



THE INSURANCE COMMISSION
OF THE BAHAMAS

External Insurance Act 2009

Guidelines on maintaining
Books and Records

Books & Records

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These guidelines are proposed to be enacted as a part of the Regulations for External Insurance:

Records should be kept in respect to:

- ▶ Sums of money received and expended,
- ▶ Premiums written (Revenue) or reinsured
- ▶ Fixed Assets of the Company
- ▶ Other Assets and Liabilities of the Company



- ▶ Records should be kept at Registered Office or at a place the directors see fit and must be open to inspection by the directors or a resident representative.
- ▶ If records are kept outside of the Bahamas, they must be made available to the directors/resident representative at each quarter. (Exception: Listed companies should make records available every six months).



Records to be maintained

- ▶ **Policy documents** – including renewal notices. Documents should include policy number, name, period, type, sum of insured, premiums paid.
- ▶ **Claims Payments** – including history of claims paid, claim number, policy number, date of loss, cause of loss, recipient of claim, date and amount of payment.
- ▶ **Claim Reserves** – details from claims Incurred But Not Reported (IBNR) same as information described in claim payments and a copy of the actuary report.
- ▶ **Reinsurance** – copies of reinsurance agreements
- ▶ **Bank Accounts** – copies of bank account statements and reconciliations.



Records to be maintained (Cont'd)

- ▶ **Investments** – Statements produced a minimum of once per quarter by investment custodian and a register of investments maintained by the insurer outlining, name of investment, number of shares, cost and, fair market value (supported by pricing source)
- ▶ **Loan agreements** – copies of official loan agreement indicating terms of loan.
- ▶ **Letters of Credit** – Copies of letters of credit indicating terms of the agreement.
- ▶ **General Ledger** – maintained either electronically or hard copy and updated at a minimum of once per quarter
- ▶ **Board of Directors / Shareholder's Meeting minutes** – Signed copies of minutes of meetings held and resolutions made by the committee.



Records to be maintained (Cont'd)

- ▶ **Register of:**
 - Shareholders: name, address, amount of shares, percentage ownership.
 - Directors: name, address, date of appointments, date of resignation (if applicable)
 - Officers: name, address, position held, date of appointments, date of resignation (if applicable)
- ▶ **Verification of Identity** – includes but not limited to passports, drivers' license, national identity number, utility bills (etc).
- ▶ **Service providers** – Official copy of service letter agreements outlining terms and service provided (eg. underwriting, pricing, claim settlement, claim reserving, investment, banking, accounting, auditing, actuarial and legal services)
- ▶ **Management Agreement** – signed copy of agreement with insurance manager outlining requirements of insurer to remain compliant with regulatory requirements and service provided by insurance manager.
- ▶ **Other documents** – (eg. Details of contingent liabilities and off balance sheet items)



Other Information

If a company fails to comply with subsection (1) the company and every officer of the company shall be liable to a fine of

In the case of records of account not being made available for inspection by the directors or a resident representative, the court may by order compel immediate inspection of such records.

Records for insurers must be kept for a period of seven (7) years.



Questions

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