

Captive Insurance Business Rules Rulebook (CIB)

*In this attachment underlining indicates new text and striking through indicates deleted text.



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2.3.1 Purpose

- (1) In this Rule 2.3 and the forms as specified by the Regulator from time to time, unless the term 'annual Regulatory Return' or 'quarterly Regulatory Return' is used, the term 'Regulatory Return' includes both of those Regulatory Returns.
- (2) The Regulator may, by written notice given to a Captive Insurer:
 - (a) require the firm to prepare additional prudential Regulatory Returns; or
 - (b) exempt the firm from the requirement to prepare Regulatory Returns or a particular Regulatory Return.

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2.3.5 Completion of forms for global and Fund reporting units

- (1) A Regulatory Return must be completed in respect of each of the reporting units set out in this Rule that applies to the Captive Insurer.
- (2) There are two types of reporting units in respect of which a Captive Insurer may be required to submit a Regulatory Return. These are referred to in this Chapter and the forms as the global reporting unit and the Fund reporting unit. In the case of a Captive Insurer which is a Cell Company, the global reporting unit shall apply separately at a cellular and non-cellular level as provided in Rules 2.3.5(3)(b) and 2.3.5(4) below. The Regulatory Returns in respect of these reporting units are referred to respectively in this Chapter and the forms as the Global Return (along with, in the case of a Cell Company, a Cell Return in respect of each Captive Cell) and the Fund Return.
- (3) Every Captive Insurer that is required by Rule 2.3.2 or Rule 2.3.3 to complete a Regulatory Return must complete a Global Return. A Global Return has the following characteristics:

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2.3.6 Content of Regulatory Returns

- (1) The annual Regulatory Return comprises the prudential reporting forms specified by the Regulator, together with any Supplementary Notes pertaining to those forms specified in these Rules or by the Regulator and the Statement by Directors referred to in Rule 2.3.10.
- (2) Items must be disclosed in the Regulatory Returns in accordance with the instructional guidelines and the prudential reporting systems specified by the Regulator, subject to the effects of other provisions of this Chapter.

- (3) Where an item is described in a Regulatory Return as the result of a mathematical calculation, that mathematical calculation must be used to determine that item except where these Rules or the relevant instructional guidelines require otherwise.

2.3.7 Submission of Regulatory Returns to the Regulator

- (1) A Captive Insurer must submit its annual Regulatory Return in writing to the Regulator within four months of the Captive Insurer's reporting date.

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- (11) If within twenty-four months of the date that an annual Regulatory Return or quarterly Regulatory Return is submitted to the Regulator, the Regulator notifies the Captive Insurer that a Regulatory Return appears to be inaccurate or incomplete, the Captive Insurer must consider the matter and within one month of the date of notification it must correct any inaccuracies, make good any omissions and re-submit the relevant parts of the Regulatory Return.

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2.3.9 General provisions relating to the completion of forms

- (1) Supplementary Notes must be presented in accordance with any instructions specified by the Regulator, including instructions provided through the prudential reporting system specified by the Regulator. Each Supplementary Note must identify the form to which it relates.
- (2) Regulatory Returns must be presented in English.
- (3) Where the format of a form requires the presentation of comparative information, the comparative information shall be presented according to the following principles:
- (a) in the case of a form forming part of the annual Regulatory Return, the comparative information shall be that presented in the annual Regulatory Return for the previous reporting period;
- (b) in the case of a form forming part of the quarterly Regulatory Return, the comparative information shall be that presented in the quarterly Regulatory Return for the corresponding quarter in the previous calendar year;
- (c) comparative information shall be presented unless:
- (i) the Captive Insurer did not exist at any time during the comparative period (whether or not it was a Captive Insurer); or

- (ii) in the case of a Cell Return or a Fund Return, the Captive Cell or the Long-Term Insurance Fund to which the Regulatory Return relates did not exist at any time during the comparative period;
 - (d) a Captive Insurer that is required to present comparative information in a Regulatory Return, and that was not required to prepare a Regulatory Return in respect of the comparative period, must present comparative information that would have been presented in the Regulatory Return covering the comparative period, if the Captive Insurer had been required to prepare that Regulatory Return; and
 - (e) comparative information shall not be changed from the time it was first presented, unless re-presentation is necessary for the interpretation of the Regulatory Return. Where comparative information is changed, the Captive Insurer must include in the Regulatory Return a Supplementary Note showing the nature of the change and the reason for it.
- (4) The annual Regulatory Return, including the Statement by Directors, is subject to audit, except where this Chapter 2 or the form instructional guidelines state that a form is not subject to audit.
- (5) Each page of the Statement by Directors must show:
- (a) the words 'annual Regulatory Return' or 'quarterly Regulatory Return', as applicable;
 - (b) the Captive Insurer's licence number;
 - (c) the Captive Insurer's name;
 - (d) the reporting period to which the Regulatory Return relates;
 - (e) whether the Regulatory Return is a Global, Cell or Fund Return; and
 - (f) where the Regulatory Return relates to a Captive Cell or a Long-Term Insurance Fund, sufficient information to identify the Captive Cell or Long-Term Insurance Fund in question.

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2.3.10 Statement by directors

- (1) Every annual and quarterly Regulatory Return must include a Statement by Directors, in accordance with this Rule.

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3.1.2 Eligible capital amount

- (1) The total eligible capital of a Captive Insurer is the amount of the Captive Insurer's eligible capital, calculated in accordance with the following formula:

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- (2) For calculating the Captive Insurer's total eligible capital, the Regulator may, by written notice, do any one or more of the following:

- (a) allow the Captive Insurer to include an instrument as eligible capital;
- (b) direct the Captive Insurer to include an asset as a required deduction;
- (c) allow the Captive Insurer to exceed the 50% limit in paragraph (c) of the definition of eligible capital in Rule 3.1.2(1).

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