

Notice No. : MAS Notice 124 (Amendment) 2022

Issue Date : 30 September 2022

PUBLIC DISCLOSURE REQUIREMENTS

Introduction

- 1 For presentational purposes, the amendments in this document are compared against the version of the MAS Notice 124 on Public Disclosure Requirements last revised on 19 December 2018.
- 2 This document shall be interpreted as follows:
 - (a) Text which is coloured and struck through represents deletion which will not appear in the untracked version of MAS Notice 124 revised on 30 September 2022, which is published on MAS' website www.mas.gov.sg ("Published Version"); and
 - (b) Text which is coloured and underlined represents insertion which will appear in the Published Version.
- 3 The amendments reflected in this document shall take effect on 1 January 2023.
- 4 This document is to be used for reference only. In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail.

Notice No. : MAS Notice 124

Issue Date : 1 April 2013

*Last revised on ~~19 December 2018~~ 30 September 2022

PUBLIC DISCLOSURE REQUIREMENTS

Introduction

1 This Notice is issued pursuant to section ~~64(2)~~154(4) of the Insurance Act (~~Cap. 142~~)1966 (“the Act”) and comprises both mandatory requirements and guidelines on public disclosure requirements.

[MAS Notice 124 (Amendment) 2022]

2 This Notice ~~shall apply~~applies to all licensed insurers, except for captive insurers, marine mutual insurers ~~and~~, run-off insurers and Special Purpose Reinsurance Vehicles.

[MAS Notice 124 (Amendment) 2013]

[MAS Notice 124 (Amendment) 2022]

3 The Notice sets out requirements for an insurer to disclose relevant, comprehensive and adequate information on a timely basis in order to give a clear view of its business activities, risks, performance and financial position. This is expected to enhance the understanding of a person reading the information, of the risks to which an insurer is exposed and the manner in which those risks are managed. This Notice will require an insurer to disclose quantitative and qualitative information on its profile, governance and controls, financial position, technical performance and the risks to which it is subject.

[MAS Notice 124 (Amendment) 2022]

4 This Notice sets out the following in two parts:

- (a) Part I – Mandatory requirements on public disclosure; and
- (b) Part II – Guidelines on public disclosure.

Definition

5 For the purposes of this Notice:

“Accounting Standards” has the same meaning as in section 4(1) of the Companies Act (~~Cap. 50~~)and 1967;

[MAS Notice 124 (Amendment) 2022]

“holding company” has the same meaning as in section 5 of the Companies Act 1967;

[MAS Notice 124 (Amendment) 2022]

“Non-GAAP financial measure” means any financial measure which is not specified in –
(a) the Accounting Standards;

- (b) any regulations, notices or directions, that are issued under the Act; or
(c) any codes, guidelines, policy statements or practice notes, that are issued by the Authority;

[MAS Notice 124 (Amendment) 2022]

“run-off insurer” means an insurer which has stopped accepting new business, including policy renewals, and its activities are confined to honouring all obligations under insurance policies issued and paying off all outstanding and future lawful claims;

[MAS Notice 124 (Amendment) 2013]

“Special Purpose Reinsurance Vehicle” has the meaning given by the Insurance (General Provisions and Exemptions for Special Purpose Reinsurance Vehicles) Regulations 2018 (G.N. No. S 837/2018);

[MAS Notice 124 (Amendment) 2022]

“ultimate holding company” has the same meaning as in section 5A of the Companies Act 1967;

[MAS Notice 124 (Amendment) 2022]

“Group” means the ultimate holding company, its subsidiaries and any other company or entity treated as part of the ultimate holding company’s group of companies according to the Accounting Standards.

[MAS Notice 124 (Amendment) 2022]

6 The expressions used in this Notice ~~shall~~, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

[MAS Notice 124 (Amendment) 2022]

Part I – Mandatory requirements on public disclosure

7 – (1) A licensed insurer ~~shall~~must make the disclosures required under paragraphs 8, 9, 11 and 12 for either –

- (a) each accounting period, within 6 months from the last day of that accounting period; or
- (b) each financial year, within 6 months from the last day of that financial year.

[MAS Notice 124 (Amendment) 2022]

(2) Where a licensed insurer changes its period for disclosure from accounting period to financial year, the licensed insurer ~~shall~~must make –

- (a) the disclosures required under paragraphs 8, 9, 11 and 12 for the financial year beginning on a date that is less than 1 year after the last day of the accounting period in respect of which the disclosures under paragraph (1)(a) had last been made; and
- (b) the disclosures required under paragraphs 8, 9, 11 and 12 for the financial year immediately preceding the financial year referred to in paragraph (2)(a),

within 6 months from the last day of the financial year referred to in paragraph (2)(a).

[MAS Notice 124 (Amendment) 2022]

(3) Where a licensed insurer changes its period for disclosure from financial year to accounting period, the licensed insurer ~~shall~~must make –

- (a) the disclosures required under paragraphs 8, 9, 11 and 12 for the accounting period beginning on a date that is less than 1 year after the last day of the financial year in respect of which the disclosures under paragraph (1)(b) had last been made; and
- (b) the disclosures required under paragraphs 8, 9, 11 and 12 for the accounting period immediately preceding the accounting period referred to in paragraph (3)(a),

within 6 months from the last day of the accounting period referred to in paragraph (3)(a).

[MAS Notice 124 (Amendment) 2013]
[MAS Notice 124 (Amendment) 2022]

8 A licensed insurer ~~shall~~must disclose information under paragraph 9 which is useful, timely, comprehensive, meaningful and reliable for decision making by the person reading the information. Where appropriate, a licensed insurer ~~shall~~must provide information which is comparable to that provided by other insurers operating in the same market and consistent over time so as to enable the person reading the information to discern relevant trends.

[MAS Notice 124 (Amendment) 2013]
[MAS Notice 124 (Amendment) 2022]

9 A licensed insurer ~~shall~~must disclose:

- (a) information about its company profile, including the nature of its business, key business segments¹, a general description of its key products, the external environment in which it operates, its objectives and its strategies in place to achieve these objectives;

[MAS Notice 124 (Amendment) 2022]

(aa) the corporate structure of the licensed insurer, which must include the name, place of incorporation or establishment and shareholding structure of all of the following persons:

- (i) the ultimate holding company of the licensed insurer;
- (ii) any material holding company of the licensed insurer;
- (iii) any material subsidiary of the licensed insurer;

[MAS Notice 124 (Amendment) 2022]

(ab) any material change to the information required to be disclosed in paragraph 9(aa);

[MAS Notice 124 (Amendment) 2022]

- (b) key features of its corporate governance framework, internal controls and risk management controls, including information on ~~the implementation of the framework and controls~~show these are implemented;

[MAS Notice 124 (Amendment) 2022]

¹ Key business segments can include lines of business or types of products depending on the business profile of the licensed insurer. A licensed insurer may also consider its material insurance business segments (as explained in footnote 4) as its key business segments if the licensed insurer deems it appropriate.

- (c) quantitative and qualitative information about its enterprise risk management framework including its asset-liability management (“ALM”) for its entire business and, where appropriate, at a segmented level as appropriate to the business of the insurer. The licensed insurer ~~shall~~must disclose the methodology and key assumptions employed in the measurement of assets and liabilities for ALM purposes, and any capital or provisions held as a consequence of a mismatch between assets and liabilities;

[MAS Notice 124 (Amendment) 2022]

- (d) quantitative and qualitative information on all its reasonably foreseeable and relevant material insurance risk exposures, and the management of such risk exposures, including:
- (i) its objectives and policies, models and techniques for the management of insurance risk exposures and underwriting process controls;
 - (ii) the nature, scale and complexity of risks arising from insurance contracts;
 - (iii) the use of reinsurance or other forms of risk transfer;
 - (iv) an understanding of the interaction between capital adequacy and risk; and
 - (v) a description of risk concentrations⁴²;

- (e) quantitative and qualitative information about ~~the~~its determination of technical provisions, including future cash flow assumptions, the rationale for the choice of discount rates, and a description of methodology used to determine technical provisions ~~(e.g. risk adjustment methodology) which shall be presented in appropriate segments³ and the licensed insurer must present this information by material insurance business segments⁴;~~

[MAS Notice 124 (Amendment) 2022]

- (f) quantitative and qualitative information about its capital adequacy to enable the reader to evaluate the licensed insurer’s objectives, policies and processes for managing capital and to assess its capital adequacy. The licensed insurer ~~shall~~must disclose its generic solvency requirements as imposed by legislation or otherwise directed by the Authority⁵ (other than solvency requirements that the Authority has directed the licensed insurer to keep confidential), the capital available to cover regulatory capital requirements, and information on any internal model used to determine capital resources and requirements;

[MAS Notice 124 (Amendment) 2022]

- (g) quantitative and qualitative information about its financial instruments and other investments by class, including:
- (i) investment objectives;
 - (ii) policies and processes;
 - (iii) values, assumptions and methods used for general purpose financial reporting and solvency purposes, as well as an explanation of the differences (where applicable); and

⁴² This may include the following information, where relevant:

- (a) the geographical concentration of insurance risks or premiums;
- (b) the economic sectoral concentration of insurance risk; and
- (c) the risk concentration inherent in the reinsurance arrangement such as the number of reinsurers, the percentage of premiums ceded to each reinsurer and the credit risk concentration of reinsurance assets.

³ For example, risk adjustment methodology.

⁴ Licensed insurers can take guidance from how their actuaries group their risks for the determination of the valuation of policy liabilities, as the basis for the segmentation.

⁵ ~~Except for solvency requirements that are specified to be confidential or that the Authority has directed to be kept confidential.~~

- (iv) information concerning the level of sensitivity to market variables associated with the disclosed amounts; ~~and~~

[MAS Notice 124 (Amendment) 2022]

- (h) quantitative and qualitative information on its financial performance in total and at a segmented level, including quantitative source of earnings analysis, claims statistics (including claims development), pricing adequacy, information on returns on investment assets and components of such returns~~;~~

[MAS Notice 124 (Amendment) 2013]

[MAS Notice 124 (Amendment) 2022]

- (i) quantitative and qualitative information on its investment risk, including quantitative information on its currency risk, market risk, credit risk and concentration risk, and qualitative information on its management of investment risk exposures, use of derivatives for hedging investment risks and internal policies on the use of derivatives; and

[MAS Notice 124 (Amendment) 2022]

- (j) quantitative and qualitative information on its liquidity risk, including quantitative information on its sources and uses of liquidity (considering liquidity characteristics of both assets and liabilities), and qualitative information on its liquidity risk exposures, management strategies, policies and processes. The licensed insurer must disclose known trends, significant commitments, significant demands and reasonably foreseeable events that could potentially result in material improvement or deterioration in its liquidity.

[MAS Notice 124 (Amendment) 2022]

9A Where a licensed insurer uses any Non-GAAP financial measure for the purpose of any disclosure it makes to the public (whether under paragraph 9 or otherwise), the licensed insurer must, when making such disclosures:

- (a) describe the formula or methodology of the measure; and
- (b) provide appropriate disclaimer that the measure does not have a standardised definition within:
- (i) the Accounting Standards;
- (ii) any regulations, notices or directions, that are issued under the Act; or
- (iii) any codes, guidelines, policy statements or practice notes, that are issued by the Authority,
- and hence, the disclosure may not be comparable with the disclosures made by other insurers.

[MAS Notice 124 (Amendment) 2022]

10 Where any disclosure which relates to activities conducted at the ~~group~~⁶Group level or at the head office level (as the case may be) has been made at the ~~group~~Group level or head office level (as the case may be), a licensed insurer, may cross-refer to those disclosures made at the ~~group~~Group level or head office level (as the case may be).

[MAS Notice 124 (Amendment) 2013]

[MAS Notice 124 (Amendment) 2022]

⁶Group refers to the ultimate holding company, its subsidiaries and any other company or entity treated as part of the ultimate holding company's group of companies according to the Accounting Standards.

11 A licensed insurer is required to prepare audited financial statements on an annual basis under the requirements of the Companies Act (~~Cap. 50, 1967~~) and MAS Notice 129 ~~or MAS Notice 131, as the case may be~~. These audited financial statements are publicly available both on the website of the Authority and from the Accounting and Corporate Regulatory Authority (“ACRA”). Where a licensed insurer has not made the disclosures required under paragraph 9 in:

- (a) its “Annual Returns” lodged under MAS Notice 129 ~~or MAS Notice 131, as the case may be~~, and published by the Authority on its website; or
- (b) any document lodged with ACRA and made publicly available by ACRA,

the insurer ~~shall~~must make the requisite disclosures on its official website⁷. A licensed insurer should provide in a single location on its official website all links or references to the disclosures required under paragraph 9.

[MAS Notice 124 (Amendment) 2013]
[MAS Notice 124 (Amendment) 2018]
[MAS Notice 124 (Amendment) 2022]

12 Where any information required for disclosure under paragraph 9 is deemed by a licensed insurer to be either proprietary or confidential in nature and the disclosure of such information would seriously prejudice the interest of the insurer, the insurer need only disclose general information about the subject matter of the requirement.

[MAS Notice 124 (Amendment) 2013]

Effective date and transitional provisions

13 ~~Subject to paragraph 14, this~~ This Notice ~~shall take~~took effect on 1 ~~January 2019~~April 2013.

[MAS Notice 124 (Amendment) 2022]

14 ~~A licensed insurer shall continue to comply with~~ Despite paragraph 13, paragraphs 7, 8, 9, 9A, 11 and 12 of ~~MAS~~this Notice ~~124 (Public Disclosure Requirements) in force immediately before 1 January 2019,~~do not apply for –

- (a) the accounting period beginning from the commencement of the licensed insurer’s business in Singapore in ~~2018~~2022 or on 1 January ~~2018~~2022 (as the case may be), and ending on 31 December ~~2018~~2022 (the “Current Accounting Period”); or
- (b) the financial year beginning on any day between 1 January ~~2018~~2022 and 31 December ~~2018~~2022 (both dates inclusive) (the “Current Financial Year”),

as the case may be.

[MAS Notice 124 (Amendment) 2022]

⁷ A licensed insurer may, where applicable, choose to leverage on its Group’s existing website to make the requisite disclosures under this Notice so long as the licensed insurer makes it is clear in its disclosures that these the disclosures relate to ~~the Singapore~~its operations in Singapore rather than the Group as a whole, ~~and shall.~~ A licensed insurer is not ~~be~~ required to create a separate official website for its ~~Singapore~~ operations in Singapore for the purposes of this Notice.

14A A licensed insurer must continue to comply with paragraphs 7, 8, 9, 11 and 12 of MAS Notice 124 (Public Disclosure Requirements) in force immediately before 1 January 2023 for the Current Accounting Period or the Current Financial Year, referred to in paragraph 14, as the case may be.

[MAS Notice 124 (Amendment) 2022]

Part II – Guidelines on public disclosure

15 A licensed insurer should take into account its nature, scale and complexity when determining the extent of information to be disclosed. Key accounting methodologies and assumptions used in the preparation of the information should be clearly explained. Where any changes are made to the methods and assumptions, a licensed insurer should disclose the nature and reason for such changes, and their effects, where material. Where appropriate, the licensed insurer should present the information to facilitate the identification of patterns of development over time, including the provision of comparative or corresponding figures from previous periods.

[MAS Notice 124 (Amendment) 2013]

*Notes on History of Amendments

1. MAS Notice 124 (Amendment) 2013 dated 22 April 2013 with effect from 22 April 2013.

2. MAS Notice 124 (Amendment) 2018 dated 19 December 2018 with effect from 1 January 2019.

3. MAS Notice 124 (Amendment) 2022 dated 30 September 2022 with effect from 1 January 2023.