



INSURANCE ACT 2008

INSURANCE (LIMITED PARTNERSHIPS) (SOLVENCY) (AMENDMENT) REGULATIONS 2011

Laid before Tynwald

15 March 2011

Coming into operation

1 February 2011

After conducting the consultation required by section 50(3) of the Insurance Act 2008¹, the Insurance and Pensions Authority makes these Regulations under section 50(1) of that Act.

1 Title

These Regulations are the Insurance (Limited Partnerships) (Solvency) (Amendment) Regulations 2011.

2 Commencement

These Regulations come into operation on 1 February 2011.

3 Amendment to the Insurance (Limited Partnerships) Regulations 2004

(1) Paragraph 11 of Schedule 2 to the Insurance (Limited Partnerships) Regulations 2004² (modification of Schedule 7 to the Insurance Regulations 1986 in respect of an Isle of Man Limited Partnership) is amended in accordance with the following paragraphs of this regulation, and in those paragraphs a reference to a numbered item (without more) is a reference to the paragraph of Schedule 7 to the Insurance Regulations 1986 as modified by paragraph 11 of Schedule 2 to the Insurance (Limited Partnerships) Regulations 2004.

(2) In paragraph 1 of Part II, after the definition of “investments” insert—

¹ 2008 c. 16

² SD552/04

Price 75 pence

““loan amounts” refer only to amounts owing from an associate of the insurer corresponding to a loan from the insurer to that associate, and means the principle amount of the loan, accrued interest as at the balance sheet date and other applicable charges relating to the loan that are payable to the insurer;”

(3) In the table in paragraph 6 for subparagraph A(c) substitute—

(c) Investments (other than those falling within head (b)) in, or amounts owing by any associate of the insurer (other than those falling within paragraph 7B):	the aggregate amount in excess of 25% of the partners’ capital.”
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(4) For the table in paragraph 7 substitute —


“TABLE

ASSETS	MAXIMUM AMOUNT ADMISSIBLE
A. Letters of credit or a guarantee from a bank or other institution acceptable to the Supervisor and in a form approved by him:	the amount required by the Supervisor to provide for exceptional circumstances.
B. Loan amounts owing from an associate of the insurer with the written approval of the Supervisor:	100%.”

4. Revocation

The Insurance (Limited Partnerships)(Solvency)(Amendment) Regulations 2010 are revoked.

Made 27 January 2011


Chairman, Insurance and Pensions Authority

EXPLANATORY NOTE
(This note is not part of the Regulations)

These Regulations permit authorised insurers established as limited partnerships ("LP"), with the approval of the Supervisor, to may make loans to their associates that are fully admissible for the purposes of calculating their minimum margins of solvency.

Prior to the making of these Regulations, amounts owing from an associate of an insurer that is an LP were admissible only to a maximum aggregate amount of 25% of the partners' capital and this limit will remain in force in respect of loans that have not received the approval of the Supervisor.
