



BELIZE

**INSURANCE ACT
CHAPTER 251**

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

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

This edition contains a consolidation of the following laws-	Page
ARRANGEMENT OF SECTIONS	3
INSURANCE ACT	15
Amendments in force as at 31st December, 2000.	



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CHAPTER 251

INSURANCE

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CHAPTER 251

INSURANCE

[19th July, 1976]

15 of 1975.
10 of 1992.
S.I. 44 of 1976.
Commencement.

PART I

Preliminary

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

Short title.

2.-(1) In this Act, unless the context otherwise requires-

Interpretation.

“accident and sickness insurance business” means the issue of, or the undertaking of liability under, policies of insurance upon the happening of

personal accidents, whether fatal or not, disease or sickness, or any class of personal accident, disease or sickness;

“actuary” means a person who is a member of a professional body or society of actuaries which the Minister has recognised for the purposes of this Act by order in the *Gazette*;

“agent” means any individual, firm or body corporate appointed by an insurer and not being an employee of such insurer, to solicit applications for insurance or negotiate insurance on its behalf, and if authorised to do so by the insurer, to effectuate and countersign insurance contracts;

“annuities on human life” 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 dependents of such persons;

“association of underwriters” means an association of individual underwriters, organised according to the system known as Lloyd’s, 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) a person who is a member of a professional body or society of accountants which the Minister has recognised for the purposes of this Act by order in the *Gazette*; or
- (b) a person recognised by the Minister as having adequate accounting knowledge and experience;

“bond investment business” means, subject to subsection (2), 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” includes 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;

“class of insurance business” means any class of insurance business specified in section 3(1);

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

CAP. 250.

“court” means the Supreme Court;

“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, but does not include any business carried on as incidental only to marine, aviation and transit insurance;

“financial year”, in relation to an insurance company, 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;

“foreign company” means a company incorporated outside Belize;

“general insurance business” means insurance business of any class or classes specified in section 3(1), not being long-term insurance business;

“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 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 business”-

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

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

“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, but does not include industrial life insurance;

“life insurance fund” means the fund to which the receipts of an insurer in respect of his life insurance business are carried, and from which payments in respect of that business are made;

“life insurance policy” means life insurance policy, an industrial life, insurance policy or a sinking fund policy;

“life insurer” means a registered insurer carrying on life insurance business;

“local company” means a company incorporated in Belize under the Companies Act or any other Act for the time being in force in Belize;

CAP. 250.

“local policy” means a 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 which the policy-holder has agreed in writing shall be treated as a local policy for the purposes of this Act, but does not include an ordinary life insurance policy made payable outside Belize at the request of the policy-holder which the policy-holder has agreed in writing shall not be treated as a local policy for the purposes of this Act;

“long-term insurance business” means insurance of business of all or any of the following classes, namely, life insurance business, industrial life insurance business and bond investment business, and in relation to any company, insurance business carried on by the company as incidental only to any such class of business;

“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;

“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;

10 of 1992.

“mutual company” means a company whose capital is owned by the policy-

holders of the company;

“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;

“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 the contract with the company;

“policy-holder” 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 37;

“principal representative” means the representative notified to the Supervisor

in accordance with section 37;

“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;

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

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

“registered insurer” means an insurer registered in accordance with Part II or, as the case may be, with Part III;

“salesman” means an individual employed by an insurer or an agent to solicit applications for insurance or to negotiate insurance on behalf of an insurer or an agent, as the case may be;

“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 25;

“Supervisor” means the Supervisor of Insurance appointed under section 4.

(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 or the Credit Unions Act or established under the Building Societies Act or the Friendly Societies Act) 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.

CAP. 300.
CAP. 314.
CAP. 310.
CAP. 317.

3.-(1) Subject to this section, this Act applies to all insurers, whether established within or outside Belize, carrying on within Belize insurance business of all or any of the following classes-

Insurers to which
Act applies.

- (a) ordinary life insurance business;
- (b) industrial life insurance business;
- (c) property insurance business;
- (d) accident and sickness insurance business;
- (e) bond investment business;
- (f) sinking fund business;
- (g) motor vehicle insurance business;
- (h) marine, aviation and transit insurance business;

- (i) employers' liability insurance business;
- (j) any other class of insurance business.

CAP. 250.

(2) A company as defined by section 2 of the Companies Act, which carries on insurance business of a class specified in subsection (1) in any part of the world, other than Belize, shall for the purposes of that subsection 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 deposit as required by section 23 or 74.

(4) Part II shall not apply to associations of underwriters.

(5) This Act shall have no application to-

CAP. 300.
CAP. 310.
CAP. 317.
CAP. 314.

- (a) any person or body of persons registered under the Trade Unions Act or established under the, Building Societies Act or the Friendly Societies Act or the Credit Unions Act;
- (b) any association of persons which may be declared by the Minister by notification published in the *Gazette* to be exempt from the provisions of this Act.

Supervisor of
Insurance.

4.-(1) For the purposes of this Act there shall be a Supervisor of Insurance who, 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.

(2) Where any function is by this 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 authorised in that behalf by the Supervisor.

5.-(1) Where, in relation to any policy, any dispute or difference arises between an insurer and a policy-holder, the Supervisor may act as arbitrator of the dispute or difference.

Supervisor may act as arbitrator.

(2) An arbitration under this section shall be conducted in accordance with the provisions of the Arbitration Act.

CAP. 125.

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

Registers to be maintained by Supervisor.

(a) companies registered to carry on in Belize the various classes of insurance business specified in section 3(1);

(b) associations of underwriters; and

such registers as may be required to be maintained under the Act or any regulations made thereunder.

PART II

Regulation of Insurance Companies

Registration

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

Only bodies corporate may carry on insurance business.

Only registered companies may carry on insurance business.

8.-(1) Subject to section 9 a body corporate shall not carry on in Belize insurance business of any of the classes specified in section 3(1) unless-

- (a) it is registered by the Supervisor under this Act in respect of that class of insurance business; and
- (b) it has made the deposit required by section 23 in respect thereof; and
- (c) in the case of a foreign 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 unenforce- able any contract made or policy issued in contravention thereof.

Application of section 8 to existing business.

9. Section 8 shall not, for a period of six months after the commencement of this Act or such further period as the Minister by order published in the *Gazette* may direct, apply to an insurance company which was carrying on insurance business in Belize immediately before such commencement.

Share capital and deposit required for registration.
10 of 1992.
CAP. 250.

10.-(1) Subject to subsection (2), no company may be registered to carry on long-term insurance business or general insurance business in Belize unless it has a minimum paid-up share capital of not less than two hundred fifty thousand dollars if incorporated under the Companies Act, or if incorporated otherwise, unless it has a paid-up share capital of not less than five hundred thousand dollars.

10 of 1992.

(2) No company may be registered to carry on long-term insurance business or general insurance business in Belize unless, in addition to

complying with subsection (1), it has deposited with the Supervisor the deposit required under section 23.

(3) Subsection (1) shall not apply to an insurance company which is a mutual company.

11.-(1) An application for registration 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.

Applications for registration.

(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.

12. Every company carrying on insurance business in Belize immediately before the commencement of this Act shall, within three months of that date, and in accordance with section 11, apply for registration to the Supervisor who shall, if satisfied that the application is in accordance with this Act, register the company within three months after the receipt of the application.

Applications by existing businesses.

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-

Conditions for registration.

- (a) the requirements of sections 7, 10 and 11, in so far as they are applicable, have been complied with; and
- (b) the company is solvent under the provisions of section 53; and
- (c) the class of insurance business for which the application

is made will be conducted by the applicant in accordance with sound insurance principles; and

- (d) the company is likely to be able to comply with such of the provisions of this Act as would be applicable to it; and
- (e) 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
- (f) the name of the company is not identical with or does not so closely resemble the name of an insurance company already registered under this Act as to be likely to deceive; and
- (g) being a foreign 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 two years before the date of the application; and
 - (ii) has appointed some person resident in Belize to be its principal representative in Belize 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, register the insurance company in respect of such class or

classes of insurance business, shall notify the applicant accordingly, and shall by notice publish the registration in the *Gazette*.

(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), he shall notify the insurance company in writing that he proposes to refuse to register it or, as the case may be, that he proposes to refuse to register 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 152 to request the Supervisor to refer his proposal for review by the Minister.

14.(1) The Supervisor shall subject to the payment of prescribed fees furnish to every company registered under this Act a certificate in the prescribed form that the company has been so registered, and the certificate shall state the class or classes of insurance business for which it is registered and shall be *prima facie* evidence that the insurance company specified in the certificate has been so registered.

Certificate of registration for insurance companies. 10 of 1992.

(2) Every certificate issued under this section shall be valid for one year from the date of issue and may be renewed for a like period upon payment of the required fees.

10 of 1992.

15. If, after the registration of any company under this Act any change takes place in the particulars specified in the application of the company for registration or in the particulars of the information or documents required to accompany the application, the company shall, within thirty days of such change, notify the Supervisor in writing of the change.

Notification of changes in particulars in application.

16.-(1) Subject to subsection (2) the Supervisor may notify in writing an insurance company registered under this Act that he proposes to cancel its registration, giving his reasons for so doing (and notifying the company of its right under section 152 to request the Supervisor to refer his proposal for

Grounds for cancellation of registration.

review by the Minister) if at any time-

- (a) the Supervisor is satisfied that-
- (i) such registration was procured as a result of any misleading or false representation or in consequence of any incorrect information (whether or not done wilfully); or
 - (ii) the company is insolvent in the terms of section 53 or having regard to its financial record and any other matter the company is likely to become so insolvent; or
 - (iii) the company's insurance business or any class thereof is not being conducted in accordance with sound insurance principles and practice; or
 - (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 the public interest; or
 - (v) any of its reinsurance arrangements are not satisfactory; or
 - (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 any provision of this Act or

of any regulations made thereunder or of 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) So long as 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 registration 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.

17. Where an insurance company has been notified under section 13 (2) or under section 16 (1) 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.

18. The Supervisor may at any time cancel the registration under this Act of an insurance company-

Failure of review.
Summary
cancellation or
registration.

- (a) if proceedings for its winding-up have been begun;
- (b) if he is satisfied that it has not, within two years of its registration, 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;
- (d) if the insurance company, or its liquidator, judicial manager or trustee so requests.

Effect of cancellation.

19.-(1) Notwithstanding section 8, upon the cancellation of an insurance company's registration-

- (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;
- (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 registration under this Act is required.

(2) Nothing in subsection (1) (a) shall be taken as authorising the renewal, after the date of notification, of any policy issued before that date, and where any such policy is renewed after that date the company shall be regarded as having issued a new policy in contravention of paragraph (b) of

that subsection.

(3) Any person who contravenes the provisions of this section commits an offence and is liable on summary conviction to punishment in accordance with section 162.

20. The provisions of section 19 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 registration is refused, as they apply to an insurance company whose registration has been cancelled.

Application of section 19 where registration refused.

21.-(1) Every company registered under this Part shall prominently display its registration 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 in Belize.

Display and surrender of registration certificate.

(2) On the notification to an insurance company that its registration has been cancelled, it shall forthwith surrender the registration 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 registration certificate or any copy thereof which is not currently valid, commits an offence.

22.-(1) If, after consideration of the report of an Inspector appointed by the Supervisor under section 47 to investigate the affairs or any part of the affairs of a registered insurance company, or after other appropriate inquiry, the Supervisor is satisfied that it is in the interest of the policy-holders or prospective policy-holders to do so, the Supervisor may by notice in writing prohibit any such registered insurance company from writing new policies in any class of insurance business in respect of which such company is registered.

Registered company may be prohibited from writing new business.

(2) The Supervisor shall in any notification under subsection (1) state the reasons for his decision and inform the insurance company of its right under section 152 to request the Supervisor to refer his decision for review by the Minister.

Deposits by Insurance Companies

Amount and form
of deposit by
companies.
10 of 1992.

23.-(1) A company shall not be registered 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 ten *per centum* 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.

(2) Subject to subsection (4), at the end of each subsequent financial year a company, having made a deposit as required by subsection (1) shall, where necessary, deposit or be refunded, as the case may be, an amount equal to the difference between the last preceding deposit and ten *per centum* of the premium income during such financial year.

10 of 1992.

(3) Notwithstanding subsection (1) the *minimum amount* to be deposited with the Supervisor under this section shall be as follows-

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(i) in the case of a company incorporated under the Companies Act - twelve thousand dollars;

(ii) in the case of any other company - one hundred thousand dollars.

Third Schedule.

(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 or where a company is carrying on motor insurance business in the form of a bank guarantee made in the form set out in the Third 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*.

10 of 1992.

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

Further provisions relating to deposits.
First Schedule.

Statutory Funds

25.-(1) Every company carrying on any class of insurance business shall establish at the date of the commencement of its financial year next after the commencement of this Act and shall maintain, a statutory fund as provided for in subsections (3) and (4) under an appropriate name in respect of each of the classes of insurance business carried on by the company.

Establishment of statutory funds.

(2) For the purposes of subsection (1) a company carrying on more than one class of long-term insurance business shall be regarded as carrying on only one class of long-term insurance business.

(3) In the case of long-term insurance business, every company shall place in trust in Belize assets equal to its liability and contingency reserves with respect to its local policy-holders as established by the revenue account of the company for the last preceding financial year.

(4) In the case of motor insurance business, every company shall place assets in trust in Belize equal to its liabilities and reserves less the amount deposited on account of such business in pursuance of this Act with respect to its local policy-holders as established by the revenue account of the company for the last preceding financial year.

(5) A statutory fund of either class-

(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.

Method of trusteeing.

26.-(1) A trust mentioned in section 25 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), 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 a bank to the order of or on behalf of the Supervisor and such assets shall be deemed to be placed in trust and such bank shall be deemed to be a trustee.

Duties of trustee.

27.-(1) The trustee may not deal with any assets placed in trust pursuant to section 26 (3) 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 without the prior general or specific approval of the Supervisor.

(3) Every trustee appointed of a trust created in pursuance of section 26 shall in the event of a contravention of the provisions of this section, be under the same liability as if the appropriate policy-holders had been beneficiaries of such trust.

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

Investment of statutory fund.

29. A company shall, within thirty days after the date of establishment of any statutory fund and thereafter within six months of the expiration of each financial year furnish to the Supervisor a statement in accordance with the prescribed form showing-

Particulars of liabilities and assets with respect to fund.

(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.

30. If it appears to the Supervisor that-

Inaccurate or misleading particulars.

(a) a statement furnished to him under section 29 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 furnish Supervisor with information.

31. 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 sections 29 and 30.

Review of direction by Supervisor.

32. A company aggrieved by any direction of the Supervisor given under section 30 may seek a review therefrom in the manner prescribed in section 152.

Assets in statement deemed to be assets of statutory fund.

33. The assets shown-

- (a) by a statement furnished to the Supervisor by a company under section 29; 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.

Investments and Prohibitions

Investment requirements of statutory funds. Second Schedule.

34.-(1) The securities in which a company may invest the assets of its statutory funds are set out in the Second Schedule.

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

Second
Schedule.

35.-(1) Subject to subsections (2) and (3), every company shall have invested in assets in Belize an amount equal to at least fifty *per centum* of the Belize dollar liability in each statutory fund and in this regard shall invest at least seventy *per centum* of annual gross premium income until this target is reached.

Local assets
ratio.

(2) Within one year of the commencement of this section every company shall have invested in assets in Belize an amount equal to at least ten *per centum* of the Belize dollar liability in each statutory fund.

(3) The Minister may, after the expiration of the year referred to in subsection (2), by notice published in the *Gazette*, determine the minimum ratio that, after the expiration of one year from the date of publication of the notice, the assets in Belize held by companies in a statutory fund shall bear to the Belize dollar liability of that fund; but any such minimum ratio shall not exceed ten *per centum* and any subsequent variation of such ratio shall not exceed five percentage points in any one period of a year reckoned from the date of publication of the notice determining the first minimum ratio.

(4) In the case of long-term insurance statutory funds, for the purpose of determining whether a company is in compliance with this section, policy loans shall be excluded from the assets and deducted from the liabilities of the company.

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

Prohibitions
relating to 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 the company's own policies or some other adequate security;

- (c) lend any of its funds to a company if more than one-half of the shares of such company are owned by a director of the company or the wife or a child of a director or officer, or by any combination of such persons;
- (d) grant unsecured credit facilities to any person except for temporary cover in the case of general insurance where such cover does not exceed ninety days or except in the case of advances to agents or to full time employees against commissions or salaries to be earned;
- (e) 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) After the commencement of this Act a foreign company shall not directly or indirectly grant unsecured credit facilities to any person in Belize except in the case of general insurance for temporary cover not exceeding ninety days or of advances to agents or full-time employees against commissions or salaries to be earned.

Administrative and Accounting Requirements for Insurance Companies

Insurance companies to maintain principal office and appoint principal representative.

37.-(1) Every insurance company registered 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.

(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.

38.-(1) Subject to this Act, where an insurance company-

- (a) carries on, together with other business, insurance business of one only of the specified classes; or
- (b) carries on, with or without other business, insurance business of two or more of the specified classes,

Maintenance and separation of funds.

the receipts of such class of insurance business, or of each of such classes of insurance business, as the case may be, shall be entered in a separate account and shall be carried to and form a separate insurance fund with an appropriate name.

(2) Nothing in this section shall require the investments of any fund to be kept separate from the investments of any other fund.

(3) Subject to this Act, a fund of any particular class-

- (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; and
- (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 purposes other than those of the class of business to

which the fund is applicable.

(4) For the purposes of subsection (1) the expression “specified classes” means the following classes, namely, life insurance business, industrial life insurance business, bond investment business, and employers’ liability insurance business.

Preparation of
annual accounts,
etc.

39.-(1) Subject to subsections (4) and (11), every company registered under this Act shall, at the end of each financial year, prepare in the prescribed form and manner-

- (a) a general balance sheet showing the financial position of all the insurance business of the company at the close of that year; and
- (b) except in the case of a mutual company, a profit and loss account in respect of all its insurance business in that year, where the company carries on more than one class of insurance business; and
- (c) separate revenue accounts for-
 - (i) life insurance business;
 - (ii) industrial life insurance business;
 - (iii) bond investment business;
 - (iv) such other class or classes of insurance business as may be prescribed; and
- (d) an analysis of its long term policies in force at the end of that year; and

- (e) a certificate that the assets of its insurance business are in the aggregate at least of the value shown in the balance sheet; and
- (f) (i) in relation to any life insurance business carried on by the company, a certificate that the value of the assets of the life insurance fund exceeds the liabilities; and
- (ii) where the company carries on general insurance business but not life insurance business a certificate that the value of its assets exceeds the amount of its liabilities by whichever is the greater of the amounts specified in section 53 (1) (b) (i) and (ii); and
- (iii) where the company carries on both life insurance business and general insurance business, a certificate that the value of its assets, including the life insurance fund, exceeds its liabilities by the amount specified in section 53 (2) (b) (ii); and
- (g) such other documents and information relating to the accounts and balance sheets referred to in this subsection as may be prescribed.

(2) A company registered under this Act shall, together with the documents referred to in subsection (1), furnish to the Supervisor a copy of any report on the affairs of the company submitted to the policy-holders or shareholders of the company in respect of the financial year to which those documents relate.

(3) Every account, balance sheet, statement or other document required by subsection (1) to be prepared shall be furnished to the Supervisor within six months after the end of the period to which the account, balance sheet, statement or other document relates.

(4) All the documents referred to in subsection (1) shall relate to the world wide business of the company but the Supervisor may require in addition a statement showing in respect of the company's business in Belize the amounts of premiums and considerations for annuities received, claims paid and outstanding, surrenders, including surrenders of bonus, annuities paid, bonuses paid, commission and expenses of management.

(5) Such of the documents required to be prepared by subsection (1) as may be prescribed shall be certified by an independent auditor, by an actuary or by officers of a body corporate.

(6) Where, in the opinion of the Supervisor, a document furnished by a company under this section is incorrect, or incomplete in any respect 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 or complete document or, as the case may be, a document prepared in accordance with this Act.

(7) Where a company fails to comply with a notice referred to in subsection (6) to the satisfaction of the Supervisor, the Supervisor may himself either amend the document in question, giving the company particulars of the amendments, or reject the document.

(8) A document amended by the Supervisor or by a company under this section shall be treated as having been submitted to the Supervisor in its amended form.

(9) Where a document furnished by a company under this section has been rejected by the Supervisor under subsection (7) the company shall be

treated as having failed to comply with the provisions of this section in relation to that document unless and until it has furnished another document in accordance with the directions of the Supervisor.

(10) A company liable under a local life insurance policy shall, at the request of the policy-holder, furnish him free of charge with a copy of the relevant revenue account, profit and loss account and balance sheet prepared by the company under subsection (1) in respect of its last preceding financial year.

(11) The requirements of this section shall not apply in the case of a company which carries on only insurance business of a class or classes declared exempt for the time being under the provisions of section 158.

40. Where two or more insurance companies, which operate as separate entities which can be wound up in accordance with the law under which they are incorporated, are associated together in a group, then, in addition to the separate accounts required by section 39, the Supervisor may require the parent company of the group to prepare, at the end of its financial year and in the prescribed form and manner-

Group accounts.

- (a) a consolidated balance sheet showing at the close of that year the financial position as a group of the parent company and all its subsidiary companies;
- (b) a consolidated profit and loss account showing the profit or loss as a group of the parent company and all its subsidiary companies during that year; and
- (c) such other documents as may be prescribed, and such balance sheet and profit and loss account shall bear a certificate by an auditor approved by the Supervisor as to whether in his opinion it gives a true and fair view of

the financial position as a group at the close of that year, or, as the case may be, of the profit and loss as a group during that year, of the parent company and all its subsidiary companies.

Audit of accounts of insurance companies.

41.-(1) The accounts of every insurance company shall be audited annually by an independent auditor who shall not be an employee or an officer of the company.

(2) The auditor of every insurance company shall satisfy himself that the accounts of the company have been properly prepared in accordance with the books and records of the company and shall certify whether-

- (a) he has obtained adequate information from the books and records of the company;
- (b) the accounts of the company accord with the information given to him by the company for the purposes of his audit;
- (c) in the case of an insurer other than a mutual company, the balance sheet and profit and loss account respectively of the insurer give a true and fair view of the insurer's financial position and profit and loss; and
- (d) in the case of a mutual company, the balance sheet and funds give a true and fair view of the insurer's financial position.

Keeping of records by foreign companies.

42. A foreign company shall keep within Belize and make available to the Supervisor on request-

- (a) a record of all local policies issued by the company showing the company's rights and obligations

thereunder; and

- (b) a record of the aggregate amount of the premiums received on all local policies issued by the company; and
- (c) documentary evidence of all of its assets in Belize; and
- (d) such other records in relation to insurance business in Belize as may be prescribed.

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

Periodical investigations to be made into financial position of companies carrying on long term business

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

(3) Section 39 (6) and (10) shall, with such modifications as may be necessary, apply in relation to any such abstract or statement as they apply in relation to a document required to be prepared by section 39.

(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 abatements 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 to different classes or series of insurance allowed in each

year during the period which has elapsed since copies of such an abstract were previously so furnished.

Transfer or
amalgamation.

44.-(1) Subject to this Act no class of insurance business of any company may either in whole or in part, be transferred to, or be amalgamated with the insurance business of any other company unless the transfer or, as the case may be, the amalgamation is sanctioned by the Supervisor.

(2) The Supervisor may sanction any such transfer or amalgamation either unconditionally or subject to such conditions as he may specify in writing.

(3) In the case of foreign companies this section shall apply only to the transfer or amalgamation of insurance business relating to policies issued in Belize.

Returns to be
made in case of
transfers or
amalgamations.

45. Where any class of 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, as the case may be, shall, within one month after the transfer or amalgamation, lodge with the Supervisor-

- (a) a certified copy of the agreement or deed under which the transfer is effected; and
- (b) a statutory declaration made by the chairman of the board of directors or by the principal officer of the company, fully setting out every payment made or to be made to any person whatever on account of the transfer or amalgamation, and stating that to the best of his belief no other payment beyond those so set out has been or is to be made in money, policies, bonds,

valuable securities, property of any description or any other valuable consideration, by or with the knowledge of any parties to the transfer or amalgamation.

Investigations by the Supervisor

46. Without prejudice to any other provision of this Act, the Supervisor may at any time require an insurance company to supply such information in writing relating to business of the company as he may specify, being information that is relevant to the question whether or not the Supervisor should exercise in relation to that company any of the powers conferred on him under this Act.

Supervisor may demand information.

47.-(1) If it appears to the Supervisor that-

Power to make investigations.

- (a) a company is, or is likely to become, unable to meet its obligations;
- (b) a company has failed to comply with any of the provisions of sections 38 to 43; or
- (c) a company has not, within a period of one month as from a date upon which the Supervisor demanded from it in writing any information which the Supervisor was entitled under this Act to demand from it, furnished that information duly and satisfactorily;
- (d) any information in the possession of the Supervisor calls for an investigation into the whole or any part of any class of the insurance business of the company,

the Supervisor may serve on the company a notice in writing calling upon it to show cause, within such period not less than thirty days from the date of

notice, as is specified in the notice, why he should not, on the grounds so specified investigate the whole or any part of the business of the company or appoint a person (in this Part referred to as the Inspector) to make such an investigation and report to the Supervisor the results of his investigations.

(2) If the company fails, within the period specified in the notice, to show cause to the satisfaction of the Supervisor, the Supervisor may make the investigation or may cause it to be made by the Inspector.

Power to obtain information.

48.-(1) In making an investigation under this Part, the Supervisor or the Inspector-

- (a) may require the company to produce any securities, books, accounts, documents or statistics of the company for his inspection and to allow him to make such extracts from them as he considers fit;
- (b) may examine on oath in relation to the company's business, any person who is or has at any time been, a director, auditor, officer, agent, servant or shareholder of the company or the holder of a policy issued by the company or the personal representative of the holder; and
- (c) for the purpose of paragraph (b) may administer oaths.

(2) A person specified in subsection (1) (b) shall produce to the Supervisor or the Inspector at his request any securities, books, accounts, documents or statistics of the company which are available to him and shall give to the Supervisor or the Inspector, at his request, any information in his possession relating to the business of the company.

(3) A person so specified shall not refuse to be sworn or to give information on his examination on oath, and shall not, in reply to a request

made under subsection (2), give any false information.

49.-(1) A person shall not either directly or indirectly, except in the performance of any duty under this Act, make a record of, or divulge or communicate to any person, any information acquired by him under this Part.

Divulging of information.

(2) A person performing any duty under this Part shall take an oath, in the manner and form specified, to maintain secrecy in conformity with the provisions of this section.

(3) Any person who contravenes any of the provisions of this section commits an offence.

50.-(1) After an investigation under this Part in respect of any company has been completed-

Action after completion of investigation.

- (a) the Supervisor shall transmit to the company a summary of the conclusions arrived at by him as a result of the investigation; and
- (b) the Supervisor may, without affecting any other powers conferred by this Part, issue such directions in writing to the company, in respect of any or all classes of insurance business, as he thinks necessary or proper to deal with the situation disclosed in those conclusions (including, without prejudice to the generality of the foregoing, directions prohibiting or regulating the issue of new policies, the renewal of existing policies or the entering into any new contract); but in the case of a foreign company no such directions shall apply to the issue or renewal of policies or the entering of contracts in the course of its business outside Belize.

(2) No direction issued to a company under this section shall remain in force for more than twelve months, but nothing in this subsection shall prevent the Supervisor from issuing any further directions to the company.

Judicial Management and Winding Up

Winding-up.
CAP. 250.

51.-(1) The court may order the winding-up, in accordance with the Companies Act, of a company and the provisions of that Act shall apply accordingly, subject to the provisions of this section and sections 52 to 65 and to the modification that the company may be ordered to be wound up on the petition of ten or more policy-holders owning policies of an aggregate sum assured of not less than ten thousand dollars or on the petition of the Supervisor. Such a petition shall not be presented except by leave of the court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the court and until security for costs for such amount as the court may think reasonable has been given.

CAP. 250.

(2) The Supervisor shall be a party to any proceedings under the Companies Act relating to the winding-up of a company and the liquidator in such a winding-up shall give him such information as he may from time to time require about the affairs of the company.

(3) Reference in this section to a company shall extend also to a company which has ceased to be registered but remains under any liability in respect of local policies.

Position for
judicial manage-
ment or winding-
up.

52.-(1) Where the Supervisor, by reason of the conclusion arrived at by him as a result of an investigation under section 47 in respect of any company, is of the opinion that it is necessary or proper to do so he may, with the leave of the court, present a petition-

- (a) for the winding-up by the court, in accordance with the Companies Act, of an insurance company on the ground- CAP. 250.
- (i) that the company has contravened the provisions of section 8; or
 - (ii) in the case of an insurance company which was carrying on insurance business in Belize before the commencement of this Act and whose registration under this Act has been refused, that it is in the interests of the policy-holders that the company be wound up; or
 - (iii) in the case of an insurance company whose registration under this Act has been cancelled, that it is in the interest of the policy-holders that the company be wound up; or
 - (iv) that any officer of the company or its holding company refuses to comply with any requirements made under section 48 (1) (a) or refuses to answer any question put to him under paragraph (b) of that subsection; or
 - (v) that the results of an investigation made under section 47 in respect of the company are such that it is in the interest of the policy-holders that the company be wound up; or
 - (vi) that the company is insolvent; or
- (b) for an order that the company or any part of the insurance business of the company be placed under

judicial management on the ground -

- (i) that the company is in financial difficulties; or
- (ii) that the insurance business of the company is not being conducted in accordance with sound insurance principles and practice; or
- (iii) that it is otherwise in the interests of the policyholders that such an order be made,

and the court may order accordingly.

(2) An insurance company may, in respect of itself, after giving the Supervisor one month's notice in writing of its intention to do so, petition the court for any order specified in subsection (1).

(3) Both the company and the Supervisor shall be entitled to be heard on any petition presented to the court under this section.

(4) Where a petition is presented under this section for an order in respect of any insurance company, all actions and the execution of all writs, summonses and other processes against it shall, by virtue of this section, be stayed and shall not be proceeded with without the leave of the court first obtained or unless the court otherwise directs.

Margin of
solvency.
CAP. 250.

53.-(1) Subject to this section and section 65 an insurance company shall, for the purposes of this Act and of section 130 of the Companies Act (which authorises the court to wind up a company unable to pay its debts), be deemed to be unable to pay its debts if it does not possess the margin of solvency specified in subsection (2):

Provided that, except for the purposes of section 13 (1) (b), this section shall not apply to an insurance company unless and until a period of two years, or such longer period as the Supervisor may in any case allow,

has expired from the date of its commencing to carry on insurance business.

(2) An insurance company shall possess the required margin of solvency if-

- (a) in the case of an insurance company carrying on long-term business but no general business, if the amount of its liabilities does not exceed the amount of its assets;
- (b) in the case of an insurance company carrying on general business but no long-term business, or carrying on general insurance business and long-term insurance business if the value of its assets exceeds the amount of its liabilities by an amount in excess of one fifth of the general premium income in its last preceding financial year.

(3) For the purposes of this section-

- (a) in computing the amount of the liabilities of an insurance company, all contingent and prospective liabilities shall be taken into account, but not liabilities in respect of share capital; and
- (b) the premium income of an insurance company in respect of its general business in any financial year shall be taken to be the net amount (after deduction of any premiums paid by the company for reinsurance) of the premiums received by that company in that year in respect of all insurance business of a class specified in section 3(l) other than long-term business.

(4) In the case of any insurance company failing to prepare in the prescribed form and manner a certificate of its assets pursuant to section

39 (1) (f), the value of its assets shall, in any proceedings under this section for the winding up of the company, be deemed until the contrary is proved, not to exceed the amount of its liabilities by the amount required by subsection (1).

(5) Nothing in this section shall be taken as affecting the manner in which, on a winding up, any assets or liabilities are required to be dealt with, whether by virtue of the provisions of this Act or otherwise.

(6) Where, on the application of any insurance company, the Minister is satisfied-

- (a) that it carries on business wholly or mainly for the purpose of insuring a limited class of persons having a financial or other interest in common; and
- (b) that, having regard to the limited nature of its business, the provisions of this section are inappropriate or unduly onerous to the company,

the Minister may direct that, subject to such conditions as may be specified in the order, this section shall not apply to the company, or shall apply so as to require that the value of the company's assets shall exceed the amount of its liabilities by a lesser amount than the amount mentioned in this section.

(7) Any order made under subsection (6) may be revoked by the Minister if-

- (a) he ceases to be satisfied of the matter on the ground of which the order was made; or
- (b) he is satisfied that any condition specified in the order has not been complied with.

54.-(1) Where an order for the judicial management of an insurance company or of part of the business of an insurance company is made after the hearing of a petition under section 52, the provisions of this section and of sections 55, 56, 57 and 58 shall apply.

Judicial
management.

(2) The court shall appoint a judicial manager who shall receive such remuneration as the court directs, and the court may at any time cancel the appointment and appoint some other person as judicial manager.

(3) The court may direct how and by whom the remuneration, charges and expenses of the judicial manager shall be borne, and may, if it thinks fit, charge that remuneration and those charges and expenses on the property of the insurance company in such order of priority in relation to any existing charges on that property as it thinks fit.

(4) The management of the insurance company, or of such part of the business of the insurance company as the order of the court directs shall, on a date specified in the order, vest in the judicial manager appointed by the court to the exclusion of any person vested with any such management immediately before that date, but, except with the leave of the court, the judicial manager shall not issue any new policy or renew any existing policy or enter into any new contract.

(5) The court shall issue such directions to the judicial manager as to his powers and duties as it deems desirable in the circumstances of the case.

(6) The judicial manager shall act under the control of the court, and may apply to the court at any time 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.

(7) The judicial manager shall give the Supervisor such information as the Supervisor requires from time to time, and shall report to the Supervisor whenever he intends to apply to the court for instructions and shall, at the

same time, furnish to the Supervisor particulars of the application.

(8) The Supervisor shall be entitled to be heard on any such application, and may himself make application to the court with reference to the conduct of the judicial management.

Cancellation of
judicial
management.

55. If at any time, on the application of the judicial manager of or any person appearing to the court to have an interest in the matter, it appears to the court that the purpose of the order for the judicial management of the company or of part of the business of the company has been fulfilled, or that for any reason it is undesirable that the order should remain in force, the court may cancel the order and thereupon the judicial manager shall be divested of the management which shall again vest in the board of directors or other governing body of the company.

Report by judicial
manager.

56.-(1) The judicial manager shall conduct the management of the insurance company with the greatest economy compatible with efficiency, and shall, as soon as practicable, file with the court a report stating which of the following courses is in the circumstances, in his opinion, most advantageous to the general interests of the policy-holders of the company and seeking an order accordingly-

- (a) the transfer of all or any part of the insurance business of the company to some other insurance company in pursuance of a scheme prepared by the judicial manager and annexed to such report;
- (b) the carrying on of its business by the company either unconditionally or subject to such conditions as the judicial manager may suggest;
- (c) the winding-up of the company; or

(d) such other course as he considers advisable.

(2) The judicial manager shall forthwith, after filing the report, furnish a copy of the report to the Supervisor.

(3) The report or a copy of the report shall be open for inspection by any person during official hours, at the General Registry or at such place as the Supervisor determines.

57.-(1) The court shall on the hearing of an application made under section 56-

Decision of court on report of judicial manager.

(a) after hearing the Supervisor, the judicial manager and any other person who in the opinion of the court is entitled to be heard; and

(b) after considering the report of the judicial manager,

make an order giving effect to the course (whether similar or not to any of the courses mentioned in section 56 (1)) which it considers in the circumstances to be most advantageous to the interests of the policy-holders 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, or in any contract.

58. 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 discharge, or in connection with the discharge, of the functions conferred on the judicial manager under this Part.

Indemnity.

59.-(1) Where the insurance business or any part of the insurance business

Subsidiary companies.

conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and may make provision for such other matters as may seem to the court necessary, with a view to the companies being wound up as if they were one company.

(2) The commencement of the winding-up of the principal company shall, except as otherwise ordered by the court, be the commencement of the winding-up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the court has regard to the rights and liabilities of different classes of contributories in the case of the winding-up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary the court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the court is of opinion that the company is subsidiary to the principal company and that the winding-up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding-up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where an insurance company stands in the relation of a principal company to one insurance company, and in the relation of a subsidiary company to some other insurance company, or where there are several insurance companies standing in the relation of subsidiary companies to one

principal company, the court may deal with any number of such companies together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

60. In any proceedings upon a petition to wind up an insurance company presented by the Supervisor under section 52, evidence that the company was insolvent at any time before such proceedings shall be evidence that the company continues to be unable to pay its debts, unless the contrary is proved.

Supplemental provisions as to winding-up.

61.-(1) Where an insurance company is being wound up by or subject to the supervision of the court, or voluntarily, the value of a policy of any class or of a liability under such a policy requiring to be valued in the winding-up shall be estimated in the manner applicable to policies and liabilities of that class provided for by such rules as may be prescribed and the liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by the company shall-

Ascertainment of value of liability under policies.

- (a) ascertain the value of the liability of the company to each such person in accordance with the said rules or in such other manner or upon such other basis as the court may approve; and
- (b) give notice of that value to such persons in such manner as the court may direct.

(2) Any person to whom notice is given pursuant to subsection (1) (b) shall be bound by the value ascertained in accordance with that subsection unless he gives notice of his intention to dispute the value in the manner and within a time to be specified by an order of the court or by rules of court.

- Reduction of contracts as alternative to winding-up. 62. In the case of an insurance company which has been proved to be unable to pay its debts, the court may, if it thinks fit, reduce the amount of the contracts of the company upon such terms and subject to such conditions as the court thinks just, in place of making a winding-up order.
- Application of deposits. 63. Upon the winding-up of an insurance company, all moneys and securities for the time being held as a deposit in respect of that company under section 23 or 24 shall be delivered to the liquidator and shall be applied by him, in the first instance, in the discharge of the liabilities of the company in respect of local policies.
- Rules. CAP. 250. 64. Rules may be made under section 218 of the Companies Act for the purpose of carrying into effect the provisions of this Act relating to the winding-up of insurance companies and to judicial managers.
- Guaranteed companies. 65.-(1) Where, on the application of an insurance company carrying on general business, the Supervisor is satisfied that it is guaranteed by another insurance company satisfying the requirements of a guarantor set out in subsection (2), the Supervisor may by order direct that, subject to such conditions as may be specified in the order, section 53 shall not apply to the first-mentioned insurance company.
- (2) A guarantor shall be required for the purposes of this section to be either-
- (a) a body corporate which satisfies such of the requirements of section 10 as are applicable thereto and the value of whose assets exceeds the amount of its liabilities by the amount required by section 53; or
- (b) a member of an association of underwriters to whom this Part does not apply by virtue of section 3 (4); or

- (c) an insurance company which, being itself guaranteed by another insurance company, is the subject of an order under this section,

and for the purposes of this section an insurance company shall be deemed to be guaranteed by another insurance company if, but only if, all its liabilities to policy-holders in respect of insurance business of any class specified in section 3 (1) are reinsured with or guaranteed by the other insurance company.

(3) Any order made under this section may be revoked by the Supervisor-

- (a) if he ceases to be satisfied of the matters on the ground of which the order was made; or
- (b) if he is satisfied that any condition in the order has not been complied with.

PART III

Associations of Underwriters

66.-(1) Subject to subsection (3) no association of underwriters shall carry on insurance business in Belize unless it is registered in accordance with this Part.

Associations of underwriters to be registered.

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

(3) Subsection (1) shall not, for a period of six months after the

commencement of this Act or such further a period as the Minister may by order direct, apply to an association of underwriters which was carrying on insurance business in Belize immediately before such commencement.

Applications for registration by associations of underwriters.

67.-(1) An application by an association of underwriters for registration 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 Belize 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 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), apply for registration to the Supervisor who shall, if satisfied that the application is in accordance with this Act, register the association within three months after the receipt of the application.

68.-(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 registration.

- (a) the relevant requirements of this Part have been complied with; and
- (b) the association is likely to be able to comply with such of the provisions of this Act as would be applicable to it; and
- (c) 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 74 (1); and
 - (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,

the Supervisor shall, either unconditionally or subject to such conditions as he may specify, register 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) he shall notify the association of underwriters in writing that he proposes to refuse to register it, giving his reasons for so doing and shall notify it of its right, under section 152, to request the Supervisor to refer his proposal for review by the Minister.

Documents and information relating to insurance business to be furnished to the Supervisor.

69. An association of underwriters registered in accordance with this Part (in this Part referred to as a registered association) shall within six months of the end of each financial year furnish to the Supervisor-

- (a) in the case of an association constituted outside Belize-
- (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;
 - (ii) a certificate, signed by the chairman or other presiding officer of the association and by or on behalf of the responsible Minister or other public authority, stating whether the association has complied with 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; and
 - (iv) a statement of receipt and expenditure by its members in Belize during the preceding year, which statement shall include gross premiums,

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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;

- (b) in the case of an association constituted in Belize such documents and information as the Supervisor may require.

70.-(1) Subject to subsection (2) the Supervisor may notify in writing a registered association that he proposes to cancel its registration, giving his reasons for doing so (and notifying the registered association of its right under section 152 to request the Supervisor to refer his proposal for review by the Minister) if at any time-

Grounds for cancellation of registration.

- (a) the Supervisor is satisfied that such registration 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); or
- (b) the Supervisor is not satisfied that the insurance business of its members is being conducted in accordance with sound insurance principles; or
- (c) the Supervisor 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) the Supervisor 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), the Supervisor may at any time cancel the registration under this Part of a registered association-

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

Implementation of proposal to refuse to register or to cancel registration.

71. Where a registered association has been notified under section 68 (2) or 70 (1) 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 association accordingly.

Registered association may be prohibited from writing new business.

72.-(1) The Supervisor may prohibit a registered association from writing new policies in any class of insurance business if he is satisfied that it is in the interests of the policy-holders or prospective policy-holders to do so.

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

73. An association whose application for registration is rejected or whose registration 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.

Policies issued before rejection of application for, or cancellation of, registration.

74.-(1) Subject to this section, an association of underwriters which is constituted outside Belize may not be registered 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 ten *per centum* of the premium income of the association earned from all insurance business carried on in Belize during the financial year last preceding the date of deposit.

Deposits by associations of underwriters.

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

First Schedule.

PART IV

Registration of Insurance Brokers, Salesmen, Agents and Sub-Agents

75.-(1) Subject to subsection (2) no person shall in Belize, in relation to insurance of any class specified in section 3 (1), carry on or purport to carry on business as, or act as-

Registration of insurance brokers, salesmen, agents and sub-agents.

- (a) a broker or salesman, unless registered under this Part to carry on such business as a broker or, as the case may be, as a salesman; or
- (b) the agent or sub-agent of any person unless registered under this Part to carry on such business as that person's agent or, as the case may be, sub-agent.

(2) This section shall not, for a period of six months after the commencement of this Act, or such further period as the Minister may by order direct, apply to a person who was immediately before such commencement carrying on in Belize business as a broker, salesman, agent or sub-agent.

Application for registration.

76.-(1) An application for registration 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.

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(2) If a person wishes to be registered 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.

General restrictions regarding registration.

77.-(1) No person may be registered under this Part to carry on business as a broker, salesman, agent or sub-agent if he is-

- (a) under the age of eighteen years in the case of a salesman; or
- (b) under the age of twenty-one years in the case of a broker, agent or sub-agent; or
- (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 registered under this Part as an agent of an insurance company unless that company is registered under Part II or exempted from registration thereunder.

(3) No person may be registered under this Part as a sub-agent of another person unless that other person is registered under this Part as an agent or sub-agent or exempted from registration thereunder.

(4) No person may be registered under this Part as a salesman unless the insurance company, agent or sub-agent by whom he is so employed is registered under Part II or, as the case may be, under this Part, or is exempted from registration thereunder.

78.-(1) Where the Supervisor is satisfied in respect of the applicant-

Conditions for registration.

- (a) that the requirements of section 76 have been complied with; and
- (b) that the provisions of section 77 do not apply; and
- (c) that the applicant is a person of good character and is otherwise a fit and proper person to be a broker, salesman, agent or sub-agent, as the case may be; and
- (d) that the applicant is sufficiently competent and knowledgeable to carry on business as a broker, salesman, agent or sub-agent, as the case may be, in respect of any class or classes of insurance; and
- (e) in the case of a person who was, before the commencement of this Act carrying on business in Belize as

a broker, salesman, agent or sub-agent, that he conducted such business in a sound and proper manner; and

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- (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, that he has such professional indemnity cover not exceeding one million dollars as may be prescribed by the Supervisor,

he shall, either unconditionally or subject to such conditions as he may specify, register the applicant as-

- (i) a broker; or
- (ii) a salesman; or
- (iii) an agent or sub-agent of the insurance company or person for whom the applicant has been appointed as agent or 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) he shall notify the applicant in writing that he proposes to refuse to register the applicant or, as the case may be, that he proposes to refuse to register 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 152 to

request the Supervisor to refer his proposal for review by the Minister.

79.-(1) The Supervisor shall furnish to every person registered under this Part a certificate in the prescribed form that such person has been registered as a broker, salesman, agent or sub-agent, as the case may be, and such certificate shall-

Certificate of registration for insurance broker, etc.

- (a) state the class or classes of insurance in respect of which such person is so registered;
- (b) state any conditions subject to which such person has been so registered; and
- (c) in the case of the registration of a person as an agent or sub-agent, specify the insurance company or person for whom such first-mentioned person has been registered as an agent, or as the case may be, a sub-agent,

and the certificate shall be *prima facie* evidence that the person stated therein as having been registered has been so registered.

80.-(1) The Supervisor may notify in writing a person registered under this Part that he proposes to cancel such person's registration, giving his reasons for doing so, and notifying such person of his right under section 152 to request the Supervisor to refer the proposal for review by the Minister if at any time the Supervisor is satisfied-

Grounds for cancellation of registration subject to right of appeal.

- (a) that such registration 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); or

- (b) that such person has become disqualified for such registration by virtue of any of the provisions of section 77; or
- (c) that such person is carrying on business otherwise than in accordance with sound insurance principles and practice; or
- (d) that such person has been guilty without reasonable cause of delay in the payment or settlement of any claim arising under any policy issued by or through him; or
- (e) 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; or
- (f) that such person has been guilty of a fraudulent or dishonest practice; or
- (g) 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 registered or that he is otherwise not a fit and proper person to carry on such business; or
- (h) 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.

(2) Where the Supervisor has notified any person that he proposes to

cancel that person's registration, he may suspend that person's registration pending the outcome of any review under section 152 of that proposal and shall notify that person of any such suspension.

81. Where any person has been notified under section 78 (2) or 80 (1) of his right to request the Supervisor to refer the proposal concerned to the Minister for review and-

- (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.

82. The Supervisor may at any time cancel the registration of a person under this Part-

- (a) if he is satisfied that such person has not carried on business in Belize as a broker, salesman, agent or sub-agent, as the case may be, within a year of registration or has not carried on business in Belize as such for a period of more than a year; or
- (b) in the case of a person registered as an agent or sub-agent, that the registration under this Act of the insurance company or person for whom such first-mentioned person was registered as an agent or sub-agent has been cancelled, or that the agency or sub-agency has been terminated; or

Implementation of proposal to refuse to register or to cancel registration.

Summary cancellation of registration.

Information to
be supplied to
Supervisor.

(c) if such person so requests.

83.-(1) Where an agency or sub-agency in respect of which a person has been registered under this Part as an agent or, as the case may be, 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 such an agent or sub-agent.

(2) Where the employment of a salesman registered under this Part is terminated, notice in writing in the prescribed form shall immediately be given to the Supervisor both by the salesman and his employer in that employment, and upon the salesman entering any new employment, notice in writing in the prescribed form shall forthwith be given to the Supervisor both by the salesman and his new employer.

(3) The Supervisor may demand in writing from any person registered 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, salesman, agent or sub-agent, as the case may be.

(4) Any person who contravenes any of the provisions of this section commits an offence.

Production of
certificate of
registration.

84.-(1) Every person registered 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, salesman, agent or sub-agent as the case may be, produce his certificate of registration for inspection.

(2) Every person who fails to comply with subsection (1) commits an offence.

Miscellaneous Provisions Relating to Agents, Brokers and Salesmen

Agency.

85. An agent, broker or salesman 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.

86.-(1) An agent, broker or salesman who knowingly procures by fraudulent representation payment or the obligation for payment of any premium on an insurance policy commits an offence.

Fraudulent representation.

(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.

87. An agent, broker or salesman is personally liable to the insured on all contracts of insurance unlawfully made by or through him directly with any insurer not registered to carry on insurance business in Belize in the same manner as if such agent, broker or salesman were the insurer.

Liability for unlawful contracts.

88. No agent, salesman 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.

89. Where an agent, broker or salesman acts in negotiating, or renewing or continuing a contract of insurance with an insurer, and receives any money or substitute for money as a premium for such a contract from the insured, and fails to pay the premium over to the insurer within fifteen days of the receipt by him of the premium, or such shorter or longer period as may be agreed in advance by the insurer, less his commission and any other deductions to which, by written consent of the insurer, he is entitled, he commits an offence.

Paying over of premiums to insurer.

90. No insurer, and no officer, employee or agent thereof, and no broker or salesman 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 negotiating the continuance

Compensation for placing or negotiating insurance.

or renewal thereof, or for attempting to do so, who, at the date thereof, is not an insurer or agent, broker or salesman and whoever knowingly contravenes this section commits an offence.

Rebating.

91. No insurer, and no officer, employee or agent thereof, and no broker or salesman 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 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 in Belize, and an insurer or other person who contravenes this section commits an offence.

Bona fide
salaried
employees.

92. Nothing in sections 90 and 91 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.

Returns of
insurer.

93. 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, brokers or salesmen 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
registered
brokers.

94. Every broker registered in accordance with this Part shall keep within Belize and shall make available to the Supervisor on request-

(a) a record of all local policies issued by him on behalf of

- (b) members of a registered association; and
a record of the aggregate amount of the premiums received on such policies.

PART V

Long- Term Insurance Business
Issue of Policies

Rates of premium.

95.-(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) 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.

Commissions
and reductions
of premium.

96. 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-

- (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.

Form of
proposal.

97.-(1) A company shall not issue or accept any form of proposal or policy after six months from the commencement of this Act 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 policy-holder.

(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

Notice regarding
proof of age.

98. 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 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.

99.-(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 policy-holder may apply to a judge in chambers, by summons for an order directing the company to accept the proof tendered.

Procedure where company declines to accept proof.

(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.

100.-(1) (a) A policy is not avoided by reason only of a mis-statement of the age of the person whose life is insured.

Mis-statement of age and non-avoidance of policy.

(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 policy-holder 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.

Provisions relating to state of health of insured.

101. 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 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 of his knowledge and belief as regards the matter; or
- (b) failed to disclose to the company something known or believed by him as regards that matter.

Minors.

102.-(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), is as competent in all respects to have and exercise the powers and privileges of a policy-holder 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.

103.-(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, living with that person and wholly or mainly maintained by that person.

Protection of Policies

104.-(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.

Interest of insured protected in certain cases.

(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 such an express direction.

(4) Nothing in this section shall affect the Married Women's Property Act or the Bankruptcy Act.

CAP. 176
CAP. 244.

Paid- Up Policies, Surrender Values and Non-Forfeiture

105.-(1) A policy-holder who desires to discontinue further premium payments on a policy on which not less than three years' premiums have been paid shall, 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.

Paid up-policies.

(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. 106. 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.
- Relaxation of obligations as to surrender values. 107. The Supervisor may, on application by a company, if in his opinion, the payment in cash of surrender values as required by section 106 would be prejudicial to the financial stability of the company or to the interests of the policy-holders 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 of non-payment of premiums. 108.-(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) not less than three 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 policy-holder than such terms (if any) as may be prescribed.
- (3) The overdue 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 not less than three 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 policy-holder 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) a notice posted to the last known address of the policy-holder shall be deemed to be a notice on the policy-holder.

109.-(1) An industrial policy on which less than one 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 not less than four weeks after it became due.

Non-forfeiture of industrial policies in certain cases of non-payment of premiums.

(2) An industrial policy on which not less than 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 not less than eight weeks after it became due.

(3) An industrial policy on which not 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 not less than twelve weeks after it became due.

(4) In the event of an industrial policy on which not less than three 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 policy-holder, 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.

Treatment of
debts on grant of
paid-up policies.

110. Where under any provision of this Part a policy-holder 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 of Policy Moneys

111.-(1) An insurer by whom 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 hundred 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.

Payment without probate or administration in certain cases.

(2) An insurer who, pursuant to subsection (1), 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 were due on the estate of the deceased person under the Estate Duty Act before the repeal of that Act¹.

CAP. 42,
R.E. 1980-1990.

(3) Where any moneys are paid by an insurer to the Registrar General under subsection (2), then, if the Registrar General is satisfied that-

(a) no duty was payable under the Estate Duty Act before its repeal¹, in respect of the estate of the deceased person; or

CAP. 42,
R.E. 1980-1990.

(b) moneys paid under subsection (2) were in excess of the amount of duty which was payable under the Estate Duty Act before its repeal¹, in respect of the deceased person's estate,

CAP. 42,
R.E. 1980-1990.

1. The Estate Duty Act was repealed by the Estate Duty (Repeal) Act, 1991, which

commenced on the 1st day of April 1991.

The moneys or the excess of duty so paid shall be refunded to the insurer.

(4) The insurer 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 insurer thinks fit, it may require those persons to give sufficient security by bond or otherwise that the moneys so paid will be so applied.

CAP. 176.

(6) Nothing in this section shall affect the provisions of the Married Women's Property Act.

Death of holder
of policy not
being life
insured.

112.-(1) Subject to this section, where a policy-holder, not being the person whose life is insured by the policy, pre-deceases the person whose life is so insured, and a person satisfies the company which issued the policy-

- (a) that he is entitled under the will or on the intestacy of the deceased policy-holder, 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 policy-holder,

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), the holder of the policy.

(2) Subsection (1) 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) 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 five hundred 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 five hundred dollars.

(5) For the purposes of subsection (4), 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.

CAP. 176.

(6) Nothing in this section shall affect the provisions of the Married Women's Property Act.

113. Nothing contained in this Part shall be construed as requiring a company to see to the application of any moneys paid under sections 111 and 112 by the company in respect of any policy.

Company not bound to see to application of moneys paid by it.

114.-(1) A company shall, not later than sixty days after the end of its financial year, deliver to the Supervisor a statement of all unclaimed moneys as at that date.

Unclaimed moneys.

(2) The statement shall set forth, 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.

(3) The company shall pay to the Supervisor, at the time of the delivery of the statement, the total amount of unclaimed moneys shown in the statement, less such amounts, if any, of these moneys as the company has paid, between the financial year and the date on which the statement is delivered, to the person to whom those amounts were due, and the company shall furnish particulars of the amounts in writing with the statement.

Further provisions relating to unclaimed moneys.

115.-(1) Where unclaimed moneys have been paid to the Supervisor under section 114 and the Supervisor is satisfied that, but for that section, a person would be paid those unclaimed moneys by the company by which they were paid to the Supervisor or, if that company is no longer carrying on that class of insurance business, by a company to which that class of insurance business of the first mentioned company has been sold or disposed of, the Supervisor shall pay those unclaimed moneys to that company and specify the person to whom the company is to pay those moneys and the company shall thereupon pay those moneys to that person.

(2) If a company, after paying to the Supervisor an amount in respect of a policy pursuant to section 114 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 refund to the company the amount of the excess.

(3) Subject to subsection (1) the company is, upon payment to the Supervisor of an amount as required by this section, discharged from further liability in respect of that amount.

(4) All unclaimed moneys paid to the Supervisor under section 114 shall be paid by him into the Consolidated Revenue Fund to the credit of a special account and on the written authorisation of the Supervisor there shall be paid from the Consolidated Revenue Fund and charged to that account such sums as are necessary to give effect to this section.

(5) A company which fails to comply with any provision of section 114

or of this section that applies to it commits an offence.

(6) For the purposes of section 114 and of this section “unclaimed moneys” means all sums of money which, after the commencement 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.

Provisions Relating to Industrial Life Insurance Business

116.-(1) If, within twenty-eight days after a company delivers an industrial policy-

Objection to policies.

- (a) to the policy-holder; or
- (b) at the residence of the policy-holder 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 policy-holder,

the policy-holder 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.

Return of industrial policies and premium-receipt books after inspection.

117. If at any time 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-

- (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 policy-holder.

Falsification.

118. 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, he commits an offence.

Avoidance of policy by reasons of particulars in proposal filled in by agent or servant of company.

119.-(1) Where any agent or servant of a company writes or falls 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, 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 the provisions of this section.

120.-(1) Every industrial policy issued by a company after the appointed day shall contain an endorsement in distinctive type setting out-

Particulars to be set out in policies.

- (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 policy-holder to be granted a paid-up policy;
 - (ii) the right of the policy-holder to surrender his policy and to receive in cash the surrender value of the policy; and
 - (iii) the forfeiture of the policy.

(2) For the purposes of this section the “appointed day” means such day (being not less than six months nor more than twelve months after the commencement of this Act) as the Minister may by order appoint.

121.-(1) A company shall, in respect of each industrial policy issued by the company, issue to the policy-holder a premium-receipt book in compliance

Issue of premium-receipt books.

with this section-

- (a) where the policy was issued before or is issued within the period of twelve months immediately following 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), if the policy-holders concerned do not object, the company may-

- (i) issue one premium-receipt book in respect of two or more policies if held by the same policy-holder or by two or more policy-holders who are members of the same household; or
- (ii) 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 policy-holder 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 policy-holders 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 the provisions of this

section.

(5) Every premium-receipt book issued by a company shall contain in respect of each policy to which it relates-

- (a) an endorsement in distinctive type of the particulars referred to in section 120 (1) (a) and (b);
- (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 policy-holder, 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.

122.-(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

Premium-receipt books to show date to which premiums paid, etc.

servant with his usual signature or be initialled 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 121 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.

Mutualisation

Conversion into
mutual
companies.

123. 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 registered under this Act to transact long-term insurance business, whether alone or in combination with any other class of 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.

10 of 1992.

PART VI

Miscellaneous

Registers to be
kept.

124.-(1) A company shall in accordance with section 125 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 Commissioner of Police and the Commissioner of Income Tax or by some person authorised in writing by any of those public officers.

(2) A company shall have a representative in charge of the registry.

(3) Notice in writing of the situation of the registry and of the name of the representative in charge of the registry shall be lodged with the Supervisor.

(4) Whenever any change takes place in the situation of the registry or in the identity of the representative in charge of the registry, notice in writing of the change shall be lodged with the Supervisor.

125.-(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.

Registration of policies.

(2) Every policy in Belize issued by a company after the commencement of this Act 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 policy-holder, 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) shall be borne by the policy-

Lost policy.

holder.

126.-(1) Where-

- (a) the holder of a policy; or
- (b) a person claiming the benefit of the provisions of section 111 or 112 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) is made by a person referred to in paragraph (b) of that subsection, the company shall not issue a special policy unless the company is satisfied that section 111 or 112 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

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) If the company fails to issue a special policy within six months after receipt of an application in writing from the policy-holder, the court may, upon application by summons, 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) If the holder of a special policy or a person claiming the benefit of the provisions of section 111 or 112 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.

127. 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 thereby agreed to pay the sum insured in the events that have happened.

Effect of suicide or capital punishment on policy.

128. 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

Condition as to war risk void.

person who effected the policy agreed in writing to the insertion in the policy of that term or condition.

Offences by company not to invalidate policies.

129. 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.

Pension fund plan or scheme.
10 of 1992.

130. A company may, subject to any regulations made under this Act, establish or operate a pension fund plan or scheme.

PART VII

General Insurance Conditions

Application of this Part.

131. This section and sections 131 to 135 apply to all companies registered under this Act to transact insurance business in respect of any class of such business other than long-term insurance business.

Computation of reserves liability.

132. Every company shall, in respect of its outstanding unexpired policies, include in the liabilities in its annual statement deposited with the Supervisor reserves, not less than eighty per cent, of the unearned premiums computed *pro rata per mensem* as at the date of the statement.

Dividend not to impair capital.

133. No dividend shall be paid by any local company while its assets are less than the amount required for solvency by section 53 nor shall any dividend be paid that would reduce its assets below the same amount or impair its capital.

Contravention.

134. Where it appears to the Supervisor that the assets of any company fall below the requirements for solvency of section 53 and after a reasonable time has been given to the company to be heard by him, the Supervisor shall-

- (a) cancel the registration of the company; or
- (b) upon such terms and conditions as the Supervisor thinks proper, limit a time within which the company shall make good the deficiency (the company's registration being continued in the meantime) and upon the company's failure to make good such deficiency within the time so limited, the registration 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 132, or if the company has contravened the requirements of section 126, its certificate of registration shall be withdrawn.

135.-(1) Until the surplus of a local company equates or exceeds the liability of the company in respect of outstanding unmatured policies required to be included in the annual statement in accordance with section 132, 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.

Appropriation of profits towards 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 unmatured policies required to be included in the annual statement in accordance with section 132.

136.-(1) In addition to the reserves required by section 132, every company transacting motor vehicle insurance business shall provide reserves for meeting outstanding claims arising from accidents which have occurred.

Additional reserves-motor vehicle insurance.

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

(3) The Supervisor may disallow any method used for the calculation

of such reserve if he is satisfied that such a method does not result in the provision of adequate reserves.

Notice of expiration, etc., of cover notes and policies.

137.-(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.

CAP. 230.

(2) For the purposes of this section 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 for the grant or renewal of licences in respect of motor vehicles.

Issue of policies.
CAP. 231.

138. A company carrying on motor vehicle insurance business shall issue a certificate of insurance as required by the Motor Vehicles 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.

Notice of total loss.

139. 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.

Jurisdiction of local courts.

140. 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.

Payment of moneys in local currency.

141.-(1) Where any policy is issued after the commencement of this Act 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, as the case may be, in the currency of Belize unless the parties have, at or subsequent to the issue of the policy, expressly otherwise agreed.

(2) If 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.

Power to pay money into court.

142.-(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.

Issue of capital by companies.

143.-(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 commencement of this Act, 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.

Publication of authorised, subscribed and paid-up capital.

144. 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.

Voting by post.

145.-(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 registered under this Act, make arrangements for-

- (a) the 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) the enrolment on the postal voters' roll of any member of the company entitled to vote in such elections or on such questions who applies to be so enrolled;
- (c) the voting by post in any such election or on any such question by every member so enrolled; and
- (d) the 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 arrange-

ments 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.

146. 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 39 and make a copy of, or extract from, the document.

Inspection of documents.

147. 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.

Documents to be received in evidence.

148. 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.

Authority to sign documents.

149. Where a document is, by this Act, required to be printed, the Supervisor may, in his discretion, permit it to be typewritten or lithographed or to be reproduced by mechanical means approved by the Supervisor.

Printing of documents.

150.-(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-

Service of notices.

- (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 registered post addressed to him at his address last known to the Supervisor or to the address filed with the Supervisor under section 8 (1),

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.

Power to collect statistics.

151.-(1) The Supervisor shall collect at such times as are prescribed such statistics in relation to insurance business as are prescribed.

(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.

(3) A person shall not publish, in such form as to disclose the particulars furnished by any company, any particulars furnished to the Supervisor under this section, and a person shall not publish the number of returns received if such number is less than five.

152.-(1) Any person who, pursuant to any provision of this Act or of any statutory instrument 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.

Decisions, etc., of Supervisor subject to review by Minister.

(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, whether or not the request for review relates to that part.

(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.

153.-(1) Where-

Gazetting of registration, etc.

- (a) the application for registration of an insurance company under Part II, an association of underwriters under Part III or of any person under Part IV is refused; or
- (b) an insurance company, an association of underwriters or a person is registered under Part II, Part III, or Part IV, as the case may be; or
- (c) the registration 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, registration or cancellation to be published at least once in the *Gazette* and in a 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 underwriters and persons registered under Part II, Part III or Part IV, as the case may be.

Restriction on
use of insurance
terms.

154. Subject to the provisions of this section, after twelve months from the commencement of this Act -

- (a) no person carrying on any class of insurance business specified in section 3 (1) may have or use, or continue to have or use, the word “Insurance” or “Assurance”, or any derivative thereof, in the name under which such person is carrying on business, unless such person is registered under this Act or exempted from registration thereunder; and
- (b) no person carrying on any class of insurance business specified in section 3 (1) 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 registered under Part II or exempted from registration thereunder;

- (c) no person registered under Part II 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” or a derivative thereof;
- (d) no person registered 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 registered under Part IV as an agent or sub-agent (and not also registered 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”.

155. 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 time
limits.

156.-(1) The Supervisor shall, as soon as practicable after 31st December in each year, furnish to the Minister for presentation to the National Assembly a report on the working of this Act during that year, which shall contain such information as the Supervisor considers to be relevant.

Annual report.

(2) 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.

Regulations.

157.-(1) The Minister may make regulations for giving effect to this Act and, in particular, but without limiting whatever the generality of the foregoing, such regulations may make provision in relation to all or any of the following-

- (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 registration of a company, an association of underwriters, an agent, a sub-agent, a broker, a salesman 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, the salesman registered 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 registration and annual registration;
- (e) the matters in respect of which other fees shall be payable and the amount of such fees;
- (f) deposits by insurance companies;
- (g) the recovery of the expenses of any investigation under this Act;

- (h) the assignment of policies generally or by way of mortgage or upon trust;
- (i) the disposal and vesting of policy moneys which have remained unclaimed for the prescribed period;
- (j) the holding of examinations for brokers, salesmen, agents and sub-agents;
- (k) amalgamations and transfers falling within section 44;
- (l) the registers to be kept for the purposes of this Act;
- (m) 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 five hundred dollars or imprisonment for a term not exceeding six months for any contravention of any of the provisions of such regulations.

(3) Regulations under this Act may contain such incidental or supplementary provisions as appear to the Minister to be expedient for the purposes of the regulations.

Exemptions.

158. Without prejudice to any special power of exemption (however expressed) conferred by any other provision of this Act, the Minister may by order-

- (a) declare that, with effect from a date specified in the order, such of the 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, insurance business of a class specified in section 3 (1) 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 person or class of person 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.

Fees for registration, transitional provisions, etc.

159.-(1) Until such time as regulations are made under section 157 (1)(c) 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 a fee for the year 1974 and for each subsequent year, which shall be a sum equal to twenty-five dollars or two and one half per cent of the gross amount of premiums received by the company or an association of underwriters in respect of the business transacted in Belize during the year immediately preceding the year in respect of which the fee is payable under this section, whichever is the greater.

10 of 1992.

(2) Within three months of the close of its financial year, every company, association of underwriters, or agent liable to pay a fee under this section shall submit to the Financial Secretary a true and full 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 Financial Secretary may in writing call for and shall permit the Financial Secretary 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 company, the association of underwriters or the agent submitting the statement shall pay to the Financial Secretary the sum payable on the basis of the statement and according to the provisions of subsection (1). The payment so made shall be provisional only and shall be received by the Financial Secretary as such.

(4) The Financial Secretary 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 Financial Secretary accepts the statement as accurate he shall in writing notify the party concerned.

(6) Any company, association of underwriters or agent who fails to submit a statement and make payment as required by subsections (2) and (3), shall be liable to pay to the Financial Secretary in addition to the appropriate fee payable under this section a sum equal to such fee:

Provided that the Financial Secretary may remit the whole or part of the additional sum which has become payable.

(7) Any company, association of underwriters, or agent who carries on insurance business without having submitted a statement and made payment as required by subsections (2) and (3) commits an offence and is liable on summary conviction to a fine of one hundred dollars for every day on which the business is carried on.

Fees recoverable
as civil debt.

160. The fee payable under section 159 together with an additional sum, if any, payable thereunder, and the fee payable under any regulations made under section 157 (1)(c) shall be recovered as a debt in civil proceedings.

Offences

Offences.

161.(1) Any company or person who-

- (a) contravenes or fails to comply with any provision of this Act, or any provision of 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); or
- (b) causes any person to enter into, or make an application for entering into, a contract of insurance in contravention of this Act,

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.

10 of 1992.

(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 or under 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 against 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.

161.-(1) All offences against this Act for which no other penalty is prescribed shall be punishable on summary conviction, in the case of a body corporate, by a fine of five thousand dollars and in the case of an individual, by a fine of one thousand dollars, or to imprisonment for a period of six months.

Penalties.
10 of 1992.

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

FIRST SCHEDULE

[Sections 24 and 74 (2)]

Provisions Relating to Deposits Under Sections 23 and 74

Interest on securities deposited with Supervisor.

1.-(1) All deposits made by or on behalf of a registered insurer pursuant to section 23 or 74 shall be deemed to form part of the assets of the insurer.

(2) All interest and dividends accruing due on any securities deposited pursuant to section 23 or 74 shall be paid to the registered insurer.

Certificate of deposit.

2. The Supervisor shall, on demand by a registered insurer, furnish to the insurer a certificate in writing setting out the nature and extent of any deposit held by the Supervisor under section 23 or 74 in respect of that insurer together with the particulars of the securities (if any) forming the whole or part of the deposit.

Increase of deposit where securities have depreciated.

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 registered insurer with him falls short of the value required by Part II or Part III he shall, by notice in writing, require the registered 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 registered insurer to be heard in connection with the matter.

(3) Any registered 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 policy-holders, cancel the registration of the

registered insurer.

4. If any moneys or securities held by the Supervisor as, or as part of, the deposit required to be made by the registered insurer under section 23 or 74 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.

Responsibility
for lost
securities.

5.-(1) A registered 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 23 or 74, 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.

Substitution and
withdrawal of
deposits.

(2) (a) When a registered insurer has ceased to transact business and has given written notice to that effect to the Supervisor or when the registration of a registered 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 registered insurer shall file with the Supervisor, in respect of all policies issued locally, a list of all policy-holders who have not been so reinsured, or who have not surrendered their policies; and the registered 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 policy holders 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 registered 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 policy holders, 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 policy-holders 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 registered 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 be released by the Supervisor to the liquidator.

CAP. 250.

(3) Where the registration of a registered 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 23 or 74.

SECOND SCHEDULE

[Section 34]

Investment of Statutory Funds

1. A company may invest its statutory funds in assets of the following classes-

- I (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 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, educa-

tional 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 or 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 guaran-teeed by the International Bank for Reconstruction and Development established by the Agreement for an Inter-national Bank for Reconstruction and Development;
- (g) the bonds, debentures or other evidences of indebtedness-
 - (i) of a corporation incorporated in any country listed in (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 (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 (a) that, at the date of vesting thereof in trust, complied with the requirements described in subparagraph (i) of paragraph (g) in respect of the payment of dividends;
- (i) the preferred shares of a corporation in any country listed in (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 (a) above 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 registered 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.

II 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 is 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 of 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 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 hypothecation 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 hypothecation together with the amount of indebtedness under any mortgage or hypothecation on the real estate or leasehold ranking equally with or superior to the mortgage or hypothecation that is invested in does not exceed three-quarters of the value of the real estate or leasehold covered thereby.

III 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 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.

IV 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 bank in Belize or in the country in which the head office of the company is situated.

2. The total accepted value of the assets of any company invested in common shares shall not at any time exceed twenty-five per cent of the accepted value of the total assets in the country of the company.

3. 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 per cent of the accepted value of the total assets in the country of the company.

4. A company shall not invest in trust bonds, debentures or other evidences of indebtedness on which payment of principal or interest is in default.

THIRD SCHEDULE

[Section 23]

Form of Bank Guarantee

The Minister of Finance and Economic Development, Government of

Dear Sir/Madam,

In consideration of your registering the.....
 as an approved Insurer under the
 Act, and in respect of any liabilities which the said Company has incurred or
 may incur as such an approved Insurer, we, the undersigned
Bank, hereby undertake to pay to you on your first
 simple demand notwithstanding any contestation from the above named
 Insurance Company any sums which you may so demand from time to time
 subject to the total amount payable under this undertaking being
 limited to \$..... in all.

Our total liability under this undertaking is limited to
 \$.....
 and is given for an unlimited period, subject to one year's notice of cancel-
 lation on our part. Should, however, such notice of cancellation be exercised
 we undertake, at the expiration of such notice, and if called upon prior to its
 expiration to do so, to pay to you any balance outstanding on the above-
 mentioned undertaking for the purpose set out above and our liability
 hereunder shall continue until such payment is made.

.....
(Signature on behalf of Bank over Stamp)