



BELIZE

**INSURANCE ACT
CHAPTER 251**

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CHAPTER 251

INSURANCE

11 of 2004.
S.I. 81 of 2004.
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[19th April, 2004]

PART I

Preliminary

1. This Act may be cited as the Insurance Act.

Short title.

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

Interpretation.

“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 by examination of the Institute of Actuaries in England, of the faculty of Actuaries in Scotland, or of the Society of Actuaries of the United States of America; or
- (b) is a Fellow of a professional body of actuaries which is internationally recognised;

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

“agent” means any individual, firm or body corporate appointed by an insurer or up to a maximum of three insurers and not being an employee of such insurer(s), to solicit applications for insurance or negotiate insurance on their behalf, and if authorised to do so by the insurer(s), 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 business, institution or individual, having commercial or exchange value and which is acceptable to the Supervisor, and may include land, buildings, cash in hand and on deposit and securities and investments identified in the Third Schedule to this Act but does not include goodwill;

“association of underwriters” means an association of individual underwriters, whereby every underwriting member of a syndicate becomes liable for a separate part of the sum secured by each policy subscribed to by that syndicate, limited or proportionate to the whole sum thereby secured;

“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;

“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 3, 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;

“carrying on insurance business” in Belize includes,

- (a) the receipt of proposals for or issuing of policies of insurance in Belize or the collection or receipt in Belize of renewal premiums on policies issued in Belize by an insurer or through an agent or as agent but does not include the collection or receipt in Belize of renewal premiums under a policy issued outside Belize to a person resident outside Belize at the date of issue of the policy and who is temporarily resident in Belize or the making of payments due under any such policy;
- (b) the use in Belize of any business description or title in any language of the words “insurance”, “assurance”, “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “surety”, “casualty”, or any of their derivatives, or any expression which suggests, connotes or is intended to connote insurance business;

- (c) the making in Belize of any representation in any document or in any other manner offering, directly or indirectly, to arrange contracts of insurance; and
- (d) opening or maintaining a place of business or an office or appointing or using a representative in Belize, whether or not such business is being arranged in or from within Belize;

“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;

“class of insurance business” means any class of insurance business specified in the First Schedule to this Act;

“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;

“company” includes a company incorporated or licensed under the Companies Act, Cap. 250, a corporate body incorporated outside Belize, and any statutory corporation, which carries on or proposes to carry on any insurance business in Belize;

“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;

“Court” means the Supreme Court of Belize;

“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 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” means any person who the Supervisor considers as being adequately qualified to carry on, perform or conduct a particular business, exercise, occupation, operation or procedure, having regard to the person’s,

- (a) police record;
- (b) financial stability and viability;
- (c) solvency;
- (d) record of good financial management;
- (e) managerial skill and competence; and
- (f) appropriate untainted track record.

In determining whether a person is a fit and proper person for the purpose of this Act, the Supervisor shall consider whether he is a person who, whether in Belize or elsewhere,

- (i) has not been convicted of an offence involving dishonesty;
- (ii) is not an undischarged bankrupt;

- (iii) has an employment record that does not give reasonable cause to believe that the person carried out any act involving dishonesty or any act involving impropriety in the handling of insurance business; or
- (iv) has, from available evidence, not engaged in any business practices appearing to the Supervisor to be deceitful or otherwise improper or to reflect discredit on his method of conducting business or has not contravened any law relating to the conduct of financial services;

“general insurance business” means insurance business of any class or classes specified in the First Schedule 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;

“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 a firm or body corporate registered in accordance with Part IV 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, negotiates, solicits or procures insurance contracts or the renewal or continuance of contracts of insurance or of reinsurance with four or more insurers or for placement with insurers or reinsurers and shall include bodies and partnerships or individuals who represent four or more insurance principals;

“insurance business”,

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

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

“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;

“insurer” means a company carrying on insurance business and, except where otherwise stated, includes all the members of an association of underwriters which is licensed as an insurer;

“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.

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

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

“licensed insurer” means an insurer licensed in accordance with Part II or 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;

“life underwriter” include a life insurance agent;

“local company” means a company incorporated in Belize under the Companies Act, Cap. 250;

“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;

“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;

“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;

“officer” includes the chief executive officer, the manager, secretary, treasurer, or actuary 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” 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 sub-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 39 of this Act;

“principal representative” means the representative notified to the Supervisor in accordance with section 39 of this Act;

“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;

“reinsurance ceded” includes reinsurance retroceded;

“reinsurance recoveries” includes recoveries in connection with reinsurance ceded or retroceded;

“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 26 of this Act;

“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;

“Supervisor” means the Supervisor of Insurance appointed under section 4 of this Act;

“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 132 of this Act;

“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, 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.

3.–(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 any class of insurance business specified in the First Schedule to this Act; and Part VI of this Act shall apply to all privately

Application

administered pension fund plans whether administered by insurers, individual trustees or by trust corporations.

(2) A company as defined by section 2 of the Companies Act, Cap. 250, which carries on insurance business of a class specified in the First Schedule to this Act 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 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 or an association of underwriters carrying on such reinsurance shall not be required to make in respect of such reinsurance any deposits as required by section 24 or 79 of this Act.

(4) No corporate insurance agent shall be permitted to represent another corporate insurance agent nor shall one insurer be the agent of another insurer.

(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, Cap.300, the Credit Unions Act, Cap. 314, the Building Societies Act, Cap. 310, or the Friendly Societies Act, 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.

4.-(1) For the purposes of this Act there shall be a Supervisor of Insurance who is appointed by the Minister and subject to the directions of the Minister, shall be responsible for the general administration of this Act and whose office shall be a public office.

Supervisor of Insurance.

(2) 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.

(3) 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 or purported exercise, of the functions conferred by or under this Act or any Regulations made thereunder.

(4) 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 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.

5.–(1) Where, in relation to any policy, any dispute or difference arises between an insurer and a policy holder, 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, Cap. 125.

Maintenance of Register.

6. The Supervisor shall maintain or cause to be maintained separate registers of,

- (a) companies licensed to carry on in Belize the various classes of insurance business specified in the First Schedule;
- (b) associations of underwriters;
- (c) insurance intermediaries; and
- (d) such other registers as may be required to be maintained under the Act or any regulations made thereunder.

Annual report.

7.—(1) The Supervisor shall on or before the last day of June in each year or such later date as the Minister may specify prepare and submit to the Minister a report containing,

- (a) statements on the working of this Act during the previous year; and
- (b) printed copies or summaries of the documents lodged with the Supervisor under sections 40, 74 and 101.

(2) The Supervisor may attach to any printed copies or summaries furnished pursuant to subsection (1) (b) of this section, 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.

PART II

Licensing of Insurance Companies

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

Bodies qualified to carry out insurance business.

9.–(1) Subject to section 10 of this Act, a body corporate shall not carry on in Belize insurance business of any of the classes specified in the First Schedule unless,

Licensed companies to carry out insurance business.

- (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 that class of insurance business 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 General;
- (c) it has made the deposit required by section 24 of this Act;
- (d) its shareholders, directors and executive officers are fit and proper persons to conduct insurance business; and
- (e) in the case of an overseas 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.

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

Application of section 9 to existing business.

10.—(1) Every company registered by the Supervisor to carry on insurance business in Belize immediately before the commencement of this Act, shall be deemed to have been licensed under this Act. Upon the coming into effect of this Act, no company which is not at that time already licensed to carry on both long-term and general insurance business or motor insurance business in Belize shall be licensed to write both long-term insurance business and general insurance business or motor insurance business in Belize.

(2) The Supervisor shall, after giving 14 days written notice, impose an administrative penalty of five thousand dollars where a company contravenes sections 8, 9 or 10 of this Act but an appeal shall lie to the Court within thirty days of the imposition of such penalty.

(3) Where after the imposition of a penalty in accordance with subsection (2) of this section the violation continues for three months, a company commits an offence and shall be liable on summary conviction to a fine of ten thousand dollars and to a penalty of one thousand dollars for each day on which the offence is continued after conviction.

11.—(1) Subject to subsection (2) of this section, no company may be licensed to carry on in Belize,

- (a) long-term insurance business or general insurance business (not inclusive of motor insurance business) unless,
 - (i) if it is a local company, it has a minimum paid-up share capital of one million dollars; or
 - (ii) if it is an overseas company, it has a minimum paid-up share capital of three million dollars; or
 - (iii) if it is a mutual company, it has uncommitted reserves of at least three million dollars;

Share capital and deposit required for licensing.

- (b) motor insurance business unless it has a minimum paid-up share capital of two hundred and fifty thousand dollars,

such capital to be fully paid-up in cash.

(2) No company may be licensed to carry on long-term insurance business or general insurance business or motor insurance in Belize, unless, in addition to complying with subsection (1) of this section, it has deposited with the Supervisor the deposit required under section 24 of this Act.

(3) Upon the commencement of this Act, no further companies shall be licensed to write long-term insurance business in Belize in addition to general insurance business or motor insurance business.

(4) Existing companies licensed to write long-term insurance business in Belize in addition to general insurance business or motor insurance business shall have in the case of a local company, a minimum paid-up share capital of two million, two hundred and fifty thousand dollars and in the case of an overseas company, a minimum paid-up share capital of six million, two hundred and fifty thousand dollars.

(5) Notwithstanding subsections(1) and (3) of this section, 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 subsections (1) and (3) of this section.

(6) 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.

12.-(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.

Application for licensing.

(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.

13.—(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 sections 8, 11 and 12 of this Act, in so far as they are applicable, have been complied with; and
- (b) the company is solvent under the provisions of section 50 of this Act; 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 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 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, the carrying on of both insurance business and that other business is not contrary to the public interest; 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

- (h) the shareholders, directors, managing director or chief executive 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) being an overseas company, it,
 - (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 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,

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

(2) If the Supervisor is not satisfied, as to one or more of the conditions set out in subsection (1) of this section, 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, giving his reasons for so doing and shall notify it of its right under section 174 of this Act, to request the Supervisor to refer his proposal for review by the Minister.

Certificate of licensing.

14.—(1) The Supervisor shall, subject to the payment of the prescribed fees and to section 13 of this Act, 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 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.

(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 13, 24, 26 and 50 of this Act and upon payment of the required fees.

Notification of changes in particulars in application.

15. 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.

16.—(1) Subject to subsection (2) of this section, the Supervisor may notify in writing an insurance company licensed under this Act that he proposes to cancel its licence, giving his reasons for so doing (and notifying the company of its right under section 174 of this Act, to request the Supervisor to refer his proposal for review by the Minister) if at any time,

- (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 insolvent in the terms of section 50 of this Act or having regard to its financial record and any other matter the company is likely to become so insolvent;

- (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;
- (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.

(2) Where an insurance company remains under any liability in respect of local policies belonging to any class of insurance business, the Supervisor shall not cancel the company's licence in respect of that class unless he is satisfied that adequate provision has been or will be made for that liability and that adequate arrangements will exist for payment in Belize of premiums and claims on those policies.

(3) 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 appeal to the Minister which may be made under section 174 of this Act.

Failure of review.

17. Where an insurance company has been notified under section 13(2) or under section 16(1) of this Act, of its right to request the Supervisor to refer the proposal concerned to the Minister 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 license.

18. 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 Belize insurance business of any class;
- (c) if he is satisfied that it has ceased to carry on insurance business in Belize for more than one year; or
- (d) if the insurance company, or its liquidator, judicial manager or trustee so requests.

Effect of cancellation.

19.—(1) Notwithstanding section 18 of this Act, 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 subsection (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 subsection.

(3) Where any person is in contravention of this section the Supervisor shall, after giving 14 days written notice, impose an administrative penalty of five 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 subsection (3) of this section the violation continues for a month, a person shall be liable on summary conviction to punishment in accordance with section 183 of this Act.

20. Section 19 of this Act, 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

21.—(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 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.

Supervisor's discretion to prohibit new policies.

22.—(1) Where any intervention takes place under section 53 of this Act, or after other appropriate inquiry, and the Supervisor is satisfied that it is in the interest of the policy holders or prospective policyholders to do so, the Supervisor may by notice in writing prohibit any such licensed insurance company from writing new policies in any class of insurance business in respect of which such company is licensed.

(2) The Supervisor shall in any notification under subsection (1) of this section, state the reasons for his decision and inform the insurance company of its right under section 174 of this Act, to request the Supervisor to refer his decision for review by the Minister.

Prohibition of placing property, etc., to unlicensed Companies.

23.—(1) After the commencement of this Act, a licensed insurer or licensed intermediary 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.

(2) Any licensed insurer or insurance intermediary who desires to enter into an insurance contract with an un-licensed 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 licensed under this Act; and

(b) the applicant meets the prescribed requirements.

(3) For the avoidance of doubt it is hereby declared that the Supervisor, by granting permission under subsection (2) of this section, does not assume any liability towards the applicant in relation to the insurance contract concerned or its placement.

24.—(1) A company 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 by companies.

(2) Subject to subsection (4) of this section, at the end of each subsequent financial year a company, having made a deposit as required by subsection (1) of this section 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 subsection (1) of this section, the *minimum amount* to be deposited with the Supervisor under this section shall be as follows,

- (i) in the case of a company incorporated under the Companies Act - one hundred thousand dollars;
- (ii) 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 the Fourth Schedule.

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

Further provisions relating to deposits.

25. The provisions contained in the Second Schedule shall have effect in relation to deposits made with the Supervisor pursuant to this Part.

Establishment of statutory funds.

26.—(1) Every company licensed under 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,

- (a) at the date on which the company commences the carrying on of any class of insurance business referred to in subsection (1) of this section; or
- (b) not later than three months after commencement of this Act, whichever is the later date.

(3) The fund referred to in subsection (1) of this section, shall be established and maintained,

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

(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 24 of this Act, 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 24 of

this Act, 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 subsections (4) and (5) of this section, 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.

Method of trustee-
ing.

27.—(1) A trust mentioned in section 26 of this Act, shall be created by trust deed, the contents and the trustees of which shall be approved by the Supervisor prior to creation.

(2) Notwithstanding subsection (1) of this section, 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 the Fourth Schedule 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.

28.—(1) The trustee may not deal with any assets placed in trust pursuant to section 26 (3) of this Act, 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 26 of this Act, without the prior general or specific written approval of the Supervisor.

(3) Every trustee appointed of a trust created in pursuance of section 26 of this Act, 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 stat-
utory funds.

29. The assets of a statutory fund shall not be invested except as provided by this Act.

30. 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,

Companies statement to supervisor.

- (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).

31. If it appears to the Supervisor that,

Consideration of statement of companies.

- (a) a statement furnished to him under section 30 of this Act, 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.

Company to comply with Supervisor's directives.

32. 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 31 of this Act.

Seeking views against Supervisor's Orders.

33. A company aggrieved by any direction of the Supervisor given under section 31 of this Act, may seek a review thereof in the manner prescribed in section 174 of this Act.

Assets of Companies.

34. The assets shown,

(a) by a statement furnished to the Supervisor by a company under section 30 of this Act; or

(b) where directions are given by the Supervisor, or on a review, by the Minister, 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.

Securities for investment.

35.—(1) The securities in which a company may invest the assets of its statutory funds are set out in the Third Schedule.

(2) The Minister may from time to time by order amend the Third Schedule.

(3) 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.

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

36.—(1) Every company 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 subsection (1) of this section, 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 subsection (1) of this section, 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.

37.—(1) A local company shall not, after the commencement of this Act, directly or indirectly,

Prohibitions on 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) Subsection (1) of this section, shall apply to a foreign company in respect of such insurance business as the company is carrying on in Belize.

Appointment of
Directors, etc.

38.—(1) No insurance company may appoint a person as a director or as its chief executive officer or Managing Director or as an executive officer, as the case may be ,

- (a) unless the company has served on the Supervisor written notice stating that it proposes to appoint the person to that position; and
- (b) the Supervisor has,

- (i) notified the company in writing that there is no objection to the appointment; or
- (ii) failed to serve on the company a written notice of objection within one month from the date on which the company's notice in writing was served on him.

(2) Where a person is appointed, becomes or ceases to be a Director or Chief Executive Officer or Managing Director or an Executive Officer 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 give written notice of such fact to the Supervisor.

39.—(1) Every insurance company licensed under this Act shall maintain a principal office in Belize, and shall appoint some person resident in Belize to be its principal representative in Belize.

Maintenance of principal office, etc., in Belize.

(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.

(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.

40.—(1) Subject to subsection (3) 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,

Preparation of annual accounts, etc.

- (a) a balance sheet and a statement of cash flow prepared in accordance with International Accounting Standards showing the financial position of all insurance business 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) in the case of a company carrying on general insurance business a certificate signed by its independent auditor that the company is solvent in accordance with section 50 of this Act; and
- (g) such other documents and information as may be required by the Supervisor.

(2) 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.

(3) All documents required to be furnished under subsection (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.

(4) 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.

(5) Where, in the opinion of the Supervisor, a document furnished by a company under subsection (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.

(6) If a document has been rejected by the Supervisor under subsection (5) of this section, the company shall be treated as having failed to comply with subsection (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.

(7) A company which fails to submit any account, statement or other document required under this section, shall pay a penalty of one 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 of twenty 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.

(8) 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.

(9) 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 subsection (1) of this section in respect of its last financial year.

(10) The documents required to be furnished under subsection (1) of this section, shall be certified by an independent auditor, the secretary or the principal representative, and a director of the company.

(11) In addition, where a company is carrying on long-term insurance business, every balance sheet which it is required to prepare under

subsection (1) of this section, 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.

(12) Nothing in this Act shall prevent the Supervisor in any event from conducting or authorising the carrying out periodically of on-site inspections of the insurance company's business.

41.-(1) Every insurance company which carries on long-term insurance business shall, not less than once in every three years, cause an investigation into its financial position, including a valuation of its liabilities, to be made by an independent actuary.

(2) Every such company shall, whenever its financial position is investigated with a view of distribution of surplus or in compliance with subsection (1) of this section, prepare and furnish to the Supervisor in the prescribed form, within four months of the date up to which its accounts are made for purposes of the investigation, an abstract of the report of the actuary by whom investigations were made and a statement of its long-term business at that date.

(3) Section 40 (5) and (11) of this Act shall, with such modifications as may be necessary, apply in relation to a document required to be prepared under section 40 of this Act.

(4) In the case of a mutual insurance company which carries on life insurance business or industrial life insurance business and whose profits are allocated to members wholly or mainly by annual statements of premium, the company shall, where the abstract required by this section is not made annually, include with the copies of each such abstract furnished to the Supervisor under this section particulars as to the rates of abatement of premium applicable of insurance allowed in each year during the period which has elapsed since copies of such an abstract were previously so furnished.

Periodical Investigations of companies on long term business

42. 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 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.

43.—(1) The Supervisor may require any company licensed under this Act or the director, manager, auditor, actuary or secretary thereof to furnish him, within such time as he may specify, with such information as may be necessary to ascertain the ability of the company to meet its obligations under policies issued by it.

Provisions for information to supervisor.

(2) A company or any director, manager, auditor, actuary or secretary of a company who without reasonable excuse fails to comply with the requirements of subsection (1) of this section, commits an offence.

44. 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.

Maintenance of separate insurance business records.

45. All licensed insurance companies which operate as separate entities that can be wound-up under the local or overseas law 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.

Group accounts.

46. 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.

Appreciation and depreciation of assets.

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

Professional valuation of real property.

- (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 40(1) of this Act, 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.

48.—(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 40(1) of this Act, shall be accompanied by a port 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;

Annual audit of
Companies ac-
counts.

- (e) the reserves relating to unexpired policies have been calculated in accordance with section 145 of this Act;
- (f) the company is solvent within the meaning of section 50 of this Act;
- (g) the provisions regarding the settlement of outstanding claims are adequate, having regard to the latest estimated costs of settlement of such claims.

(2) Subsection (1) (e), (f) and (g) of this section, 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 subsection (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.

49.-(1) No person may be appointed auditor of a company incorporated in Belize unless,

Appointment of auditors.

- (a) he is a practicing member of the Institute of Chartered Accountants of Belize or of such other similar professional accounting association as may be prescribed;
- (b) the company has served on the Supervisor written notice of its intention to make such appointment; and
- (c) the Supervisor has failed to serve on the company a written notice of objection to the appointment within

one month of the date on which the company served written notice of the appointment on him.

(2) A company shall not replace an auditor appointed under this section unless it notifies the Supervisor in writing of its intention to effect such a replacement and the reasons therefor at least one month before the date on which the company expects the replacement to become effective.

(3) In this section “person” includes a firm or a partnership.

(4) The appointed auditor shall be an independent auditor and shall not be an employee or an officer of the company being audited.

Margin of solvency.

50. A company shall be deemed to be insolvent,

- (a) 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 \$200,000;
- (b) in the case of a company carrying on only general insurance business, if its admissible assets exceed its liabilities by less than twenty per cent of its net premium income in respect of its general insurance business in its last financial year; or
- (c) 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).

Computation of assets and liabilities for solvency determination.

51. For the purpose of section 50 of this Act,

- (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.

52.—(1) The Supervisor may require a company licensed under this Act to carry on insurance business ,

Powers of Supervisor to request information.

- (a) to furnish him at such time and in such manner as he may determine with such information in connection with its insurance business as he may specify;
- (b) to produce at such time and place as he may determine such books, papers or other documents in connection with its insurance business as he may specify; or
- (c) to produce to any person authorised in writing by him such books or papers as he may specify.

(2) A person who is authorised by the Supervisor pursuant to subsection (1) (c) of this section shall, where requested to do so, produce evidence of his authority to the company.

(3) The powers conferred under subsection (1) of this section 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 subsection (1) of this section 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.

Powers of supervisor to intervene.

53.—(1) Subject to section 54 of this Act, the Supervisor may at any time intervene in the affairs of a company licensed under this Act to carry on insurance business.

(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) the company has furnished misleading or inaccurate information to the Supervisor under or for the purposes of this 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) an application for registration would be refused if such an application were made at the time of the proposed intervention;
- (f) a company is deemed to be insolvent in accordance with section 50 of this Act;
- (g) after liability has been established that there has been unreasonable delay in the settlement of claims under policies issued by the company; or
- (h) 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.

54. The Supervisor shall, before exercising the power conferred on him by section 53 of this Act, serve on the company a written notice that he is exercising the power of intervention and the grounds on which it is being exercised.

Written notification of grounds for intervention.

55.-(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,

Requirements 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 prepare and submit at earlier dates and with greater frequency, the documents required to be prepared and furnished under section 40 of this Act;
 - (f) 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;
 - (g) 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
 - (h) 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 request any company within five years of its licensing under this Act, to comply with any or all of the requirements of subsection (1) of this section whether or not the power to intervene is exercisable under section 53(2) of this Act.

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

(4) 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.

56.—(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 53(1) of this Act, he is of the opinion that it is necessary or proper to apply for such an Order.

Application for
judicial manage-
ment.

(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.

57.—(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 58, 59, 60, 61 and 63 of this Act.

Order for judicial
management.

(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 notwithstanding 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 subsection (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.

58.—(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

Management by
judicial manager

stating which of the following courses is in the circumstances, in his 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.

59.—(1) The Court shall, on hearing an application made under section 56 of this Act,

- (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

Decision of Court
on report of Judicial
Manager.

(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

60. 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.

61. 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 57 of this Act, 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.

62. 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.

63.—(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 59(1) of this Act.

(2) Where an application is made under subsection (1) of this section, 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.

64.—(1) The Court may order the winding-up of a company in accordance with the Companies Act, Cap. 250 but subject to this section, sections 65 to 69 of this Act, and to the condition that the company may be ordered to be wound up,

Order of winding-up by Court.

- (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 Companies Act, Cap. 250, 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.

(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,

- (a) shall investigate whether any policyholders of the subsidiary in Belize are likely to suffer loss as a result of the winding-up; and
- (b) may institute proceedings for the protection of those policyholders.

(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.

65.-(1) An Order of the Court for the winding-up of a company under section 64 shall be subject to sections 66 to 70 of this Act.

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

(3) Subject to subsections (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, 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 subsection (4) of this section, 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.

Procedure on winding-up.

(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 subsection (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 subsection (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.

66.—(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.

(2) A person to whom notice is given under subsection (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.

Treatment of assets and liabilities of insurance fund.

67.—(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.

(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 subsection (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 subsection, 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.

Diminution of insurance fund.

68.—(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.

(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.

69. 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.

Application of deposits.

70.—(1) Where the Court makes an Order for the winding-up of 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 ,

Winding-up Scheme.

- (a) by the person who made the application, where an Order is made after the hearing of an application under section 64 of this Act;
- (b) by the Judicial Manager appointed in respect of the company, where the Order is made pursuant to section 60 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 64 to 70 of this Act, shall apply with such adaptations as are necessary, on a winding-up in accordance with a scheme under this section.

PART III

Association of Underwriters

Licensing of Associations of underwriters.

71.—(1) Subject to subsection (3) of this section, no association of underwriters shall carry on insurance business in Belize unless it is licensed in accordance with this Part.

(2) A member of an association of underwriters which has been licensed in accordance with this Part may, after the date of such licensing, carry on in Belize insurance business other than long-term insurance business.

(3) An association of underwriters which was registered by the Supervisor to carry on insurance business in Belize before the commencement of this Act shall be deemed to be licensed under this Act.

Application for licence.

72.—(1) An application by an association of underwriters for licensing under this Part shall be made to the Supervisor in the prescribed form and shall be accompanied by evidence of the payment of the prescribed fee and by the following documents and information,

- (a) a copy of its statute or deed of association;
- (b) the names and addresses of persons in Belize who as brokers or agents place insurance business with the association; and
- (c) in the case of an association constituted outside Belize,
 - (i) a certificate signed by the appropriate public authority in the country in which it is constituted stating that the association has been established for at least five years, that the legislation of such country provides for the regulation of associations of underwriters and that it is operating in accordance with that legislation; and

- (ii) the names and addresses of one or more persons resident in Belize who are authorised to accept, on behalf of the members of the association, service of process in any legal proceedings; and by such further information as the Supervisor may require.

(2) Every unlicensed or unregistered association of underwriters carrying on insurance business in Belize immediately before the commencement of this Act shall, within three months of that date, and in accordance with subsection (1) of this section, apply for licensing to the Supervisor who shall, if satisfied that the application is in accordance with this Act, license the association within three months after the receipt of the application.

73.—(1) Where the Supervisor, after appropriate inquiry or by the production of documentary evidence, or both, is satisfied in respect of the applicant association of underwriters that,

Conditions for grant of licence.

- (a) the relevant requirements of this Part have been complied with;
- (b) the association is likely to be able to comply with such of the provisions of this Act as would be applicable to it;
- (c) adequate and appropriate reinsurance arrangements are in place for each class of insurance business which the association is licensed to carry on in Belize; and
- (d) being an association of underwriters constituted outside the country,
 - (i) it has made or caused to be made with the Supervisor the deposit required by section 79 (1) of this Act;

- (ii) there are one or more persons resident in Belize who are authorised to accept on behalf of the members of the association service of process in any legal proceedings, being persons authorised for that purpose by the association; and
- (iii) all premiums received by each member of an association of underwriters are held in trust in the names of trustees for the payment of underwriting liabilities attached thereto of each member and the expenses of its insurance business,

the Supervisor shall, either unconditionally or subject to such conditions as he may specify, license the association of underwriters and notify the applicant accordingly.

(2) Where the Supervisor is not satisfied, in respect of the applicant association of underwriters, as to one or more of the conditions set out in subsection (1) of this section, he shall notify the association of underwriters in writing that he proposes to refuse to license it, giving his reasons for so doing and shall notify it of its right, under section 174 of this Act, to request the Supervisor to refer his proposal for review by the Minister.

74. An association of underwriters licensed in accordance with this part (in this Part referred to as “a licensed association”) shall furnish to the Supervisor,

- (a) in the case of an association constituted outside,
 - (i) a certified copy of such returns relating to the insurance business of the members during the preceding year as are required to be made to the responsible Minister or other public authority in the country in which the association is constituted;

Furnishing of documents and information to the Supervisor.

- (ii) a certificate, signed by the Chairperson or other presiding officer of the association and by or on behalf of the responsible Minister or other public authority, stating whether the requirements of the legislation for the regulation of associations of underwriters in the country in which it is constituted;
- (iii) the latest annual list of members and the names of its committee or other governing body;
- (iv) a statement of receipt and expenditure by its members in Belize during the preceding year which statement shall include gross premiums, gross claims paid and commissions paid, shown separately for motor vehicle insurance business, property insurance business, marine, aviation and transit insurance business, and also shown separately for direct and reinsurance business; and
- (v) such other documents and information as the Supervisor may require,

and these documents and submissions shall be furnished to the Supervisor at the same time as they are required to be submitted to the responsible Minister or other public authority in the country in which the association is constituted;

- (b) in the case of an association constituted within Belize and within four months of the end of its financial year,
 - (i) an audited statement of its accounts for that year;
 - (ii) such returns relating to the insurance business carried on by each of the members of the association as the Supervisor may require; and

- (iii) such documents and information as the Supervisor may require.

Grounds for cancellation or suspension of licenses.

75.—(1) Subject to subsection (2) of this section, the Supervisor may notify in writing a licensed association that he proposes to cancel its licence, giving his reasons for doing so and notifying the licensed association of its right under section 174 of this Act, to request the Supervisor to refer his proposal for review by the Minister, if at any time the Supervisor,

- (a) is satisfied that such licensing was procured as a result of any misleading or false representation or in consequence of any incorrect information (whether such representation was made or information was supplied wilfully or otherwise);
- (b) is not satisfied that the insurance business of its members is being conducted in accordance with sound insurance principles;
- (c) is satisfied that the association has contravened any of the provisions of this Act or of any Regulations made thereunder or any condition, direction or requirement imposed under this Act by the Minister or by the Supervisor; or
- (d) is satisfied that the association has been guilty without reasonable cause of delay in the payment or settlement of any claim arising under any policy issued in Belize by it or on its behalf.

(2) Notwithstanding subsection (1) of this section, the Supervisor may at anytime cancel the licensing under this Part of a licensed association,

- (a) if he is satisfied that the members of the association have not commenced business within one year of licensing or have ceased to carry on business within Belize; or

(b) at the request of the association.

(3) Subject to the Supervisor advising an association of underwriters of its right to Ministerial review under section 174 of this Act, the Supervisor may nonetheless suspend the licence of an association of underwriters in respect of all or any of the classes of insurance business for which it is licensed, if,

(a) he is satisfied that the association of underwriters is in breach of any provision of this Act where that breach would constitute a ground for cancellation as specified in subsection (1) of this section; or

(b) proceedings for its winding-up have commenced.

76. Where a licensed association has been notified under section 73(2) or section 75(1) or (3) of this Act, of its right to request the Supervisor to refer the proposal concerned to the Minister for review and either ,

Implementation of proposal to refuse to license, etc.

(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 association accordingly.

77.—(1) The Supervisor may prohibit a licensed association from writing new business in any class of insurance business if he is satisfied that it is in the interests of the policyholders or prospective policyholders to do so.

Prohibition to licence holder to write new businesses.

(2) The Supervisor shall notify the licensed association in writing of a decision taken under subsection (1) of this section and shall state the reasons for his decision.

(3) The Supervisor shall notify the association of its right, under section 174 of this Act, to request the Supervisor to refer his decision for review by the Minister.

Policies issued before rejection of application for license, etc.

78. An association whose application for licensing is rejected or whose licensing is cancelled in accordance with this Part shall continue to carry on business relating to policies issued by it before the date on which it was notified of such rejection or cancellation unless the Supervisor is satisfied that it has made suitable arrangements for its obligations under these policies to be met.

Deposits by associations of underwriters.

79.—(1) Subject to this section, an association of underwriters which is constituted outside Belize may 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 in cash or in prescribed securities or partly in cash and partly in prescribed securities an amount equal to fifteen per cent of the premium income of the association, net of reinsurance premiums paid, earned from all insurance business carried on in Belize, during the financial year last preceding the date of deposit subject to a minimum deposit of \$300,000 being lodged.

(2) The provisions contained in the Second Schedule shall have effect in relation to deposits made with the Supervisor pursuant to this section.

PART IV

Insurance Intermediaries

Licensing of insurance agents etc.

80.—(1) No person may, in respect of any class of insurance business carry on business as an insurance agent, a sub-agent, or as an insurance broker or collector unless that person is licensed under this Part.

(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.

Application for license.

81.—(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.

(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 subsection (2) of this section shall be endorsed by the Chief Executive Officer of the registered insurer or a person authorised by him with the approval of the Supervisor.

82.—(1) No person may be licensed under this Part to carry on business as an insurance broker, collector, agent or sub agent 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 II or 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 II or Part III, as the case may be, or is exempted from licensing thereunder.

(5) No person or entity may be licensed as an insurance broker unless that person or entity is established and registered as a corporate entity under the Companies Act, Cap. 250, and has a fully paid up share capital of one hundred thousand dollars (\$100,000).

(6) No broker 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 Parts II or III of this Act.

(7) No broker or corporate agent shall be licensed under this Part in a name which differs from that in which such broker or corporate agent is registered under the Companies Act, Cap. 250.

(8) No corporate insurance agent shall be permitted to represent another corporate insurance agent nor shall one insurer be the agent of another insurer.

(9) 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.

(10) No person carrying on business as an insurance collector shall be licensed as an agent, sub-agent or a broker.

83.—(1) Where the Supervisor is satisfied in respect of an applicant,

- (a) that the requirements of section 81 of this Act have been complied with;
- (b) that section 82 of this Act does not apply;
- (c) that the applicant is a person of good character and is otherwise a fit and proper person to be a broker, agent or sub-agent as the case may be;

Certificate of li-
cence.

- (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;
- (e) 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;
- (f) if the applicant is then required by Regulations made under this Act to pass any examination, that he has passed such examination; and
- (g) in the case of a person applying to carry on business as a broker or a corporate agent that such applicant,
 - (i) is duly incorporated, in the same name, as a body corporate under the Companies Act, Cap. 250 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,

- (i) a broker;
- (ii) a collector;

- (iii) an agent, (individual or corporate) of the insurance company or person for whom the applicant has been appointed as agent or sub-agent; or
- (iv) 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 subsection (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 section 174 of this Act, to request the Supervisor to refer his proposal for review by the Minister.

Certificate of licence and intermediary card.

84.—(1) 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, 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 subsection (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 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 five thousand dollars.

85.—(1) The Supervisor may notify in writing 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 under section 174 of this Act, to request the Supervisor to refer the proposal for review by the Minister, if at any time the Supervisor is satisfied,

Right of appeal
against 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 82 of this Act;

- (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 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.

(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 any review of that proposal under section 174 of this Act and shall notify that person of any such suspension.

86. Where any person has been notified under sections 83(2) , 85 (1) or 85 (2) of this Act, of his right to request the Supervisor to refer the proposal concerned to the Minister for review and,

Implementation of proposal to refuse to license, etc.

- (a) fails to make any such request, or having made such request, withdraws the request; or
- (b) 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 person in writing accordingly.

87. The Supervisor may at any time cancel the license of a person under this Part,

Summary cancellation of licence.

- (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; or
- (c) if such person so requests.

88.—(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.

Information to be supplied to Supervisor.

(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.

89.—(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 subsection (1) of this section, commits an offence.

Agency.

90. An insurance agent, sub-agent, broker, 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, or broker.

Fraudulent representation.

91.—(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.

(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.

Liability for unlawful contracts.

92. 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.

93. No agent, sub-agent, collector, or broker 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.

Advertisement.

94.-(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.

95. 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.

Compensation for placing or negotiating insurance.

96. 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

Prohibition of payment of premium other than on agreed policy.

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.

Application of sections 95 and 96.

97. Nothing in sections 95 and 96 shall affect any payment by way of dividend, bonus, profit or savings that is provided for 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.

98. 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.

99. 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 or association of underwriters;
 - (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.

PART V

Long-Term Insurance Business

100.—(1) Every company carrying on long-term insurance business shall appoint an actuary, as a member of its staff or as a consulting actuary.

Appointment of actuary for long-term insurers.

(2) A company shall, within three months of the termination of the appointment of an actuary, appoint another actuary.

(3) 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.

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

101.—(1) Every company carrying on long-term insurance business shall, every three years or at such shorter intervals as the company notifies the Supervisor to be the intervals adopted by it for the purposes of this section,

Frequency of actuarial reports on long-term insurers.

- (a) cause an independent actuary 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.

Premium rates.

102.—(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.

(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 subsection (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.

(4) An actuary in approving a rate of premium in respect of any class of policy under this section shall have regard to,

- (a) the maximum rate of commission proposed to be paid to any person in respect of that class of policy; and
- (b) the maximum rate of reduction of premium to be allowed to any person in respect of that class of policy.

103. 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,

Commissions and reductions of premiums.

- (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.

104.—(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.

Approval of proposal and policy forms by Supervisor.

(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.

105. Where a company issues a life policy which provides that proof of age of the person whose life is insured is a condition precedent to the

Notice of proof of age.

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.

Procedure where company declines to accept proof of age.

106.—(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.

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

(b) 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.

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

(i) 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

- (ii) 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.

(2) 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.

108. 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

Provision relating to state of health of insured.

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.

Minors.

109.—(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 subsection (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.

110.—(1) For the purposes of this Act, but without restricting the meaning of the expression “insurable interest”, an insurable interest 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.

111.—(1) The provisions of this section and of sections 112 to 121 of this Act, 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 112 of this Act, 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.

Irrevocable designation of beneficiary.

112.—(1) Subject to subsections (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,

- (a) the policyholder subject to section 115 of this Act, may not during the life-time 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 subsection (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 subsection (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.

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

114.—(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.

115.—(1) Where under section 111 of this Act, 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 112 of this Act, the moneys payable under the policy shall vest in the following persons in the following order,

Death of beneficiary before policy holder.

- (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.

116. A beneficiary, may enforce for his own benefit, and a trustee appointed pursuant to section 114 of this Act 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.

Enforcement of payments by beneficiary and trustee.

Insured's estate, exclude designated policy proceeds.

117.—(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 subsection (2) of this section, “child” has the meaning assigned to it by section 110 (3) of this Act.

Rights of policy holder on beneficiary irrevocably designated.

118.—(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.

(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.

Living policy holder's entitlement to dividend or bonuses, etc.

119.—(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.

(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.

Assignee's priority of interest.

120.—(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,

- (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 112 of this Act, prior to the time the assignee gave notice to the insurance company of the assignment in the manner prescribed in this subsection.

(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.

121. 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 insured to enforce contract.

122.—(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.

Protection of interest of insured.

(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.

(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 subsection (2) of this section.

Paid-up policies.

123.—(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.

(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.

Surrender of policies.

124. 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.

Relaxation of obligation as to surrender values.

125. The Supervisor may, on application by a company, if in his opinion, the payment in cash of surrender values as required by section 124 of this Act, 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.

Non-forfeiture of ordinary policies in certain cases.

126.—(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,

- (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 subsection (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.

127.—(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.

Treatment of debts on grant of paid-up policies.

128. 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,

- (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.

129.—(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 subsection (1) of this section, 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, Cap. 42 before its repeal.

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

- (a) no duty was payable under the Estate Duty Act, Cap. 42, before its repeal in respect of the estate of the deceased person; or
- (b) moneys paid under subsection (2) of this section, are in excess of the amount of duty payable under the Estate Duty Act, Cap. 42, 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.

130.—(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,

Death of holder of policy not being life insured.

- (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 subsection (2) of this section, the holder of the policy.

(2) Subsection (1) of this section, 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 subsection (1) of this section, 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 subsection (4) of this section, 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.

131. Nothing contained in this Part shall be construed as requiring a company to see to the application of any moneys paid under sections 129 and 130 of this Act, by the company in respect of any policy.

132.—(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

Liability of companies on application of moneys.

Unclaimed moneys.

copy thereof to the Supervisor, a statement of all unclaimed moneys 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.

- (2) The publication under subsection (1) of this Act 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 will be dealt with in accordance with subsection (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 subsection (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.

133.—(1) If a company, after paying to the Financial Secretary an amount in respect of a policy pursuant to section 132, of this Act, 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.

Further provisions relating to unclaimed moneys.

(2) A company which fails to comply with any provision of section 131 of this Act, or of this section that applies to it commits an offence.

(3) For the purposes of section 132 and of this section, “unclaimed moneys” means all sums of money which, after the commencement of this Act and at the time stated in section 132(1) of this Act, 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.

Power to pay
money into court.

134.—(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 poli-
cies.

135.—(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.

136. 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,

Return of industrial policies, etc., after inspection.

- (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.

137. 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.

Falsification.

138.—(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,

Avoidance of policy by reasons of particulars in proposal.

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.

139. 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.

140.—(1) 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,

- (a) where the policy was issued before or is issued within the period of twelve months immediately following

Particulars to be set out in policies.

Issue of premium receipt book.

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.

(2) Notwithstanding subsection (1) of this section, 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.

(3) After the end of the period of twelve months immediately following the commencement of this Act 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.

(4) Any premium receipt book issued to a policy holder by a company, whether before or after the commencement of this Act, shall, if it complies with the provisions of this section or if it is amended to comply with those provisions and returned to the policy holder within the period of twelve months immediately following the commencement of this Act, be deemed to be a premium receipt book issued in accordance with this section.

(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 139 (a) and (b) of this section;

- (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

141.—(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 140 of this Act, 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.

142.—(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.

Non-forfeiture of industrial policies.

(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

*Pensions and Annuity Plans, Schemes
and General Insurance Classes*

Prior approval of pensions, etc.

143. After 12 months from the effective date of this Act, no person, employer, company, trustee or insurer shall establish, administer or operate a pension or annuity plan or scheme in Belize or for the benefit of persons resident in Belize unless that plan or scheme complies with the requirements and provisions of Regulations made under this Act and has first been approved in writing by the Supervisor.

Application of this Part.

144. This section and sections 145 to 149 of this Act, 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.

Computation of reserve liability.

145.—(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.

(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.

146. No dividend shall be paid by any local company while its assets are less than the amount required for solvency by section 50 of this Act nor shall any dividend be paid that would reduce its assets below the same amount or impair its capital.

Contravention.

147. Where it appears to the Supervisor that the assets of any company fall below the requirements for solvency of section 50 of this Act 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 145 of this Act, or if the company has contravened the requirements of section 146 of this Act, its certificate of licensing shall be withdrawn.

148.—(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 145 of this Act, 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.

Annual appropriation for surplus.

(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 145 of this Act.

149.—(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.

Disclosure of *pro rata* condition of average.

(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.

Additional re-
serves for motor
vehicle insurance.

150.—(1) In addition to the reserves required by section 145 of this Act, every company transacting motor vehicle insurance business shall provide reserves for meeting outstanding claims arising from accidents which have occurred.

(2) Every company shall furnish to the Supervisor details of the method used in calculating such reserves.

Notice of expira-
tion etc., of cover
notes and policies.

151.—(1) A motor vehicle insurance company shall notify the Licensing Authority of any cover note or policy issued by the company which has expired or is cancelled or ceases to be effective within thirty days of such expiration, cancellation or ceasing to be effective.

(2) For the purposes of this Part, the expression “Licensing Authority” means the person or authority to whom applications are required to be made under the Motor Vehicles and Road Traffic Act, Cap. 230, for the grant or renewal of licences in respect of motor vehicles.

Issue of policies.

152. 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.

Jurisdiction of lo-
cal courts on mo-
tor vehicle insur-
ance policies.

153. 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 seven days of such acceptance or agreement notify the Licensing Authority accordingly giving full details of the damage to the vehicle.

PART VII

Miscellaneous

154. 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.

155. Subject to the Exchange Control Regulations Act, Cap. 52,

Payment of money in local currency.

- (a) where any policy is issued after the 31st day of December, 2004, 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.

156. 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.

Publication of authorised, subscribed and paid-up capital.

157.—(1) A person shall not publish in respect of any insurance company or in respect of an insurance company proposed to be formed after the 31st day of December, 2004, a prospectus, notice, circular, advertisement or other invitation offering to the public for subscription any shares in the 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.

Voting by post.

158.—(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) Where a member of an insurance company enrolled on the postal voters' roll of the company fails to exercise his right to vote by post on three consecutive occasions on which he is entitled so to vote, the company may remove his name from the roll, but the member shall be eligible for re-enrolment.

(3) This section does not apply to a company which is incorporated outside Belize.

159. 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.

Mutualisation.

160.—(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 and in the case of an association of underwriters an official, issued, and comprehensive cover note indicating the particulars of cover shall be deemed to satisfy this requirement.

Forwarding of insurance policy documents, etc.

(2) No insurer shall issue a policy in Belize which, whatever its nature, is not printed or typed in clearly legible letters and no insurance policy shall be issued or used in Belize unless that policy wording 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 161 of this Act, 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.

161.—(1) Every policy in Belize existing at the commencement of this Act shall as at that commencement be registered by the company in the register kept at its registry in Belize.

(2) Every policy in Belize issued by a company after the 31st day of December, 2004, shall immediately after issue be registered by the company in the register kept at its registry in Belize.

(3) 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.

(4) 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 subsection (3) or (4) of this section shall be borne by the policyholder.

Lost policy.

162.—(1) Where,

- (a) the holder of a policy; or
- (b) a person claiming the benefit of the provisions of section 129 or 130 of this Act 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 subsection (1) (b) of this section, is made by a person referred to in that subsection, the company shall not issue a special policy unless the company is satisfied that section 129 or 130 of this Act, 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 four thousand dollars, 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 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 129 or 130 of this Act, 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.

Issue and inspection of documents.

163. 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 40 of this Act and make a copy of, or extract from, the document.

Documents to be received in evidence.

164. 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.

165. 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.

166. 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.

167.—(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 9 (1) of this Act,

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.

168. 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 defiant companies.

169.—(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.

170.—(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 171 to 173 of this Act; 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 subsection (2) of this section, 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 against the decision in the manner specified in section 174 of this Act.

(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
or amalgamation.

171. 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.

172.—(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.

173. 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
- (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

Returns on transfer or amalgamation.

consideration, by or with the knowledge of any parties to the transfer or amalgamation.

174.—(1) Any person who, pursuant to this Act or any Regulations made thereunder, is notified of any action, decision, ruling, direction, order or proposal of the Supervisor in any case may within thirty days of such notification, request the Supervisor by memorandum in writing, setting out the grounds for his request, to refer the case for review by the Minister.

Power of Minister to review decisions of Supervisor.

(2) Where the Supervisor is requested to refer a case for review by the Minister he shall do so with all reasonable dispatch.

(3) Where a case is referred to the Minister for review under this section, the Minister shall, after considering the memorandum, give his decision in writing and may, subject to the following provisions of this section confirm, vary, cancel or reverse the Supervisor's action, decision, ruling, direction, order, proposal or any part thereof as the case may be.

(4) Before reviewing any case referred to him under this section, the Minister shall, if either the person making the request (hereinafter referred to as "the applicant") or the Supervisor so desire, give each of them an opportunity of appearing before and being heard by a person or persons appointed by the Minister for the purpose.

(5) The decision of the Minister on review of any case referred to him under this section shall be final.

(6) On the review of any case referred to him under this section, the Minister shall forward a copy of his decision to the Supervisor and a copy to the applicant, together with a written statement of the reasons for his decision, if requested by the applicant.

175.—(1) Where,

- (a) the application for licensing of an insurance company under Part II, an association of underwriters under Part III or of any person under Part IV is refused;

Gazetting of licensing, etc.

- (b) an insurance company, an association of underwriters or a person is licensed under Part II, Part III, or Part IV, as the case may be; or
- (c) the licensing of an insurance company, association of underwriters or of any person under Part II, Part III or Part IV as the case may be 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.

(2) The Supervisor shall, from time to time cause to be published in the *Gazette* and in a newspaper published in Belize up to date lists of companies, associations of under writers and persons licensed under Part II, Part III or Part IV, as the case may be.

Restrictions on use
of insurance terms.

176. Subject to the provisions of this section,

- (a) no person carrying on any class of insurance business specified in the First Schedule to this Act 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; and
- (b) no person carrying on any class of Insurance business specified in the First Schedule to this Act 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 II or III of this Act or is exempted from licensing thereunder;
- (c) no person licensed under Part II or Part III 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 IV 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 IV 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”.

177. 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.

178.—(1) 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 association of underwriters, 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 association of underwriters, 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 brokers, agents, and sub-agents;
- (l) amalgamations and transfers falling within sections 60 and 171 of this Act;
- (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/or qualifications for insurance loss adjusters and insurance loss assessors;
- (p) 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.

(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.

179. Without prejudice to any special power of exemption (however expressed) conferred by any other provision of this Act, the Minister 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 section 3 (1) of this Act, 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;
- (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.

Licences fees.

180.—(1) In accordance with regulations made under section 178 (1) (c) of this Act, prescribing fees to be paid, there shall be paid to the Financial Secretary, by every company or association of underwriters carrying on insurance business in Belize or acting in Belize as an agent of an insurance company or an association of underwriters 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, association of underwriters, 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. The party submitting the statement 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.

(3) At the time of submitting the statement, the insurance company, the association of underwriters or intermediary submitting the statement shall pay to the Financial Secretary the sum payable on the basis of the statement and according to subsection (1) of this section. The payment so made shall be provisional only and shall be received by the Financial Secretary as such.

(4) 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.

(5) If the Supervisor accepts the statement as accurate he shall in writing notify the party concerned.

(6) Any company, association of underwriters 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 subsections (2) and (3) of this section, shall be liable to pay to the Financial Secretary in addition to the appropriate fee payable under this section a penalty equal to such fee.

(7) Any company, association of underwriters, 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 subsections (2) and (3) of this section, 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.

181. The fee payable under section 180 of this Act together with an additional penalty if any, payable thereunder, and the fee payable under any regulations made under section 178 (1) (c) of this Act, shall be recovered as a debt in civil proceedings.

Fees recoverable
as civil debt.

182.—(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 4 (2)) of this section;
- (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 section 40 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. 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.

183.—(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 twenty thousand dollars, and in the case of an individual, by a fine of five thousand dollars, or to imprisonment for a period of twelve months.

Penalties.

(2) In the case of a continuing offence, the offender shall, in addition to the penalty prescribed in subsection (1) of this section, be liable to a fine of five hundred dollars for every day during which the offence continues.

184.—(1) The Insurance Act, Chapter 251 of the Laws of Belize Revised Edition 2000, is hereby repealed.

Repeal and savings.

(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.

FIRST SCHEDULE

INSURANCE ACT
Classes of Insurance Business
[Section 3(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.

SECOND SCHEDULE

INSURANCE ACT

Deposits under Sections 24 and 79.
[Sections 24 and 79]

1.—(1) All deposits made by or on behalf of a licensed insurer pursuant to section 24 or 79 of this Act, 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 24 or 79 of this Act, 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 24 or 79 of this Act 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 II or 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 II or 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 or 79 of this Act, 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 24 or 79 of this Act, any prescribed security, but so that the total amount then deposited is not less than the amount required by Part II or 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 II or Part III as the case may be, 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 II and 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 Companies Act, Cap. 250, 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 II or Part III, the Supervisor shall refund to such insurer any moneys, and deliver to him any securities, deposited by him pursuant to section 24 or 79 of this Act.

THIRD SCHEDULE

INSURANCE ACT
Investment of Statutory Funds
[Section 35]

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

¹This Schedule was amended by Statutory Instrument 117 of 2008.

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 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 Belize Money Market Fund [established by the Unit Trust Corporation (Belize) Ltd], subject to the following conditions,

- (a) the unit account shall be marked “COLATERAL for Statutory Fund or Statutory Deposit”;
- (b) the Unit Certificate must be accompanied by a letter in the form of the Fourth Schedule to the Insurance Act;
- (c) the money market fund shall constitute no more than 2% of the total admissible assets of the company.

FOURTH SCHEDULE

INSURANCE ACT

Letter of Undertaking from Licenced Financial
Institution to Hold Insurer's Statutory Deposit to
the Order of Supervisor of Insurance

[Sections 24 and 79]

*(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 24 and 79 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