



# INSURANCE (VALUATION, SOLVENCY AND MISCELLANEOUS) (AMENDMENT) REGULATIONS 2026

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Statutory Document No. 20XX/XXXX



*Insurance Act 2008*

# INSURANCE (VALUATION, SOLVENCY AND MISCELLANEOUS) (AMENDMENT) REGULATIONS 2026

*Laid before Tynwald:*

*Coming into Operation:*

*31 December 2026*

The Isle of Man Financial Services Authority makes the following Regulations under sections 12, 18 and 50 of, and Schedule 7 to, the Insurance Act 2008.

## 1 Title

These Regulations are the Insurance (Valuation, Solvency and Miscellaneous) (Amendment) Regulations 2026.

## 2 Commencement

These Regulations come into operation on 31 December 2026.

## PART 1

### AMENDMENTS TO THE VALUATION AND SOLVENCY REGULATIONS

## 3 Amendment to the Insurance (Long-Term Business Valuation and Solvency) Regulations 2021

In regulation 4 of the Insurance (Long-Term Business Valuation and Solvency) Regulations 2021, for subparagraph (b) substitute —

**(b)** do not apply to an insurer authorised in respect of class 13, in accordance with regulation 32 of the Insurance (Class 12 and 13 Valuation and Solvency) Regulations 2026.

and after “2026” in that substitution insert a new footnote and for the content of that footnote insert **SD2026/XXXX**;

#### 4 Amendment to the Insurance (Non Long-Term Business Valuation and Solvency) Regulations 2021

In regulation 4 of the Insurance (Non Long-Term Business Valuation and Solvency) Regulations 2021, for subparagraph (b) substitute —

- ❏ (b) do not apply to an insurer authorised in respect of class 13, in accordance with regulation 32 of the Insurance (Class 12 and 13 Valuation and Solvency) Regulations 2026. ❏,

and after “2026” in that substitution insert a new footnote and for the content of that footnote insert ❏SD2026/XXXX❏;

## PART 2

### AMENDMENTS TO THE INSURANCE REGULATIONS

#### 5 References under this Part to the Insurance Regulations 2025

Except as otherwise specified, a reference to a regulation or schedule in this Part is a reference to a regulation in, or a schedule to, the Insurance Regulations 2025.

#### 6 Amendments to Schedule 1 (class 12: captive insurers)

In Schedule 1 —

- (a) in paragraph 2(2), after “unless specified otherwise” insert ❏by the Authority❏.

- (b) for paragraph 2(5), substitute —

- ❏ (5) For the purposes of this Schedule, in relation to a contract of insurance, a person is not considered to be **directly insured or indirectly insured** under the contract insofar as the person is, **in effect**, referred to under the contract for the purpose of describing to whom **a directly insured or an indirectly insured** person under the contract (in accordance with class 12) has a potential liability (including a discretionary liability) which is indemnified under the contract. ❏; and

- (c) in paragraph 4(a), after “the insurer or an own group member of the insurer” insert ❏(and, for the purposes of this paragraph, “associate” is not restricted by its meaning given in the Act)❏.

#### 7 Amendments to Schedule 2 (class 13: insurance special purpose vehicles)

In Schedule 2, for paragraphs 1 to 10, substitute —

**1 Actuarial exemption**

A class 13 insurer, unless the Authority specifies otherwise, is exempt from the requirement to appoint an actuary under section 18 of the Act.

**2 Business and activity restrictions**

(1) The Authority may approve in writing or specify restrictions on any business or activity (or both) of a class 13 insurer and the insurer must comply with any such restrictions.

(2) Without limiting the generality of subparagraph (1) such restrictions may take account of any self-determined special purpose of the insurer and may, for example, impose limits on the –

- (a) type or composition of the insurer's funding;
- (b) number, nature or scope (including limits of exposure) of insurance contracts that may be written by the insurer; or
- (c) addition of any new, renewed or extended contracts of insurance of the insurer where the insurer already has residual exposure to potential liability on existing contracts it has written,

or any combination thereof.

(3) Without limiting the generality of subparagraph (1) –

(a) a class 13 insurer must have no residual exposure under any contract of insurance it has written that exceeds the maximum period (as applicable) in accordance with subparagraph (b) calculated from the date the insurer entered into the contract (for example, the maximum period might be complied with by the contract –

- (i) having a 'claims-made' basis where any claims under the contract must be made within a predefined timeframe;
- (ii) where the insurer has the right to commute the risks involved back to the insured or reinsured; or
- (iii) having a non-indemnity (parametric) claims payout trigger that provides certainty as to when the exposure terminates permanently); and

(b) unless the Authority approves in writing or specifies otherwise, the maximum period referred to in subparagraph (a) for an insurer authorised in respect of class –

- (i) 13 and 12 is 5 years; and
- (ii) 13 and any other class is 2 years.

**3 Reporting**

- (1) Without limiting regulation 19, in respect of a class 13 insurer, the Authority may require the insurer to report on any aspect of [its compliance with the](#) —
- (a) activity restrictions under paragraph 2; and
  - (b) [full funding requirement under Part 4 of the Insurance \(Class 12 and 13 Valuation and Solvency\) Regulations 2026, as specified by the Authority.](#)

**4 Approval required to surrender class 13**

Pursuant to section 33 of the Act, in relation to a class 13 insurer, unless the insurer is in a position to surrender all of its classes of authorisation, it cannot surrender its class 13 authorisation without the Authority's written approval to do so. <sup>22</sup>

**8 Miscellaneous amendments**

- (1) In regulation 3, in paragraph (1) —
- (a) for the definition of “MCR” substitute —
 

<sup>23</sup>“MCR” is an abbreviation of “minimum capital requirement”, referred to in section 12(1)(a) of the Act, and is determined in accordance with the —

    - (a) relevant solvency regulations, subject to paragraphs (b) [and \(c\)](#);
    - (b) regulation 24 in respect of insurance business to which that regulation applies; [or](#)
    - (c) (if applicable) paragraph 3 of Schedule 4 in respect the business of an insurer that is subject to a sandbox; <sup>24</sup>;
  - (b) for the definition of “relevant solvency regulations” substitute —
 

<sup>25</sup>“relevant solvency regulations”, in relation to an authorised insurer, means the —

    - (a) Insurance (Long-Term Business Valuation and Solvency) Regulations 2021<sup>3</sup>;
    - (b) Insurance (Non Long-Term Business Valuation and Solvency) Regulations 2021<sup>4</sup>; [or](#)
    - (c) [Insurance \(Class 12 and 13 Valuation and Solvency\) Regulations 2026,](#)

as applicable to its class or classes of authorisation; <sup>26</sup>,  
and after “2026” in that substitution insert a new footnote and for the content of that footnote insert <sup>27</sup>[SD 2026/XXXX](#) <sup>28</sup>;

- (c) for the definition of “SCR” substitute —
- ☐☐ “SCR” is an abbreviation of “solvency capital requirement”, referred to in section 12(1)(b) of the Act, and is determined in accordance with —
    - (a) relevant solvency regulations, subject to paragraph (b); or
    - (b) (if applicable) paragraph 3 of Schedule 4 in respect the business of an insurer that is subject to a sandbox; ☐☐; and
  - (d) in the definition of “technical provisions”, after “specified otherwise” insert ☐☐ [by the Authority](#) ☐☐.
- (2) In regulation 15, in paragraph (1), after “section 18 of the Act applies” insert ☐☐ [\(with the necessary modifications\)](#) ☐☐.
- (3) In regulation 17, for paragraph (2)(b) substitute —
- ☐☐ (b) the —
    - (i) Insurance (Long-Term Business Valuation and Solvency) Regulations 2021;
    - (ii) Insurance (Non Long-Term Business Valuation and Solvency) Regulations 2021; and
    - (iii) [Insurance \(Class 12 and 13 Valuation and Solvency\) Regulations 2026](#),
- do not apply to a permit holder if the circumstances referred to in paragraph (3) are met. ☐☐.
- (4) In regulation 19 —
- (a) in paragraph (6)(a)(i), omit ☐☐ (or, in the case of a class 13 insurer, its TANA and MAE in accordance with Schedule 2) ☐☐; and
  - (b) in paragraph 6(e), for “other than a class 13 insurer”, substitute ☐☐ other than a class [12 or 13](#) insurer ☐☐.
- (5) In Schedule 5, in paragraph 8(a), in the wording substituted in respect of regulation 19 —
- (a) in paragraph (6)(a)(i)(A) of the substituted wording, omit ☐☐ (or, in the case of a class 13 insurer, its TANA and MAE in accordance with Schedule 2) ☐☐; and
  - (b) in paragraph (6)(a)(iii) of the substituted wording, for “other than a core or cell authorised in respect of class 13”, substitute ☐☐ other than a core or cell authorised in respect of class [12 or 13](#) ☐☐.
- (6) In Schedule 7, for paragraph 4(4) substitute —
- ☐☐ (4) The [Insurance \(Long-Term Business Valuation and Solvency\) Regulations 2021](#), [Insurance \(Non Long-Term Business Valuation and Solvency\) Regulations 2021](#) and [Insurance \(Class 12 and 13 Valuation and Solvency\) Regulations 2026](#), are modified as if for

“board of directors” there were substituted **“general partners”**, and “board” is to be construed as being a reference to the general partners unless stated otherwise in those regulations. **”**.

MADE **[DATE]**

**B. ROTH**

*Chief Executive of the Isle of Man Financial Services Authority*

**L. BOYLE**

*Member of the Isle of Man Financial Services Authority*