

**INSURANCE BUSINESS (CONTROL) REGULATIONS
(WAYS OF INVESTING AN INSURER'S CAPITAL,
RESERVES AND OBLIGATIONS) 5747-1986**

By my authority under section 36 of the Insurance Business (Control) Law 5741-1981 (hereafter: the Law), and after consultation with the Governor of the Bank of Israel, I make these regulations:

Note: Regulations 1 to 11 and 13 to 19 were repealed by regulation 66 of Insurance Business (Control) Regulations (Ways of Investing an Insurer's Capital, Reserves and Obligations) 5747-1986, which left regulation 12 in effect until December 31, 2001.

Transferrable money

12. (a) An Israel insurer may transfer to a reinsurer abroad money derived from its business in Israel for the following purposes:
- (1) premium payments to cover non-proportional reinsurance in amounts and at times set in reinsurance agreements;
 - (2) premium payments less commissions, and claim payments in connection with non-facultative reinsurance, in amounts and at times agreed with the reinsurers, but not earlier than 150 days after coverage began;
 - (3) payment at times set in agreements with the reinsurers in respect of categories of insurance not specified in paragraphs (1) and (2), premiums less commission, claims paid and deposits against insurance reserves, on condition that stated deposits not be less than 30% of the premium in marine insurance or 40% in other branches of insurance;
 - (4) interest payments on deposits kept in Israel;
 - (5) other payments with prior approval by the Commissioner.
- (b) An Israel insurer may transfer abroad, to an insurance company or to an insurance broker, money for the payment of claims derived from business abroad, after the realization of free resources held abroad.
- (c) A foreign insurer may transfer abroad the amount of recognized assets in excess of obligations in Israel, except for the deposit which he must deposit with the Accountant General under Chapter Three, Article Three of the Law