



BERMUDA

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

SR&O 4 / 1971

[made under sections 28 and 40 of the Health Insurance Act 1970 and brought into operation on 6 February 1971]

[NB Formerly the Hospital Insurance (Licensing of Insurers) Regulations 1971. Title amended, and references to "hospital insurance", "Hospital Insurance Fund" and "Commission" substituted by "health insurance", "Health Insurance Fund" and "Council" by 2004:22 s.19 & Sch para 2 effective 1 January 2006; references to "standard hospital benefit" substituted by "standard health benefit" by 2015 : 26 s. 10 effective 29 June 2015. These amendments are not individually noted.]

Interpretation

1 In these Regulations "the Act" means the Health Insurance Act 1970.

Duration of licence

2 A licence to undertake insurance business granted by the Council under section 28 of the Act shall be valid from the date on which the licence is first granted until the 31st day of December of the next ensuing year, and thereafter, subject to the Act and on payment of the prescribed fee, shall be renewable for further periods of one year.

[Regulation 2 amended by 2012 : 14 s. 12 effective 1 August 2012]

Refusal of licence

3 Without prejudice to the generality of section 28 of the Act, the Council may refuse to grant or renew a licence unless he is satisfied that contracts of health insurance offered by the applicant—

- (a) provide not less than full standard health benefit; and

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

(b) *[revoked by 2017 : 46 s. 6]*

[Regulation 3 amended by 2004:22 effective 1 January 2006; amended by 2012 : 14 s. 12 effective 1 August 2012; subparagraph 3(b) revoked by 2017 : 46 s. 6 effective 20 December 2017]

Licensing fee

4 (1) Subject to paragraph (4), where the Council determines to grant or to renew a licence, the applicant shall pay to the Council, before the licence is granted or is renewed—

- (a) where the insurer falls in band A, a licensing fee of \$12,500;
- (b) where the insurer falls in band B, a licensing fee of \$37,500;
- (c) where the insurer falls in band C, a licensing fee of \$62,500;
- (d) where the insurer falls in band D, a licensing fee of \$87,500;
- (e) where the insurer falls in band E, a licensing fee of \$112,500;
- (f) where the insurer falls in band F, a licensing fee of \$137,500;
- (g) where the insurer falls in band G, a licensing fee of \$162,500;
- (h) where the insurer falls in band H, a licensing fee of \$187,500.

(2) For the purposes of paragraph (1), an insurer falls—

- (a) in band A, where the annual gross premium is less than \$25 million;
- (b) in band B, where the annual gross premium is \$25 million or more but less than \$50 million;
- (c) in band C, where the annual gross premium is \$50 million or more but less than \$75 million;
- (d) in band D, where the annual gross premium is \$75 million or more but less than \$100 million;
- (e) in band E, where the annual gross premium is \$100 million or more but less than \$125 million;
- (f) in band F, where the annual gross premium is \$125 million or more but less than \$150 million;
- (g) in band G, where the annual gross premium is \$150 million or more but less than \$175 million;
- (h) in band H, where the annual gross premium is more than \$175 million.

(3) In paragraph (2), “annual gross premium” means—

- (a) where a new licence is to be granted, the gross premium expected to be written by the insurer in the first twelve months of the licence; and
- (b) where a licence is to be renewed, the gross premium written by the insurer in the twelve months preceding the date of renewal of the licence.

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

(4) In accordance with section 28(3B) of the Act, the Committee (in respect of the health insurance plan and the FutureCare plan) is exempt from paying the licensing fee.

[Regulation 4 amended by BR 16/1991 effective 1 April 1991; by BR 13/1994 effective 1 April 1994; by BR 50/1998 effective 1 July 1998; amended by 2012 : 14 s. 12 effective 1 August 2012; Regulation 4 revoked and substituted by 2017 : 46 s. 6 effective 20 December 2017]

Form of application

5 An application for grant or renewal of a licence shall be in the form set out in the Schedule to these Regulations.

[Regulation 5 amended by 2012 : 14 s. 12 effective 1 August 2012]

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

SCHEDULE

FORM OF APPLICATION FOR A LICENCE TO UNDERTAKE INSURANCE BUSINESS

Name of applicant:

Location of principal place of business:

Place of business in Bermuda:

The applicant is—

- (a) a local company incorporated in Bermuda*
- (b) an exempted company incorporated in Bermuda*
- (c) a corporation incorporated outside Bermuda*
- (d) other than as above*

If (c) or (d) applies give details—

Does the applicant underwrite insurance risks as a principal:

*Delete as applicable

Signed by or on behalf of applicant.

Date

Notes:

1. If the application is for the first grant of a licence, this form must be submitted to the Council together with—

- (a) a copy of each type of contract of health insurance intended to be offered by the applicant to the public;
- (b) a copy of the latest financial statements relating to the business of the applicant;
- (c) confirmation that the applicant has met the registration requirements of the Bermuda Monetary Authority under the Insurance Act 1978;
- (d) such other information as the Council may reasonably require to determine the suitability of the applicant to undertake insurance business.

2. If the application is for the renewal of a licence, this form must be submitted to the Council together with—

- (a) a copy of the audited statutory return submitted most recently by the applicant to the Bermuda Monetary Authority;

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

- (b) a completed Bermuda Health Council Annual Health Insurance Return for the period 1 April in any given year to 31 March in the following year, setting out such statistical data as the Council may require, including (but not limited to)—
 - (i) the number of persons insured;
 - (ii) the value and number of claims paid; and
 - (iii) the total value of premiums collected;
- (c) a statement from the applicant's auditors verifying—
 - (i) the number of individual policyholders eligible for standard health benefit under the applicant's health plans; and
 - (ii) the related premium amounts paid to the Mutual Reinsurance Fund by the applicant during the most recent fiscal year ending 31 March;
- (d) the total number of persons insured for benefits supplemental to standard health benefit as at 31 March in any given year;
- (e) a copy of each form of health insurance offered for sale in respect of—
 - (i) standard health benefit;
 - (ii) group health policy;
 - (iii) individual health policy;
- (f) a copy of the most recently published audited financial report of the parent or majority owner of the applicant;
- (g) any other relevant information required by the Council for the purposes of health system analysis, planning and management.

3. Where the applicant operates in Bermuda through an agent the information required relates to the business of the principal.

[Schedule amended by 2002:26 s.3(1) effective 1 August 2005; by 2004:22 effective 1 January 2006; by 2009:49 s.15(9) effective 15 December 2009; Schedule Notes substituted by 2012 : 14 s. 12 effective 1 August 2012]

[Amended by:

1981 : 37
BR 15 / 1979
BR 17 / 1986
BR 16 / 1991
BR 13 / 1994
BR 50 / 1998
2002 : 26
2004 : 22

HEALTH INSURANCE (LICENSING OF INSURERS) REGULATIONS 1971

2009 : 49
2012 : 14
2015 : 26
2017 : 46]