



THE INSURANCE COMMISSION
OF THE BAHAMAS

Guidance Note for Responsible Officer

Revised December 2018

I. STATEMENT OF OBJECTIVE

The objective of this document serves as a guideline for all Corporate Intermediaries to have an experienced and qualified Responsible Officer appointed to manage the operations of the Company.

II. INTRODUCTION

This guidance aims to clarify the legal framework in relation to the Responsible Officer. It also includes the duties of the Responsible Officer which is to ensure that the corporate intermediary is in compliance with the Insurance Act, 2005 (“the Act”).

This guidance is applicable during the initial registration process of a corporate intermediary or if the intermediary changes its Responsible Officer, after registration, pursuant to Part V, Section 119 of the Act.

III. BACKGROUND

Responsible Officer, as defined in the Act, is an individual who is responsible for the daily operations of the corporate intermediary. The role and responsibilities of a Responsible Officer varies across organisations and is often determined by the size and nature of the business. The Act does not specify the responsibilities of the Responsible Officer besides what is defined in the definition.

The Responsible Officer should be fit and proper and of good character. Additionally, the Responsible Officer should manage the corporate intermediary with care, competence and skill. The corporate intermediary has an ongoing responsibility to ensure the Responsible Officer receives training and has the skills to perform its duties.

This Guidance Note covers five key areas:

1. Qualifications and Experience on a Responsible Officer
2. Due Diligence on a Responsible Officer
3. Appointment of a Responsible Officer
4. Notification of a Change of the Responsible Officer
5. Reporting a Responsible Officer for Breach of the Legislation

QUALIFICATIONS AND EXPERIENCE OF A RESPONSIBLE OFFICER

A Responsible Officer is required to:

- have attained the age of 21;
- be a Bahamian national or a Permanent Resident with a right to work;
- have a minimum of 10 years’ industry experience in the class of insurance that the intermediary is registered to sell;
- a minimum of 5 years’ experience in a managerial role; and
- have one or more of the qualifications listed below, at a minimum:

- Fellow or Associate of the Chartered Insurance Institute (FCII/ACII);
- Chartered Property Casualty Underwriter (CPCU);
- Chartered Insurance Professional (CIP);
- Fellow of the Life Management Institute (FLMI);
- Chartered Life Underwriter (CLU);
- Associate of the Chartered Institute of Loss Adjusters (ACILA); or
- other qualifications deemed acceptable by the Commission;

DUE DILIGENCE ON A RESPONSIBLE OFFICER

During the application stage of a corporate intermediary a Responsible Officer must be identified. The Commission will perform due diligence on the proposed Responsible Officer.

In order to perform due diligence, the following documents must be submitted to the Commission:

- Full name, date of birth, address and telephone number of the individual
- A Curriculum Vitae
- Certified copies of professional or technical qualifications
- A copy of individual's Passport
- Valid Police Record

APPOINTMENT OF A RESPONSIBLE OFFICER

Once appointed the Responsible Office must comply with all regulatory requirements. The corporate intermediary is ultimately held accountable for the Responsible Officer.

The intermediary must ensure:

- the Responsible Officer continues to meet the requirements in relation to fitness and propriety pursuant to sections 2(3)(b) and 123(1) of the Act
- the Responsible Officer undertakes relevant training to maintain the skills needed for the position pursuant to 121(8) of the Act
- the Responsible Officer has the requisite authority to effectively manage the day to day operations of the business

NOTIFICATION OF A CHANGE OF THE RESPONSIBLE OFFICER

The Commission must be notified immediately if there is any change of the Responsible Officer. A written notification of the change shall be submitted to the Commission together with all relevant documents attached. The Intermediary should confirm that:

- the relevant due diligence has been carried out on the Responsible Officer
- the intermediary will continue to meet their obligations regarding the Responsible Officer pursuant to sections 2(3)(b), 121(8) and 123(1) of the Act

REPORTING A RESPONSIBLE OFFICER FOR BREACH OF THE LEGISLATION

If at any time after the appointment of the Responsible Officer the Commission becomes aware of any information which suggests that the Responsible Officer is not suitable for the role, the Commission may:

- ask the registered intermediary to complete a Form 12 in relation to the Responsible Officer, or prepare a formal report giving details of such events or,
- request an interview with the Responsible Officer, where appropriate.

If the Responsible Officer has committed a breach pursuant to sections 2(3)(b) and 123(1) of the Insurance Act, the Commission may impose penalties as prescribed.

The Commission's mandate is to promote a fair, safe and stable insurance market in order to maintain public trust and confidence. Therefore, all registrants are required to conduct business in the marketplace with the highest integrity and to act in the best interest of policyholders.

For more information please contact the Insurance Commission of the Bahamas at 397-4183 or visit our website at www.icb.gov.bs.