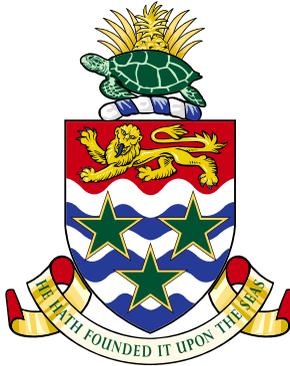


CAYMAN ISLANDS



INSURANCE (AMENDMENT) BILL, 2022

Supplement No. 1 published with Legislation Gazette No. 19 dated 5th May, 2022.

A BILL FOR AN ACT TO AMEND THE INSURANCE ACT, 2010 TO PROVIDE FOR CAPITAL REDEMPTION CONTRACTS; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce (FSC)



**Memorandum of
OBJECTS AND REASONS**

This Bill seeks to amend the Insurance Act, 2010 (“the principal Act”) in order to provide for capital redemption contracts. These contracts are also known as “funding agreements”.

Clause 1 provides the short title of the legislation.

Clause 2 amends section 2 of the principal Act in order to provide, among other things, definitions for the words “capital redemption contract”, “contract of insurance” and “contract of reinsurance”.

Clause 3 amends section 17 of the principal Act to provide for the inclusion of capital redemption contracts in the further provisions relating to long term business accounts.

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**INSURANCE (AMENDMENT) BILL, 2022**

A BILL FOR AN ACT TO AMEND THE INSURANCE ACT, 2010 TO PROVIDE FOR CAPITAL REDEMPTION CONTRACTS; AND FOR INCIDENTAL AND CONNECTED PURPOSES.

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Act may be cited as the Insurance (Amendment) Act, 2022.

Amendment of section 2 of the Insurance Act, 2010 - interpretation

2. The *Insurance Act, 2010* is amended in section 2(1) as follows —

(a) by inserting in the appropriate alphabetical sequence the following definitions —

“**capital redemption contract**” means a contract (which by its terms may be referred to as a “capital redemption contract” or a “funding agreement”) under which an insurer may —

(a) receive and accumulate sums of money; and

(b) pay a sum or sums of money or render money’s worth,

on dates and in amounts that are not contingent on human life or against risks of the person insured;

“**contract of insurance**” includes a capital redemption contract; and

“**contract of reinsurance**” includes a capital redemption contract;”
and

- (b) in the definition of the words “long term business”, as follows —
 - (i) in paragraph (b), by deleting the words “therein mentioned; and” and substituting the words “therein mentioned;”;
 - (ii) in paragraph (c), by deleting the words “paragraph (a) or (b);” and substituting the words “paragraph (a) or (b); or”; and
 - (iii) by inserting after paragraph (c) the following paragraph —
“(d) that are capital redemption contracts;”.

Amendment of section 17 of the Insurance Act, 2010 - further provisions relating to long term business accounts

3. The *Insurance Act, 2010* is amended in section 17 as follows —

- (a) in the chapeau, by deleting the words “and contracts of insurance on human life” and substituting the words “, contracts of insurance on human life and capital redemption contracts”; and
- (b) by repealing paragraph (b) and substituting the following paragraph —
“(b) subject to paragraph (a), the assets of a separate account shall include all premiums paid or sums of money received with respect to the contract for which the separate account was established and all interest, earnings and assets derived from the premiums or sums of money; and”.

Passed by the Parliament the day of , 2022.

Speaker

Clerk of the Parliament

