

Fourth Schedule
[Sections 34 and 182.]

A. Assets in which the Policy Holder Reserves may be Invested

A company in respect of its policy-holder reserves, and the trustees of a pension fund plan, may invest in assets of the following classes—

1. Bonds and debentures

(a) the bonds, debentures and other securities, of or guaranteed by the Government of—

- (i) Saint Vincent and the Grenadines, or
- (ii) any other country approved by the Minister;

(b) the bonds, debentures and other evidence of indebtedness of a corporation incorporated in the State as may be approved by the Minister;

(c) the bonds or debentures of a corporation incorporated in the following States, as approved by the Minister—

- (i) CARICOM countries,
- (ii) British overseas territories in the Caribbean,
- (iii) Departments of France in the Caribbean,
- (iv) Dutch Antilles,
- (v) Regional member countries of the Caribbean Development Bank.

2. Ordinary and Preference Shares

(a) the fully-paid ordinary shares, of a corporation incorporated in the State or in any Commonwealth Caribbean State that during a period of the previous five years prior to the date of purchase, has either paid a dividend in each year upon its ordinary shares or had earnings in each year available for the payment of a dividend upon the shares of at least four per cent of the market value of those shares;

(b) ordinary shares, or preference shares, of a corporation incorporated in the State or in a Commonwealth Caribbean State and approved by the Minister.

3. Mortgages

(a) mortgages on real estate or leaseholds in the State if the amount of the loan does not exceed seventy-five per cent of the value of the real estate;

(b) a corporation or the trustees of a pension fund plan may invest in a mortgage if the amount of the loan does not exceed ninety per cent but where the portion of the indebtedness in excess of seventy-five per cent is guaranteed by an agency of or directly by the Government of Saint

Vincent and the Grenadines, or by a company registered under this Act to carry on that class of insurance business.

4. Real Estate

(a) real estate or leaseholds in the State for the production of income if—

(i) the lease is made to or guaranteed by the Government of Saint Vincent and the Grenadines and provides for a net revenue sufficient to yield a reasonable interest return and to repay the amount invested over a period not exceeding thirty years,

(ii) the real estate or leasehold has produced over the previous three years revenue sufficient to yield a reasonable interest return and to repay the amount invested for a period of the economic life time of the investment not exceeding forty years;

(b) real estate in the State required by the company for its use or occupation reasonably required for the natural expansion of its business;

(c) real estate in the State acquired by foreclosure of a mortgage on real estate where the mortgage qualifies as an investment under this Act.

5. Deposit Certificates

Deposits for fixed terms in—

(a) any bank in the State;

(b) any financial institution licensed under the Banking Act; or

(c) any other financial institution operating in the State and approved by the Minister.

6. Unit Trusts, Units in mutual funds and unit trusts approved by the Supervisor

B. Limitations on the Investment of Policy-Holder Reserves

For the purpose of the investment of policy-holder reserves and of pension fund plans the following limitations shall apply—

(a) **Real estate—**

(i) the total amount of investment in real estate shall not exceed twenty per cent of a long term insurance fund or a pension fund plan;

(ii) Supervisor may permit an investment in real estate to be included as part of a general insurance fund but this authority should not exceed twenty per cent of a fund,

(iii) in the case of pension fund plans the Supervisor may, on the recommendation of an actuary permit investment in real estate to exceed twenty per cent of the fund.

(b) Mortgages—

No single mortgage included as an asset of a fund shall exceed ten per cent of the total assets of the insurer.

(c) Bonds and debentures—

An insurer shall not invest in bonds and debentures on which payment of principal or interest is in default.

(d) Ordinary Shares—

- (i) An insurer shall not invest more than thirty per cent of a fund in ordinary shares.
- (ii) An insurer shall not purchase more than thirty per cent of the ordinary shares in a corporation where those shares are to be included in an insurance fund.

(e) Purchase of Life Insurance Company—

A long term insurer shall not purchase the shares of a company carrying on long term business if that investment is to be included in its insurance fund.