



PARLIAMENT OF THE COOK ISLANDS

INSURANCE AMENDMENT BILL 2019

EXPLANATORY NOTE

This note does not form part of the Bill but is intended to identify the more important aspects of the Bill.

This Bill forms part of a package of measures designed to give effect to the recommendations of the EU that International Companies incorporated under the International Companies Act 1981-82 should have their existing special privileges under Cook Islands law removed.

- Clause 1** sets out the Title of the Bill.
- Clause 2** provides the Bill will come into force on the day after the date on which it receives the assent of the Queen's Representative.
- Clause 3** provides that the Bill amends the Insurance Act 2008 (the **principal Act**).
- Clause 4** amends section 8(b)(ii) by omitting “; or” and substituting “.” at the end of the paragraph. Section 8(c) is also repealed. Section 8(c) creates a special kind of insurance licence category for international companies called the category C licence, which is a licence that is now covered by the Captive Insurance Act 2013.
- Clause 5** amends section 9(1)(b) by omitting “;” and substituting “.” at the end of the paragraph. Section 9(1)(c) and (3) are also repealed. Section 9(1)(c) and (3) relate to the category C licence. for international companies, which is a licence that is now covered by the Captive Insurance Act 2013.
- Clause 6** repeals section 30. Section 30 relates to the category C licence for international companies which is a licence that is now covered by the Captive Insurance Act 2013.
- Clause 7** amends section 31 by replacing section 31(1) with a new subsection (1) requiring a licensed insurer holding a category A licence to have at least 3 directors and no longer makes reference to the category C licence. Section 31(2A) is also repealed.

- Clause 8** repeals section 95(3). These changes are consequential on the abolition of the category C licence for international companies.
- Clause 9** amends section 104 by inserting a *new paragraph (c)* referring to the Life Insurance Act 1970-71.
- Clause 10** repeals paragraphs 2, 3, and 4(a) of Schedule 1.
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Insurance Amendment Bill 2019

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An Act to amend the Insurance Act 2008.

The Parliament of the Cook Islands enacts as follows—

- 1 Title**
This Act is the Insurance Amendment Act 2019.
- 2 Commencement**
This Act comes into force on the day after the date on which it receives the assent of the Queen's Representative.
- 3 Principal Act amended**
This Act amends the Insurance Act 2008 (the principal Act).
- 4 Section 8 amended (Categories of and restrictions on licences)**
(1) Section 8(b)(ii) is amended by omitting “; or” and substituting “.”.
(2) Section 8(c) is repealed.
- 5 Section 9 amended (Application for licence)**
(1) Section 9(1)(b) is amended by omitting “;” and substituting “.”.
(2) Section 9(1)(c) is repealed.
(3) Section 9(3) is repealed.

- 6 **Section 30 repealed (Appointment of insurance manager)**
Section 30 is repealed.
- 7 **Section 31 amended (Directors of licensed insurer)**
(1) Section 31 is amended by replacing subsection (1) with:
“(1) A licensed insurer holding a category A licence must have at least 3 directors”.
- (2) Section 31(2A) is repealed.
- 8 **Section 95 amended (Regulations)**
Section 95(3) is repealed.
- 9 **Section 104 amended (Repeals)**
Section 104 is amended by inserting, after paragraph (b), the following paragraph:
“(c) the Life Insurance Act 1970-71.”
- 10 **Schedule 1 amended**
Paragraphs 2, 3, and 4(a) of Schedule 1 are repealed.

This Act is administered by the Financial Supervisory Commission.
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