

**FIRST SCHEDULE**

(regulation 150)

**FORM 1**

**APPLICATION FOR REGISTRATION OF A (DOMESTIC) INSURANCE COMPANY**

(made pursuant to section 27 of the Insurance Act, 2005)

**NO. ....**

**DATE RECEIVED .....**

Application by an insurance company for registration under Part III of the Insurance Act to carry on insurance business in The Bahamas of a relevant class or classes.

**A. PARTICULARS OF COMPANY BUSINESS AND REGISTRATION REQUIRED**

1. Name of company.
2. Full address of the principal office of the company in The Bahamas where service of notice may be effected.
3. Date and place of incorporation.
4. Summary of main objects of company (Attach statement where necessary).
5. The authorized and paid-up capital. If paid-up capital will be increased before registration under the Act, give details.
6. The amount by which the admissible assets of the company exceed liabilities at the present time (including all contingent or prospective liabilities but not liabilities in respect of share capital); and the amount this excess is likely to be when the company is ready to undertake insurance underwriting business. The Company should submit the solvency calculation/supporting schedule in an electronic form (preferably excel format).
7. The relevant class or classes of insurance business which the company carries on —
  - (a) in The Bahamas; and
  - (b) elsewhere at the present time and the amount of business undertaken outside The Bahamas.
8. Particulars of any business other than insurance business which the company carries on at present or proposes to carry on anywhere, indicating how such other business will be separated from the insurance business.
9. The class or classes of insurance business for which registration is sought. Has the company been refused permission to carry on such class (or any, and if so, which, of such classes) of insurance business in any other country?
10. If the company intends to limit its activities to insuring only some of the risks of the class or classes of business for which registration is being sought: give particulars of the risks to be insured.

11. Does the company carry on any class of long term business with any class of general business in —

(a) The Bahamas;

(b) elsewhere? State classes involved. If, in addition to long-term business the company at present carries on in The Bahamas any class of general business other than personal accident insurance business, state the transitional period required before cessation of long-term classes or general classes, as the case may be, can be effected (Attach statement where necessary).

12. Is the company carrying on business in The Bahamas as a broker or agent? State whether or not the company's directors have or propose to hold any beneficial ownership in any insurance brokerage or agency business in The Bahamas: full details should be given.

**B. BUSINESS PLAN**

13. The estimated amount of premium income (both gross and net of reinsurance) during each of the next three years in respect of each class of insurance business which the company will carry on, set out in the following format —

Gross Net of Reinsurance

Years 1 2 3 \$ \$ \$

(a) from direct insurance in The Bahamas

(b) from direct  
insurance elsewhere

(c) from reinsurance  
accepted in The Bahamas

(d) from reinsurance  
accepted elsewhere

(e) Total (a) to (d) -----  
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14. The amount (if any) by which it is intended to increase the paid-up capital of the company during the next three years.

15. The sum expected to be spent during each of the next three years on new premises, office equipment, motor vehicles, etc.

16. The sum expected to be spent during each of the next three years on advertising or other methods of promoting business.

17. For each and every class of insurance business to be carried on by the company in The Bahamas during the next three years —

(a) the method or methods by which the policies will be marketed (e.g. by the company's own organization, by brokers, salesmen, agents, sub-agents or by all methods);

- (b) if more than one method is proposed under (a) the expected proportions to be marketed by each method;
- (c) the rates of commission which will be paid to the categories indicated at (a) above; and
- (d) the extent to which and the conditions under which any of the categories at (a) will have binding authority to commit the company.

18. Where an overseas company operates or proposes to operate in The Bahamas through the medium of a local agent or agents, a summary of the main arrangements pertaining to the agency agreement(s) and the extent and system of supervision and control to be exercised by the principal (Attach statement if necessary).

19. Where the company proposes to operate in The Bahamas on a Branch basis, details of the organization and structure of the Branch arrangements (Attach statement if necessary). For all other companies, a detail copy of the organization structure. 20. The way in which the settlement of claims will be handled (e.g., by the company, by outside loss adjusters or assessors or by other persons with authority to settle claims).

21. The company's policy and practice or proposed policy and practice relating to the settlement of claims (Attach statement where necessary).

22. Particulars of any association which exists between any of the brokers, agents, loss adjusters or assessors and any director of the company, any director it is proposed at present to appoint, any person having a majority shareholding in the company, or any other person on whose directions the directors of the company or any of them act or will act.

23. The name and address of the principal representative of the company in The Bahamas.

24. The name or names of the company's agent, agents or sub-agents in The Bahamas, their address or addresses and the classes of insurance business for which they will be responsible.

25. In respect of each class of business for which registration is being sought, give —

- (a) the proposed premium rates before deduction of commission;
- (b) the percentage of premiums (net of reinsurance) which claims are expected to form and any other relevant information on which premium rates are based;
- (c) the percentage of premium (net of reinsurance) which management expenses are expected to form;
- (d) the proposed selection of risks; and
- (e) attached copies of the standard forms of policies. Where applications for registration to carry on industrial insurance business or ordinary long-term business are being made, the information requested at (b) and (c) need not be given but the company should provide a statement of the actuarial bases of the premium rates and, in the case of equity-linked business, the proportion of premiums to be invested in or related to the fund. Applicants should also supply a certificate by an actuary stating that he considers that premium rates are satisfactory in the light of the information disclosed in the application and that the proposed amount of capital is adequate to support the amount of business.

### **C. REINSURANCE CEDED**

26. The nature and extent of the existing or proposed reinsurance arrangements for each class of business indicating clearly the amount of the applicant company's retention in each case (Attach supporting statement, reinsurance treaties, etc.).

27. Names of the insurance companies or associations of underwriters which will reinsure each class of the company's business and the amount which will be reinsured by each (Attach supporting statement, if necessary).

#### **D. CONTROL OF COMPANY**

28. In respect of —

(i) principle representative

(ii) each of the present directors of the company;

(iii) any directors it is proposed to appoint;

(iv) any other persons in accordance with whose directions the directors of the company or any of them act or will act; and

(v) each person who at the present time, either has an interest in or it is proposed at present will have an interest in, shares of the company having a nominal value of 10% or more of the company's total share capital and which carry voting rights give the particulars listed at (a) to (k) below —

(a) Full names (including any previous name or names by which known)

(b) Address

(c) Nationality (indicating whether by birth or acquired by registration or naturalization) and current country of residence

(d) Date of birth

(e) Place of birth

(f) Present occupation and previous occupations during last five years

(g) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in The Bahamas or elsewhere

(h) Whether the person has been adjudicated bankrupt during the last ten years and particulars of any company with which the person was associated during the last ten years and which was compulsorily wound up whilst he was associated with it

(i) Percentage of the share capital of the company in which the person has an interest at present or will have an interest:

(ii) other directorships (if any) held at present and former directorships held during the last five years; and

(iii) names of any other companies in which the person is entitled to exercise or control the exercise 10% or more of the voting power at a general meeting.

[\*The information about the promoters of the company specified above is only required where the officers of the company have not yet been appointed].

29. In respect of the company's actuary, MLRO and each of the persons who will be in charge of one or more of the following departments of the company, viz., fire, accident, life, claims, agency, investment, accounting and underwriting, by whatever title he may be known —

- (a) Full names (including any previous name or names by which known):
- (b) Address:
- (c) Date of birth:
- (d) Place of birth:
- (e) Position held in applicant company:
- (f) Qualifications and experience:
- (g) Companies by which employed during the last five years and position held:
  
- (h) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in The Bahamas and elsewhere. (If the company's actuary is a consulting actuary the name of the partnership to which he belongs, together with any directorships he holds at present and any former directorships held during the last five years must be stated).

#### **E. INVESTMENTS AND BANKERS**

30. A list of the investments (under suitable headings) at present held by the company, the value of each investment at the end of the last financial year, and the method of valuation. In the case of a foreign company (branch operations) a list of assets to be placed in trust along with the name and address of the licensed financial institution to act as trustees.

31. The categories of investments in which the insurance funds in respect of the business for which registration is being sought will be held and the approximate proportions in each category. If it is intended that any of the insurance funds will be invested in currencies other than Bahamian dollars, the approximate percentage of each fund which will be invested in each currency should be given.

32. Details of —

- (a) any unpaid loans which the company has made; and
- (b) any loans which the company proposes to make to any officer of the company and any proposed loans to or investments in an associate company or any company in which any officer of or other person controlling the applicant company is entitled to exercise, or control the exercise of one-third or more of the voting power at any general meeting of the company.

33. The place or places at which the documents of title in respect of the company's present investments are held, the place or places at which it is proposed to hold the documents of title in respect of the company's present and future investments, and particulars of any of the documents which are or will be held outside The Bahamas.

34. The names and addresses of all banks in which the company has accounts at present or intends to have accounts.

#### **F. FINANCIAL YEAR AND AUDITORS**

35. The date on which the company's financial year will end.

36. The name, address and qualifications of each of the company's auditors, both in The Bahamas and elsewhere.

#### **G. DOCUMENTATION**

37. The above application is required to be accompanied by the following,—

- a) certified copies of the Memorandum and Articles of Association, or Charter, or Act of Incorporation or other instrument constituting the company,
- b) certified copies of the latest audited Balance Sheet, Profit and Loss Accounts and Revenue Accounts and the aforementioned Financial Statements over the previous three financial years of the company;
- c) certified copies of the latest annual report;
- d) specimens of all categories of insurance policies issuable by the applicant in respect of all classes of insurance business to be undertaken in The Bahamas;
- e) latest actuarial report of the company where it proposes to undertake or has undertaken any class of long-term business in The Bahamas;
- f) official receipt from the Registrar-General evidencing payment of registration fee
- g) a certificate signed by the Chairman, a Director and Chief Financial Officer of the company stating that the company has fulfilled the capital and solvency requirements indicated at section 25 and 78 of the Act (Where the company undertakes any class of long-term business the certificate should also be signed by an actuary);
- h) a detailed memorandum indicating the organization of the company and/or its agency, agencies or sub-agencies in The Bahamas. The memorandum should be signed by the Chairman of the Board of Directors, a Director and the Secretary of the company and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in The Bahamas whether of the applicant company, its agency, agencies or sub-agencies.
- i) Copy of Corporate Governance policy & procedures document-including mandates of all committees.
- j) Listing of all directors, identifying:
  - i. employees of the company or subsidiary
  - ii. residency
  - iii. affiliation w/ the company
  - iv. if agent/broker or affiliated w/ agent/broker
- k) Listing of all board committee members
- l) Pursuant to regulation 38, the criteria to determine Nominal Value Transactions- for approval by the Commission.
- m) Biographical Affidavit, police certificate, bank reference, two character references, and current resume, for all persons listed in section D.
- n) Certified Statement of Net Worth for all **ultimate beneficial** owners who own 10% or more of the company and are **natural persons**.
- o) Business Plan for the first three years of operations including pro-forma financial statements

**APPLICATION AND CERTIFICATE OF TRUTH AND CORRECTNESS**

We hereby apply on behalf of (Insurance Company) for registration under Part III of the Insurance Act, to carry on in The Bahamas insurance business of the class or classes indicated at 9 above. We certify that to the best of our knowledge and belief all the information given in this application and contained in supporting statements and documentation submitted is true and correct.

.....  
Director

.....  
Director

.....  
General Manager or Secretary

.....  
Principal Officer in The Bahamas

.....  
Date

**NOTE TO APPLICANTS**

1. The Commission must be notified of any change in the information supplied on the application form after the date of its submission. Also, if any company changes the situation in The Bahamas of its principal office or appoints a new principal representative, it must within 21 days of the change in appointment give written notice thereof to the Commission. If after registration there is any change in the particulars specified in the application or other information supplied, the company must notify the Commission within 30 days of each change.
2. An application for registration must be accompanied by evidence of the payment of the appropriate fee, and the appropriate deposit must be made with the Insurance Commission.
3. The Commission may upon receipt of an application request the applicant to furnish such additional information as it may consider to be relevant to the application, and may also restrict an authorisation if it appears that the applicant has furnished misleading or inaccurate information when seeking the registration.
4. Any person who for the purposes of obtaining registration gives any information which he knows to be false in a material particular or recklessly gives any information which is so false shall be guilty of an offence under the Insurance Act.