

Memorandum of Understanding

between the

Cayman Islands Monetary Authority (CIMA)

and the

Health Insurance Commission (HIC)

on the Exchange of Information

**Memorandum of Understanding Between
The Health Insurance Commission (HIC)
And the
Cayman Islands Monetary Authority (CIMA)**

Whereas

CIMA and the HIC (collectively referred to as the Authorities) recognize the need for mutual cooperation and information exchange in the carrying out of their respective functions and duties under the relevant laws and regulations.

And Whereas

The functions of the CIMA are *inter alia* to regulate and supervise the financial services business carried on from or within the Islands in accordance with the Monetary Authority Law (2004 Revision) and the regulatory laws as well as to monitor the compliance of the financial industry with the Money Laundering Regulations.

And Whereas

The functions of the HIC are *inter alia* to manage the segregated insurance fund, to monitor the conduct of approved insurers in order to ensure that they are conforming with the requirements of the Health Insurance Law (2005 Revision).

In furtherance of these functions and to this end the Authorities have reached the following understanding:

1. SCOPE AND USE OF THE INFORMATION EXCHANGE ARRANGEMENTS

- 1.1. To the extent permitted by existing law governing the Authorities, the Authorities may exchange information that it has access to or that may come into its possession that is relevant to the function and duties performed by each Authority.
- 1.2. Without prejudice to the generality of the foregoing the scope of the Memorandum includes the following:
 - (a) Ensuring that approved health insurers meet required standards for licensing through the exchange of information as permitted by the relevant laws and regulations;
 - (b) Ensuring that the regulated health insurers are properly monitored and regulated pursuant to the relevant laws and regulations;
 - (c) Any other matters agreed upon between the Authorities from time to time that are permitted by the relevant laws governing the Authorities.

2. CONSULTATION

The Authorities will have regular consultations with each other to improve the operation of the Memorandum of Understanding and resolving any matters that may arise.

3. CONFIDENTIALITY

- 3.1. All information exchanged by the Authorities will be subjected to strict controls and safeguards to ensure that the information is used only in a manner authorized by this Memorandum of Understanding and the relevant laws and shall be treated in a confidential manner.
- 3.2. Exchanged information will be protected by the same confidentiality as provided for by the Monetary Authority Law (2004 Revision).
- 3.3. The Authorities may not disclose to any third party any information exchange between them without the consent of the Authority that provided the information, except where required or compelled by law to do so or, on the Order of the Grand Court.
- 3.4. Where an Authority is required or compelled by law to disclose information provided by the other Authority, or an application has been made to the Grand Court to disclose information, it will, to the extent permissible by law and as to the circumstances, notify the Authority that provided the information and give that Authority a reasonable opportunity to make any objections that it may be entitled by law to make, before the information is disclosed to a third party. Where it is not permitted or practical to advise the other Authority prior to disclosing information as indicated in this paragraph the Authority making the disclosure will advise the other Authority as soon as reasonably practical or permitted of the disclosure.

4. LIMITATION

Nothing in this Memorandum compels either of the Authorities to provide information to each other beyond what is already required by relevant laws. If an Authority decides not to provide information following a request, the Authority receiving the request will advise the requesting Authority of its decision and as permitted by law, indicate the reason for not providing the information.

5. LICENSING PROCEDURES

- 5.1. The HIC will issue a certificate to the health insurer for approval to write health insurance as a line of business once the standard guidelines and criteria for the issuance of the approved insurer status has been met by the health insurer.

- 5.2. Upon the issuance of this certificate the health insurer will become eligible for a Class “A” licence to provide health insurance to persons resident in the Cayman Islands, or in the case of an existing Class “A” Insurer, CIMA will grant approval to provide health insurance to persons resident in the Cayman Islands.
- 5.3. In the event the health insurer fails to meet the standard guidelines and criteria established by the HIC, CIMA will not issue the health insurer a Class “A” licence to provide health insurance to persons resident in the Cayman Islands.
- 5.4. As at the date of entering into this agreement, all current approved health insurers will be given notice to meet the standard guidelines and criteria established to retain their approved health insurer status.
- 5.5. The listing of all approved health insurers in the Cayman Islands will be updated and maintained by the HIC.
- 5.6. Notwithstanding the sub-paragraph above CIMA may issue a Class “A” insurer licence to a person to carry on insurance business other than health insurance business where the HIC has not issued or has refused to issue a certificate for approval to write health insurance to that person.

6. UNDERTAKING OF INSPECTION VISITS

In order to facilitate the effective consolidated supervision of the health insurance industry, the Authorities may undertake to carry out joint inspection visits on licensed entities from time to time.

7. ENFORCEMENT POWERS

For the purposes of effective supervision both Authorities will work together in taking any enforcement action authorised by law against a licensee.

8. FORM OF CORRESPONDENCE

- 8.1. Except where it is impractical to do so, all requests for information from one Authority to the other and all responses and information provided shall be in writing.
- 8.2. All requests and responses between the Authorities shall be between the Superintendent of Health Insurance and the Head of Insurance of CIMA.
- 8.3. Where the Authorities agree to nominate contact persons other than those in subparagraph 8.2 the Superintendent of Health Insurance and the Head of Insurance of CIMA may designate in writing any persons who will serve as the contact persons between the Authorities.
- 8.4. Nothing in subparagraph 8.3 above would prevent communication between staff of the HIC and staff of CIMA, following a request from either Authority through

the channels in that subparagraph in order to expedite the carrying out of a request by an Authority.

9. AMENDMENT

The Authorities may amend the Memorandum at any time by mutual agreement.

10. TERMINATION

10.1. This Memorandum may be terminated at any time by mutual agreement.

10.2. Where a party is desirous of terminating the Memorandum, it should notify the other Authority of its intention and a termination will take place 30 days after such notification. Any information already provided by the Authority shall be kept confidential after the termination of the Memorandum and subject to the same conditions in paragraph 3 that would be applicable if the Memorandum were in effect.

10.3. Notwithstanding anything said above where one Authority discloses or uses information provided by the other Authority in a manner contrary to the provision of this Memorandum and without the consent of the other Authority the Authority may immediately terminate the Memorandum.

11. EFFECTIVE DATE

This Memorandum of Understanding will be effective from the date of its signing by the Authorities.

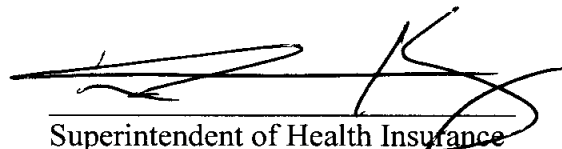
Signed this 28th day of September 2006

For and behalf of the Cayman Islands
Monetary Authority

For and on behalf of the Health
Insurance Commission



Managing Director, CIMA



Superintendent of Health Insurance