



THE INSURANCE COMMISSION OF THE BAHAMAS

CAPTIVE INSURANCE REQUIREMENTS IN THE BAHAMAS

The establishment, licensing and business operation of captive insurance companies in The Bahamas are governed by the External Insurance Act, Chapter 348 and the various External Insurance Regulations.

Principal features of the external Insurance regulatory requirements are:

- Captives must be registered as External Insurers under the Act – registration renewable annually
- Company name subject to approval of the Commission
- Minimum of two directors
- Every insurer must appoint a resident representative
- Annual audit of all captives to be submitted to the Commission
- Actuarial valuation of life insurers at least every 3 years
- Financial statements must be submitted to the Commission 4 months after the fiscal year end.
- Segregated Accounts Companies legislation allows for cell captives

CAPITAL, SOLVENCY AND FEES

A Restricted External Insurers' Licence (single parent captive) may be issued where that company has capital as approved by the Commission. The Commission applies the minimums applicable to Unrestricted Insurers.

- I. General Insurance (Property & Casualty) business US\$100,000
- II. Long-term insurance(Life & Annuity) business US\$200,000

Note: There may be additional regulatory capital requirements depending on the business plan submitted.

Insurers must maintain a positive net worth (assets in excess of liabilities). General insurers are required to maintain assets in excess of liabilities:

NET PREMIUM INCOME	MINIMUM NET WORTH
Up to US\$5,000,000	20% of net premium income
Over US\$5,000,000	US\$1,000,000 plus 10% of net premium in excess of US\$ 5,000,000

Life insurers are required to maintain assets in excess of liabilities (including actuarially determined claims reserves) of US\$200,000

Allowable investments for solvency calculation include bonds, debentures, fixed deposits, equities listed on a recognized stock exchange, and mortgage loans on real estate. Also allowable for the solvency calculation are irrevocable letters of credit drawn or confirmed by a bank licensed in The Bahamas.

FEES

Fees are payable to The Insurance Commission of The Bahamas as follows:

- Application fee (non-refundable): US\$100
- Annual registration fee (including Registrar General Department fees) for a Captive are US\$2,500

APPLICATION

Applicants should allow approximately 30 days for a restricted (Captive) licenses or 60 days for unrestricted licenses after a complete application package (including business plan and projections) has been received by The Insurance Commission of The Bahamas. For complete details of application requirements visit The Insurance Commission of The Bahamas webpage: www.icb.gov.bs; e-mail: info@icb.gov.bs or call 242-397-4183