

WHAT IS REINSURANCE

REVISED QUESTIONNAIRE NOVEMBER 2003

SECTION 1: THE DEFINITION OF REINSURANCE

1.1 Is there a statutory or judicial definition of reinsurance in your jurisdiction? If so, is the same definition used for all purposes, or are there different definitions for different purposes?

1.2 What are the particular features of a contract, which would cause the law to treat that contract as a contract of reinsurance? Would a contract which dispenses with fundamental reinsurance concepts, e.g., the duty of utmost good faith or the need for insurable interest, be classified as a reinsurance contract?

1.3 What form of fronting arrangements, taking the form of reinsurance, operate in your jurisdiction? Are such contracts recognised for all purposes as reinsurance agreements?

SECTION 2: THE LEGAL TREATMENT OF REINSURANCE

2.1 Is reinsurance treated as a form of insurance under your law? If so, is any distinction drawn between life and non-life agreements, or between the various forms of reinsurance agreements (e.g., facultative and treaty reinsurance)?

2.2 Is reinsurance regulated as insurance, in some other way, or not at all?

2.3 Are reinsurance brokers regulated in the same way as insurance brokers?

2.4 Do the rules on disclosure and good faith differ as between insurance and reinsurance?

2.5 Is the application of legislation to the form and terms of direct insurance contracts in any way modified in the case of reinsurance?

2.6 Is there any difference in the indirect tax treatment of insurance and reinsurance contracts?

2.7 If your jurisdiction has rules which protect direct policyholders against the insolvency of insurers, do those rules extend also to the protection of insurers against the insolvency of their reinsurers?

2.8 Are there any other ways in which insurance is distinguished from reinsurance?

SECTION 3: RISK TRANSFER

3.1 Is a captive reinsurer treated in the same way as an insurer, and are its contracts treated as reinsurance contracts for all purposes?

3.2 What types of arrangement, other than pure reinsurance contracts, are generally used in the market in your jurisdiction to achieve results akin to reinsurance? Are these contracts regulated in the same way as reinsurance agreements or are they treated in some other way?