



Bermuda Monetary Authority Fee Increase for Insurance Entities

The Bermuda Monetary Authority (Regulatory Fees) Amendment Act 2010 (the “Amendment Act”), which includes changes to the Insurance Act 1978, as amended (the “Insurance Act”), is now in effect.

The Amendment Act has increased many of the fees payable to the Bermuda Monetary Authority (“the Authority”) under the Insurance Act. The date and manner in which fees are to be paid under the Insurance Act have also been amended and new provisions have been included to introduce late penalty fees and to allow the Authority to recover any fee or penalty as a civil debt.

The Amendment Act also includes new provisions which allow the Authority, by written direction, to direct that the annual fee owing be reduced on the basis of the nature, scale of operations and complexity of an insurer’s business. The Authority also has the power to revoke such a direction, by written notice, if the circumstances for which it granted the direction have materially changed.

Please [click here](#) to review a table of fees chargeable under the Insurance Act.

Long-term insurers

Pursuant to the Insurance Amendment (No. 3) Act 2010 (“Amendment Act No. 3”), such insurers writing long-term business must be reclassified as either a Class A, Class B, Class C, Class D, or Class E insurer. Notwithstanding the reclassification deadline of 30 September 2011, such insurers must pay the fee associated with the class of insurer that they will be registered under by 31 March 2011. The fee ranges from \$10,500 for a Class A insurer to \$60,000 for a Class E insurer.

The Authority will invoice each insurer writing long-term business prior to 31 March 2011 setting out the new fee payable by it.

The classification criteria for insurers writing long-term business is set out in the Brief on the Amendment Act No. 3. To view the Brief, please [click here](#).

Proceeds of Crime

In addition, the annual fee payable under the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 is now \$825 (the initial application fee is \$105).

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Table of Fees

| The Insurance Act 1978 | | Old fees 2010 | New fees 2011 |
|------------------------|---|------------------|------------------|
| 1 | Applying for registration as— (a) an insurer under section 4(1) | \$525 | \$580 |
| | (b) an insurance manager, broker or agent under section 10 | \$300 | \$315 |
| | (c) an insurance salesman under section 10 | \$71 | \$75 |
| 2 | Applying— (a) to vary or delete any conditions imposed on the Certificate of Registration under section 4(3) | \$210 | \$390 |
| | (b) to register as a different class of insurer under section 4(6) | \$350 | \$390 |
| | (c) [repealed by 2008:46] | | |
| | (d) to be granted an extension to the filing deadline under section 17(4) | \$525 | \$580 |
| | (e) to be exempted from the record keeping requirements of section 18C(2) | \$210 | \$390 |
| | (ea) to notify new or increased shareholder control under section 30D | \$210 | \$390 |
| | (f) to file an affidavit prior to the payment of dividends exceeding 25% of a Class 4 insurer's statutory capital and surplus under section 31B | \$210 | \$390 |
| | (g) to receive approval for an insurer to reduce total statutory capital by 15% or more under section 31C | \$525 | \$580 |
| | (h) to be granted a direction under section 56 other than those mentioned in paragraph (ha) | \$210 | \$390 |
| | (ha) to be granted a direction under section 56, in respect of— | \$350 | \$390 |
| | (i) exemption from requirement of section 18B to include opinion of loss reserve specialist opinion | \$525 | \$580 |
| | (ii) modifying of accounting provisions under sections 15 to 18 and regulations | \$350 | \$390 |
| | (iii) modifying margin of solvency for general business under section 33 and regulations | \$350 | \$390 |
| | (iv) modifying statutory financial returns under sections 15 to 18 and regulations | \$350 | \$390 |

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|---|--|----------|-----------|
| | i) to be granted a direction under section 57A | \$1,313 | \$1,450 |
| | (j) to receive Bermuda Monetary Authority approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by the Insurance Accounts Regulations 1980, to be treated as “relevant assets” | \$525 | \$580 |
| | (k) to receive Bermuda Monetary Authority approval of letters of credit, guarantees and any other instruments to be treated as other fixed capital | \$350 | \$390 |
| | (l) application for cancellation of registration under s.41(1)(a) | \$350 | \$390 |
| | (m) application for approval of internal model made under the provisions of an Order made under section 6A | \$50,000 | \$52,500 |
| 3 | Registering as— (a) an insurer— (i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in subparagraphs (a)(ii) to (x) of this item do not apply to these undertakings) | \$3,650 | \$3,650 |
| | (ii) Class 1 insurer carrying on general business | \$971 | \$971 |
| | (iii) Class 2 insurer carrying on general business | \$1,737 | \$2,200 |
| | (iv) Class 3 insurer carrying on general business | \$10,500 | \$12,000 |
| | (iva) Class 3A insurer carrying on general business | \$19,000 | \$30,000 |
| | (ivb) Class 3B insurer carrying on general business where gross premium is expected to— | \$75,000 | |
| | not exceed \$150 million | | \$180,000 |
| | exceed \$150 million but does not exceed \$350 million | | \$200,000 |
| | exceed \$350 million but does not exceed \$2 billion | | \$230,500 |
| | exceeds \$2 billion | | \$260,000 |

| | | | |
|---|--|---------------------|-----------|
| | (v) Class 4 insurer carrying on general business where gross premium written is expected to— | \$220,500 | |
| | not exceed \$150 million | | \$180,000 |
| | exceed \$150 million but does not exceed \$350 million | | \$200,000 |
| | exceed \$350 million but does not exceed \$2 billion | | \$230,500 |
| | exceed \$2 billion | | \$260,000 |
| | (vi) Special Purpose insurers | \$10,000 | \$11,600 |
| | (vii) Long-Term Class A | *see footnote below | \$10,500 |
| | (viii) Long-Term Class B | | \$10,500 |
| | (ix) Long-Term Commercial insurers— Class C insurer, if classified, otherwise total assets of less than \$250 million | | \$20,000 |
| | Class D insurer, if classified, otherwise total assets equal to or greater than \$250 million but less than \$500 million | | \$40,000 |
| | Class E insurer, if classified, otherwise total assets greater than \$500 million | | \$60,000 |
| | (b) an insurance manager, broker or agent under section 10 | \$1,406 | \$1,406 |
| | (c) an insurance salesman under section 10 | \$140 | \$140 |
| 4 | Issuing any certificate under section 14(1)(c) | \$525 | \$580 |
| 5 | Inspecting the register under section 14(1)(d) | \$9 | \$25 |
| 6 | The furnishing by the Authority of any document or copy of a document under section 14(1)(e)— (a) for the first three pages or part thereof | \$6 | \$25 |

| | | | |
|---|---|---------------------|-----------|
| | (b) for each additional three pages or part thereof | \$6 | \$6 |
| 7 | Annual fee under section 14(2) payable by— (a) an insurer— (i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in subparagraphs (a)(ii) to (x) of this item do not apply to these undertakings) | \$3,650 | \$3,650 |
| | (ii) Class 1 insurer carrying on general business | \$971 | \$971 |
| | (iii) Class 2 insurer carrying on general business | \$1,737 | \$2,200 |
| | (iv) Class 3 insurer carrying on general business | \$10,500 | \$12,000 |
| | (iva) Class 3A insurer carrying on general business | \$19,000 | \$30,000 |
| | (ivb) Class 3B or Class 4** insurer carrying on general business where gross premium written in the year preceding the year of assessment— | | |
| | did not exceed \$150 million | \$75,000 | \$180,000 |
| | exceeded \$150 million but did not exceed \$350 million | \$100,000 | \$200,000 |
| | exceeded \$350 million but did not exceed \$2 billion | \$140,000 | \$230,500 |
| | exceeded \$2 billion | \$175,000 | \$260,000 |
| | (v) Special Purpose insurers | \$10,000 | \$11,600 |
| | (vi) Long-Term- Class A | *see footnote below | \$10,500 |
| | (vii) Long-Term- Class B | | \$10,500 |
| | (viii) Long-Term- Commercial insurers— Class C insurer, if classified, otherwise total assets less than \$250 million | | \$20,000 |
| | Class D insurer, if classified, otherwise total assets equal to or greater than \$250 million but less than \$500 million | | \$40,000 |

| | | | |
|-----|---|---------|-----------|
| | Class E insurer, if classified, otherwise with total assets greater than \$500 million | | \$60,000 |
| | (b) an insurance manager, broker or agent under section 10 | \$1,406 | \$1,406 |
| | (c) an insurance salesman under section 10 | \$140 | \$140 |
| 7aa | Supplementary fee to be paid by insurer whose business includes domestic insurance business in addition to the fee payable for its class of business under paragraph (7)(a) | | \$25,000 |
| 8 | Annual fee under section 27B payable by a designated insurer for a group | | \$150,000 |

†effective from 1 January 2011

* The registration and annual fee for a long-term insurer was previously \$19,000

** The annual fee for a Class 4 insurer was previously \$220,500 for all types of business

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