



INSURANCE COMMISSION
OF THE BAHAMAS

Legislative Amendments:

Insurance (Amendment) Bill, 2023

Insurance (General)(Amendment) Regulations Bill, 2023

**Insurance Commission of The Bahamas
August 15, 2023**

Agenda

- Amendments and Amalgamation
- Key Provisions and Changes
 - Insurance Act, 2005
 - Insurance (General) Regulations, 2010
- Timeline for Approval
- Questions/Comments



Amendments and Amalgamation



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OF THE BAHAMAS

Amendments

- Update existing legislative and regulatory objectives to comply with international best practices
- Amend corporate governance framework of the Commission
- Introduce new terms to accommodate definitions arising from category of insurers

Amalgamation

- Removes preferential treatment of external insurance companies over domestic insurance companies
- Introduces five new categories of registration (**Category A – E**)
- Repeal of External Insurance Act, 2009 and External Insurance Regulations



Key Provisions and Changes (Insurance Act, 2005)



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Insurance Act, 2005

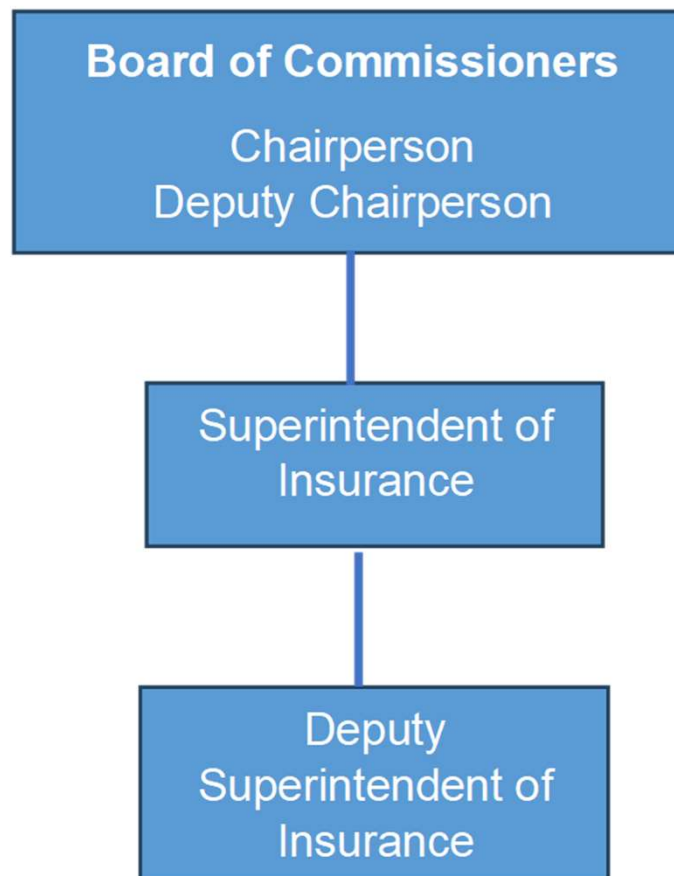
Part I – Preliminary (New Terms):

- Association of Members
 - a company formed to provide goods and services to registered persons who –
 - a. Belong to common industry
 - b. Belong to a trade association, professional body or organization; or
 - c. Satisfy criteria for continuous membership
- Foreign Company
 - means an insurance company incorporated or established outside The Bahamas and includes references to a branch
- Insurance Manager
 - a person that provides or holds himself out as providing insurance management services to one or more persons
- Category of Registration



Part II – Insurance Commission

Appointment of Non-Executive Chairperson and new role of Deputy Chairperson



Part III – Regulation of Insurance Companies

“category of registration”—

- (a) **Category A** means an insurer carrying on insurance business in or from within The Bahamas, including reinsurance, in any class or insurance business;
- (b) **Category B** means an insurer carrying on insurance business in or from within The Bahamas and is licensed as a Segregated Accounts Company (SAC); or
- (c) **Category C** means an insurer carrying on insurance business in or from within The Bahamas which underwrites the risk for an association of members or related parties; or
- (d) **Category D** means an insurer carrying on insurance business in or from within The Bahamas which underwrites only the risk of owners of the company and related parties of the owners; or
- (e) **Category E** means an insurer carrying on insurance business in or from within The Bahamas that is licensed as a Segregated Accounts Company (SAC) and underwrites the risk of the owners of the company and related parties of the owners.



Part V, section 137 – Rebating

- "No company or person shall offer, give or attempt to offer or give a rebate of the whole or any part of the insurance premium stipulated by the policy, directly or indirectly."
- "For the purpose of section (1), a rebate means any agreement, other consideration or thing of value intended to be in the nature of a discounted premium to any person or company insured or applying for insurance in The Bahamas."

Part VIII, section 217A - Arbitration

- Mandatory arbitration on disputes with policyholders.



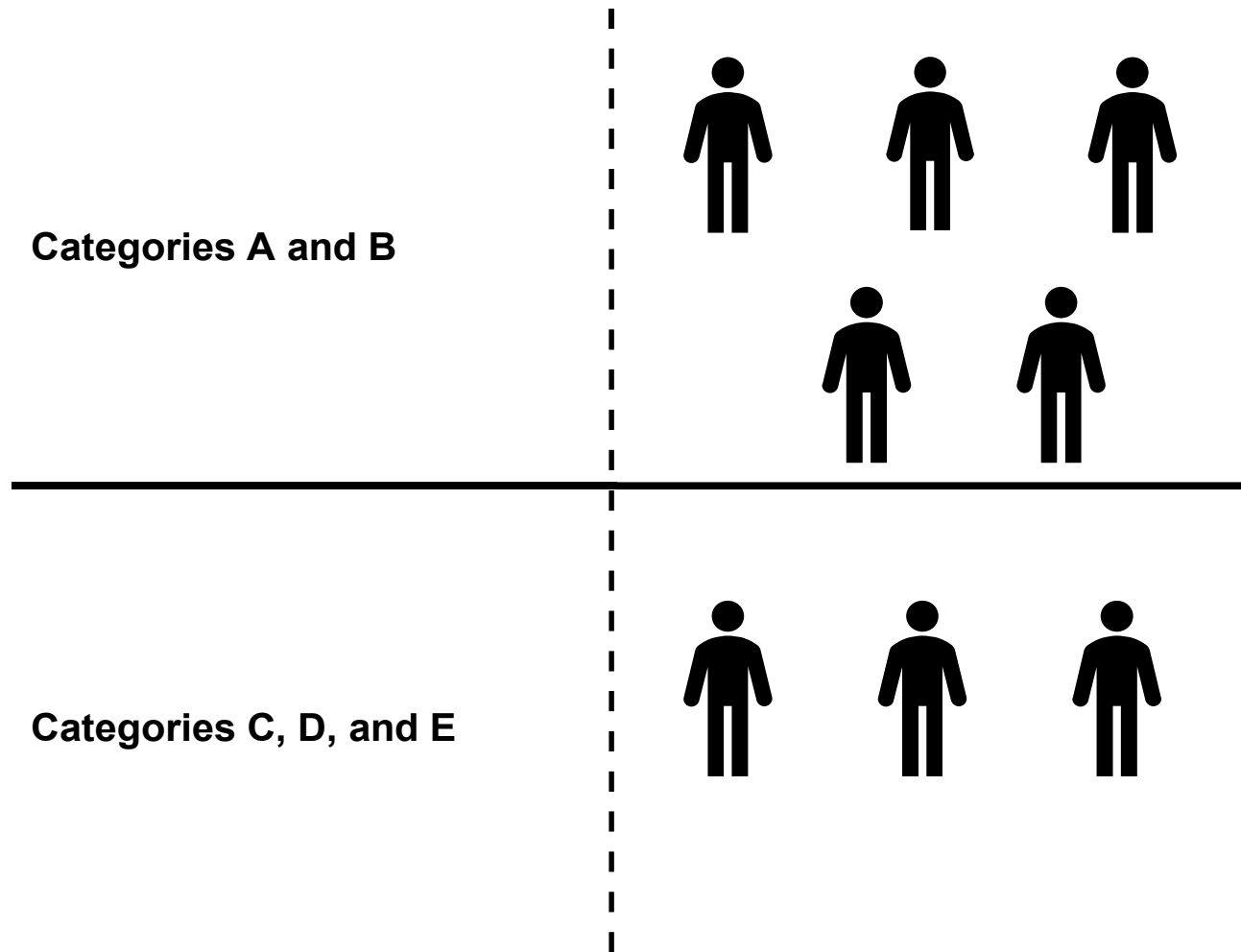
Key Provisions and Changes (Insurance (General) Regulations, 2010)



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Insurance (General) Regulations

Part III – Corporate Governance (Minimum Directors)



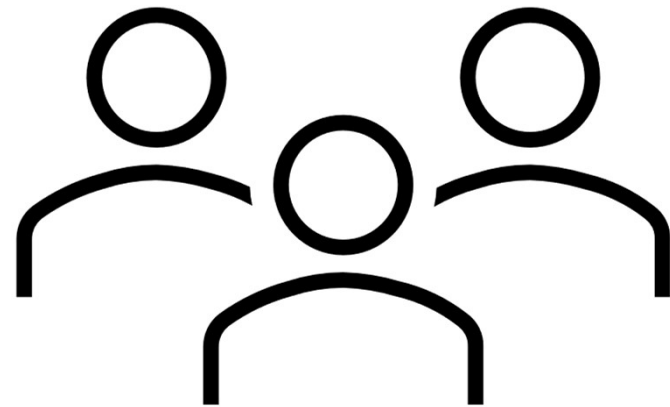
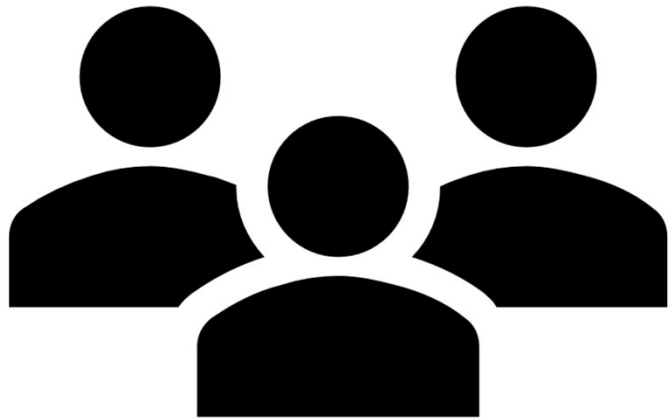
Part IV – Capital Requirements

Categories of Insurers	Capital Requirements
Category A insurers	\$3 million
Category B insurers	\$1 million
Category C insurers	\$500,000
Category D insurers	\$100,000
Category E insurers	\$100,000 - \$200,000



Part VII – Insurance Advisory Committee

- Appointment on ad-hoc basis
- Consists of varying members of society
- Discuss matters of public importance



Part VIII – Regulation of Insurance Companies

Levy and Fees

Category A The greater of a Levy assessed at 3% of Gross Written Premiums or \$20,000

Category B The Levy assessed at 3% of Gross Written Premiums plus the fee based on the number of segregated accounts

Segregated Accounts:

Tiered Annual Supervision Fee

1-50 SA: \$5,000

51-100 SA: \$10,000

100 - 200 SA: \$20,000

Category C The greater of a Levy assessed at 3% of Gross Written Premiums or \$10,000

Category D The greater of a Levy assessed at 3% of Gross Written Premiums or \$5,000

Category E The Levy assessed at 3% of Gross Written Premiums plus the fee based on the number of segregated accounts

Segregated Accounts:

Tiered Annual Supervision Fee

1-50 SA: \$5,000

51-100 SA: \$7,500

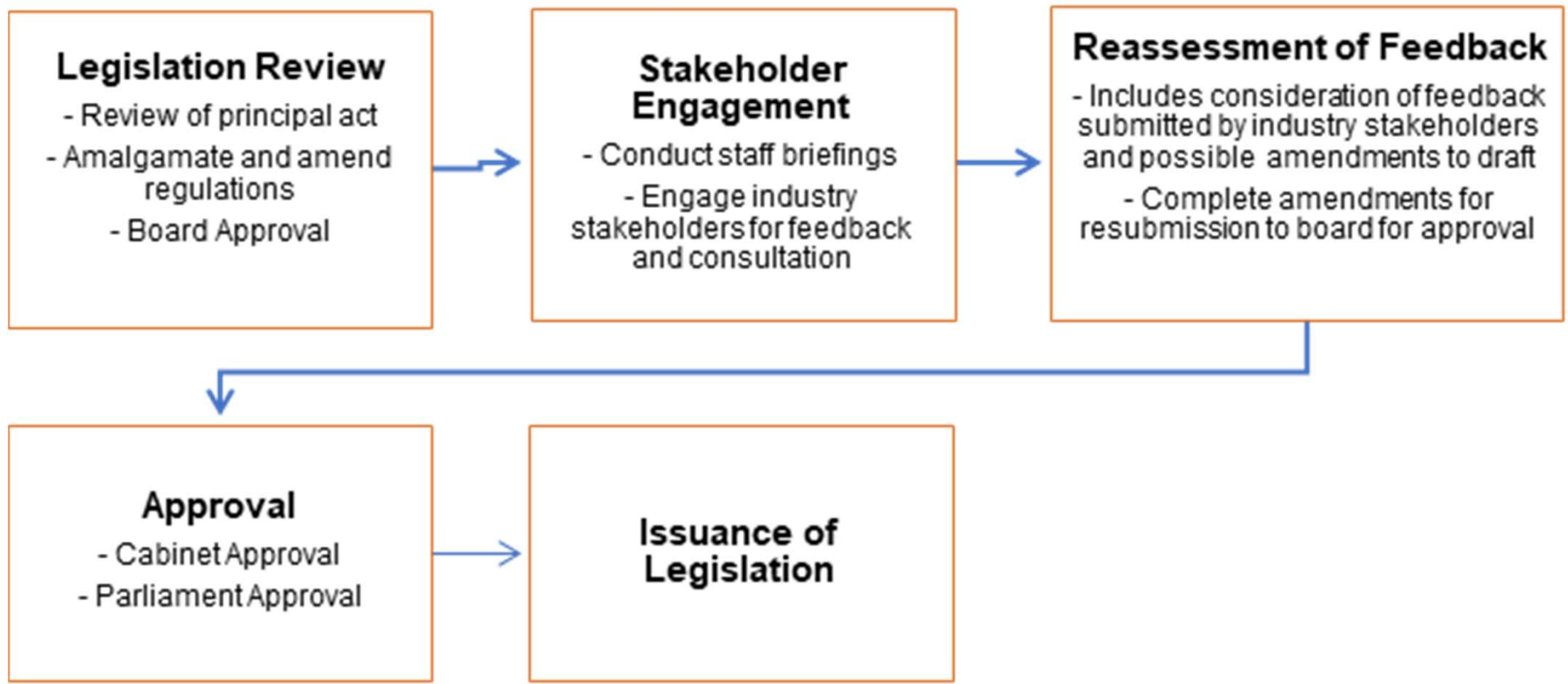
100 -200 SA: \$10,000



Timeline for Approval



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Projected Timeline to Completion





For more information:



www.icb.gov.bs



consultation@icb.gov.bs



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