme is sanctioned by an order of the Court under this section the transferee shall, within ten days from the date on which the order is made, or such longer period as the Supervisor may allow, deposit two certified copies of the order with the Supervisor.

(12) Any person who fails to comply with subsection (4) or (11) of this section commits an offence against this Act.

Solvency margins. 18.-(1) Subject to subsection (7) of this section, every registered insurer shall ensure that the value of its assets exceeds the amount of its liabilities (“the margin of solvency”) by such amount as may be prescribed by or determined in accordance with regulations made for the purposes of this section.

(2) If the solvency margin of a registered insurer falls below such amount as may be prescribed by or determined in accordance with regulations made for the purposes of this section, the registered insurer shall at the request of the Supervisor submit to him a short-term financial scheme within thirty days of the request, or such longer period as the Supervisor may permit, and shall if the Supervisor considers the scheme (or the scheme as previously modified) inadequate, propose in writing modifications to it.

(3) A scheme submitted under subsection (2) of this section may include proposals for -

- (a) the appointment of a special manager acceptable to the Supervisor; and
- (b) the discontinuance, either in whole or in part, of the registered insurer’s business.

(4) A registered insurer shall adhere to any scheme accepted by the Supervisor.

(5) If a registered insurer is unable or fails to submit a scheme which is acceptable to the Supervisor, the registered insurer shall be deemed to be unable to pay its debts.

19. Every registered insurer who carries on only reinsurance business or captive insurance business shall -

Solvency margin
for reinsurer and
captive insurer.

- (a) have such surplus of tangible assets or other assets as may be approved by the Supervisor over liabilities as may from time to time be prescribed by regulations; and
- (b) demonstrate, if required to do so by the Supervisor in writing, to the satisfaction of the Supervisor, its financial stability.

PART IV

Regulation of Registered Insurers

20.-(1) A registered insurer shall not carry on any activities from in and within Belize or elsewhere otherwise than in connection with or for the purpose of its international insurance business.

Restriction of
business.

(2) Subject to the provisions of subsection (1) of this section, a registered insurer shall not carry on business from in and within Belize other than international insurance business.

(3) A registered insurer authorized to carry on only captive insurance business may underwrite a maximum of thirty *per centum* of unrelated insurance business.

(4) Subject to subsection (5) of this section, a registered insurer may effect reinsurance in respect of any international insurance business undertaken by it and may assign to the policy holder the rights of the registered

insurer against the reinsurer in respect of any particular policy. In the event of such an assignment being effected, the policyholder shall continue to the extent that the risks covered by the policy issued by the registered insurer have not been so reinsured.

(5) An assignment pursuant to subsection (4) of this section shall be valid only if the policy holder has consented in writing to the application of this section to such assignment or if the person who will become the policy holder upon its issue has so consented prior to the issue of the policy.

(6) Nothing in subsections (4) and (5) and in this subsection shall restrict the ability of a registered insurer to effect reinsurance without an assignment pursuant to subsection (4) of this section.

Advertising.

21.-(1) No advertising shall be made or tacitly or otherwise condoned by a registered insurer which is likely to mislead or deceive prospective policy holders with respect to the registered insurer's assets, corporate structure, financial standing, age or relative position in the insurance business or in any other material respect. The registration certificate of a registered insurance manager shall be prominently displayed by the registered insurer.

(2) Any person who contravenes this section commits an offence against this Act.

Insurance
managers.

22.-(1) No person shall act as an insurance manager for, or in relation to, a registered insurer, unless that person is registered in a register kept by the Supervisor in accordance with regulations and has paid to the Supervisor the prescribed registration fee and every prescribed renewal fee.

(2) An applicant for registration 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 as the Supervisor may require to satisfy himself that the applicant is a person in good standing and has or has available adequate knowledge and expertise

to provide satisfactory insurance management services in Belize.

(3) Sections 23, 24, 25 and 32 of this Act shall apply, with the necessary modifications, in relation to any person acting as an insurance manager to the same extent as they apply to a registered insurer.

(4) The Supervisor may, if he thinks it proper to do so-

- (a) refuse to register any application for registration; and
- (b) cancel any registration at any time.

(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.

(6) Any person who contravenes subsection (1) of this section or wilfully:-

- (a) takes or uses any style, title or description which consists of or includes the expression “insurance manager” when he is not so registered; or
- (b) takes or uses any style, title or description falsely implying, or otherwise pretends, that he so is registered,

commits an offence against this Act.

23.-(1) Subject to subsection (2) of this section, every registered insurer shall to the satisfaction of the Supervisor:-

Management.

- (a) have a registered office in Belize; and

- (b) have management in Belize with adequate knowledge and experience of the insurance business carried on, or appoint a registered insurance manager in Belize, to perform this function.

(2) A registered insurer who is authorized to carry on only reinsurance or captive insurance may be exempted by the Supervisor from the requirements of subsection (1) (b) of this section.

Power to obtain information.

24.-(1) The Supervisor may require a registered insurer to provide him, at specified times or intervals, with information about specified matters relating to the insurer, and such information may be verified in a specified manner or provided in a specified form.

(2) The Supervisor may require a registered insurer to produce, at such time and place as the Supervisor may specify, such documents or information as the Supervisor may specify.

(3) Any power conferred by virtue of subsection (1) or (2) to require a registered insurer or other person to produce any document or information shall include a power to take copies of it or extracts from it.

(4) Any person who fails to supply information or to produce any document when required to do so by the Supervisor in accordance with this section, commits an offence against this Act.

(5) The powers conferred by this section and section 25 may be exercised in relation to a registered insurer who has ceased to have any liability in respect of any contract of insurance which was entered into at a time when it was registered.

(6) For the purpose of ascertaining whether a registered insurer is complying with the provisions of this Act, the Supervisor or any person authorized by him may inspect any book, minute book, register or record

required by or under this Act to be kept by the registered insurer.

(7) A person who, except for the purposes of this Act, or when properly ordered to do so by the Court, makes a record of, divulges or communicates to any other person, any information which he has acquired by reason of such inspection, commits an offence against this Act.

(8) A registered insurer or any official thereof shall, on being required by the Supervisor or a person authorized by the Supervisor, produce any such book, register or record.

(9) A registered insurer or any officer thereof shall not obstruct or hinder the Supervisor or any person so authorized while exercising any of the powers referred to in subsection (5) of this section.

(10) There shall be paid to the Supervisor such fees and penalties as are prescribed.

25.-(1) The Supervisor may appoint in writing an Inspector to investigate the affairs or any part of the affairs of a registered insurer and to inspect the registered insurer's business and accounting records and accounts and such other records as may have been kept by the registered insurer in the course of its international insurance business, for any reason and if he has reason to believe that the registered insurer is carrying on its business in a manner prejudicial to the interests of its policy holders or of persons who may become policy holders or that it may have insufficient assets to cover its liabilities and claims by policy holders, or that it may be contravening any of the provisions of this Act, either in Belize or elsewhere.

Inspection and investigation.

(2) It shall be the duty of the registered insurer under investigation and of all past and present officers of the registered insurer and of any related company which has been involved in the international insurance business transactions of the registered insurer, to produce to the Inspector all books, records and documents relating to the registered insurer or related company

under investigation which are in their custody or control and otherwise to give the Inspector all assistance in connection with the investigation which they are reasonably able to give.

(3) The Inspector shall have powers of entry and access necessary for the purposes of this section, and he may take possession of all such books, accounts and documents as, and for so long as, may be necessary for the purposes of his inspection and investigation.

(4) The Inspector shall exercise his rights of entry and access under subsection (3) during the normal office hours of the registered insurer, unless otherwise authorized by the Court.

(5) The Inspector may take copies of all books, accounts and documents of the registered insurer in his possession for the purposes of his inspection and investigation under this section.

(6) Any person who -

- (a) wilfully obstructs the Inspector acting in the execution of his powers under this section;
- (b) refuses, fails or neglects to produce any books, accounts, documents or information required under this section; or
- (c) knowingly produces or causes or permits to be produced any book, account, document or information required under this section which he knows to be false in a material particular,

commits an offence against this Act.

(7) The Inspector shall have the same powers in respect of the

supply of information and production of documents as are given to the Supervisor under section 24.

26. The Supervisor and officers or officials thereof and an Inspector appointed under section 25 of this Act, shall not reveal any information to any person other than to a law enforcement officer not below the rank of Inspector for the purposes of enabling him to carry out his duties as such officer of the Government, and any such officer to whom such information is revealed shall similarly not reveal it to any person other than such a person as is referred to herein.

Use of
information.

27.-(1) The provisions of the Part IV of the Companies Act and Part IX of the International Business Companies Act, shall apply *mutatis mutandis* with respect to the winding-up of a registered insurer registered under this Act, subject to the provisions of this section and sections 28, 29 and 30 of this Act.

Winding-up of
registered
insurer.
CAP. 250.
CAP. 270.

(2) A petition for the winding-up of a registered insurer shall not be presented by any person other than by or on behalf of the Supervisor without the leave of the Court.

28.-(1) The Supervisor may present a petition for the winding-up of a registered insurer or its business from in or from within Belize on any ground provided by and in accordance with the provisions of the Companies Act and/or the International Business Companies Act, and also on the following additional grounds:-

Winding-up on
petition of
Supervisor.
CAP. 250.
CAP. 270.

- (a) that the registered insurer has failed to satisfy an obligation to which it is or was subject by virtue of this Act;
- (b) that the registered insurer, being under an obligation imposed by the Companies Act or the International Business Companies Act or this Act with respect to the keeping of business and accounting records, has kept in

CAP. 250.
CAP. 270.

satisfaction of that obligation and the Supervisor is unable to ascertain its financial position.

(2) In any proceedings on a petition to wind-up a registered insurer presented by the Supervisor under subsection (1) of this section, evidence that such registered insurer was insolvent at the close of the period to which the annual accounts of the registered insurer last submitted under section 15 of this Act relate shall be evidence that the registered insurer continues to be unable to pay its debts, unless the contrary is proved.

Winding-up of insurer with long-term business.

29.-(1) No registered insurer which carries on long-term business shall be wound-up voluntarily.

(2) Subject to subsection (3) of this section, in any winding-up -

(a) the assets of a registered insurer's long-term business fund or funds shall be available only for meeting the liabilities and expenses of the registered insurer attributable to such long-term business for which the particular fund or funds were created;

(b) the other assets of the registered insurer shall be available only for meeting the liabilities and expenses of the registered insurer attributable to its other business.

(3) Where the value of the assets mentioned in either paragraph of subsection (2) of this section exceeds the amount of the liabilities and expenses mentioned in that paragraph, the restriction imposed by that subsection shall not apply to so much of those assets as represents the excess.

CAP. 250.
CAP. 270.

(4) Where under the Companies Act or the International Business Companies Act, any money or property is ordered to be repaid or restored to a registered insurer or any sum is ordered to be contributed to its assets

then, if and in so far as the wrongful act which is the reason for the making of the order relates to assets representing a fund or funds maintained by the registered insurer in respect of its long-term business, the Court shall include in the order a direction that the money, property or contribution shall be treated for the purposes of this Act as assets of that fund or funds and this Act shall have effect accordingly.

30.-(1) This section has effect in relation to the winding-up of a registered insurer carrying on long-term business.

Continuation of long-term business of insurers in liquidation.

(2) The Liquidator shall, unless the Court otherwise orders, carry on the long-term business of the registered insurer with a view to its being transferred as a going concern to another international insurance company or foreign company, and, in carrying on that business as aforesaid, the Liquidator may agree to the variation of any contracts of insurance in existence at the commencement of the winding-up but shall not effect any new contracts of insurance.

(3) If the Liquidator is satisfied that the interests of the creditors in respect of liabilities of the registered insurer attributable to its long-term business require the appointment of a special manager of the registered insurer's long-term business, he may apply to the Court, and the Court may on such application appoint a special manager to act during such time as the Court may direct, with such power as may be granted to him by the Court.

(4) A special manager appointed under subsection (3) shall -

- (a) give such security and account in such manner as the Court may direct; and
- (b) receive such remuneration as may be fixed by the Court.

(5) The Court may, if it thinks fit and subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by the

registered insurer in the course of carrying on its long-term business.

(6) The Court may, on the application of the Liquidator, or a special manager appointed under subsection (3) of this section, or the Supervisor, appoint an independent actuary to investigate the long-term business of such company and to report to the Liquidator, the special manager or the Supervisor, as the case may be, on the desirability or otherwise of that business being continued and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.

Reduction of
contracts as
alternative to
winding-up.

31. In the case of an international insurance company which has been proved to be unable to pay its debts, the Court may, if it thinks fit, reduce the amount of the contracts of the company on such terms and subject to such conditions as the Court thinks just, in place of making a winding-up order.

Confidentiality of
information.

32.-(1) Any information from which an individual or body can be identified which is acquired by the Supervisor or any registered insurer in the course of carrying out his or its functions shall be regarded as confidential by the Supervisor and such registered insurer, and by his or its members, officers and servants.

(2) No such information as is referred to in subsection (1) shall be disclosed, without the consent of every individual who, and every body which, can be identified from that information, 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; or
- (b) in the interests of the prevention or detection of crime; or

- (c) in connection with the discharge of any international obligation to which Belize is subject; or
- (d) 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
- (e) to comply with the directions of the Court in Belize.

(3) Without prejudice to subsections (1) and (2), any information communicated to the Supervisor by another jurisdiction shall be regarded as confidential, if that jurisdiction so requests, by the Supervisor and by his members, officers, and servants; and such information shall not be disclosed except in compliance with the directions of the Court.

(4) A person who discloses information, or who causes or permits the disclosure of information, in contravention of this section commits an offence and is liable -

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both such fine and term of imprisonment; or
- (b) on summary conviction, to a fine not exceeding five hundred dollars.

PART V

Taxation and Exemptions

33. Notwithstanding anything contained in any other enactment:-

Profits and
dividends.

- (a) no income tax, or any other direct or indirect tax or

impost, shall be levied in Belize upon the transactions, contracts, securities or other dealings or upon profits or gains of a registered insurer, or upon any premiums earned by a registered insurer, or money paid to an insured by a registered insurer, in respect of any international insurance business written in or from within Belize; and

- (b) no income tax, or any other direct or indirect tax or impost, shall be levied in Belize in respect of any dividends or earnings attributable to the shares or securities of a registered insurer, or upon any premiums paid to a registered insurer or money paid to an insured by a registered insurer.

(2) Without prejudice to the generality of the exemptions granted to a registered insurer by the provisions of this section, sections 34 and 35, such exemptions shall:-

- (a) be evidenced by a certificate issued at no extra charge in the name of the Minister,
- (b) not apply so as to exempt a registered insurer from increases in fees;
- (c) not apply so as to exempt a registered insurer from the prescribed annual fee.

Exemption from stamp duty.

34. Contracts of insurance executed for or in connection with the international insurance business of a registered insurer under this Act shall be exempt from stamp duty.

Exemption from currency and exchange control.

35.-(1) Any international insurance business conducted by a registered insurer in accordance with this Act shall be exempt from any currency and

exchange control restrictions or exchange control regulations.

(2) No foreign exchange levy shall be imposed or be payable in respect of any international insurance business conducted by a registered insurer in accordance with this Act.

PART VI

Miscellaneous

36. Both the Minister and the Supervisor shall not, nor shall any member, officer or person acting pursuant to any authority conferred by the Minister or the Supervisor, as the case may be, 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, or purported exercise, of the functions conferred by or under this Act or any regulations made thereunder. Indemnity.

37. Any person who:- False statements.

- (a) causes or permits to be included in any book or document provided or produced to the Minister, the Supervisor, or to an Inspector appointed under the provisions of section 25 of this Act, a statement which he knows to be false in a material particular; or
- (b) in purported compliance with any provision of this Act or a requirement imposed under any such provision, provides information which he knows to be false in a material particular or recklessly provides information which is false in a material particular,

commits an offence against this Act.

General penalty provision.

38.-(1) Any person who commits an offence against the provisions, or any part of the provisions, of any one of sections 14, 21, 22, 24, 32 and 33 shall be liable on conviction (if the offender is a natural person) to a fine not exceeding ten thousand dollars or to a term of imprisonment not exceeding twelve months or to both such fine and term of imprisonment in respect of each such offence, and if the offender is not a natural person, to a fine not exceeding twenty thousand dollars.

(2) Any person who commits an offence against the provisions, or any part of the provisions, of any one of sections 3, 4, 8, 25, and 38 shall be liable, (if the offender is a natural person), to a fine not exceeding twenty five thousand dollars or to a term of imprisonment not exceeding two years or to both such fine and such term of imprisonment in respect of each such offence, and if the offender is not a natural person, to a fine not exceeding one hundred thousand dollars.

(3) Any person who contravenes or fails or neglects to comply with any provision of this Act or regulations made thereunder, commits an offence against this Act or regulations made thereunder, and shall be liable on conviction on indictment, in a case for which no specific penalty is otherwise provided in this Act, (if the offender is a natural person), to a fine not exceeding five thousand dollars or to a term of imprisonment not exceeding six months, or to both such fine and such term of imprisonment, and if the offender is not a natural person, to a fine not exceeding ten thousand dollars.

(4) Where any person is convicted of an offence under this Act and such offence is a continuing offence, the offender shall be liable in addition to the penalty otherwise provided for in this Act, to an additional fine not exceeding five hundred dollars for every day for which the offence continues.

(5) Where any offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of,

or to be attributable to any neglect on the part of any director, chief executive officer, manager, secretary or other similar officer or servant of the body corporate, such director, chief executive officer, manager, secretary or other similar officer or servant shall be deemed to have committed the offence against this Act and shall be liable to be proceeded against and punished accordingly, in addition to or together with the body corporate.

(6) Any person who is convicted of an offence under section 32 and is proved to have solicited, received or offered (as the case may be), on behalf of himself or any other person, any reward for doing the act which constituted the offence, he shall be liable, in addition to any penalty imposed under subsection (1), to a further fine equivalent to the amount or value of the reward solicited, received or offered, and to forfeit the amount or value of any reward actually received by him.

(7) No person shall be prosecuted for an offence under this Act without the consent in writing of the Director of Public Prosecutions.

39.-(1) The Minister may from time to time make such regulations as may be deemed necessary or expedient for the purpose of giving full effect to the provisions of this Act and for the due administration thereof.

Regulations.

(2) Without limiting the general powers conferred by subsection (1) of this section, it is hereby declared that regulations may be made under this section for all or any of the following purposes:-

- (a) for prohibiting or restricting the issue or transfer of any share in a registered insurer or any interest in such a share, to any specified person or class of persons,
- (b) for restricting a registered insurer and any related company from entering into transactions of any specified description with any person of any specified class or description;

- (c) providing for the preparation, form and content of the annual accounts of a registered insurer;
- (d) providing for the preparation, form and content of statements, reports and information to be annexed to annual accounts;
- (e) providing for the solvency margins to be maintained by registered insurers in respect of different categories of business;
- (f) for restricting the appointment of auditors to persons who have effected indemnity insurance of such type and amount as may be specified;
- (g) providing for the determination of the level and amount of assets and liabilities for the purposes of the calculations of margins of solvency under this Act, and that, for any specified purpose, assets or liabilities of any specified category or description shall be left out of account or shall be taken into account only to a specified extent;
- (h) for the fixing of penalties for contravening any provision of regulations made under this Act; and
- (i) for purposes connected with any of the matters specified in paragraphs (a) to (b) above.

Procedure to be taken where no procedure laid down in this Act or regulations.

40. In the event that any act or step is required or permitted to be done under this Act, and no form is prescribed or procedure laid down in this Act or regulations for doing the same, the Supervisor may, in response to an application to him, or on his own motion, give guidelines and directions as to

the manner in which the same may be done and any act or step done or taken in accordance with his guidelines and directions shall be a valid performance of such act or step.

41.-(1) Every document filed with the Supervisor, and all records and accounts required to be kept under this Act, shall be in the English language.

English the
authentic text.

(2) 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.