

# THE LIBERIA OFFICIAL GAZETTE



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## **EXTRAORDINARY**

**The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the New Insurance Act of 2013, specifically Section 12.1 of the Act has issued on March 23, 2016, Regulation No. CBL/RSD/002/2016 herein under:**

**REGULATION NO.CBL/RSD/002/2016  
CONCERNING REINSURANCE ARRANGEMENTS OF INSURANCE  
COMPANIES**

**BY ORDER OF THE PRESIDENT**

**MARJON KAMARA  
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA  
MARCH 23, 2016**

## **1.0 Introduction**

Pursuant to its authority under Section 12.1 of the new Insurance Act of 2013, the Central Bank of Liberia (CBL) hereby prescribes and issues these regulations concerning reinsurance arrangements as follows:

## **2.0 Notice of reinsurance arrangements.**

- 2.1. A direct insurer shall, on or before 15 December of each year, submit to the Authority details of its treaty reinsurance arrangements for the following year.
- 2.2. The details to be submitted under subsection 2.1 shall include:
  - (a) the retention policy of the insurer;
  - (b) a summary of the proposed terms and conditions of each reinsurance treaty and the name and financial strength rating of each reinsurer and the name of the agency which provided the financial strength rating;
  - (c) details of the security on each treaty; and
  - (d) details of any reinsurance intermediary involved with each treaty.
- 2.3. A direct insurer shall not enter into a facultative reinsurance agreement with a reinsurer unless it has provided the Authority with at least 14 days notice of its intention to do so and the Authority has issued a written 'no objection' notice to the insurer. However, dispensation may be granted by the Authority.

## **3.0 Foreign insurance intermediaries.**

- 3.1 A direct insurer shall not enter into a contract with a foreign insurance intermediary in relation to the placing of reinsurance cover unless it has provided the Authority with at least 28 days notice of its intention to do (or such lesser period of notice as the Authority agrees to accept in writing) and the Authority has issued a written 'no objection' notice to the insurer.

## **4.0 Minimum retention levels.**

- 4.1 A licensed insurer shall retain at least 20% of the total liability to which it is exposed, excluding liability that is reinsured under a facultative insurance agreement.

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