



THE INSURANCE COMMISSION
OF THE BAHAMAS

The Role and Responsibilities of the Resident Representative

September 2012

1. Resident Representative Requirements

All companies licenced under the External Insurance Act, Chapter 348 (the Act) are required to appoint a Resident Representative (“RR”) who resides in The Bahamas. This document outlines the roles and responsibilities of this individual. The RR is an approved function and must meet the following minimum criteria.

- The RR should meet the test of fitness and propriety as prescribed by The Insurance Commission of The Bahamas (“ICB”) for all approved functions.
- The RR should be qualified to carry out his/her role and responsibilities.

2. Roles and responsibilities

- i. The RR may outsource some of his/ her functions to an associated entity within the licensee’s group or a third party. However, ICB expects that the RR will retain his or her accountability regardless of who conducts the various functions.
- ii. The RR is to carry out the following functions:
 - a. Understand the business objectives, strategies and ensure that these are available for ICB review.
 - b. Confirm that appropriate policies and procedures (i.e. control systems) are in place to manage the risks, regardless of where the controls may reside.
 - c. Understand and adequately monitor the business of the company. The RR should get sufficiently comprehensive and frequent reports to carry out this function.
 - d. Ensure that the company is in compliance with the Act and Regulations, and is conducting its business and affairs in a manner consistent with applicable ICB guidelines. Advise the Commission where the company has failed to comply with the required regulations and policies. For example,
 - Any adjudicated violations of insurance or securities laws or fraudulent activities that have occurred in other jurisdictions.

- The licensee has been accused of or engaged in any fraudulent activity.
 - The licensee does not comply with the capital or solvency requirements as in accordance with the Act, Regulations and/or ICB guidelines.
- e. Ensure that the company's records are maintained at the RR's office and that these are available for ICB review. The RR may inspect the corporate records of the company.
- f. Advise the ICB of significant changes to the company's operations including but not limited to:
- Whether the licensee is likely to become or is currently unable to pay its debts. The RR should also copy the same to the licensee's external auditors along with any supporting documentation.
 - Whether the licensee is ceasing to carry on insurance business under its licence.
 - Changes in ownership and directors.

Material changes to the particulars as presented in the licence application require the approval of the Commission in writing.

3. Licensee Duty to Notify Resident Representative

The Licensee should notify the RR of the following:

- i. All meetings of shareholders and directors.
- ii. Significant changes to the particulars of the Company as documented in the licence application.
- iii. Governmental claims of violation of insurance or securities laws in other jurisdictions, or adjudication of fraudulent conduct.

4. Termination of the Resident Representative

Before a relationship is terminated between a RR and a licensee, a 30 days' notice of intent to do so must be submitted to the Commission by either party.