

No. of 2024

**VIRGIN ISLANDS
INSURANCE (AMENDMENT) BILL, 2024
ARRANGEMENT OF SECTIONS**

SECTION

1. Short title and commencement
2. Section 22 amended

I ASSENT

Governor.

, 2024

VIRGIN ISLANDS

No. of 2024

A BILL FOR

AN ACT TO AMEND THE INSURANCE ACT, REVISED EDITION 2020 TO PROVIDE THAT A FOREIGN INSURER MUST FIRST SECURE THE APPROVAL OF THE COMMISSION BEFORE EFFECTING A CHANGE IN THE SIGNIFICANT OR CONTROLLING INTEREST OF THE INSURER AND FOR OTHER MATTERS CONNECTED THEREWITH.

[Gazetted , 2024]

ENACTED by the Legislature of the Virgin Islands as follows:

Short title and commencement

1. (1) This Act may be cited as the Insurance (Amendment) Act, 2024.

(2) This Act shall come into force on such date as the Minister may, by Notice published in the *Gazette*, appoint.

Section 22 amended

2. The Insurance Act, Revised Edition 2020 is amended in section 22

(a) by repealing subsection (1) and substituting the following subsection

“(1) A foreign insurer shall not cause, permit or acquiesce in any change in the persons who own or hold a significant interest or controlling interest in the foreign insurer, unless the prior written approval of the Commission has been obtained.”;

(b) by inserting after subsection (1), the following new subsections

“(1A) Subject to subsection (2), the Commission shall not grant approval under subsection (1), unless it is satisfied that,

OBJECTS AND REASONS

The principal purpose of this Bill is to effect a minor amendment to the Insurance Act, 2020 Revised Edition, (“the Act”) to ensure full compliance with the FATF Recommendation 26, read together with paragraph 26.3 of the FATF Methodology. Paragraph 26.3 of the Methodology essentially requires that necessary legal or regulatory measures should be adopted by countries “*to prevent criminals or their associates from holding (or being the beneficial owner of) a significant or controlling interest, or holding a management function, in a financial institution*”. This is seen as critical in protecting the financial services perimeter. While this aspect of the Recommendation is fully covered in relation to BVI insurers (both at the application stage and whenever a change occurs in interest holding), what is currently required in relation to a foreign insurer where a change occurs in interest holding, is for the foreign insurer to simply notify the Financial Services Commission (“the Commission”) of that change within 14 days of the occurrence of the change.

Accordingly, the Bill (amongst other things) seeks to ensure that, in relation to a foreign insurer, whenever the foreign insurer wishes to effect a change in the significant interest or controlling interest of the insurer, the foreign insurer must first secure the approval of the Commission. This will effectively serve as a check to ensure that no criminal or criminal’s associate can have a significant interest or controlling interest in a foreign insurer. In addition, provision has been made whereby a foreign insurer must notify the Commission of any other change in the interest holding of the insurer which does not qualify as a significant interest or controlling interest (both of these terms are defined in section 2 (1) of the Act).

The Bill is, therefore, commended to the Honourable members of the House of Assembly for their consideration and approval.

Minister of Financial Services, Labour and Trade