

# INSURANCE GUIDELINE 8.0: Statutory Fund for Insurance Companies

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## 1.0 Introduction

Part X of the Insurance Act 1998 (the Act) stipulates that every insurer registered to carry on insurance business must establish and maintain a statutory fund in respect of each class of insurance business.

These funds are placed in trust in Guyana, with the Trust Deed, its contents and the trustees subject to the approval of the Commissioner of Insurance (the Commissioner), before it (the trust) is created.

## 2.0 About the Statutory Fund

- 2.1 A statutory fund must be established for each class of insurance business. Most insurance companies operating in Guyana have more than one class of business. The value of the funds and the statutory deposits must be sufficient to meet (estimated) future insurance claims of the insurance company.
- 2.2 The statutory deposits are separate and distinct from the statutory funds and are usually held jointly by the Commissioner of Insurance and the insurance company within a bank. Further information is available in Part IX of the Act.
- 2.3 Statutory funds are based on estimates of future insurance liabilities. There are two main types of insurance liabilities depending on the class of business being written. These are “long-term or life insurance” liabilities and “short-term or general insurance” liabilities.
- 2.4 The Actuary of the insurance company is responsible for calculating long term liabilities. These are estimated using estimates of future expenses, interest rates, claims, etc.
- 2.5 General insurance liabilities are based on estimates made by the insurance company and comprise “unearned premium or unexpired risk” reserves **and** reserves for “outstanding claims” which typically include reserves for “incurred but not reported claims”. Unearned premium reserves or unexpired risk reserves are held for future expected claims (the event which will trigger the claim has not happened yet). Outstanding claim reserves are held for payments relating to claims or potential claims against an event that has happened and for which the insurance company is exposed by virtue of its contracts of insurance with its policyholders.
- 2.6 Insurance companies are not permitted to reduce the value of the statutory fund without the permission of the Commissioner. However they are permitted within the legislation to replace assets of equal value provided the investments held in the statutory fund are within the restrictions in schedule 3 (see section 6) and total assets in a particular class do not exceed the limits. They may do so without permission from the Commissioner but will of course require the permission of the trustees.

- 2.7 Provided the insurance company can demonstrate that the value of the assets held within a statutory fund exceeds the minimum requirement, approval will usually be granted to release the excess.
- 2.8 Requests for withdrawal of 5% or less of the fund in any given year are likely to be granted. However requests for larger amounts will have to be accompanied by an explanation of why this is necessary and a demonstration that the value of the remaining fund does not fall below the required minimum at the time of the request.
- 2.9 Statutory funds are calculated at least annually but should be monitored continuously. Companies are advised that if the value of the assets held within the statutory fund fell below 90% of the required amount, they are expected to make good the deficit as soon as possible and not wait until the end of the year. The maintenance of the statutory funds is the responsibility of the company and its trustees. The OCI does not expect there to be a shortfall of more than 90% at any given time. We therefore advise companies to conduct at least quarterly calculations on their statutory fund on an on-going basis and immediately in the event of a sudden market value change in assets or on the completion of their actuarial investigations.

### **3.0 Appointment of Trustee**

- 3.1 The Act requires that the Commissioner approve of trustees of the statutory fund prior to the creation of the trust.
- 3.2 A statutory fund is not established unless trustees are approved by the Commissioner.
- 3.3 Trustees are required to be independent of the insurance company. This is to satisfy the general requirement that there is no conflict of interest between the role of trustee and the role of an officer of the company.
- 3.4 Where more than one trustee is appointed, officers of the company (such as a board member or senior manager) are permitted to be a trustee (although this is not recommended) provided:
  - 3.4.1 The majority is independent of the Company
  - 3.4.2 The trust deed requires the sign-off of ALL trustees, i.e. a single trustee cannot act on behalf of the other trustees
- 3.5 At least three (3) trustees are required for the complete and proper constitution of the Statutory Fund Trust.
- 3.6 The majority of the Trustees to be appointed should be independent or separate from the management of the Company.
- 3.7 At least one (1) Trustee must have good and fair knowledge of requirements and mandate of the Act.
- 3.8 Other areas for assessment may include:
  - a. the length of time the trustee remains outside of Guyana – whether it is for a continuous period exceeding 12 months; All trustees are required to be resident in Guyana.
  - b. capacity of acting (includes physical & mental illness, old age)
  - c. capability to act in the best interest of the Trust, even where this might conflict with his/her personal code of honour.
  - d. exercising of discretion and powers in an impartial manner and not 'capricious' manner i.e. irrationally perverse or contrary to the expectations of the objects of the trust
  - e. Maintenance of clear and accurate accounts and their production to the Insurer when required.
  - f. there are no unauthorised borrowings or delinquent accounts, or defaults on loans from financial institutions
  - g. no convictions or involvement in any acts of fraud.
- 3.9 Trustees may not be changed without the approval of the Commissioner
- 3.10 Individuals who are proposed to be trustees by an insurance company shall complete and submit the declaration form contained in Appendix 1.

- 3.11 If a corporation is proposed as a trustee and it is a licensed financial institution, a letter of good standing from the relevant authorities shall be provided to the Commissioner. The corporation shall also provide a letter to the Commissioner disclosing any sources of conflict of interest or potential sources of conflict of interest.
- 3.12 If a corporation is proposed as a trustee and it is NOT a licensed financial institution, the corporation shall provide the Commissioner of Insurance with a copy of its articles of incorporation, a copy of its audited financial statements (starting from the most recently completed set of audited financial statements), an organisational chart showing the names of the members of the board and senior management and provide a letter to the Commissioner disclosing any sources of conflict of interest or potential sources of conflict of interest.
- 3.13 Corporations that are approved as trustees are required to submit to the OCI a copy of their annual audited financial statements within 6 months following the end of their financial year. The Commissioner may also refer to the technical expertise, character and integrity of the Directors or Controllers of that Corporation.

#### **4.0 The Trust Deed**

- 4.1 The trust deed shall establish the statutory funds under irrevocable trust and governed by the laws of Guyana. The trust deed must be approved by the Commissioner.
- 4.2 It shall reflect the requirements and limitations contained within the Act (see sections 46 to 55 inclusive) and in this guideline.
- 4.3 Trustees cannot be replaced without the approval of the Commissioner of Insurance and all trustees must be bound to declare any conflict of interest to the Commissioner of Insurance.
- 4.4 The trust deed shall refer to the investment restrictions on the statutory funds and require the trustees to report on the composition of the funds to the Commissioner at least annually or more frequently if requested.
- 4.5 Trustees shall be required to report to the Commissioner any breaches of the Act or the trust deed as soon as these become known. In particular trustees are expected to monitor the composition of the funds, its value and the required value as well as the amounts invested into the fund by long term insurers such that at least 80% of net long term insurance premium income in a year are invested in assets in Guyana in that year.
- 4.6 Long term insurance companies are required to invest 20% of the increase in statutory fund requirements in any one year in securities approved by the Commissioner.
- 4.7 The trust deed shall not permit the disbursement of any monies out of the funds without the prior approval from the Commissioner at the request of the trustees.
- 4.8 The trustees must at all times be satisfied that the arrangements in place allow them to comply with the requirements of the Act
- 4.9 The trust deed may not be amended without prior notification to the Commissioner of Insurance from the trustees of at least two weeks.
- 4.10 The objective of the trust shall be to maintain funds sufficient to meet the requirements of section 46 of the Act for each class of insurance business. The assets representing each fund shall not be applied to any other class of business other than that in respect of which the fund was established, unless there is an excess in value of assets over the requirements. This excess may be applied to another class of insurance business subject to the general limitations in schedule 3 and section 55.
- 4.11 The trust shall be administered locally in Guyana unless otherwise permitted by the Commissioner of Insurance.

- 4.12 The Trust Deed shall also make provision for the following matters –
- a. the whole of the objects or the purpose for which the Fund is established (see sections 46(4),(5) & (6) of the Act);
  - b. definitions of terms used in the Deed;
  - c. appointment and removal of trustees;
  - d. appointment of replacement trustees;
  - e. vesting / placement of the funds in the trustees;
  - f. investment powers and investment of funds (see schedule 3 of the Act);
  - g. liability and indemnification of trustees;
  - h. preparation of all statements of accounts, balance sheets and reports as required by the Act;
  - i. non-disclosure of documents and facts by trustees;
  - j. remuneration of trustees;
  - k. the method by which the trust deed may be amended.
- 4.13 Where the Trustees and Trust Deed have been duly appointed and created, any:
- a. replacement of trustee;
  - b. appointment of new trustee or
  - c. amendment of Trust Deed;
- The Company shall within fourteen (14) days of the replacement, appointment or amendment, inform the Commissioner of such change.
- 4.14 A replacement or appointment of new trustee or an amendment of the Trust Deed, or both, of a Statutory Fund shall not be valid unless that change has been approved by the Commissioner.

## 5.0 Investments for Statutory Funds

- 5.1 The investments held in the statutory funds are only admissible if they are listed in schedule 3 and only up to any applicable limits.
- 5.2 The statutory funds for long term insurance business are limited as provided for in section 55 of the Act. In particular the admissible assets with these funds are limited to 85% invested in Guyana. This is reduced by 1% for each 1% of the fund that is invested in common stock or debt of a company in Guyana, up to 10%.
- 5.3 Upon the establishment of the long term statutory funds, insurers are required to inject into the funds each year assets in Guyana valued at no less than 80% of its net long term Guyana premium income in that year.
- 5.4 Unlisted investments may also be placed within the statutory funds but their value shall not be recognised when determining the value of the investments within the funds for the purposes of assessing compliance.
- 5.5 An example is provided below:  
Required value of statutory fund = \$10,000,000  
Insurer places in trust a bond that complies with the restrictions, valued = \$7,000,000 (70%)  
Insurer places in trust a local stock that complies with the restrictions, valued = \$2,000,000 (20% - which means the maximum limit of overseas assets is 25%)  
Insurer places in trust an investment not mentioned in schedule 3, valued = \$1,000,000 (10%)
- Total value of assets in trust = \$10,000,000  
Total value of admissible assets = \$9,000,000  
The insurer would be required to invest an additional \$1,000,000 of admissible assets
- If the bond is an overseas bond (not invested in Guyana) and all other assets are not, only \$2,500,000 is admissible so the total value of admissible assets = \$5,500,000. The insurer would be required to invest an additional \$4,500,000 of admissible assets, all of which would have to be investments in Guyana.
- 5.6 The OCI has also provided additional general limits that go into further detail in an attempt to increase awareness of asset concentration and improve risk management.

However these recommendations are purely for guidance and use in monitoring exposure and the management of the companies may vary from these if they judge the circumstances appropriate. Appendix 2 contains a summarised version of schedule 3 and the OCI benchmarks.

- 5.7 Investments held within the funds are subject to market fluctuations as their value is reported as market value. Trustees are expected to monitor these fluctuations and in instances where the value of the investments are less than 90% of the required value, the company would be expected to inject additional investments into the funds to make up the deficit.

## **6.0 Reporting requirements**

- 6.1 At no time should the value of the statutory fund be below the requirements of the Act. However due to practical constraints it is not expected that the fund be reported on continuously and because of market fluctuations, some occasions may see the value of the fund fall. Immediate remedial action is required if this value is 90% or less than the value required.
- 6.2 All insurance companies are required to report to the OCI on at least an annual basis of their statutory funds, balance sheet and other financial information. This information is in the form of prescribed forms called Insurance Reporting Forms. Trustees are encouraged to request a copy of these forms particularly form D1, D2, D3, D4 and D5 as applicable to the insurance company as these relate to the reporting of statutory funds. The Forms are required to be audited by an external auditor. Appendix 3 contains the forms that are required for the purposes of reporting on the fund.
- 6.3 Some companies will be required to report more frequently than annually in the prescribed format.
- 6.4 Should the trustees or company discover the value of the fund to be less than 90% of the requirement at any one time it shall submit a report to the Commissioner explaining why the value has fallen below this benchmark and the steps that have been taken to correct the situation.

**PERSONAL DECLARATION FORM FOR TRUSTEES OF STATUTORY FUNDS**

PROPOSED FOR THE STATUTORY FUND  
 OF \_\_\_\_\_

(State Insurance Company, herein referred to as “Insurer”)

Kindly use additional paper if necessary. Alternatively this form is available on our website [www.insurance.gov.gy](http://www.insurance.gov.gy) (regulatory framework, regulations) as a word document and can be downloaded.

1. Name and Occupation of Applicant:

(a) Name: \_\_\_\_\_

(b) Occupation: \_\_\_\_\_

2. Addresses:

(a) Present Business Address:  
 (Guyana, since.....)

(Outside Guyana, since .....)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(b) Present Residential Address:  
 (Guyana, since .....)

(Outside Guyana, since.....)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Academic and Professional Qualifications:

Particulars

Year Obtained

(a) Highest Academic Degree and Institution granting Degree

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

(b) Professional Qualifications and Institution granting Degree

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(c) Training Courses or Seminars and Training Institution(s)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Statutory Fund Guidelines

(d) Membership in Professional Organisations

_____	_____
_____	_____

4. Occupation or Employment (Present or most recent and for the last 10 years):

<u>Name &amp; Business of Employer</u>	<u>Positions Held</u>	<u>Inclusive Dates</u> (Month & Year)	
		<u>From</u>	<u>To</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. Do you have any loans that are in default? If so please provide details:

<u>Name &amp; Business of Lender</u>	<u>Date Loan Taken</u>
_____	_____
_____	_____
_____	_____

6. Please state any Business Affiliations (Direct and Indirect) with Insurer:

<u>Name of Business</u>	<u>Nature of Affiliation i.e. Director, Officer,</u> <u>Shareholder with % holdings specified etc</u>	<u>Inclusive Dates</u> (Month & Year)	
		<u>From</u>	<u>To</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Statutory Fund Guidelines

7. Record of court cases or any investigation by governmental, professional or any regulatory body (including pending cases or on-going investigations):

<u>Name of Court or Investigative Body</u>	<u>Full Particulars</u>	<u>Status</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Two (2) Character Referees who have personally known the undersigned for at least five (5) years:

- |                        |                        |
|------------------------|------------------------|
| a) i. Name: _____      | b) i. Name: _____      |
| ii. Address: _____     | ii. Address: _____     |
| iii. Occupation: _____ | iii. Occupation: _____ |

9. Are you currently a trustee or have you ever acted as a trustee. If so please provide details of the Trust(s).

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Are you aware of any conflict of interest or potential conflict of interest that may affect your decisions as trustee for the specified Statutory Fund? If so please provide details.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

11. Declaration:

I, \_\_\_\_\_ hereby declare that:

- a. There are no unauthorised borrowings including overdrafts on deposit accounts, past-due or delinquent accounts, or defaults on loans from financial institutions with whom I have had dealings with for the last five (5) years; and
- b. That all the above information contained in and accompanying this form is complete and accurate to the best of my knowledge and belief.

I further undertake to duly notify the Commissioner of Insurance within a period of fifteen (15) days, of any material change to this Personal Declaration Sheet.

Declared at Georgetown, Demerara

This day of 20 ,

.....  
Name

.....  
Appointment

## **CORPORATE DECLARATION FORM FOR TRUSTEES OF STATUTORY FUNDS**

### **NOTE**

When considering an application for a company to be a Trustee for the Statutory Fund from an Insurance company the Office of the Commissioner of Insurance (OCI) requires the corporate declaration form to be completed by the proposed Corporate Trustee.

Further to this, if the applicant company is a subsidiary of another organisation, a second form should be completed for the parent body.

The applicant may be required to supply to the OCI such further information or documentation as the OCI may require in order giving proper consideration to the application.

<b>BACKGROUND INFORMATION</b>	
1A	Does the Company conduct any financial business that is regulated? If so please supply an official letter of good standing or equivalent from the official regulator or its equivalent.
1B	Please list the full name of the Company in which this application is being made, the registered office, and the place of business.
1C	Type of Company - (For example, public, private, limited by share or guarantee).
1D	<p>Details of principal contact person for this application.</p> <p>Name:</p> <p>Name of organisation: (if not an employee of the Company):</p> <p>Address:</p> <p>Telephone No:</p> <p>Fax No:</p> <p>Email:</p>
1E	Date and place of incorporation of the Company.
1F	Has the Company ever changed its name or used any other business name. If YES, please provide details.
1G	Please provide copies of the company's memorandum and articles of association, rules, constitution, or other incorporating documents currently in force at this time.

\_\_\_\_\_  
Signed by the Applicant

\_\_\_\_\_  
Date

<b>BACKGROUND INFORMATION</b>							
1H	<p>Give a brief history of the Company including its activities. Please use attachment sheet if more space is required.</p>						
1I	<p>Please list the following details of shareholders holding 25% or more of the issued capital of the applicant, and the number of remaining shareholders. Also provide details of the capital structure including amount of shares issued</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Address</th> <th style="text-align: left;">% of issued capital</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>Number of Remaining Shareholders:</p>	Name	Address	% of issued capital			
Name	Address	% of issued capital					
1J	<p>Commencing with the current address and working backwards, list all addresses at which the Company has been registered or conducted business from in the last 10 years. Please provide this detail in an attachment (if necessary) in the following format:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Address</th> <th style="text-align: left;">Date from</th> <th style="text-align: left;">Date to</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Address	Date from	Date to			
Address	Date from	Date to					
1K	<p>Provide details of all holding, subsidiary, associate, and/or otherwise related companies, including details as to the nature of the business conducted by such companies, all applicable and current credit ratings, the names and addresses and the country of incorporation. Also, please provide a chart showing the present group structure.</p> <p>Use attachment sheets if necessary.</p>						

\_\_\_\_\_  
Signed by the Applicant

\_\_\_\_\_  
Date

<b>OFFICERS AND ADVISORS</b>							
2A	<p>Please list the names, current addresses and places of birth of each Director, Company Secretary, the Chief Executive Officer, and senior managers reporting to the Chief Executive Officer. Please use attachment sheet if necessary.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; text-align: left;">Name</th> <th style="width: 33%; text-align: left;">Position</th> <th style="width: 33%; text-align: left;">Current Address</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name	Position	Current Address			
Name	Position	Current Address					
2B	<p>List the names and addresses of the Company's auditors.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Name</th> <th style="width: 50%; text-align: left;">Address</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"> </td> <td> </td> </tr> </tbody> </table>	Name	Address				
Name	Address						

<b>ACCOUNTS AND FINANCING</b>	
3A	<p>Provide the latest audited and/or published financial statements of the Company. Also provide the latest credit rating of the Company if available.</p>
3B	<p>Provide the latest audited and/or published financial statements of any holding company. Also provide the latest credit rating of the Company if available.</p>
3C	<p>Has the Company, an associate company, or a subsidiary company ever been declared insolvent or declared itself insolvent or been unable to meet financial commitments as they fell due? If so please provide details.</p>
3D	<p>Has the Company, an associate company or a subsidiary company, ever been placed under financial administration by an external party (e.g. liquidation, receivership or scheme of arrangement)? Please advise if this was declared voluntarily.</p>
3E	<p>Has there been any substantial change to the financial situation of the Company since the last financial accounts were prepared and audited?</p>

\_\_\_\_\_  
Signed by the Applicant

\_\_\_\_\_  
Date

<b>LEGAL ACTION</b>		
4A	Please provide details of court cases or any investigation by governmental, professional or a any regulatory body (including pending cases or on-going investigations):	
	Name of Court or Investigative Body	Full Particulars
		Status

<b>BUSINESS REFERENCES</b>	
5A	Please provide 2 business references:
	(1)
	Name:
	Address:
	Business:
	Contact Number:
	Years Associated:
	(2)
	Name:
	Address:
	Business:
	Contact Number:
	Years Associated

<b>ADDITIONAL INFORMATION</b>	
6A	Is the Company currently a trustee or has it ever acted as a trustee. If so please provide details of the Trust(s).
6B	Are you aware of any conflict of interest or potential conflict of interest that may affect the Company's decisions as trustee for the specified Statutory Fund? If so please provide details.

\_\_\_\_\_  
Signed by the Applicant

\_\_\_\_\_  
Date

**DECLARATION**

I, .....  
(Full Name)

.....  
(Address)

hereby declare that:

- (a) I am authorised to make this application on behalf of the Applicant;
- (b) I have personal knowledge of the history, financial and business affairs of the Applicant;
- (c) I have personally completed this Corporate Declaration Form; and
- (d) I certify that the particulars contained herein are true and correct in every detail and fully disclose the information required to complete this Corporate Declaration form.
- (e) I further undertake to duly notify the Commissioner of Insurance within a period of fifteen (15) days, of any material change to this Personal Declaration Sheet.

Signed at .....

.....  
(Signature)

this .....day of ..... 200\_

.....  
(Print Name)

.....  
(Name of Company/ Body Corporate (if applicable))

.....  
(Position (if applicable))

*[Attach common seal of Company, if applicable]*  
in the presence of

..... (Signature of Witness)

..... (Print name and address of Witness)

.....

..... (Signature of Witness)

..... (Print name and address of Witness)

.....

**Summary of Schedule 3 - Admissible Assets - Statutory Funds**

Category	Description	Limits	Additional limits (recommended)
<b>1. Securities</b>			
1.1 Bonds & Debentures	a). Government guaranteed: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other approved (specify)	No limits	
	b) Guaranteed by approved international financial institution (specify)	No limits	Max individual 10% of Fund, total 40% Fund
	c) Guyana companies (fully secured)	No limits	Max individual 10% of Fund, total 40% Fund
	d) Local authorities or Government agencies (specify)	No limits	
	e). Companies incorporated: - Guyana - Commonwealth/R 01 (specify) - Country of Head Office - Other approved (specify) Subject to conditions in Act (specify)	No limits	Max individual 10% of Fund, total 40% Fund
	f) Approved Local companies (specify)	No limits	Max individual 10% of Fund, total 40% Fund
1.2 Guaranteed investment trust certificates	a) Trust incorporated in: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other approved (specify)	No limits	Max individual 10% of Fund, total 40% Fund
1.3 Ordinary shares	a). Government guaranteed: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other (approved)	No limits	
	b) Guaranteed by approved international financial institution (specify)	No limits	Max individual 10% of Fund, total 40% Fund
	c). Companies incorporated: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other (approved) Subject to conditions in s.1 (f) (specify)	Max* 30% of total shares per investment; total max 40% of Fund	Max individual 2.5% of Fund
	d) Approved Local companies (specify)	Max* 30% of total shares per investment; total max 40% of Fund	Max individual 2.5% of Fund

Statutory Fund Guidelines

**Summary of Schedule 3 - Admissible Assets - Statutory Funds**

1.4 Preferred shares	a). Government guaranteed: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other approved (specify)	No limits	
	b) Guaranteed by approved international financial institution (specify)	No limits	Max individual 10% of Fund, total 40% Fund
	c). Companies incorporated: -Guyana -Commonwealth/Rol (specify) -Country of Head Office -Other approved (specify) Subject to conditions in s.1 (f) (specify)	No limits	Max individual 5% of Fund, total 40% Fund
	d) Approved Local companies (specify)	No limits	Max individual 5% of Fund, total 40% Fund

Category	Description	Limits	Additional limits (recommended)
<b>2. Loans</b>			
2.1 Mortgages	a) Secured by value of property or leasehold (limit of 75%)	Individual max* 10% of total assets	Total max 10% of Fund and max* 40% total Funds
	b) Secured by value of property or leasehold (other limit - specify)	Individual max* 10% of total assets	Total max 10% of Fund and max* 40% total Funds
	c) Secured by value of property or leasehold where any excess guaranteed by GoG or Government Agency (specify)	Individual max* 10% of total assets	Total max 10% of Fund and max* 40% total Funds
	d) Secured by rents, etc subject to conditions of s.2(c)	Individual max* 10% of total assets	Total max 10% of Fund and max* 40% total Funds
2.2 Other titles of repayment (specify)	a) Secured by value of property or leasehold (limit of 75%)		Individual max 5% of Fund, total max 5% of Fund and max* 20% of Fund
	b) Secured by value of property or leasehold (other limit - specify)		Individual max 5% of Fund, total max 5% of Fund and max* 20% of Fund

**Summary of Schedule 3 - Admissible Assets - Statutory Funds**

	c) Secured by value of property or leasehold where any excess guaranteed by GoG or Government Agency (specify)		Individual max 5% of Fund, total max 5% of Fund and max* 20% of Fund
	d) Secured by rents, etc subject to conditions of s.2(c)		Individual max 5% of Fund, total max 5% of Fund and max* 20% of Fund

Category	Description	Limits	Additional limits (recommended)
<b>3. Fixed assets</b>			
3.1 Immovable property in Guyana	a) Guaranteed lease terms by GoG or Government agency subject to conditions of s.3(a)(i)	L T: max* total 20% of Funds GI: max* total 10% of Funds	Individual max 5% of Fund for both L T and GI
	b) Established revenue subject to the conditions of s.3(a)(ii)	L T: max* total 20% of Funds GI: max*total 10% of Funds	Individual max 5% of Fund for both L T and GI
	c) Insurer's use subject to the conditions of s.3(b)	L T: max* total 20% of Funds GI: max* total 10% of Funds	Individual max 5% of Fund for both L T and GI
3.2 Leaseholds in Guyana	a) Guaranteed lease terms by GoG or Government agency subject to conditions of s.3(a)(i)	L T: max* total 20% of Funds GI: max* total 10% of Funds	Individual max 5% of Fund for both L T and GI
	b) Established revenue subject to the conditions of s.3(a)(ii)	L T: max* total 20% of Funds GI: max* total 10% of Funds	Individual max 5% of Fund for both L T and GI

<b>4. Cash</b>			
4.1 Deposits	a) Guyana bank (specify)	No limits	
	b) Licensed Financial Institution under the FIA 1995 (specify)	No limits	
	c) Approved building society (specify)	No limits	

Limits apply per statutory fund except where asterisked (\*). For the latter the limits apply to the total of long-term or the total of general insurance statutory funds as applicable.

RoI: Republic of Ireland, GoG: Government of Guyana, L T: Long-term, GI: General Insurance