



PwC Straight Away - MAS consultation paper on Review of Insurance Returns

Background

In October 2014, the Monetary Authority of Singapore (“MAS”) released a consultation paper on proposed revisions to the insurance returns under MAS’ risk-based capital framework. These are meant to enhance information requirements for the MAS’ supervisory needs and provide further clarification for completion of the returns.

This document does not reflect feedback on the consultation paper, but rather an initial point of focus for institutions to assess as they consider formal feedback to the MAS. Some of the salient points that institutions need to consider as they review the consultation paper include:

(a) Revision to information requirements

- Separately present gross and reinsurers’ share of policy liabilities
- Revised classification and definitions of lines of business
- Disclose market value and notional principal amount of derivatives and other financial instruments
- Disclose information on related party exposures and transactions
- Disclose more granular information on premiums and claims (more details in the consultation paper)

(b) Revision to presentation format

- Fund level information to be presented in adjacent columns in the same form
- Nomenclature of forms and annexes updated to identify applicability to life or general insurers

(c) Revision to reporting requirements for specialists insurers

- To be in line with the above proposed changes for mainstream insurers

(d) Implementation and transitional arrangements

- Quarterly and annual submissions in revised format required for periods beginning on or after 1 January 2016
- 2015 annual returns in revised format due in the 4th quarter of 2016

Next steps

MAS has given one month for consultation. We would recommend that institutions closely review the materials to identify any immediate gaps and assess the pragmatic ability to implement the proposed changes.

For more information

MAS Consultation paper

http://www.mas.gov.sg/~media/resource/legislation_guidelines/insurance/circulars/ID18_14.pdf