

Insurance

Cap. 310.

**INSURANCE (BARBADOS LIGHT AND POWER COMPANY
LIMITED) (SELF-INSURANCE FUND)
REGULATIONS, 1998**1998/91.
2005/16.

Authority: These Regulations were made on 6th July, 1998 by the Minister under section 154 of the *Insurance Act*.

Commencement: 31st August, 1998.

1. These Regulations may be cited as the *Insurance (Barbados Light and Power Company Limited) (Self-Insurance Fund) Regulations, 1998*.

2. In these Regulations,

"castastrophe" means

- (a) earthquake shock, fire resulting from an earthquake, or a flood caused by an earthquake;
- (b) a hurricane, volcanic eruption, cyclone, tornado, windstorm or flood; 2005/16.
- (c) an overflow of the sea onto Barbados from any cause; 2005/16.
- (d) fire, lightning, smoke damage; 2005/16.
- (e) general impact, vehicle impact, or impact caused by aircraft or other aerial devices; 2005/16.
- (f) riot, strike, terrorism, civil commotion, malicious damage; 2005/16.
- (g) general explosion, boiler explosion, burst pipes; 2005/16.
- (h) breakdown of electrical and other machinery; or 2005/16.
- (i) any other peril approved by the Supervisor of Insurance; 2005/16.

"company" means the Barbados Light and Power Company Limited;

"Fund" means the self-insurance fund established under regulation 3;

"investment grade securities" means securities which have received a credit rating of not lower than AA from a recognised credit rating agency.

Schedule.

3. There is established a Fund for the purpose of self-insuring the assets of the company that are listed in the *Schedule* against damage and consequential loss as a result of a catastrophe.

4. The Fund shall be created by deed of trust and the trustees shall be such persons as the Supervisor of Insurance shall approve.

5. The monetary limit of the Fund shall be

- (a) the total of the replacement cost of the assets which are being self-insured and the self-insured portion of the company's commercial insurance programme; or
- (b) 10 per cent of the total assets of the company, where the replacement cost is not easily determined.

6. The maximum annual payment by the company to the Fund is

- (a) 20 per cent of the total replacement cost of the assets which are being self-insured plus the self-insured portion of the company's commercial insurance programme; or
- (b) 5 per cent of the total assets of the company, where the replacement cost is not easily determined.

7. The assets of the Fund shall not be mortgaged or assigned by the company.

8. (1) The Fund shall only be utilised by the company for the purpose of replacing or reinstating the self-insured assets which are damaged by catastrophe and reinstating the financial loss following such damage.

(2) Where the Fund is utilized for any other purpose any monies withdrawn shall be subject to corporation tax.

9. The company shall submit to the Supervisor of Insurance, within four months of the end of each financial year of the company, an audited statement of the assets and liabilities of the Fund.

10. (1) Up to 60 per cent of the Fund shall be invested in overseas securities on the condition that the securities are investment grade securities.

(2) The remainder of the Fund shall be invested in securities in accordance with the *Insurance (Prescribed Securities) Regulations, 1998*.
2005/16.
1998/73.

SCHEDULE

(Regulation 3)

Assets of the company to be self-insured by the Fund

A. Transmission and Distribution Systems

These systems shall be self-insured by the Fund to the value of their replacement cost, and include:

1. Installed poles, towers and communication dishes.
2. Installed overhead lines and conductors.
3. Outdoor sub-station equipment and structures (not including buildings).
4. Transformers mounted on poles or towers.
5. Installed street lights and poles.
6. Installed services - including above ground cable connections between utility poles and customer's premises.
7. Such other equipment required for the distribution of electricity as approved by the Supervisor of Insurance.

B. Generation Plant, Equipment Buildings and Other Contents of the Buildings.