

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 2,364 of 2nd JULY, 1987.

LEGAL NOTICE No 104 OF 1987.

**INSURANCE COMPANIES ACT 1987.
(Act 1987 No. 10)**

Revoked by LN.1996/065 as from 1.7.1996

INSURANCE COMPANIES (Deposits) REGULATIONS, 1987.

In exercise of the powers conferred on him by section 118 of the Insurance Companies Act 1987, and of all other enabling powers, the Governor has made the following regulations.

Title.

1. These regulations may be cited as the Insurance Companies (Deposits) Regulations, 1987.

Interpretation.

2. In these regulations-

"permitted securities" means securities in which trustees may invest property under paragraphs 1, 3 to 13 and 15 of Part II of Schedule 1 to the Trustee Act, as restricted by Part IV of that Schedule;

"prescribed minimum" means the amount of a deposit determined in accordance with regulation 4.

Application.

3. These regulations apply only to a licensed insurer-

(a) which has its head office outside the Community; and

- (b) which is not maintaining a deposit in a member State in accordance with the proviso to section 61(1) of the Act.

Amount and form of deposit.

4. The amount of the deposit required by section 61(i)(a) of the Act shall be one half of the amount to be maintained by the insurer as minimum guarantee fund under regulation 11 of the Insurance Companies (Solvency Margins and Guarantee Funds) Regulations 1987, and shall be paid in sterling to the Accountant General.

Investment of deposits.

5.(1) The Accountant General shall, on the application of the insurer-

- (a) invest in permitted securities specified by the insurer, any cash which constitutes or forms part of the deposit;
- (b) reinvest in permitted securities specified by the insurer, the net proceeds received on the maturity of any security acquired under paragraph (a);
- (c) realize the whole or any part of any security acquired under paragraph (a) or (b) and reinvest the net proceeds in any other permitted security or retain the same in cash, as the insurer may specify.

(2) An insurer shall not be entitled to make application under sub-regulation (1) within 28 days of an earlier application.

Change of business.

6. Where a further licence is granted to a licensed insurer to which these regulations apply, allowing the insurer to carry on business of another or additional class in respect of which the prescribed minimum deposit is higher than the deposit it has made, the insurer shall, before commencing such business, deposit with the Accountant General such further sum as may be necessary to bring the deposit up to the prescribed minimum.

Change of prescribed minimum.

7. If the prescribed amount for the minimum guarantee fund is increased, an insurer who has made a deposit under section 61(1)(a) of the Act shall, as soon as practicable, deposit with the Accountant General such further sum as may be necessary to bring the deposit up to the prescribed minimum.

Depreciation of securities etc.

8. If the market value of the securities and cash representing a deposit at any time falls below the prescribed minimum, the insurer shall, at the request of the Commissioner, deposit with the Accountant General such further sum as may be necessary to bring the deposit up to the prescribed minimum.

Remission of surplus.

9. If at any time the market value of the securities and cash representing a deposit exceeds the prescribed minimum, the Commissioner may, at the request of the insurer direct the Accountant General-

- (a) to transfer to the insurer any of the securities forming part of the deposit; or
- (b) to realize any of the securities forming part of the deposit and to pay to the insurer the net proceeds; or
- (c) to pay to the insurer any cash which forms part of the deposit,

but so that the market value of the remaining securities and cash is not less than the prescribed minimum.

Winding up.

10. If an insurer which has made a deposit under section 61(1)(a) of the Act is wound up by or under the supervision of a court, the securities representing the deposit shall be realized by the Accountant General and the net proceeds, together with any cash in the deposit, shall be paid to the liquidator.

Cessation of business.

11.(1) If an insurer which has made a deposit under section 61(1)(a) of the Act ceases to carry on business in Gibraltar, the insurer, or any other person

entitled to give a good discharge for the amount of the deposit, may apply in writing to the Commissioner for the release of the deposit or the securities representing the same.

(2) An application under sub-regulation (1) shall be accompanied by a statutory declaration by a director, controller, manager or principal Gibraltar executive of the insurer or by such other person, as the case may be, to the effect that the insurer, or such other person, knows of no other person who has made or is entitled to make any claim to or on the deposit and that the insurer, or such other person, is entitled to give a good discharge for the amount of the deposit, and, where the application is by a person other than the insurer, stating the circumstances in which such person is so entitled.

(3) On receipt of an application accompanied by a statutory declaration as required by sub-regulations (1) and (2), the Commissioner shall, if satisfied as to the entitlement, direct the Accountant General to transfer the securities and cash representing the deposit, or to realize the securities and transfer the net proceeds and the cash, to the insurer or such person in accordance with the application.

Dated this 2nd day of July, 1987.

By Command,

J. K. E. BROADLEY,
Deputy Governor.