

# FINANCIAL HEALTH OF INSURANCE AND REINSURANCE COMPANIES RE-REGULATED

Feb 11, 2013

To improve the Indonesian insurance industry and to protect insured persons from financially unhealthy insurers, the Minister of Finance (“**MOF**”) on 1 January 2013 issued MOF Regulation No. 53/PMK.010/2012 on the Financial Health of Insurance and Reinsurance Companies (“**Regulation 53**”). The main concerns of Regulation 53 are, among others: (i) the qualifications of financially healthy insurance and reinsurance companies; (ii) the requirement for automatic reinsurance support for every line insurance companies offer, including automatic reinsurance for catastrophic risks; (iii) the requirement to file quarterly reports; and (iv) 20% of an insurance or reinsurance company’s minimum capital must be administered by a custodian bank.