

The Licence Application Process Domestic Insurance Companies

April 2014

1. Schedule a pre-application meeting with the Commission. The purpose of the pre-application meeting is to discuss the proposed business plan with the principals or promoters. This gives the Commission an opportunity to advise the parties of any concerns or issues which may need to be addressed prior to submitting an application.
2. Submit a completed application package including the following:
 - a. Detailed Business Plan
 - b. Actuarial Review and/or Feasibility Study
 - c. Projected financial statements for three years (including balance sheet, income statements and notes/assumptions underlying the financial statements)
 - d. Projected solvency calculations in accordance with the Insurance (General) Regulations for three years and a Capital Plan
 - e. Audited Financial Statements of the Parent or other related insurance companies in the group for the preceding three years
 - f. Sample Policies to be sold by the applicant
 - g. Details of the proposed Reinsurance Program
 - h. Due diligence documents for proposed shareholders, directors, and senior officers.
(See enclosed document for detail requirements)

Please note that the Commission may request additional documents.

3. Once a completed application is submitted, it is reviewed by the staff of the Commission and a recommendation is made to the Board of Commissioners. The Board's decision is communicated to the applicant:
 - a. If the Board approves the application then an approval-in-principle is issued and the applicant is given 30-60 days to meet the conditions of the approval.
 - b. If the Board does not approve the application the applicant is advised and given a reason for the decision.
4. Applications submitted by non-Bahamians will also require the approval of the National Economic Council (NEC). Where the NEC's approval is required the Commission will not advise its decision regarding the application as noted at "3" above until the NEC has reviewed the application and communicated its decision to the Commission.
5. Once the conditions of approval are met, a license is issued to the applicant.

When applying for a license under the Insurance Act, 2005 and Insurance (General) Regulations 2010 considerations must be made for the following:

1. **Minimum Paid-up Share Capital and Statutory Deposits –**

	Capital Requirements/Statutory Deposits
General Insurance Business (Domestic)	\$ 2,000,000
Long-term Insurance Business (Domestic)	\$ 3,000,000
Statutory Minimum Deposit (Subsidiary):	
a) Life and/or Health Insurance Business (Long-term insurance)	a) \$2,000,000
b) Property and Casualty Insurance Business (General Insurance)	b) \$1,000,000

2. **Classes of Insurance Business** – This is outlined in Part II of the Insurance (General) Regulations 2010 <http://www.icb.gov.bs/home/domestic-insurers/insurance-act-regulations>
3. **Reinsurance** – A copy of the proposed reinsurance treaty and summary of the reinsurance programs to be used should be submitted with the application.
4. **Principal Representative (Act s.56)** – Every insurer registered under the Act must maintain a principal office and appoint with the consent of the Commission a Principal Representative. See Guidelines on the Role of the Principal Representative. <http://www.icb.gov.bs/home/domestic-insurers/domestic-insurers---policies-guidelines>
5. **Sale of Insurance Products (Act s.24)** – No registered insurer may sell or otherwise distribute any insurance products in The Bahamas other than through a registered insurance intermediary as prescribed
6. **Corporate Governance Requirements (Part III – Insurance [General] Regulations 2010)**