

## **SDIC PPF RULES**

1. The SDIC PPF Rules are issued for PPF Scheme members under section 63 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 ("the Act").
2. The Monetary Authority of Singapore ("the Authority") has issued the Deposit Insurance and Policy Owners' Protection Schemes (Policy Owners' Protection Scheme) Regulations 2011 ("the PPF Regulations") which include:-
  - (a) regulation 10 on the register of insured policies to be maintained by PPF Scheme members; and
  - (b) regulation 11 on the disclosure requirements for insured policies.

### **Definitions**

3. Words and expressions used in these Rules shall, unless otherwise defined herein or unless the context otherwise requires, have the same meaning as in the Act.

## **LEVIES FOR PPF SCHEME**

### **Levy Payable by PPF Scheme Members**

- P1. For the purposes of section 39(2) of the Act, SDIC shall give each PPF Scheme member notice in writing of the amount of levy payable for any particular premium year at least 1 month before the date on which payment is due from the PPF Scheme member ("payment due date").
- P2. Where a relevant insurer becomes a PPF Scheme member during the course of a premium year, or where an exemption from the requirement to be a PPF Scheme member granted to a relevant insurer pursuant to section 32 of the Act is withdrawn during the course of a premium year, the PPF Scheme member shall pay the pro-rated amount of levy assessed for that premium year within 1 month from the date it becomes a PPF Scheme member or from the date its exemption is withdrawn, as the case may be, unless SDIC specifies a later payment due date in its notice in writing.

### **Re-computation of Levies and Additional Levies**

- P3. If the Authority notifies SDIC, under section 44 of the Act, of any re-computation of the amount of levy or any additional levy, as the case may be, and the shortfall in levy, by a PPF Scheme member, SDIC shall give the PPF Scheme member notice in writing of the shortfall in levy at least 1 month before the payment due date specified in the notice.

### **Collection of Additional Levies**

- P4. When the Authority has notified SDIC of the additional levy payable by a PPF Scheme member for that premium year or part thereof under section 40 of the Act, SDIC shall give the PPF Scheme member notice in writing of the additional levy payable at least 1 month before the payment due date specified in the notice.

### **Late Payment Fees**

- P5. As provided under section 41 of the Act, if a PPF Scheme member fails to pay the levy or additional levy or any part thereof by the date specified under these Rules, SDIC may impose late payment fee by notice in writing pursuant to that section.
- P6. Any late payment fee imposed by SDIC shall, subject to section 41(3) of the Act, be the amount computed in accordance with the following formula:

$$A \times r/365 \times (\text{SORA} + 10\%), \text{ where}$$

“A” is the amount of levy or additional levy as the case maybe, which is due and owing;

“r” is the number of days after the payment due date by which the PPF Scheme member is late in making payment;

“SORA” means the 3 months’ Compounded Singapore Overnight Rate Average published by the Authority, as at the payment due date.

### **Payment Due Date**

- P7. Any payment that is due on a Saturday, Sunday or public holiday, shall be made by the next business day.

### **Method of Payment of Levy and Late Payment Fees**

- P8. A PPF Scheme member shall make arrangements to pay the levy, any additional levy, any shortfall in levy, and any late payment fee through a direct debit of its settlement bank’s current account with the Authority. In this regard, the PPF Scheme member shall do all things necessary to enable the settlement bank concerned to authorise the Authority to debit the settlement bank’s current account with the Authority on behalf of the SDIC. The Authority shall credit the amount collected into SDIC’s current account maintained with the Authority for the Policy Owners’ Protection Life Fund (“the PPF Life Fund”) or for the Policy Owners’ Protection General Fund (“the PPF General Fund”), as the case may be.

### **Refund**

- P9. For the purposes of section 43 of the Act, SDIC shall notify the PPF Scheme member concerned, in writing, of the amount of levy to be refunded to the PPF Scheme member within 1 month of receipt of the notice under section 43. The SDIC notification shall also include the date of the payment of the refund which shall, in any event, be no later than 15 July of the next premium year.

### **PAYMENT OF COMPENSATION OR USE OF PPF LIFE FUND OR PPF GENERAL FUND**

- P10. A PPF Scheme member in respect of which a notice has been published in the Gazette that compensation will be paid or that its insurance business will be transferred or run-off pursuant to section 46(4) of the Act shall immediately exhibit at all its offices and branches in Singapore and publish on its website, a notice of the decision to pay compensation out of the PPF Life Fund or the PPF General Fund, or that the PPF Life Fund or the PPF General Fund shall be utilised to fund the transfer or run-off the insurance business of the failed PPF Scheme member, as the case may be, in the format as prescribed by SDIC.

P11. A failed PPF Scheme member shall provide such information and render such assistance and cooperation to SDIC as may be required by SDIC to make compensation out of the PPF Life Fund or the PPF General Fund, or to use the PPF Life Fund or the PPF General Fund to fund the transfer or run-off the insurance business of the failed PPF Scheme member. In this regard, a failed PPF Scheme member shall provide such information and render such assistance and cooperation to SDIC as may be required by SDIC to determine the eligibility and entitlement of policy owners and other rightful persons under the insured policies of the failed PPF Scheme member, compute the compensation payments and otherwise perform its functions under the Act.

## **DISCLOSURE BY PPF SCHEME MEMBERS**

### **Register of Insured Policies**

P12. For the purposes of regulation 10 of the PPF Regulations, the register of insured policies is to be maintained in accordance with the sample register provided in Annex P-A. For the purposes of verifying the accuracy and completeness of the register, SDIC may request a PPF Scheme member to provide additional information, including product descriptions and marketing materials.

### **Disclosure Requirements for Insured Policies**

P13. For the purposes of regulation 11 of the PPF Regulations, the disclosure statement shall be in a form as specified in Annex P-B. SDIC may require a PPF Scheme member to submit samples of marketing materials and policy documents in order to verify that the disclosure statement in the relevant form has been included in such materials and documents.

## **AUTHORISED REPRESENTATIVE**

P14. A PPF Scheme member shall appoint at least two (2) but not more than six (6) Authorised Representatives, where:-

- (a) the Authorised Representatives shall be responsible for all SDIC PPF matters including but not limited to the following:-
  - (i) receiving notification from SDIC relating to levies, refund and late payment fees pursuant to Rules P1 to P9;
  - (ii) compliance of disclosure requirements and the maintenance of the register of insured policies; and
- (b) the list of Authorised Representatives shall be submitted to SDIC in a form as specified in Annex P-C on or before the effective date of the appointment or removal of the Authorised Representative.

### **Annex P-A, P-B and P-C**

4. Annexes P-A, P-B and P-C are to be found at the Singapore Deposit Insurance Corporation's website.