



THE INSURANCE COMMISSION  
OF THE BAHAMAS

**“RE-REGISTRATION” REQUIREMENTS –  
EXTERNAL INSURANCE ACT  
INSURERS  
BROKERS,  
&  
INSURANCE MANAGERS**

# Legislation

- ▶ External Insurance Act
- ▶ Judicial Management Regulations
- ▶ Forms & Fees Regulations
- ▶ Classes of Insurance Business Regulations
- ▶ Capital Requirements for External Insurers, Insurance Managers, External Insurance Brokers



# Part I – Everything You Need to Know about the new External Insurance Laws

This presentation applies to all regulated External Insurance licensees in this jurisdiction and, those financial institutions and individual body corporate who propose to carry on external insurance business from within or outside The Bahamas.

The detailed information presented is intended to apprise you of:

- ❖ Definitions for the purposes of the new External Insurance Act, 2009 and External Insurance Regulations, 2010 and, Information.
- ❖ The expectations and requirements of The Insurance Commission of The Bahamas vis-à-vis the External Insurance Act, 2009 and the External Insurance Regulations, 2010.
- ❖ Indicators implemented to assess the prudential effective oversight of the External Insurer's business affairs.
- ❖ Information to assist every licensee with statutory requisites.



# Everything You Need to Know (cont.)

At the outset it is important to note the following:

- ❖ The Information presented is based on The Insurance Supervisory and Regulatory system of the Commonwealth of The Bahamas by means of The Insurance Commission of The Bahamas, “**the Commission**” or “**ICB**” established under section 4 of the Insurance Act (Act No. 16 of 2005 as amended July 2, 2009).
- ❖ The responsibilities of The Insurance Commission of The Bahamas are not only with respect to overall risk management but also to exercise prudential oversight and, to ensure prudential soundness and supervisory regulations from within and outside The Bahamas.



# Everything You Need to Know (cont.)

The Insurance Commission of The Bahamas, in exercise of the powers conferred statutorily by **Section 46 of the External Insurance Act, 2009**, made External Insurance Regulations and provisions with respect to the following:

- The licensing, re-registration, operation, conduct and activities of all external insurers.
- The licensing, re-registration, operation, conduct and activities of Insurance Managers.
- The licensing, re-registration, operation, conduct and activities of External Insurance Brokers.
- Prescribing anything that is required by the External Insurance Act, 2009 Act to be prescribed.
- Exempting any person or class of persons or business or class of business from any provision of the External Insurance Act, 2009.
- Constituting the breach of any provision of the External Insurance Act, 2009 or of any regulation to be an offence.
- Prescribing anything that is required with respect to the financial obligations or requirements under the External Insurance Act, 2009.
- Where there is no provision, or not sufficient provision of the External Insurance Act, 2009 in respect of any matter or thing necessary to give effect to the External Insurance Act, 2009, the manner or form in which the deficiency is to be supplied.



# Everything You Need to Know (cont.)

- ❖ Statutorily, regulations may contain such incidental or supplemental provisions as appear to the Commission to be expedient for the purposes of the regulations.
- ❖ Additionally, the Commission may from time to time issue rules, guidelines and directives for the better management of licensees or insurance managers and external insurance brokers under the External Insurance Act, 2009.
- ❖ That essential to The Insurance Commission of The Bahamas' regulatory framework are strict adherence by all body corporate to the External Insurance requisites and, the monitoring and compliance with The Bahamas' applicable Laws and Regulations.



# Everything You Need to Know (cont.)

- ❖ The rules, regulations and the players have changed drastically in the past year especially when compared with the External Act, 1983; therefore it is crucial, I repeat crucial, that all external insurers must pay close attention to the new **External Insurance Laws** that will certainly be beneficial to every stakeholder.
- ❖ No person shall carry on external insurance business from within The Bahamas, nor hold himself out as carrying on external insurance business from within The Bahamas, without a license under the External Insurance Act, 2009.
- ❖ The Commission shall satisfy itself that the provisions of the anti-money laundering legislation are being complied with.
- ❖ No person will be re-registered if all of the statutory requirements have not been satisfied, i.e. you must be compliant.





# GUIDELINES FOR THE EXTERNAL INSURER

For the purposes of this presentation, of note are the following **DEFINITIONS** for the purposes of the **GUIDELINES** concerning: **RE-REGISTRATION, ASSESSMENT OF RESPONSIBLE PERSONS and RESIDENT REPRESENTATIVE INFORMATION.**





# GUIDELINES FOR THE EXTERNAL INSURER

## Definitions

- ▶ **“body corporate”** means any body corporate including a body corporate constituted under the law of a country or territory outside The Bahamas.
- ▶ **“carry on external insurance business”** and its derivatives, includes:–
  - opening or maintaining a place of business or an office, or appointing or using a representative in The Bahamas, whether or not insurance business is being arranged in or from The Bahamas; and
  - the use in The Bahamas of any business description or business title, in any language whatever, of the words “insurance”, “assurance”, “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “surety”, “casualty”, or any derivatives, or any expression which connotes or is intended to connote insurance business.
  - the making in The Bahamas of any representation in any handbill, letter, letterhead, circular, advertisement, paper notice, or in any manner whatsoever offering, either directly or indirectly, to arrange contracts of insurance;
  - the assumption of the obligation of a company to cover risks or liabilities in any class of insurance business; and
  - insurance business where the risk is located outside The Bahamas.
- ▶ **“class of insurance business”** means any class of insurance business as determined by regulations.



# GUIDELINES FOR THE EXTERNAL INSURER

## Definitions (cont.)

- ▶ “**company**” means body corporate.
- ▶ “**the Commission**” means The Insurance Commission of The Bahamas (ICB) established under section 4 of the Insurance Act (*Act No. 16 of 2005*).
- ▶ “**external insurer**” means a company carrying on external insurance business.
- ▶ “**external insurance broker**” is a company licensed under the External Insurance Act, 2009 (not being an external insurer) who, for commission or other compensation brings together, with a view to carrying on external insurance business, persons seeking insurance or reinsurance and insurance or reinsurance undertakings, carries out work preparatory to the conclusion of contracts of insurance or reinsurance, and where appropriate, assists in the administration and performance of such contracts.
- ▶ “**external insurance business**” means insurance business where the risk is located outside The Bahamas.



# GUIDELINES FOR THE EXTERNAL INSURER

## Definitions (cont.)

- ▶ **“insurance”** includes **“reinsurance”** unless the context requires otherwise.
- ▶ **“insurance business”** means the business of effecting and carrying out contracts of general insurance business, long term insurance business and any other form of insurance business and including but not limited to :–
  - protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed; or
  - to pay to a person a sum of money or other thing of value upon the happening of an insurable event, and includes running-off insurance business including the settlement of claims
- ▶ **“insurance manager”** means a person that provides or holds himself out as providing insurance management services to one or more persons.
- ▶ **“insurance management services”** includes the provision of accounting, administrative, brokerage, underwriting, and claims processing services in respect of external insurance business.



# GUIDELINES FOR THE EXTERNAL INSURER

## Definitions (cont.)

- ▶ **“net premium income”** means premium income less any premiums or other considerations paid by the licensee for reinsurance.
- ▶ **“overseas regulatory authority”** means an authority which, in a country or territory outside The Bahamas, exercises functions corresponding to any functions of the Commission or the Superintendent.
- ▶ **“resident or principal representative”** means a licensee’s management company or such individual as the Commission approves for the purpose of managing the business of a licensee.
- ▶ **“restricted external insurer”** means an external insurer that only underwrites the risks of:
  - its members, subsidiaries and affiliates; reinsureds, not being members, subsidiaries and affiliates, who acknowledge in writing that they know and accept that the external insurer is a restricted insurer; and,
  - such other persons as the Commission may approve.
- ▶ **“unrestricted external insurer”** means an external insurer that is not a restricted external insurer.



# GUIDELINES FOR THE EXTERNAL INSURER

## Definitions (cont.)

- ▶ **“superintendent”** means the Superintendent of Insurance appointed pursuant to the provisions of the First Schedule of the Insurance Act (Act No. 16 of 2005).
- ▶ **“variable insurance business”** means insurance business, under a policy or contract, in respect of which the benefits payable under the policy are to be determined wholly or partly:–
  - according to the investment experience of a separate account or accounts owned and maintained by the licensee in respect of that policy or class of policy, separate and apart from the general account of the licensee and insulated from the claims of the licensee involved as provided herein;
  - by reference to the value of or income from property of any description allocated in the general accounts of the licensee in respect of that policy or class of policy whether in that policy; or
  - by reference to fluctuations in or in an index of, the value of property of any description, whether specified in the policy, and includes variable life insurance business and variable annuity business.



# Re-Registration Process

- ▶ Determine Registration pre-EIA, 2009
- ▶ Carrying on External Insurance (EI) business?
- ▶ Completion of modified Form – Part A (First Schedule)



# Pre-EIA, 2009

- ▶ EIA- in-force 19 August , 2009
- ▶ Companies registered under EIA, 1986 or IA 1969





# “carry on external insurance business” and its derivatives

- ▶ includes —
- ▶ (a) opening or maintaining a place of business or an office,
- ▶ or appointing or using a representative in The Bahamas,
- ▶ whether or not insurance business is being arranged in
- ▶ or from The Bahamas; and
- ▶ (b) the use in The Bahamas of any business description or
- ▶ business title, in any language whatever, of the words
- ▶ “insurance”, “assurance”, “indemnity”, “guarantee”,
- ▶ “underwriting”, “reinsurance”, “surety”, “casualty”, or
- ▶ any of their derivatives, or any expression which
- ▶ connotes or is intended to connote insurance business;
- ▶ (c) the making in The Bahamas of any representation in any
- ▶ handbill, letter, letterhead, circular, advertisement, paper
- ▶ notice, or in any manner whatsoever offering, either
- ▶ directly or indirectly, to arrange contracts of insurance;
- ▶ (d) the assumption of the obligation of a company to cover
- ▶ risks or liabilities in any class of insurance business; and
- ▶ (e) **insurance business where the risk is located outside The Bahamas;**



- ▶ 4(1) No person shall carry on external insurance business from within The Bahamas, nor hold himself out as carrying on external insurance business from within The Bahamas, **without a licence issued under this Act.**



# Exemption of licensed external insurer from Insurance Act (IA)

- ▶ 3. An external insurer licensed under this Act, shall not, in respect of external insurance business carried on by him, be subject to any of the provisions of the Insurance Act (*Act No. 16 of 2005*).



# 21. Transitional.

- ▶ Unless otherwise stated in this Act, with respect to a company carrying on external insurance business in The Bahamas immediately prior to the coming into force of this Act, the period of time within which such company shall comply with this Act, the regulations or any portion thereof, shall be twelve months or such longer period of time as the Commission may designate.
- ▶ **(Now -> 30 Sept 2010)**



# Requirements of EIA, 2009

- ▶ Use Application Form – First Schedule – Part A (Modified) –EIA (Forms and Fees) Regulations , 2009 to compile information needed



# 1. Name

- ▶ 4(5) No applicant may be granted a licence under a name, or using a trade name or mark that in the opinion of the Commission may mislead or confuse persons for whom the proposed licensee intends
- ▶ Name should have – “insurance”, assurance”, “indemnity”, “guarantee”, “underwriting”, “reinsurance”, “surety”, “casualty”, or any of their derivatives, or any expression which connotes or is intended to connote insurance business



## 2. Restricted /Unrestricted

- ▶ **“restricted external insurer”**  
means an external insurer that only underwrites the risks of —
  - (a) its members, subsidiaries and affiliates;
  - (b) reinsureds, not being members, subsidiaries and affiliates, who acknowledge in writing that they know and accept that the external insurer is a restricted external insurer;
  - (c) such other persons as the Commission may approve;





## 2. Restricted /Unrestricted

- ▶ **“affiliate”** means a company which —
  - (a) stands in relation to another company by reason of their membership in common of an affiliated group;
  - (b) stands in relation to another company by reason of their participation or the participation of their affiliates, as defined at (a) above, in a joint venture in which the participants will share revenue or profits; or
  - (c) is, in relation to another company, a member of the same group of companies by virtue of common ownership or control;
  
- ▶ **“affiliated group”** means one or more chains of companies connected through ownership with a common parent;



# 4. , 5. , 6. -To be completed

- ▶ Except –
- ▶ 6(d)



# 7(a). Capital-Minimum

- ▶ Unrestricted:
  - ▶ General Insurance – \$100,000
  - ▶ Long-Term – \$200,000
  - ▶ Both – \$300,000
- 
- ▶ (Will accept for Restricted)



# 7(b). Assets over liabilities – Solvency

- ▶ General:
  - Unrestricted – Detailed
  - Restricted – Determined by Commission –  
(calculate same as unrestricted)
- ▶ Long term:
  - Assets > Liabilities



# 7(b).SOLVENCY

In order for all external insurers to re-register, the company must be solvent. PART IV of the External Insurance Act, 2009 Section 31, “Margin of solvency” states:

1. Unless the Commission otherwise determines, an **unrestricted external insurer** carrying on **GENERAL INSURANCE BUSINESS** is unable to pay its debts if at any time after the expiration of the first financial year, the value of its assets does not exceed its liabilities–
  - a) By 1/5 of the premium income for the preceding financial year, where the premium income does not exceed five million dollars; and
  - b) By the aggregate of one million dollars and 1/10 of the amount by which the premium income in the preceding financial year exceeded ten million dollars where the premium income for that year exceeded five million dollars.
  
2. A restricted external insurer carrying on **GENERAL INSURANCE BUSINESS** is unable to pay its debts if at any time the value of its assets does not exceed its liabilities by such amount as the Commission may prescribe from time to time.



# 7(b).SOLVENCY

3. A licensee carrying on LONG-TERM INSURANCE BUSINESS is unable to pay its debts if the value of its assets does not exceed its liabilities.
4. In computing a licensee's liabilities, all contingent and prospective liabilities, other than liabilities in respect of share capital and surplus, are to be taken into account.
5. In computing the assets and liabilities of a licensee carrying on VARIABLE INSURANCE BUSINESS, there shall not be included in such computation, the assets of any one or more separate accounts maintained by the licensee in respect of its variable insurance business, or the liabilities chargeable against such accounts in respect of such business, nor any assets acquired and held in a fiduciary capacity as designated by its auditor in financial statements filed with the Commission.



# 7(b).SOLVENCY

## ASSETS include:

- ▶ Cash
- ▶ Bonds, debentures, fixed deposits, and equities listed on a recognized stock exchange, or legally recognized inter-dealer market
- ▶ Mortgage loans on real estate
- ▶ Net accrued investment income due
- ▶ Premiums receivable
- ▶ Reinsurance balance receivable
- ▶ Funds held by ceding reinsurers
- ▶ Accounts receivable (except from a person with whom the external insurer is associated, unless approved by the Commission)
- ▶ Irrevocable letters of credit drawn or confirmed by a bank licensed under the Bank and Trust Companies Act (Chap. 316); and

## ▶ LIABILITIES INCLUDE:

- ▶ Loss reserves and unearned premiums
- ▶ Outstanding liabilities, but do not include capital and surplus.





# 8 to 9 - To be Completed



# 10 to 12 – To be completed

- ▶ Except for :
- ▶ 10 & 11 – bank and personal references
- ▶ 12 – police certificates



# 13

- ▶ To be completed



# 14. To be completed

- ▶ Classes as per Regulations on Classes
- ▶ Except (g), (h), (i), (j)



# CLASSES OF INSURANCE BUSINESS REGULATIONS, 2010

No.	Classes of insurance business	External Insurance Act, 2009 And External Insurance Regulations, 2010
34	<b>A. General Insurance Business</b>	<ol style="list-style-type: none"> <li>1. accident insurance business</li> <li>2. liability/peril insurance business including:               <ol style="list-style-type: none"> <li>(a) directors and officers liability insurance</li> <li>(b) employer's liability insurance</li> <li>(c) personal liability insurance</li> <li>(d) product liability insurance</li> <li>(e) public liability insurance</li> <li>(f) third party liability</li> <li>(g) title insurance</li> </ol> </li> <li>3. marine, aviation, and transport insurance business</li> <li>4. motor vehicle insurance business</li> <li>5. pecuniary loss insurance business including:               <ol style="list-style-type: none"> <li>(a) credit insurance</li> <li>(b) credit protection insurance</li> <li>(c) mortgage insurance</li> <li>(d) surety insurance</li> </ol> </li> <li>6. property insurance business</li> </ol>



# CLASSES OF INSURANCE BUSINESS REGULATIONS, 2010

No.	Classes of insurance business	External Insurance Act, 2009 And External Insurance Regulations, 2010
34	<b>B. Long Term Insurance Business</b> <b>C. Variable Insurance Business</b>	<ol style="list-style-type: none"> <li>1. industrial life insurance business</li> <li>2. ordinary life insurance business</li> <li>3. variable life insurance business including:               <ol style="list-style-type: none"> <li>a) unit-linked insurance</li> <li>b) universal life insurance</li> </ol> </li> <li>4. sickness or health insurance business, including:               <ol style="list-style-type: none"> <li>a) group health;</li> <li>b) permanent health insurance</li> </ol> </li> <li>5. pension fund management</li> <li>6. annuities</li> <li>7. variable annuity business</li> </ol>



# 15 & 16. – Not Required





# 17. & 18.

- ▶ To be completed



# Additional

- ▶ Biographical affidavit of directors, shareholders or senior managers that we do not have in our file (The Commission will advise)
- ▶ Enclose copy AML/CFT policies and procedures(if applicable–Life Companies)
- ▶ Corporate Governance Policy & Procedures (if any)
- ▶ Describe books and records that are kept in The Bahamas



# Fees

- ▶ No Re-registration fees



# New Requirements – EIA



# Fees

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<b>LICENSE FEES</b>	<ol style="list-style-type: none"><li>I. Insurance renewal / license fees become due and payable on the last day of the twelfth month following the initial or previous license.</li><li>II. Failure to pay any renewal/ annual license fee within a period of (30) thirty days after the date on which such fee becomes due and payable, shall, in respect of the respective license for that year, pay to the Commission in addition to the appropriate annual license fee payable, a late fee.</li><li>III. A license / renewal fee which remains unpaid after thirty days from the due date may be recovered as a debt due in civil proceedings.</li><li>IV. The Commission may suspend the license of any person where the license fee remains unpaid for more than ninety days from the due date.</li></ol>



# Fees

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<b>FEES-Application and Annual License (less the fees paid under the companies act- External insurer ONLY)</b>	As per the External Insurance (Forms and Fees) Regulations, 2010 <u>SIXTH SCHEDULE (Regulation 8) expressed in Bahamian Dollars</u> 1. Application for a license as an External Insurer or Insurance Manager or External Insurance Broker....100 2. Annual license Restricted Insurer..... 2,500 3. Annual license Unrestricted Insurer..... 3,500 4. Annual license Insurance Manager..... 1,000 5. Annual license External Insurance Broker..... 1,000
	<b>FEES for the processing of Applications or requests by a registered entity to:</b>	a) Amalgamate/Merge..... 1,000 b) Acquire/Increase significant interest..... 600 c) Transfer Business Assets..... 600 d) Acquire/Increase substantial Investments..... 600



# Fees

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<b>FEES-OTHER</b>	I. For taking record of any information required by the External Insurance Act, 2009 OR authorized to be recorded by The Commission..... 10 II. For obtaining a duplicate of a license or identification card..... 20 III. For the inspection of a document held by the Commission..... 5
	<b>FEES- For Late Payments</b>	A. External Insurers, Insurance Managers and External Insurance Brokers delinquent in the timely payment of license fees will be subject to an additional charge of 10%, 15%, 20% or 25% on the amount due according to the quarterly ageing of the overdue amount, however, B. The Commission may not charge a late payment fee when prior approval for the late payment has been obtained from the Commission.



# ANNUAL RETURNS

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<p><b>ANNUAL RETURNS (in compliance with Section 38. of the External Insurance Act)</b></p>	<ol style="list-style-type: none"> <li>1) A licensed Insurance Manager or External Insurance Broker shall, within four months of the end of its financial year furnish to the Commission the following:-               <ol style="list-style-type: none"> <li>(a) A list of all external insurers for whom the Insurance Manager provides services;</li> <li>(b) A list of all external insurers with whom the External Insurance Broker has placed contracts of insurance or reinsurance during the year;</li> <li>(c) Confirmation in writing by the company's Directors that it has conducted its business in accordance with the information provided with its license application and in compliance with the External Insurance Act, 2009;</li> <li>(d) A certificate by the Insurance Manager or External Insurance Broker that those external insurers have, to the best of his knowledge and belief, complied with the requirements of the External insurance Act, 2009;</li> <li>(e) A certificate signed by the Insurance Manager or External Insurance Broker that to the best of his knowledge and belief those external insurers continue to be of sound reputation and probity.</li> </ol> </li> <li>2) The Commission may prescribe the form and nature, and extent of the particulars required of the returns to be made by an Insurance Manager and External Insurance Broker under Section 38. of the Act.</li> </ol>





# Part II – RESIDENT REPRESENTATIVE

Some of you have asked the Commission:

- Why is a Resident representative necessary?
- Was a Resident representative required under the 1983 Act?
- Who qualifies for the position of Resident representative?
- How does one select a Resident representative?

*Your questions have not fallen on deaf ears.*

It is important to note that:

- The **RESIDENT REPRESENTATIVE** will be the key person with whom the Commission will communicate and, will hold accountable for an external insurer's business activities.
- No, the **RESIDENT REPRESENTATIVE** post was not a requisite under the 1983 External Insurance Act.
- **RESIDENT REPRESENTATIVE** position is a significantly important statutory requisite that must be adhered to and must be held by a fit and proper individual.



- ▶ **“resident representative”** means a licensee’s management company (Insurance Manager) or such individual as the Commission approves for the purpose of managing the business of a licensee



# ASSESSMENT OF FIT AND PROPER PERSON

For the purposes of this **INFORMATION** Fit and Proper Person/Responsible Person definitions are as follows:

- ❖ A person who has not been convicted of an offence involving dishonesty, money laundering or fraud.
- ❖ One who is not a discharged bankrupt, or insolvent.
- ❖ One who is qualified, responsible with professional skills.
- ❖ A sound person who has an understanding and experience in the management of insurance business.
- ❖ One who is competent, diligent, fair and capable of prudential judgment.
- ❖ One whose business conduct will not threaten the interest of policy holders, i.e. deceitful, improper or oppressive business practices.
- ❖ One who has no conflict of interest that would affect the execution of one's prescribed duties.
- ❖ One who will endeavor to carry on External Insurance business as prescribed by the applicable Law of The Bahamas.



# ASSESSMENT OF FIT AND PROPER PERSON

Although The Insurance Commission of The Bahamas analyzes and conducts due diligence of proposed: Fit and proper persons, Resident representatives (if not Insurance Manager), Directors, and Senior officers, shareholders >10% and assesses their competence levels, it is ultimately the responsibility of Senior Management and, or a Company's Corporate Board to ensure the suitability and integrity of authorized officers. Even after a license is issued, the assessment of suitability, integrity and capabilities of Resident representatives, Principal representatives, and other Executives are ongoing and updated assessments may be conducted if and when The Insurance Commission of The Bahamas mandates.



# ASSESSMENT OF FIT AND PROPER PERSON/ RESPONSIBLE PERSON/ RESIDENT REPRESENTATIVE

Consequently, the Commission requires an assessment of fitness and propriety in the prescribed form that is based on International Association of Insurance Supervisors (IAIS) Standards, i.e. **A Biographical Affidavit** to be filled in and signed by the appropriate individual(s). This also includes information on:

- professional acumen;
- resume;
- financial capacities;
- passport identification; and,
- confirmation that the fit and proper person has not been held liable in a civil proceeding in connection with financial or mismanagement conduct.



# ASSESSMENT OF FIT AND PROPER PERSON

- ▶ “Any false or misleading reply to the Biographical Affidavit or deliberate withholding of crucial information should be considered a strong indication that the individual lacks integrity.”  
**[IAIS–Standard on fit and proper persons]**
- ▶ The Insurance Commission of The Bahamas will not tolerate persons who lack integrity or the required qualifications or those who do not adhere to the prescribed Fit and Proper/Responsible Person **INFORMATION** after an insurance license has been granted.



# BIOGRAPHICAL AFFIDAVIT For Resident Representative

Forms are available at The Insurance Commission of The Bahamas upon request.

# Links to further information

## IAIS Paper on Regulation and Supervision of Captive Insurance Companies

[http://www.iaisweb.org/\\_\\_\\_temp/Issues\\_paper\\_on\\_regulation\\_and\\_supervision\\_of\\_captive\\_insurance\\_companies.pdf](http://www.iaisweb.org/___temp/Issues_paper_on_regulation_and_supervision_of_captive_insurance_companies.pdf)





▶ **INSURANCE MANAGERS**

▶ **&**

▶ **BROKERS**



- ▶ **39. Existing underwriting managers.**
- ▶ A company which, immediately before the commencement of this Act, was carrying on business in The Bahamas as an underwriting manager or an external insurance broker, and which intends to continue to carry on similar business on and after the commencement of this Act shall, within one month (Extended to 30 Sept 2010) of the commencement of this Act, make an application for licensing under section 33, and in the event of such a company making such an application it shall not be taken for the purpose of this Act to be acting or to have acted in contravention of section 23 pending the determination of its application.



# Restriction

- ▶ Cannot carry on domestic insurance business



# Re-Registration

- ▶ Complete Form -PART B
- ▶ Complete all sections except:
  - 4( c) & 5 - unless advised by the Commission,
  - 7 & 8
- Additional:
- Copy Professional Indemnity Policy



# RE-REGISTRATION GUIDELINE

## RE-REGISTRATION TO ENGAGE IN EXTERNAL INSURANCE BUSINESS

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<b>Registered Insurance Manager/ Intermediaries with a minimum paid-up share capital and, minimum net assets value, shall be maintained at all times by every insurance manager/ intermediaries and those minimum amounts shall be the greater of the following:</b>	a) The maximum deductible amount of the insurance manager's professional indemnity insurance policy; OR b) \$10,000.00
	<b>External Insurance Broker/Intermediaries shall at all times maintain a minimum paid-up share capital and minimum assets value:</b>	(a) At an amount which does not exceed the maximum deductible amount of the broker's professional indemnity insurance policy OR (b) \$25,000.00, whichever is greater.



# RE-REGISTRATION GUIDELINE

## RE-REGISTRATION TO ENGAGE IN EXTERNAL INSURANCE BUSINESS

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
	<b>The minimum net asset values outlined in points 21 &amp; 22 shall be determined in accordance with International Financial Reporting Standards, excluding intangible assets.</b>	
	<b>Where an Insurance Manager or External Insurance Broker carrying on external insurance business in The Bahamas at the commencement of The External Insurance (Capital Requirements for External Insurers, Insurance Managers and External Insurance Brokers) Regulations, 2010, i.e. May 3, 2010, is unable to meet the requirements in points 21 &amp; 22:</b>	The Commission may, if satisfied that the Insurance Manager or External Insurance Broker is unable to increase its capital to the amount so required by the expiry of three years from the commencement of the Regulations, issue a license pursuant to Section 8. (1) Of the External Act which states: “When the Commission is satisfied that it is proper to do so, it may approve or refuse a license under this Act.”



# RE-REGISTRATION GUIDELINE

## RE-REGISTRATION TO ENGAGE IN EXTERNAL INSURANCE BUSINESS

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
25	<b>Professional indemnity policy with a minimum limit of indemnity for any one claim, in any one insurance period of twelve months is required for every Insurance Manager and External Insurance Broker who shall:</b>	<ul style="list-style-type: none"> <li>(a) Maintain and continue to maintain in force a professional indemnity policy in respect of their insurance management and brokerage activities; and</li> <li>(b) Such policy must be placed with a carrier acceptable to the Commission.</li> </ul>
26	<b>Professional Indemnity policy limits are:</b>	<ul style="list-style-type: none"> <li>1) A sum equal to-               <ul style="list-style-type: none"> <li>i. The aggregate insurance brokerage, commission or fee income relating to the average for the three years immediately preceding the date of commencement of the professional indemnity insurance cover (applicable to an Insurance Manager or External Insurance Broker who has been in business for a period exceeding three years.)</li> <li>ii. The projected insurance brokerage, commission or fee income for twelve months for the period of the professional indemnity insurance cover (applicable to an Insurance Manager or External Insurance Broker who has been in business for a period not exceeding three years);</li> </ul> <p>OR</p> <li>1) A minimum of \$500,000.00</li> </li></ul>



# RE-REGISTRATION GUIDELINE

## RE-REGISTRATION TO ENGAGE IN EXTERNAL INSURANCE BUSINESS

No.	FINANCIAL OBLIGATIONS	External Insurance Act, 2009 And External Insurance Regulations, 2010
27	<b>Professional indemnity insurance coverage which exceeds the amounts stated in point 26:</b>	<ol style="list-style-type: none"><li data-bbox="991 418 1821 539">1. May be required by the Commission to meet the requirements of an individual Insurance Manager or External Insurance Broker.</li><li data-bbox="991 546 1821 761">2. If as a result of a claim the indemnity available falls below the amount determined under point 26 abovementioned, the Insurance Manager or External Insurance Broker shall effect a reinstatement of cover up to a minimum amount of \$500,000.00.</li><li data-bbox="991 768 1821 1061">3. In the event that the professional indemnity insurance is withdrawn or cancelled, or the insurance is not renewed, the Insurance Manager or External Insurance Broker shall immediately notify the Commission and, shall immediately cease to solicit further insurance business until such professional indemnity insurance has been reinstated or replaced.</li></ol>





# Further Information

If you require additional information or have to advise us of a change of address or material change of any Director or Officer, please contact us at:

The Insurance Commission of The Bahamas  
International Insurance Department  
3<sup>rd</sup> Floor, Charlotte House  
Charlotte and Shirley Streets  
P.O. Box N-4844  
Nassau, Bahamas

OR:

Telephone: 242-356-5716 / 242-397-4100  
Facsimile: 242-328-1070

E-mail: [info@icb.gov.bs](mailto:info@icb.gov.bs)



**Thank  
You!!!**

