

BILL AS TABLED

A BILL

entitled

INSURANCE COMPANIES (SPECIAL FEES) ACT 2010

WHEREAS it is expedient to make provision for a special fee to be charged on Class 4 insurance companies to fund additional resources of the Bermuda Monetary Authority to enable it to carry out its programme of enhanced supervision;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Insurance Companies (Special Fees) Act 2010.

Interpretation

2 In this Act—

“Authority” means the Bermuda Monetary Authority established under section 2 of the Bermuda Monetary Authority Act 1969;

“class 4 insurer” means a company registered as a class 4 insurer under section 4 of the Insurance Act 1978.

Special Fees: class 4 insurers

3 (1) Every class 4 insurer shall on or before 30 September 2010 pay to the Authority a special fee in accordance with the Table of Fees.

(2) Where a company fails to pay the fee due under this section, it shall pay in addition a late penalty fee amounting to 10% of the fee due for every month or part of a month that the fee remains unpaid.

(3) The Authority may recover any unpaid fee and penalty fee due as a debt owing to it in any court of competent jurisdiction.

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TABLE OF FEES

BAND	Gross Premium Written (as reported in 2009 statutory financial returns)	Applicable Fee
A	Less than \$400 million	\$80,000
B	\$400 million but less than \$800 million	\$130,000
C	\$800 million but less than \$1.2 billion	\$180,000
D	\$1.2 billion or more	\$230,000

INSURANCE COMPANIES (SPECIAL FEES) BILL 2010

EXPLANATORY MEMORANDUM

This Bill seeks to introduce a special levy on class 4 insurance companies to cover the costs of enhanced supervisory standards.

Clauses 1 and 2 are self-explanatory.

Clause 3(1) requires class 4 insurance companies to make a one-off payment on or before 30 September 2010. The fee ranges from \$80,000 to \$230,000 depending on the size of each company's gross premiums for 2009 as set out in the table of fees. Subsection (2) provides for a late penalty fee of 10% per month. Subsection (3) provides for recovery of unpaid fees.