INSURANCE COMMISSION OF THE BAHAMAS

2024 ANNUAL REPORT

Silk Cotton House, Prospect Ridge Road - P.O. Box N-4844 - New Providence, The Bahamas
Tel: (242) 603-4183 - Email: info@icb.gov.bs - Website: www.icb.gov.bs

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ABOUT THE ICB

Insurance Commission of The Bahamas (ICB)

The Insurance Commission of The Bahamas (ICB) is the independent statutory authority responsible for supervising and regulating the insurance industry in The Bahamas. Established under the Insurance Act, 2005, the Commission promotes the growth, integrity, and stability of the sector by ensuring sound business practices, protecting policyholders, and enforcing legislative compliance.

The Commission oversees the registration, licensing and regulation of domestic and international insurance companies and intermediaries, administering both the Insurance Act, Ch. 347 and the External Insurance Act, Ch. 348, and accompanying regulations. The Commission enforces standards in areas such as solvency, corporate governance, anti-money laundering, and market conduct.

The Commission is led by Superintendent of Insurance Dana Munnings-Gray, under the direction of the Board of Commissioners appointed by the Governor General on the advice of the Minister. Dr. Keith Major, Sr. and Dwayne Mortimer are the Chairman and Deputy Chairman of the Board of Commissioners, respectively. The leadership team brings decades of experience in insurance supervision, financial regulation, and law. The Commission is committed to advancing regulatory excellence and innovation.

As an active member of the International Association of Insurance Supervisors (IAIS) and other key international and regional regulatory bodies, the Commission works to ensure that The Bahamas remains aligned with evolving global best practices. Through principled regulation, industry engagement, and a forward-looking approach, the Commission supports the continued development of a resilient and competitive insurance market.

INSURANCE COMMISSION
OF THE BAHAMAS

July 25, 2026

Senator the Hon. Michael Halkitis
Minister of Economic Affairs
Ministry of Finance
Cecil V. Wallace-Whitfield Centre
Cable Beach
Nassau, N.P., Bahamas

Dear Honourable Minister,

In accordance with Section 18(1) of the Insurance Act, 2005, and on behalf of the Members of the Insurance Commission of The Bahamas, I am pleased to submit the Annual Report for the year ended December 31, 2024. Included with this report are the Audited Financial Statements for the same period.

Yours sincerely,
Insurance Commission of The Bahamas

Dana Munnings-Gray
Superintendent of Insurance

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TABLE OF CONTENTS

Executive Summary	6
Mission, Vision and Core Values	8
Chairman's Message	9
Superintendent's Message	10
Celebrating 15 Years of the Commission	12
Former Registrars and Superintendents of Insurance	16
Company Overview	17
Market Snapshot as at December 31, 2024	30
Regulatory Review	31
Industry and Stakeholder Engagement	77
Financial Statements	94

Executive Summary

The Insurance Commission of The Bahamas (ICB) remains steadfast in its mandate to maintain a sound insurance market that is fair, transparent, and resilient. In 2024, the Commission strengthened its role as a trusted regulatory authority through strategic initiatives focused on market stability, consumer protection, legislative reform, and international collaboration.

Market Oversight and Performance

The domestic insurance market remained stable, with life and general insurers reporting modest growth in gross written premiums and improved capital adequacy. The Commission conducted focused and thematic on-site inspections, enhanced off-site monitoring, and updated prudential guidance to support sound risk management and solvency standards across the industry.

Captive Insurance and International Business

International business remains a vital part of The Bahamas' financial services landscape. Interest in captive insurance, particularly from Latin America and North America, continues to emerge. The Commission conducted research to support enhancements to its supervisory approach for captives and protected cell structures, with initiatives planned to strengthen alignment with international regulatory expectations.

Legislative and Regulatory Reforms

The Commission conducted several initiatives to strengthen its supervisory powers and align the insurance regulatory framework with global standards. Consideration for key reforms included enhancements to the Insurance Act, Ch. 347, and External Insurance Act, Ch. 348, with supporting regulations, and introducing provisions to address innovation and InsurTech. These reforms are intended to safeguard policyholder interests, support responsible innovation, and promote sector resilience.

Innovation and Technology

In line with its digital transformation goals, the Commission launched its online complaints management portal, expanded its data analytics capabilities, and began developing a regulatory sandbox framework to foster innovation. These initiatives will improve service delivery, enhance regulatory efficiency, and support responsible technology adoption within the insurance sector.

AML/CFT/CPF Supervision

In 2024, the Commission conducted an industry-wide AML/CFT risk assessment to determine the overall risk profile of the insurance sector, a critical step in informing the Commission's supervisory approach and future policy direction. This initiative underscored the Commission's commitment to maintaining a robust supervisory regime for anti-money laundering, countering the financing of terrorism, and countering proliferation financing (AML/CFT/CPF). The assessment achieved a 100 percent response rate from the insurance sector, reflecting the effectiveness of the Commission's supervisory engagement and the industry's strong level of cooperation. In parallel, the Commission conducted risk-based inspections and industry outreach activities to promote compliance with both national and international standards. The Commission also contributed to the development of the national AML/CFT/CPF strategy and supported the insurance sector's preparedness for ongoing and future evaluations.

Stakeholder Engagement and Capacity Building:

The Commission reintroduced its CEO forums for insurance companies and intermediaries. The Commission also held its inaugural compliance officers' forum. It held its second annual Salesperson Training Course as part of its broader efforts to strengthen frontline industry knowledge and professional standards. These initiatives continue to foster industry dialogue, build capacity, and deepen regulatory understanding.

The Commission remains committed to fostering a dynamic insurance sector that serves the needs of Bahamian consumers and global investors. It will continue to strengthen its regulatory framework, support innovation, and uphold The Bahamas' reputation as a well-regulated and internationally respected insurance jurisdiction.

Mission, Vision and Core Values

Mission

Our mission is to protect the interests of stakeholders, through effective regulation and supervision of the insurance industry in The Bahamas.

Vision

To ensure consumer confidence.

Core Values

Trust: Our Cornerstone.
Integrity: Our Commitment.
Accountability: Our Promise.

Our success depends on:

- Our meaningful engagement with our stakeholders.
- Our willingness to innovate as we grow.
- Our enduring commitment to the professional development of our team.

CHAIRMAN’S MESSAGE

I am privileged to present the 2024 Annual Report of the Insurance Commission of The Bahamas. This report reflects a year of deliberate progress and strategic regulatory advancement, driven by a steadfast commitment to shaping a resilient, transparent, and integrity-led insurance sector.

During 2024, the Commission continued to execute its oversight mandate with consistency and strategic focus, advancing its priorities amid global economic uncertainty, ongoing technological transformation, and heightened expectations for governance and regulatory compliance. Notably, the Commission maintained strong, purposeful engagement with licensees on key regulatory priorities, including prudential supervision, anti-money laundering, and developing an InsurTech programme to sit at the intersection of innovation and regulatory compliance. Our contributions at regional and international forums continued to affirm The Bahamas’ reputation as a well-regulated jurisdiction and an engaged participant in global financial sector dialogue.

During the year, the Commission deepened its engagement with stakeholders through a range of impactful initiatives, including the industry forums, expanded outreach and training programmes, and active support for legislative reform efforts. Notably, the Commission utilised utilised the ORBS platform to conduct its AML/CFT Risk Assessment of registrants and licensees, enhancing the efficiency and consistency of its supervisory processes. It also strengthened partnerships with domestic institutions and international regulatory counterparts, while prioritising staff development and cross-sector learning to support for the evolving demands of insurance supervision.

On behalf of the Board, I extend sincere appreciation to Superintendent Dana Munnings-Gray for her visionary leadership, and to the entire team at the Commission for their professionalism, dedication, and unwavering commitment to regulatory excellence. I also wish to acknowledge our licensees, registrants and stakeholders, whose ongoing cooperation and shared commitment remain vital to shaping a resilient, well-regulated, and forward-looking insurance industry.

Warm regards,

Dr. Keith Major, Sr.
Chairman, Insurance Commission of The Bahamas

SUPERINTENDENT'S MESSAGE

The year 2024 was marked by purposeful action, sustained dialogue, and measurable progress. It called on us to regulate, and to anticipate—guiding the insurance sector through evolving challenges while remaining firmly committed to our core mandate: protecting policyholders by promoting insurer soundness, fair conduct, and market integrity. In doing so, we continued to strengthen public confidence in the sector and uphold the standards that anchor a resilient, trusted insurance framework in The Bahamas.

I remain deeply committed to the Commission's mandate of providing effective supervision across both the domestic and external insurance sectors. Our regulatory and policy decisions were shaped by relevant data, aligned with international standards, and strengthened through consistent, meaningful engagement with stakeholders at every level. Throughout the year, we maintained a strong focus on monitoring financial soundness, ensuring compliance with AML/CFT/CPF obligations, and fostering innovation within the industry—with particular attention to the development of an InsurTech programme and the continued expansion of our outreach through strategic communications, such as speaking engagements, and an enhanced digital presence.

Among the key milestones of the year was the deepening of our engagement with international and regional bodies, including the International Association of Insurance Supervisors (IAIS), the Caribbean Regional Compliance Association (CRCA), the Caribbean Financial Action Task Force (CFATF), and the Caribbean Association of Insurance Regulators (CAIR). The Caribbean insurance regulatory landscape is shaped by an evolving network of national authorities, regional bodies, and cross-border legislative frameworks—requiring close collaboration to ensure consistent and effective oversight.

The Commission recognises the importance of its role within this network and remains committed to active participation in shaping regional standards and dialogue. At the same time, we advanced key domestic priorities, including support for legislative reform, the expansion of supervisory training, and meaningful engagement with industry stakeholders through initiatives such as the Compliance Blue Table Talk and the Insurance Professional Refresher Training Seminar.

DANA MUNNINGS-GRAY
SUPERINTENDENT OF INSURANCE
INSURANCE COMMISSION OF THE BAHAMAS

SUPERINTENDENT'S MESSAGE CONT'D

One of the year's most significant accomplishments was the development of the InsurTech framework in collaboration with the Cambridge Centre for Alternative Finance at the University of Cambridge and The Bahamas Institute of Financial Services. The six-week programme will be the first of its kind in the region, reflecting our continued commitment to capacity building and regulatory readiness in a rapidly evolving financial and technological landscape. The course will bring together professionals from across the insurance, and broader financial services sector, as well as experts in financial crime, compliance, law, and regulation.

This year, the Commission deepened its investment in staff development, strengthened its digital infrastructure, and advanced public education efforts, particularly around the critical role insurance plays in safeguarding life and property. We also proudly marked the 15th anniversary of the Commission's establishment, a meaningful milestone that not only reflects the passage of time, but affirms our continued commitment to building a resilient, transparent, and effective regulatory authority. This anniversary stands as a powerful reaffirmation of the values that define our leadership, integrity, accountability, and resilience. It also supported our unwavering responsibility to uphold public trust and regulatory excellence.

Building on this milestone, the Commission advances a renewed vision—one that strengthens its role as a regional leader in insurance supervision and innovation. Anchored in integrity, accountability, and resilience, this vision underscores our dedication to proactive regulation, thoughtful responsiveness, and shaping an insurance sector capable of meeting the challenges of an increasingly dynamic and evolving market.

I am deeply grateful to the Board of Commissioners, under the leadership of Chairman Dr. Keith Major, Sr., for its steady guidance and principled oversight. I also thank the management team and staff of the Commission, whose commitment, discipline, and daily efforts continue to advance our mandate in tangible and meaningful ways. Their work remains the foundation of our progress and the reason we are able to meet the evolving demands of insurance regulation with confidence and clarity.

As we turn the page to 2025, the path ahead is defined by both challenge and opportunity. We remain steadfast in our mission, to safeguard policyholders, uphold rigorous standards, and foster an insurance sector that is not only resilient but forward-thinking. Our success depends on continuous vigilance, collaboration, and innovation. With the dedication of our Board, staff, and partners, I am confident that the Insurance Commission of The Bahamas will continue to lead with integrity and purpose, further strengthening the foundation that enables our industry to thrive.

CELEBRATING 15 YEARS OF THE COMMISSION

Fifteen Years of Purpose, One Future of Progress

Celebrating the 15th Anniversary of the Insurance Commission of The Bahamas 2009–2024

For 15 years, the Insurance Commission of The Bahamas has operated with a clear purpose: to protect policyholders, promote sound insurance practices, and uphold the integrity of the Bahamian financial services sector. Established on July 2, 2009, the Commission succeeded the Office of the Registrar of Insurance Companies (ORIC) under the Insurance Act, Ch. 347, and the External Insurance Act, Ch. 348, with an expanded mandate to regulate, enforce, and supervise both domestic and external insurance markets.

The theme of this milestone, "Fifteen Years of Purpose, One Future of Progress", captures the arc of the Commission's work: rooted in mission, committed to evolution, and firmly focused on leading the insurance sector toward a modern, resilient, and internationally aligned future.

A Foundation of Purpose

From its inception, the Commission prioritized building a risk-based regulatory framework to ensure that insurance companies and intermediaries operating in The Bahamas remain financially sound and responsibly managed. The Commission's early years saw the development of the Risk-Based Supervision (RBS) framework, the re-registration of all registrants and licensees, and the introduction of tools like the Supervisory Ladder of Intervention and Risk-Based Capital assessments.

The Commission also invested in building institutional capacity and forming partnerships with regional and international regulatory bodies. These efforts ensured that Bahamian insurance regulation met international standards and prepared the sector to withstand emerging risks.

Leadership Renewal

On July 1, 2023, Dr. Keith Major, Sr. was appointed as Chairman of the Board of Commissioners, strengthening the Commission's connection to broader economic and policy development efforts. Dr. Major is the first Non-Executive Chairman of the Commission.

In 2023, the Commission also bid farewell to its longest-serving Superintendent, Mrs. Michele C.E. Fields, whose leadership helped shape the organization's strong regulatory foundation. Shortly thereafter, in December 2023, Mrs. Dana Munnings-Gray was appointed the Acting Superintendent of Insurance. On July 1, 2024, she was officially appointed the Superintendent of Insurance, ushering in a new era marked by a strategic focus on digital transformation, innovation, and institutional modernization.

Legislative Modernization

Work began on modernizing the Insurance Act, Ch. 347 and the External Insurance Act, Ch. 348. This initiative will enhance regulatory clarity, streamline supervision, and reflect current global standards, ensuring that the regulatory structure supports progress across all segments of the insurance market.

Digital and Operational Innovation

In response to the COVID pandemic and the wider digitization of financial services, the Commission modernized its internal systems by:

- Introducing electronic filing and remote submissions for licensees and registrants;
- Launching a public-facing Complaints Portal to improve consumer access and internal case tracking; and
- Advancing IT infrastructure to support hybrid work models and secure digital communication.

Focus on Climate and Systemic Risk

In 2024, the Commission launched a climate risk survey across the insurance sector, assessing preparedness, exposure, and the role of regulation in building long-term resilience. A follow-up climate risk webinar brought licensees, registrants and industry experts together to discuss adaptation strategies in a region facing rising climate volatility.

Raising the Bar for Partnership

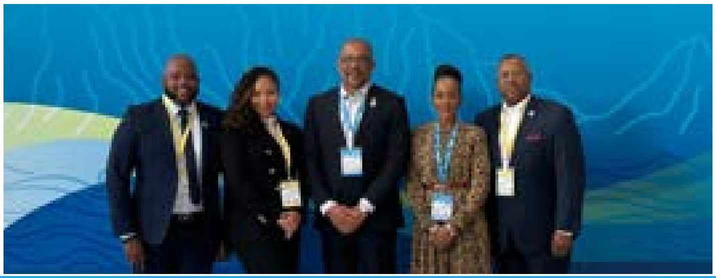
The Salesperson Examination revamp, in partnership with GAMA Bahamas, the Bahamas Insurance Brokers Association (BIBA), the Insurance Institute of the Bahamas (IIB), and the Bahamas Insurance Association (BIA), promoted consistent professional standards for insurance intermediaries.

Strengthening the Foundation for Progress

During 2024, the Commission expanded its internal structure through the establishment of specialized departments designed to enhance its operational capacity and regulatory effectiveness. These include the following units:

- **Actuarial and Financial Analytics** - performs deeper financial analysis and stress testing;
- **Information Technology** - strengthens digital infrastructure and cybersecurity;
- **Registry and Document Management** - ensures the secure, accurate and well-organized management of regulatory records;
- **Communications, Business Intelligence, and Consumer Awareness** - enhances stakeholder engagement, conducts data analysis to inform decision making, and promotes financial literacy;
- **On-site Examination** - conducts focused, in-depth examinations of registrants and licensees to support proactive supervision.
- **Human Resources** - improves internal accountability and staff development;
- **Finance** - provides accountability, transparency and resource planning; and
- **Internal Audit** - reinforces governance and internal controls across all areas of the Commission's work.

Together, these departments reflect the Commission's commitment to continuous improvement and position it to fulfill its mandate with greater agility, transparency, and foresight.



The Road Ahead: A Future of Progress

As the Commission celebrates its 15th anniversary, its focus remains fixed on legislative reform, professional development for the industry, digital innovation and alignment with international best standards and practices.

Strategic priorities moving forward include:

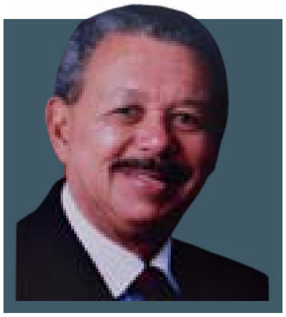
- Finalizing the modernization of the Insurance Act, Ch. 347 and the External Insurance Act, Ch. 348 to align with evolving industry needs;
- Expanding the use of data analytics to enhance supervisory effectiveness;
- Guiding the insurance industry in addressing climate-related and technological risks;
- Strengthening the Commission's regional leadership through active international collaboration; and
- Building consumer trust and market confidence by promoting transparency and delivering targeted education.

Conclusion

For fifteen years, the Insurance Commission of The Bahamas has served with purpose. Today, as it stands at the threshold of a new chapter, it remains poised to lead the insurance sector toward a future defined by progress, accountability, and innovation. Through sound regulation, meaningful engagement, and unwavering focus, the Commission continues to ensure that the insurance industry remains strong, trusted, and responsive to the needs of the Bahamian people.

FORMER REGISTRARS AND *Superintendents of Insurance*

CHARLES A. *Donaldson*
1969 - 1976
Registrar of Insurance

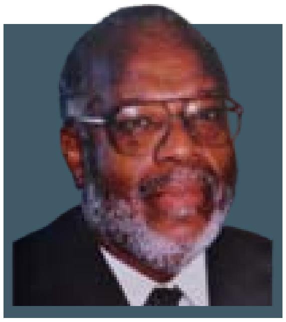


OCTAVIA *Johnson*
1976 - 1994
Registrar of Insurance

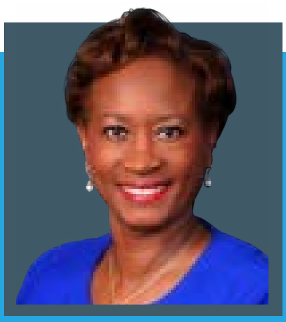
TELZENA G. *Coakley*
1994 - 1997
Registrar of Insurance

KENDAL C. *Munnings*
1997 - 2000
Registrar of Insurance

DR. ROGER G. *Brown*
2000 - 2007
Registrar of Insurance



LENNOX A. *McCartney*
2008 - 2011
Registrar of Insurance
Superintendent of Insurance



MICHELE C.E. *Fields*
2012 - 2023
Superintendent of Insurance

COMPANY OVERVIEW

As of December 31, 2024

CORPORATE *GOVERNANCE*

The Insurance Act, Ch. 347, prescribes that the Commission be composed of a maximum of seven commissioners, including the Superintendent of Insurance, the Deputy Superintendent of Insurance and three to five other members, comprised of persons with wide expertise in areas of insurance, finance, commerce, law or administration. Members of the Board of Commissioners are appointed by the Governor-General, after consultation with the Minister responsible for insurance.

The Chairman shall preside at all meetings of the Board of Commissioners. In the absence of the Chairman, the Deputy Chairman shall preside, and where both are unavailable, another person duly authorised by the Chairman shall preside. The Superintendent of Insurance is the Chief Executive Officer of the Commission and has charge of the day-to-day management and operation of the office. The Deputy Superintendent of Insurance shall have and may exercise the function of the Superintendent, in the event of the Superintendent's inability to act or a vacancy in the office exists.

The Commissioners meet at least once per month and are responsible for the overall governance of the Commission and for the establishment of related policies.

As of July 2024, the Chairman established five (5) committees of the Board of the Commissioners chaired by the following Commissioners:

- **Human Resources Committee** - Dr. Keith Major, Sr.
- **Internal Audit and Strategic Planning Committee** - Dwayne Mortimer
- **Audit and Finance Committee** - Ansel Watson
- **Market Surveillance and Conduct** - Janique Wilson
- **Legal and Compliance** - Lourey Smith

CORPORATE *GOVERNANCE*

Chairman
Dr. Keith Major, Sr.

Deputy Chairman
Dwayne Mortimer

Board of Commissioners
Ansell Watson, Janique Wilson, Lourey Smith

Superintendent of Insurance
Dana Munnings-Gray

Deputy Superintendent of Insurance
Vacant

Audit and Finance Committee
Ansell Watson

Human Resources Committee
Dr. Keith Major, Sr.

Internal Audit and Strategic Planning Committee
Dwayne Mortimer

Legal and Compliance Committee
Lourey Smith

Market Surveillance and Conduct Committee
Janique Wilson

MEMBERS OF THE BOARD OF *Commissioners*

DR. KEITH MAJOR, SR.
Chairman

Dr. Keith Major, Sr. was appointed as the Non-Executive Chairman of the Commission effective July 1, 2023. Dr. Major is an accomplished professional with 45 years of experience in the insurance industry. He is enthusiastic about lecturing, training, motivating, counseling, and consulting businesses. His passion further extends to mentoring upcoming insurance professionals to embrace comprehensive training programs available to them both locally and internationally.

Dr. Major's keen business acumen and exceptional leadership in the insurance industry are undisputed amongst his peers and in the financial services sector. In addition to his many accomplishments, Dr. Major received a prestigious lifetime achievement award from GAMA International in 2022 and a Luminary Award from GAMA Global in 2023. GAMA International is the largest financial services management organisation in the Western Hemisphere. Dr. Major graduated from West Indies College. He earned a Bachelor of Arts at Oakwood University in Alabama and was awarded an Honorary Doctorate from Sojourner-Douglass College, Maryland. Dr. Major was chairman of the Bahamas Electricity Corporation from 2005 to 2007. He is also a lecturer at The Bahamas Institute of Financial Services, where he imparts essential business skills, supervision techniques, effective presentations, and English language proficiency. Dr. Major received the Paul Harris Fellow award from Rotary International in 2001.

From an early age, Dr. Major has served as an organist at many churches and has hosted the television program VOICES. He has also served Toastmasters International in various capacities such as Club President and Division Governor of The Bahamas and has attained the highest designation of Distinguished Toastmaster (DTM). Further, he served as a member of the Board of Governors of Northern Caribbean University and also on the Executive Committee for The Atlantic Caribbean Union of Seventh-day Adventists from 2010-2015.

Dr. Keith Major, Sr. is the Founder and President of KITS International, a knowledge interface training service specialising in business consulting, seminars, sales training, management training, and leadership exercises.

DANA MUNNINGS-GRAY
Superintendent of Insurance

Dana Munnings-Gray was appointed as the Superintendent of Insurance at the Insurance Commission of The Bahamas effective July 1, 2024. She has both regulatory experience and extensive industry knowledge in the financial services sector. A former manager of the Supervision Department at the Securities Commission of The Bahamas, Mrs. Munnings-Gray has held various senior managerial positions within financial institutions in The Bahamas and the Cayman Islands, including head of risk and compliance and money laundering reporting officer.

Mrs. Munnings-Gray was called to the Bar of England and Wales as a member of the Honourable Society of Gray's Inn, and to the Bahamas Bar as an Attorney in 2014. Mrs. Munnings-Gray holds both a Bachelor of Science and Arts in Political Science and Business Management from the College of Saint Benedict in Minnesota, United States, and obtained a Bachelor of Laws – LL.B (Hons.) from The University of Buckingham in England, while completing her Bar Professional Training Course at City University in London, England.

Mrs. Munnings-Gray recently served as a Financial Expert on the assessment team of the Caribbean Financial Action Task Force (CFATF), and is a member of the Bahamas Bar Association. She has also received certifications from the Association of Certified Fraud Examiners, Association of Certified Financial Crime Specialist, Association of Certified Anti-Money Laundering Specialist, and the International Compliance Association where she holds the designation of CFCS, CCCS, CAMS and FICA respectively. She also acquired designations as a Trust Estate Practitioner (TEP), Certified Risk and Compliance Management Professional in Insurance and Reinsurance - CRCMP(Re)I, Certified International Risk Manager (CIRM), a Specialist Certification in Financial Crime Risk in Global Banking and Markets, Crypto Crime Compliance. She currently holds observer status with The Bahamas Association of Compliance Officers (BACO). Mrs. Munnings-Gray has also completed regulatory and management training and certification with the International Organisation of Securities Commissions (IOSCO) and Harvard Law School, as well as with the London School of Economics.

MEMBERS OF THE BOARD OF *Commissioners*

DWAYNE MORTIMER
Deputy Chairman

Dwayne Mortimer was appointed as the Non-Executive Deputy Chairman of the Commission effective July 1, 2023. Mr. Mortimer was educated in The Bahamas and Ireland. He earned a Bachelor's Degree in Hotel Management from Shannon College of Hotel Management, Ireland.

After holding several managerial positions in the hotel industry in the UK and The Bahamas, he left the hotel industry in 1993 to join the finance department of a major insurance company in The Bahamas. He qualified as a Certified Public Accountant in the State of Georgia and has held senior executive positions in various industries including healthcare, insurance, real estate development, maritime and hospitality. He currently serves as the President of Balmoral Club, a position he has held from 2010.

LOUREY SMITH
Commissioner

Lourey Smith was educated at the University of the West Indies (Mona Campus) in Jamaica, where she achieved a Bachelor of Arts Degree with Honors and a Master of Science Degree in Economics before returning to The Bahamas. She worked with the Government prior to transitioning into law under the pupillage of the late Winston Saunders.

She was admitted to the Bahamas Bar in October 1986 and has extensive experience in transactional law involving conveyancing, mortgages, contracts, commercial and corporate structures, business ventures, estate planning and administration and intellectual property. She is a past Deputy Chairman of The Bank of The Bahamas, past Director of the Airport Authority and past Director of the Bahamas Protected Area Fund. She is currently the President/Director of The Exuma Foundation (Bahamas) Limited and a member of the Advisory Committee of The Moriah Harbour Cay National Park in Exuma.

MEMBERS OF THE BOARD OF *Commissioners*

ANSEL WATSON
Commissioner

Ansel Watson is a Chartered Accountant and Chartered Financial Analyst. As a professional accountant, he has a broad range of knowledge and experience in finance, banking, operations, investments, investment funds, insurance, accounting and audits. Mr. Watson is the President and CEO of Investar Securities Ltd. and Brickell Management Group Ltd. Mr. Watson began his career in accounting with Deloitte and over the past thirty years he has worked with several financial and international institutions.

He was strategically involved in the transition of an offshore bank and trust company to Bahamian ownership and the expansion and acquisition of investment fund operations. Mr. Watson served on the Bahamas Institute of Chartered Accountants (BICA) Council for several years and chaired the Continuing Professional Education Committee. He is a past President and Treasurer of the Rotary Club of New Providence and former Deputy Chairman of the Board of Directors of the Bahamas Electricity Corporation. Mr. Watson currently serves on the Catholic Board of Education.

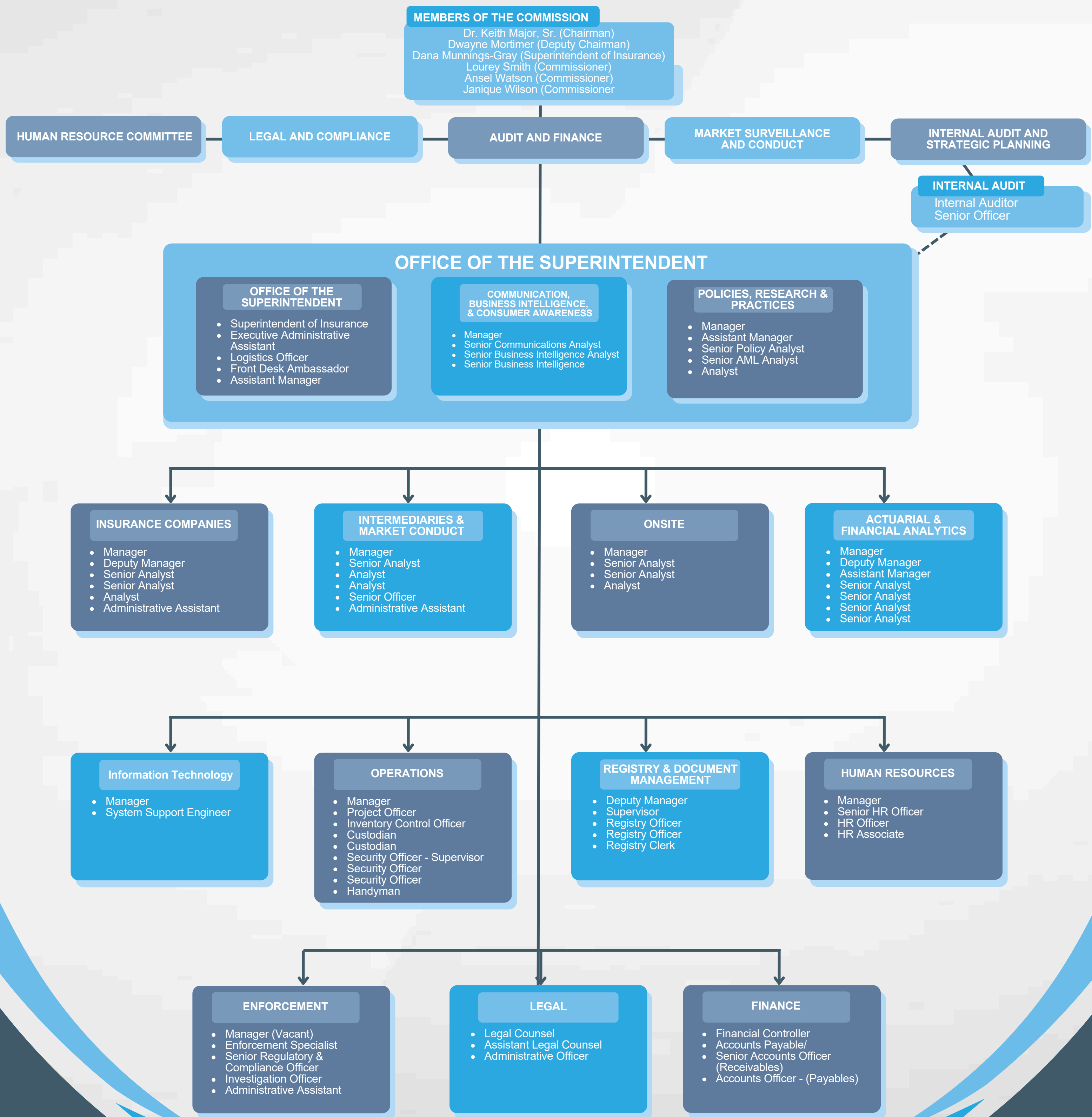
JANIQUE WILSON
Commissioner

Janique Wilson is an established senior executive with nearly 20 years of experience in the financial services industry. She is a graduate of St. Mary's University, Canada, earning a Bachelor of Commerce degree in Finance. Mrs. Wilson's professional qualifications include certifications from the Canadian Securities Institute, the International Compliance Association and the Association of Certified Anti-Money Laundering Specialists.

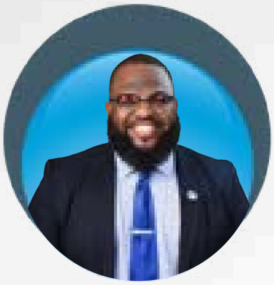
Mrs. Wilson began her career in accounting, working in both the technology and insurance industries. She is currently employed at a leading private wealth management company as the Head of Risk and Compliance as well as the Money Laundering Reporting Officer. She is also a member of the company's Executive Committee.

INSURANCE COMMISSION
OF THE BAHAMAS

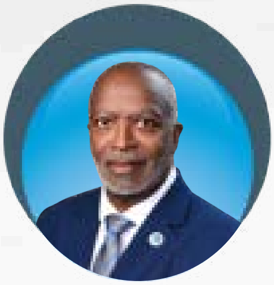
ORGANIZATIONAL CHART



MANAGEMENT TEAM OF THE *Insurance Commission*



Rodney D. Bain, Jr.
SUPERVISOR,
COMMUNICATION, BUSINESS INTELLIGENCE AND CONSUMER AWARENESS



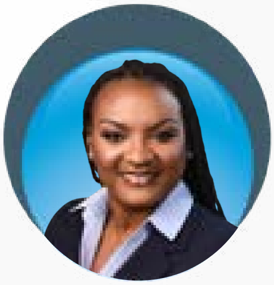
Arthur Barnett, Jr.
MANAGER,
ADMINISTRATION

Ronique Bastian
SUPERVISOR,
EXAMINATION UNIT

Jamell Bodie
MANAGER
INSURANCE COMPANIES UNIT

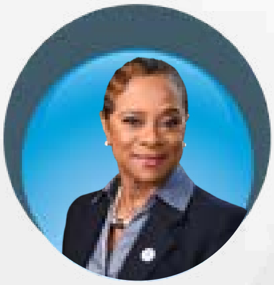
Jonathan Carey
SUPERVISOR,
INFORMATION TECHNOLOGY

Odecca Gibson
LEGAL COUNSEL,
LEGAL UNIT



Osriea Gordon
FINANCIAL CONTROLLER,
FINANCE UNIT

Darrin Rodgers
MANAGER,
INTERMEDIARIES AND MARKET CONDUCT UNIT



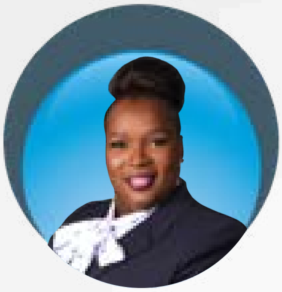
Yolande Rolle
MANAGER,
POLICIES, RESEARCH AND PRACTICES

Aaniça Scavella
MANAGER,
HUMAN RESOURCES AND EMPLOYEE RELATIONS

Janairo Turnquest
INTERNAL AUDITOR,
INTERNAL AUDIT UNIT

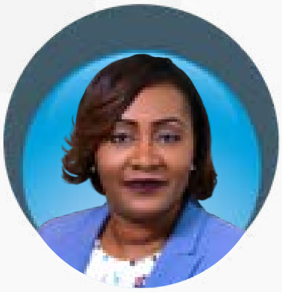
STAFF OF THE INSURANCE *Commission*

ADMINISTRATION



Rochelle Adderley
CUSTODIAN

Steine Campbell
DEPUTY MANAGER, REGISTRY & DOCUMENT MANAGEMENT

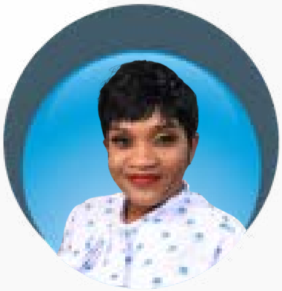


Phelice Jones
DEPUTY MANAGER, OPERATIONS

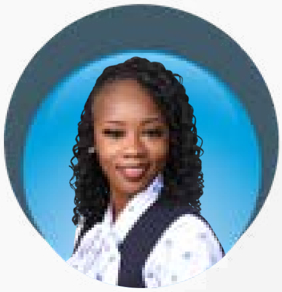
Deshae Key
REGISTRY ADMINISTRATIVE CLERK

Tarah McDonald
SUPERVISOR, REGISTRY & DOCUMENT MANAGEMENT

Graylon Roberts Jr.
PROJECT OFFICER

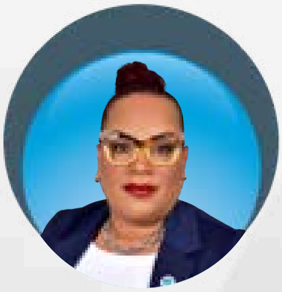


Venesser Virgil
REGISTRY OFFICER

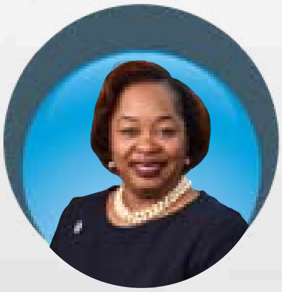


Raynell Wilson
REGISTRY OFFICER

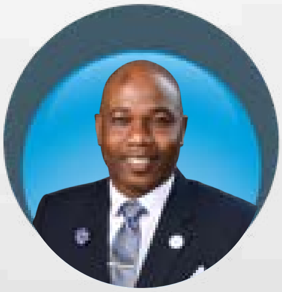
OFFICE OF THE SUPERINTENDENT



Felecia Darville
FRONT DESK AMBASSADOR



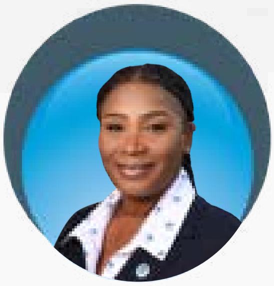
Dwynette Smith
EXECUTIVE ADMINISTRATIVE ASSISTANT



Deniro Thompson
LOGISTICS OFFICER

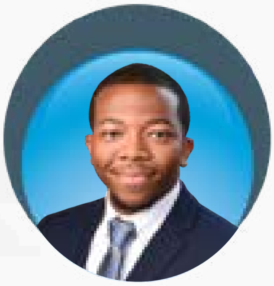
STAFF OF THE INSURANCE *Commission*

COMMUNICATIONS, BUSINESS INTELLIGENCE AND CONSUMER AWARENESS



Dominique Shepherd
SENIOR BUSINESS INTELLIGENCE ANALYST

INFORMATION TECHNOLOGY



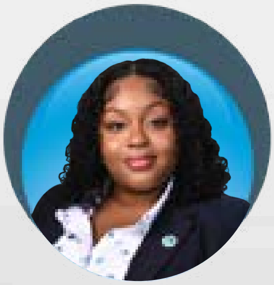
Troy Bastian Jr.
SYSTEM SUPPORT ENGINEER

HUMAN RESOURCES

Lakisca Thurston
SENIOR HUMAN RESOURCES ADMINISTRATIVE ASSISTANT

EXAMINATION DEPARTMENT

Sasha Albury
SENIOR ANALYST



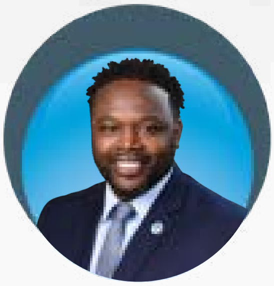
Trishawna Kelly
ANALYST

Ryshanda Miller
ANALYST

STAFF OF THE INSURANCE *Commission*

ENFORCEMENT

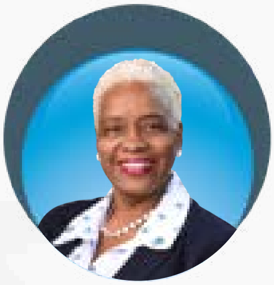
Anthastasia Bonaby
ADMINISTRATIVE OFFICER



Latroy Bodie Scott
INVESTIGATION OFFICER

Marinette Charleus
ADMINISTRATIVE ASSISTANT

LEGAL UNIT

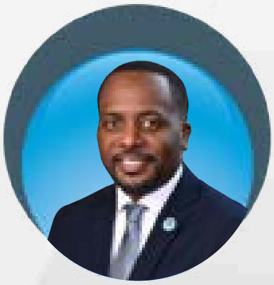


Desdemona Gibbs
ADMINISTRATIVE ASSISTANT

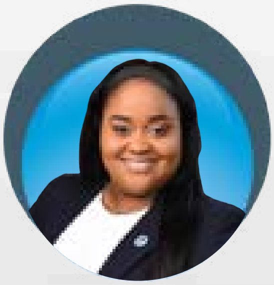
Bionca Fountain
ASSISTANT LEGAL COUNSEL

Krisspin Sands
ASSISTANT LEGAL COUNSEL

FINANCE UNIT



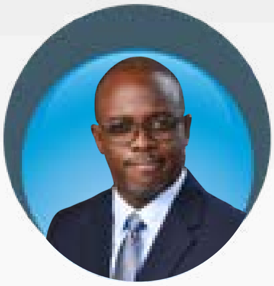
Trillo Edgecombe
FINANCE OFFICER



Keri Josey
SENIOR FINANCE OFFICER

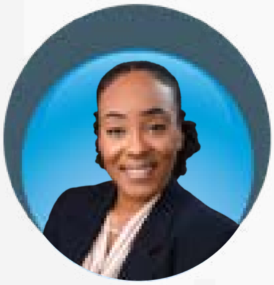
STAFF OF THE INSURANCE *Commission*

INTERNAL AUDIT UNIT



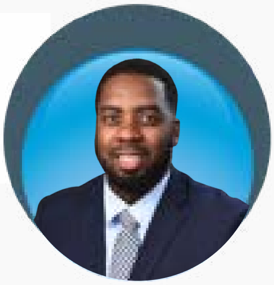
Taryll Thompson
SENIOR ANALYST

INSURANCE COMPANIES UNIT

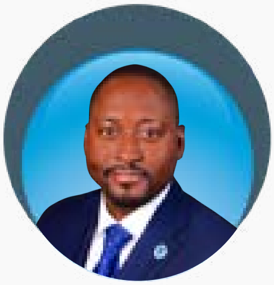


Decoda Bethell
ADMINISTRATIVE ASSISTANT

Marciano Darling
ANALYST

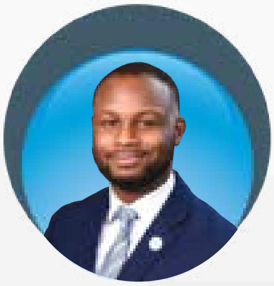


Lamond Dorsett
ANALYST

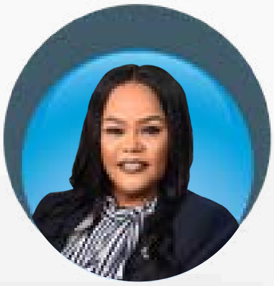


Gerard Lightfoot
SENIOR ANALYST

Patrick Greensade
SENIOR ANALYST

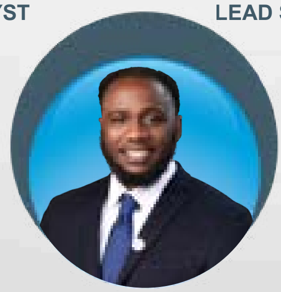


Nival Miller
ANALYST



Marcia Meeres
LEAD SUPERVISOR

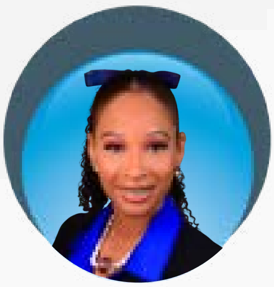
Le'Annka Rigby
SENIOR ANALYST



D'Kamaron Swann
ANALYST

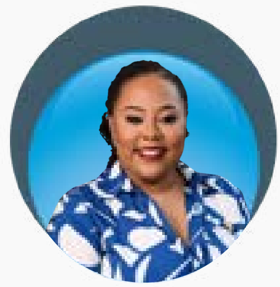
STAFF OF THE INSURANCE Commission

INTERMEDIARIES AND MARKET CONDUCT UNIT



Antonice Bethel-Blyden
ANALYST

Lorraine Munnings
ANALYST



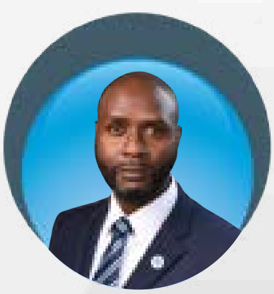
Danielle Roberts
SENIOR OFFICER

Raven Storr
ADMINISTRATIVE ASSISTANT

Anita Thelamour
ANALYST

Joshua Thompson
LEAD SUPERVISOR

POLICIES, RESEARCH AND PRACTICES

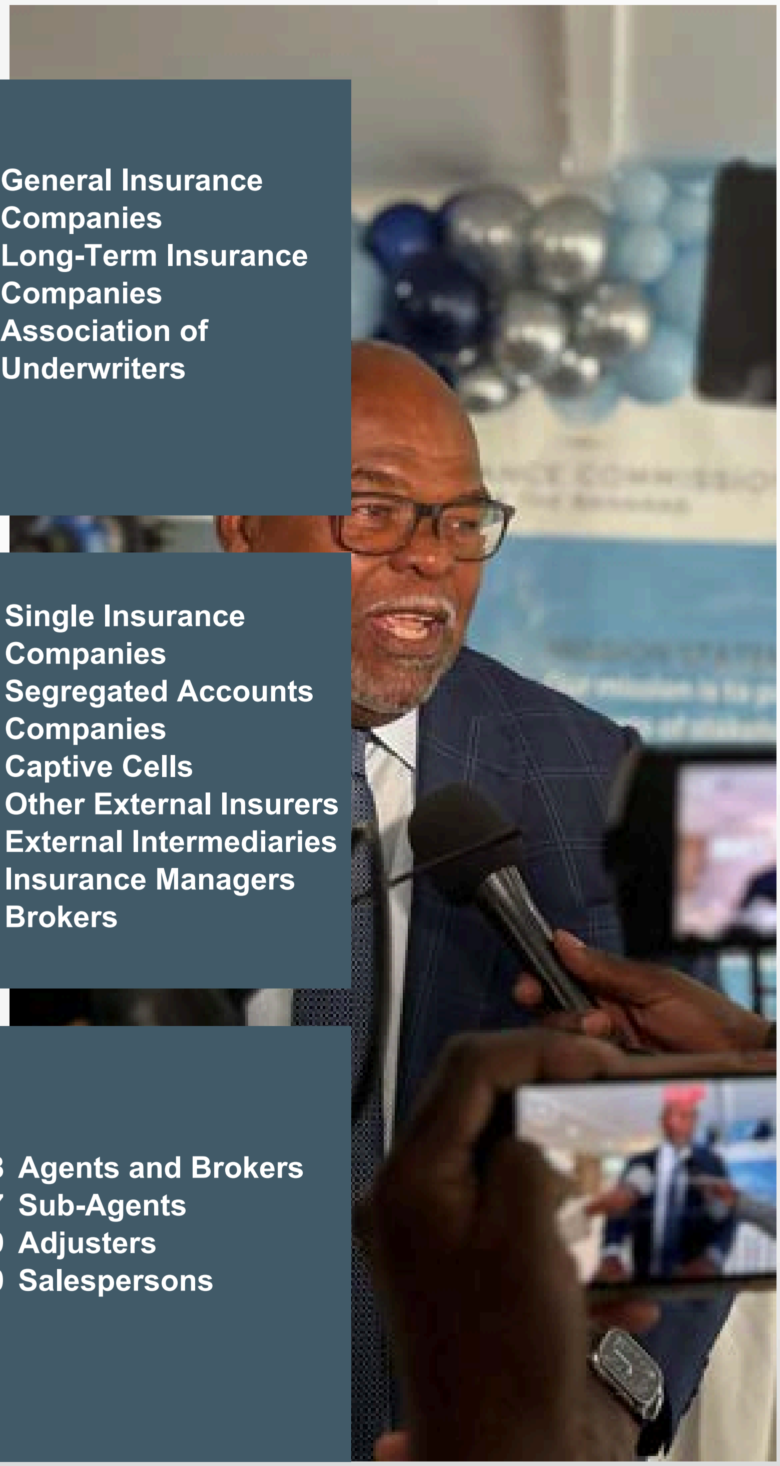


Norman Haven
SENIOR POLICY ANALYST

Dominique Toote
SENIOR ANTI-MONEY LAUNDERING ANALYST

MARKET SNAPSHOT
AS AT DECEMBER 31, 2024

DOMESTIC INSURANCE COMPANIES	18 General Insurance Companies 11 Long-Term Insurance Companies 1 Association of Underwriters
EXTERNAL INSURANCE COMPANIES AND INTERMEDIARIES	8 Single Insurance Companies 1 Segregated Accounts Companies 11 Captive Cells 9 Other External Insurers 8 External Intermediaries 7 Insurance Managers 1 Brokers
DOMESTIC INTERMEDIARIES	58 Agents and Brokers 17 Sub-Agents 9 Adjusters 690 Salespersons



REGULATORY REVIEW

Data as of December 31, 2024

INSURANCE COMPANIES UNIT

The Insurance Companies Unit plays a pivotal role in ensuring that the Commission achieves its mandate. The Unit ensures that insurance companies operating in and from within The Bahamas, as well as external intermediaries, comply with insurance legislation and other relevant laws. This mandate is carried out through proactive oversight of insurers and external intermediaries operations.

INSURANCE MARKET STRUCTURE

The insurance industry in The Bahamas is comprised of both a Domestic and an External market. The Domestic Market consists of insurance companies and intermediaries that offer insurance services and products locally and are registered in accordance with the Insurance Act, Ch. 347. Insurance companies and intermediaries offering products and services exclusively to the international market are licensed under the External Insurance Act, Ch. 348.

Insurers registered under the Insurance Act, Ch. 347 and those licensed under the External Insurance Act, Ch. 348 are authorized to conduct either long-term (life and health) or general (property and casualty) insurance business. Moreover, insurers licensed under the External Insurance Act, Ch. 348 are classified as either restricted or unrestricted. Restricted insurers are captive insurance companies that are only authorized to conduct insurance business with the parent company or other affiliates.

During 2024, there was minimal movement in the number of companies in the domestic insurance market. There was a moderate decline in the number of companies in the external insurance market as the licences of four segregated accounts companies and one intermediary were revoked.

Type of Insurance	2024	2023	2022
General Domestic Insurers	18	19	19
Long-term Domestic Insurers	11	11	12
Association of Underwriters	1	1	1
Total Domestic Insurers	30	31	32
Captive Insurers	8	8	8
Segregated Accounts Companies (SACs)	1	5	5
Captive Cells (Segregated Accounts)	11	11	131
Total Captive Insurers	20	24	144
Other External Insurers (non-captive)	9	9	8
External Intermediaries	8	9	10
Insurance Managers	7	8	9
Brokers	1	1	1

PRUDENTIAL SUPERVISION AND REGULATION

The Unit supports the Commission's prudential framework by assessing insurers' and intermediaries' adherence to the insurance legislation and the Commission's guidelines. The framework includes, but is not limited to, the following:

- **Risk-Based Supervision**: Tailoring supervisory oversight to the size, nature, complexity, and risk profile of each insurer.

- **Risk-Based Capital and Financial Soundness**: Ensuring companies operate in a financially sound manner and that they meet or exceed capital requirements based on their risk profile and other key financial metrics.
- **Corporate Governance**: Ensuring that the Board and senior management are fit and proper and effectively carry out their respective responsibilities for oversight and management of the insurer.
- **Enterprise Risk Management**: Ensuring that insurers establish and operate within a sound Enterprise Risk Management framework appropriate to the nature, scale, and complexity of their business and risks.
- **Common Reporting Standards (CRS)**: Ensuring the establishment of controls and mechanisms to comply with CRS.
- **Supervisory Colleges**: Collaborating with fellow regulators of internationally active insurers to ensure that the risks of the group are considered in the supervisory process.
- **Authorization of Market Entrants**: Assessing the financial soundness and operational capacity of entities proposing to conduct insurance business in the market.
- **Approval of Insurance Products**: Assessing the suitability of products and the insurers' financial and operational capacity to support the proposed products and services.

RISK BASED CAPITAL

The fourth and final Quantitative Impact Study (QIS) on the Commission's Risk-Based Capital framework for general insurers was conducted during the year. This iteration of the QIS included amendments which considered the impact of IFRS 17. There was significant participation from the general insurance market that provided valuable information to assist in finalizing the RBC framework.

APPROVAL OF KEY FUNCTIONS

Individuals proposed to serve in the following key functions must be approved by the Commission:

- Senior management;
- Directors;
- Compliance officers; and
- Money laundering officers.

These individuals are assessed to determine their fitness of propriety in accordance with the Commission's "Guidelines for Assessing General Fitness and Propriety" and other relevant guidelines.

During 2024 the Commission approved 33 applicants to serve in key functions as follows:

Key Function	Principal/Resident Representative	Directors	Senior Management	Compliance Officer/MLRO
Domestic Long-Term	2	2	1	2
Domestic General	2	7	8	1
External	0	3	2	3
Total	4	12	11	6

Material changes to insurers' and intermediaries' operations, including key functions, require the approval of the Commission in accordance with sections 30(1) and 30(4)(b) of the Insurance Act and section 10(3) of the External Insurance Act.

OECD COMMON REPORTING STANDARD ("CRS") INITIATIVES

During the period, insurers registered under the Insurance Act, or licensed under the External Insurance Act, to conduct long-term insurance business—specifically classes of life insurance (whole, universal, and variable life insurance, and/or annuities)—were required to complete two questionnaires assessing their compliance with CRS requirements. These questionnaires outlined the CRS policies and procedures that the Commission mandates its registrants/licensees to adopt to strengthen their CRS internal control framework.

The first questionnaire informed the Commission's understanding of the risks associated with insurers' CRS compliance. The second questionnaire, a CRS Self-Risk Assessment, served dual purposes: it outlined the CRS policies and procedures that the Commission requires its registrants and licensees to adopt to strengthen CRS internal controls, and it allowed the Commission to assess the insurers' CRS risk appetite, along with their systems and controls, and evaluate the effectiveness of managing and mitigating those risks.

To ensure continuous compliance with CRS requirements, the Commission has drafted guidelines to assist its registrants and licensees in navigating the complexity of CRS reporting. These guidelines are expected to be issued for public consultation during the first quarter of 2025.

NEW PRODUCT APPLICATIONS

The introduction of new products to both local and external markets, as well as changes to existing products, must be approved by the Commission pursuant to section 42(1) of the Insurance Act. These products must be suitable for the market, and the insurer must have the financial capacity to support them. During the year, the Unit processed six applications for new products, all of which were approved. These products included variable life, whole life and property insurance policies.

SUPERVISORY COLLEGES

During 2024, the Commission participated in supervisory colleges for two regionally active insurance groups, encompassing four insurance companies. These colleges served as a collaborative platform with regional regulators, providing a comprehensive overview of the groups' operations. This included detailed insights into risk exposures and management strategies, strategic plans, financial health, corporate governance, and compliance levels. The extensive information gathered significantly improved the effectiveness of group-wide supervision and the regulation of locally registered insurers.

APPLICATIONS TO ESTABLISH NEW INSURANCE COMPANIES

A pre-application meeting is required as part of the application process for registration or licensing. During these meetings, the Commission reviews the business plan with the prospective applicant, identifying any areas that may not comply with legislative requirements or may not be suitable for the market. Once an application is submitted, the fitness and propriety of the proposed directors, senior management, risk management processes and the financial viability, among other aspects of the application, are assessed. Not all pre-application meetings result in the submission of a formal application to the Commission.

Throughout the year, the Commission received and approved four applications, including two long-term captive cell applications under the External Act. These applications were “approved-in-principle”[1] and will proceed to either a conditional or absolute approval licensing upon fulfillment of the required conditions of approval.

IMPLEMENTATION OF IFRS 17

The implementation of IFRS 17 has presented challenges for the insurance industry. The Commission engaged with insurers and their auditors to understand these challenges, which included addressing negative reserves, balancing issues, and working with consultants for a comprehensive understanding of the nuances of the standards. There was an unusually high volume of extension requests from the industry for the submission of quarterly financial returns and annual audited financial statements. Approximately 70% of insurers across the domestic market requested extensions to the deadline for submitting audited financial statements for the 2023 financial year-end, with several requesting multiple extensions due to the challenges related to the implementation of IFRS 17.

The industry continued to experience challenges with quarterly financial returns during the first quarter of 2024, with extension requests decreasing for the second and third quarters. Further to regional discussion amongst regulators that have implemented IFRS 17, the implementation experience in The Bahamas was similar to other jurisdictions. It is of note that 6 out of 8 Eastern Caribbean Country Union chose to defer full implementation. The industry and the Commission will continue training regarding this new standard during 2025 and beyond.

The Commission also drafted and disseminated for consultation, “Guidance Note On IFRS 17 Discount Rates.” The Guidance Note details the Commission’s proposed model to generate IFRS 17 discount rate curves for liquid and illiquid insurance contracts.

This Guidance Note further advises insurers that their actuaries are required to disclose the methodology used in valuation and in deriving the insurer’s discount rates. It anticipated that the reference curves will drive convergence of practice in the market over time. This Guidance Note facilitates the assessment of the reasonableness of the discount curves used by insurers.

- *In Principle Approval - the company cannot conduct business until material information is furnished to the commission.*
- *Conditional Approval - Documents remain outstanding but are not material. Therefore, the company can conduct business but is given a timeframe in which to submit documents to remedy any deficiencies.*
- *Absolute Approval - all documents have been furnished to the commission.*

INSURANCE INDUSTRY OVERVIEW

GENERAL INSURANCE MARKET

AGGREGATE UNAUDITED FINANCIAL STATEMENTS DOMESTIC INSURERS

	General Insurers		
(B$ thousands)	2024	2023	▲
BALANCE SHEET			
Cash & Cash Equivalents	158,493	148,319	6.86%
Investments, including Investment Property and Other Investments	135,174	121,176	11.55%
Insurance Contract Assets	33,242	27,947	18.95%
Reinsurance Contract Held Assets	172,614	138,500	24.63%
Intangibles	2,699	3,444	-21.63%
Fixed Assets	24,593	28,571	-13.92%
Other Assets	42,831	50,350	-14.93%
Total Assets	**569,646**	**518,307**	**9.91%**
Insurance Contract Liabilities	268,801	235,514	14.13%
Reinsurance Contract Liabilities	6,719	10,030	-33.01%
Provisions, Accruals and Other Liabilities	30,919	18,566	66.54%
Total Liabilities	**306,439**	**264,110**	**16.03%**
Share Capital	55,842	55,079	1.39%
Retained Earnings	113,909	113,376	0.47%
Other Capital & Reserves	93,456	85,742	9.00%
Total Equity, Head Office Account, Reserves & AOCI	**263,207**	**254,197**	**3.54%**
Total Equity & Liabilities	**569,646**	**518,307**	**9.91%**
INCOME STATEMENT			
Revenue from Contracts	562,980	495,164	13.70%
Total Insurance Revenue	**562,980**	**495,164**	**13.70%**
Claims and Benefits	61,487	93,520	-34.25%
Commissions	50,722	46,611	8.82%
Other Insurance Service Expenses	50,967	54,365	-6.25%
Total Insurance Services Expenses	**163,176**	**194,496**	**-16.10%**
Net expenses from reinsurance contracts held	370,590	282,461	31.20%
Insurance Service Results	**29,214**	**18,207**	**60.45%**
General & Operating Expenses	21,798	21,014	3.73%
Net Investment Results	7,414	7,745	-4.27%
Other Income	3,043	2,512	21.14%
Net Income	**17,873**	**7,450**	**139.91%**

During 2024, the general insurance sector demonstrated strong growth, underpinned by notable increases in revenue and asset accumulation.

The sector recorded revenue of $563.0 million, representing a 13.7% increase over the $495.2 million recorded in 2023. Commissions rose by 8.8% to $50.7 million, consistent with increased policy sales and intermediary activity. Reinsurance costs also saw a sharp increase, rising by 31.2% to $370.6 million, which aligns with the increase in reinsurance assets observed on the balance sheet and reflects licensees' continued reliance on reinsurance to manage exposure and enhance solvency buffers.

The sector's total assets expanded by 9.9% to $569.6 million from $518.3 million recorded in 2023. This performance was primarily driven by a 24.6% increase in reinsurance contract held assets, which rose from $138.5 million to $172.6 million, as insurers strengthened their risk mitigation strategies. Further, cash and cash equivalents rose by 6.9% to $158.5 million, reflecting improved liquidity positions across the sector. Investment portfolios also grew by 11.5% to $135.2 million, amid efforts to optimize returns in a higher interest rate environment. Moreover, insurance contract assets increased by 18.9% to $33.2 million, indicative of growth in unearned premiums tied to business expansion. However, fixed assets and intangibles reduced by 13.9% and 21.6%, respectively, to $24.6 million and $2.7 million. Similarly, other assets contracted 14.9% to $42.8 million.

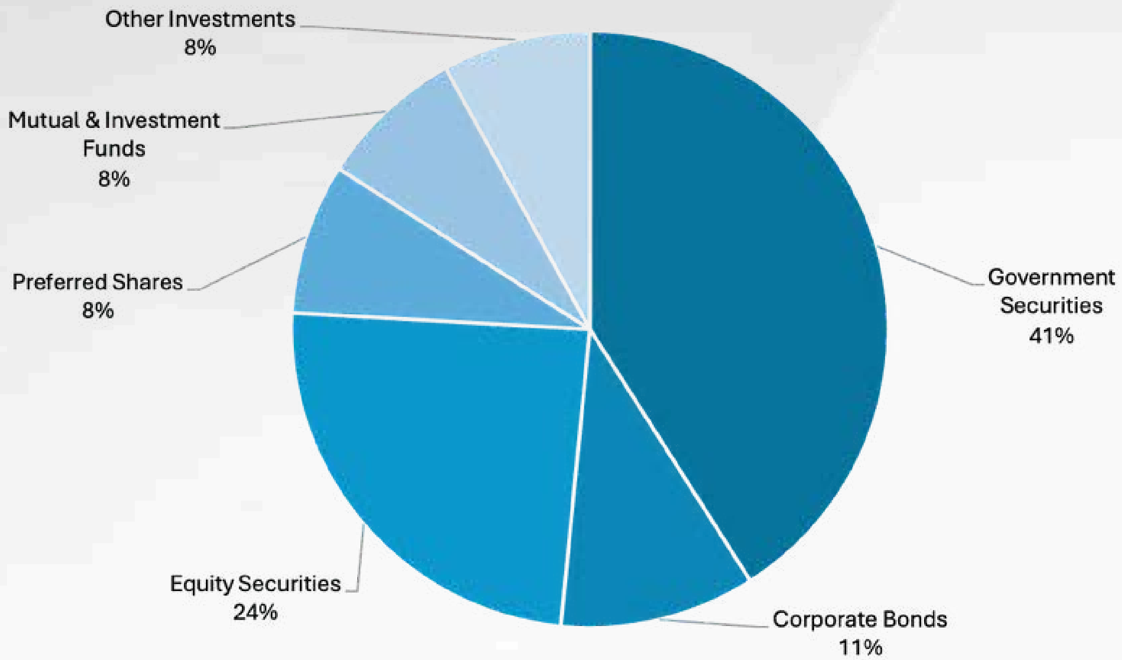
Total liabilities grew by 16.0% to $306.4 million, owing mainly to an increase in insurance contract liabilities due to higher policy volumes and reserve strengthening efforts. Provisions and other liabilities rose sharply by 66.5% to $30.9 million, on account of expense accruals and operational provisioning. Moreover, total equity stood at $263.2 million, a 3.5% increase relative to the prior year. This increase was underpinned by growth in retained earnings and additional capital reserves, which demonstrate continued financial strength and capital adequacy across the sector. Notably, reinsurance contract liabilities decreased by 33.0% to $6.7 million, likely due to changes in treaty structures or the settlement of existing obligations.

An analysis of the income statement revealed a 34.2% decline in claims and benefits to $61.5 million, which can be attributed to a lower frequency of major insured events and more favorable loss ratios. Other insurance service expenses totalled $51 million, reflecting a decline of 6.2% from 2023. The insurance service results rose to $29.2 million, a 60.4% improvement over the prior year's $18.2 million.

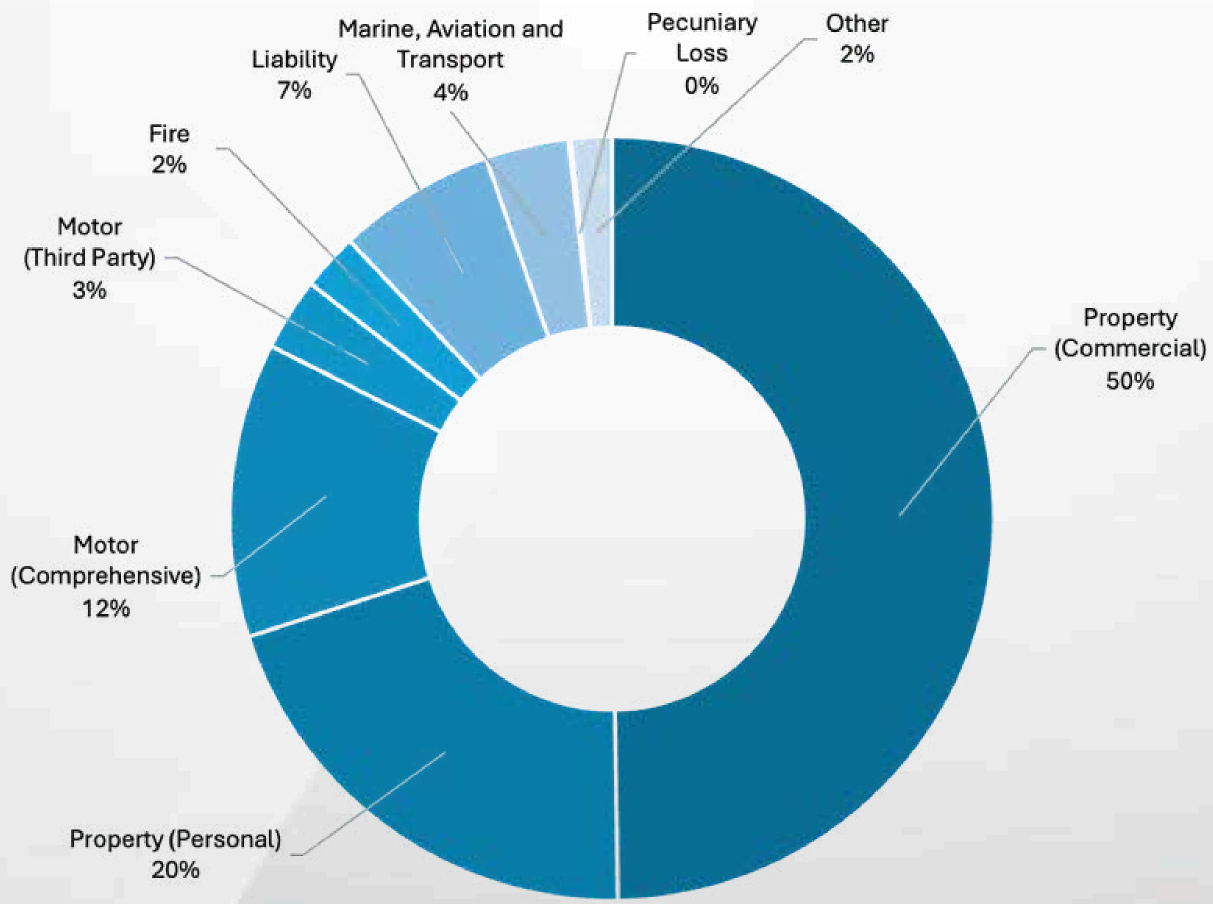
Operating expenses remained broadly stable, with an uptick of 3.7% to $21.8 million. Furthermore, investment income had a mild decline of 4.3% to $7.4 million. On the other hand, other income rose by 21.2% to $3 million, providing a further boost to overall performance. As a result, net income more than doubled to $17.9 million in 2024, compared to $7.5 million in 2023.

For the year 2024, 31.3% of general insurers submitted Quantitative Impact Surveys (QIS) which measures the licensees' Capital Adequacy Ratios (CAR) prepared under the IFRS 17 framework. These insurers' reported CAR ranged from 134% to 531%, all of which are satisfactory for the Insurance Commission of The Bahamas' capital requirements as the participating insurers displayed a strong solvency position across the sector.

GENERAL INSURERS INVESTMENTS



GENERAL INSURANCE LINE OF BUSINESS

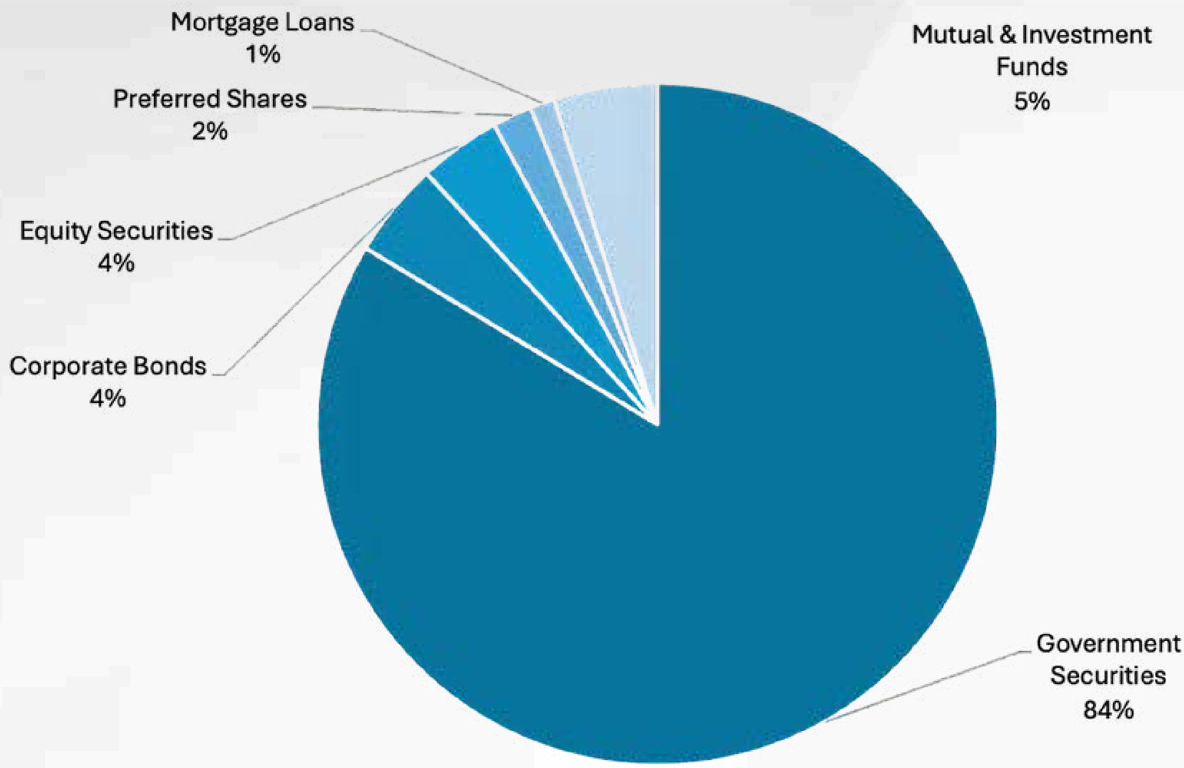


LONG-TERM INSURANCE MARKET
AGGREGATE UNAUDITED FINANCIAL STATEMENTS
DOMESTIC INSURERS

	Long Term Insurers		
(B$ thousands)	2024	2023	▲
BALANCE SHEET			
Cash & Cash Equivalents	98,365	76,551	28.50%
Investments, including Investment Property and Other Investments	1,053,730	1,003,781	4.98%
Insurance Contract Assets	1,731	1,589	8.94%
Reinsurance Contract Held Assets	45,588	40,883	11.51%
Intangibles	13,495	13,281	1.61%
Fixed Assets	42,000	40,851	2.81%
Other Assets	132,238	110,461	19.71%
Total Assets	**1,387,147**	**1,287,397**	**7.75%**
Insurance Contract Liabilities	807,884	768,184	5.17%
Reinsurance Contract Liabilities	747	112	566.96%
Provisions, Accruals and Other Liabilities	105,424	105,439	-0.01%
Total Liabilities	**914,055**	**873,735**	**4.61%**
Share Capital	13,908	13,908	0.00%
Retained Earnings	352,603	297,798	18.40%
Other Capital & Reserves	106,581	101,956	4.54%
Total Equity, Head Office Account, Reserves & AOCI	**473,092**	**413,662**	**14.37%**
Total Equity & Liabilities	**1,387,147**	**1,287,397**	**7.75%**
INCOME STATEMENT			
Revenue from Contracts	412,419	376,716	9.48%
Total Insurance Revenue	**412,419**	**376,716**	**9.48%**
Claims and Benefits	312,740	339,621	-7.91%
Commissions	16,055	14,562	10.25%
Other Insurance Service Expenses	9,356	-23,690	139.49%
Total Insurance Services Expenses	**338,151**	**330,493**	**2.32%**
Net expenses from reinsurance contracts held	15,369	14,128	8.78%
Insurance Service Results	**58,899**	**32,095**	**83.51%**
General & Operating Expenses	38,919	40,016	-2.74%
Net Investment Results	37,695	36,383	3.61%
Other Income	16,972	15,304	10.90%
Net Income	**74,647**	**43,766**	**70.56%**

There was steady expansion in the long-term sector, with total assets increasing by 7.8% to $1.4 billion, up from $1.3 billion in 2023. This growth was led by a 5% increase in total investments, which reached $1.1 billion, as licensees continued to build and diversify their investment portfolios in line with long-term obligations. Other assets also rose significantly by 19.7%, totaling $132.2 million, while cash and cash equivalents grew by 28.5% to $98.4 million, reflecting the sector's improved liquidity position. Further, reinsurance contract held assets increased by 11.5% to $45.6 million, signaling continued reliance on reinsurance arrangements to mitigate underwriting risks and manage long-term exposure. Insurance contract assets increased by 8.9% to $1.7 million. Likewise, fixed assets rose by 2.8% to $42 million, and intangible assets edged up by 1.6% to $13.5 million.

LONG-TERM INSURERS' INVESTMENTS



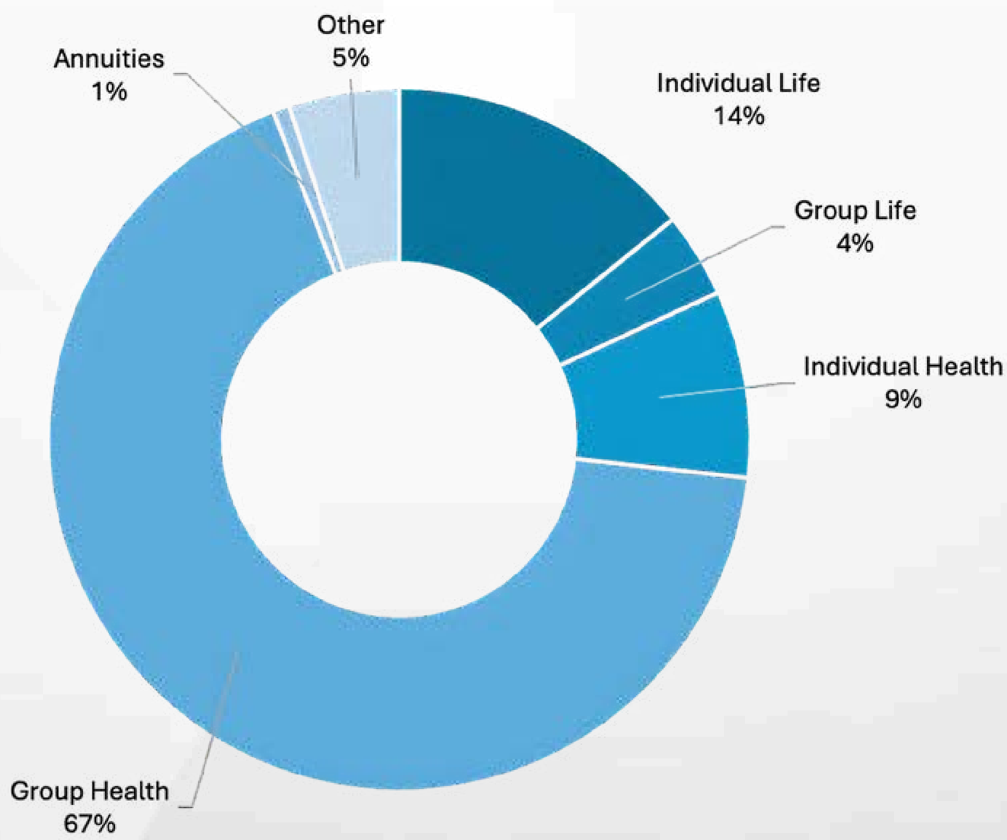
On the liabilities side, insurance contract liabilities climbed by 5.2% to $807.9 million, consistent with business growth and greater policyholder obligations. Reinsurance contract liabilities grew nearly sixfold to $0.7 million, reflecting expanded reinsurance activity or renewed treaty arrangements. Total liabilities rose by 4.6% to $914.1 million, demonstrating a prudent balance of liabilities to support future claims. The sector also experienced strong capital growth, with total equity rising by 14.4% to $473.1 million. This increase was driven largely by an 18.4% rise in retained earnings, which peaked at $352.6 million. This increase demonstrated strong profit retention and ongoing commitment to financial stability.

Total insurance revenue in the long-term market increased by 9.5% to $412.4 million, compared to $376.7 million in 2023. This increase signals continued premium growth and a healthy appetite for long-term insurance products in the domestic market.

Claims and benefits, however, declined by 7.9% to $312.7 million, reflecting lower maturities or death benefit payouts relative to 2023. Commissions rose by 10.3% to $16.1 million, aligned with distribution incentives and increased policy issuance. A notable feature was the reversal of other insurance service expenses, from negative $23.7 million in 2023, to $9.4 million in 2024. The negative figure in the prior year was the result of adjustments by licensees who prorated future service-related expenses in advance, leading to a temporary reversal of expenses. With those adjustments now normalized, the current year's figures more accurately reflect standard operating levels. Reinsurance expenses increased by 8.8% to $15.4 million, as licensees continued to use reinsurance as a risk transfer tool. Despite the increase in total expenses, the insurance service result grew by 83.5% to $58.9 million, demonstrating firm gains across the sector. General and operating expenses, however, decreased slightly by 2.7% to $38.9 million. Investment income rose by 3.6% to $37.7 million, supported by a favorable interest rate environment. Likewise, other income climbed by 10.9% to $17.0 million, providing additional support for bottom-line results. As a result of these developments, net income for the long-term sector rose to $74.6 million in 2024, a 70.5% expansion over the $43.8 million earned in 2023.

During the year, 81.82% of long-term insurers submitted their QISs, with reported CARs ranging from 185% to 3,506% with an average of 829%. These participants demonstrated a strong solvency position across the sector.

LONG-TERM REVENUE BY LINE OF BUSINESS



EXTERNAL INSURANCE MARKET

EXTERNAL INSURERS DATA
AGGREGATE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2023

	2023			2022		
(B$ thousands)	Captive Insurers	Non-Captive Insurers	Total	Captive Insurers	Non-Captive Insurers	Total
BALANCE SHEET						
Cash & Deposits	27,881,234	13,830,394	41,711,628	25,917,550	14,856,222	40,773,772
Investments	34,921,058	-	34,921,058	25,736,785	-	25,736,785
Other Investments	47,398,066	2,955,265	50,353,331	52,948,402	2,955,265	55,903,667
Segregated Funds Net Assets	-	-	-	449,908	-	449,908
Unit- Linked Investments Contracts	-	1,059,699,335	1,059,699,335	-	1,049,537,580	1,049,537,580
Related party receivables	27,708	-	27,708	10,162	-	10,162
Other Receivable	25,904,713	1,863,134	27,767,847	2,925,127	1,785,629	4,710,756
Insurance Contract Assets	2,427	-	2,427	11,933,680	-	11,933,680
Reinsurance Contract Assets	30,192,018	-	30,192,018	29,010,594	-	29,010,594
Intangibles	3,842,475	322,306	4,164,781	2,845,000	346,841	3,191,841
Fixed Assets	-	-	-	-	-	-
Other Asset	1,817,022	2,722,511	4,539,533	1,069,940	1,364,434	2,434,374
TOTAL ASSETS	**171,986,721**	**1,081,392,945**	**1,253,379,666**	**152,847,148**	**1,070,845,971**	**1,223,693,119**
Insurance Contract Liabilities	34,034,402	-	34,034,402	36,103,112	-	36,103,112
Reinsurance Contract Liabilities	623,600	-	623,600	515,664	-	515,664
Unit- Linked Investments Contracts	-	1,064,547,661	1,064,547,661	-	1,053,129,284	1,053,129,284
Segregated Funds Net Liabilities	-	-	-	449,908	-	449,908
Due to related parties	219,307	-	219,307	365,180	-	365,180
Accounts payables and accurals	4,683,126	812,906	5,496,032	4,255,560	827,329	5,082,889
Other Liabilities	20,883,566	9,287,567	30,171,133	13,228,592	10,815,302	24,043,894
TOTAL LIABILITIES	**60,444,001**	**1,074,648,134**	**1,135,092,135**	**54,918,016**	**1,064,771,915**	**1,119,689,931**
Share Capital	15,992,385	2,050,000	18,042,385	11,086,080	2,050,000	13,136,080
Contribution Surplus	3,435,000	10,000	3,445,000	3,485,000	10,000	3,495,000
Retained Earnings	86,217,279	4,684,811	90,902,090	82,861,697	4,014,056	86,875,753
Other Reserves	5,898,056	-	5,898,056	3,255,680	-	3,255,680
TOTAL EQUITY	**111,542,720**	**6,744,811**	**118,287,531**	**100,688,457**	**6,074,056**	**106,762,513**
TOTAL EQUITY & LIABILITIES	**171,986,721**	**1,081,392,945**	**1,253,379,666**	**155,606,473**	**1,070,845,971**	**1,226,452,444**

INCOME STATEMENT						
Insurance Revenue	38,467,770	6,531,642	44,999,412	30,576,863	6,394,278	36,971,141
Total Insurance Services Expenses	3,719,414	-	3,719,414	5,158,316	-	5,158,316
Net Expense From Reinsurance Contracts	8,515,719	-	8,515,719	6,442,489	-	6,442,489
Insurance Service Results	**26,232,637**	**6,531,642**	**32,764,279**	**18,976,058**	**6,394,278**	**25,370,336**
Unit Linked Contract Assets	-	41,820,109	41,820,109	-	(88,039,922)	(88,039,922)
Investment Income	6,633,984	227,471	6,861,455	1,548,980	(16,671)	1,532,309
Net Investment Results	**32,866,621**	**48,579,222**	**81,445,843**	**20,525,038**	**(81,662,315)**	**(61,137,277)**
Other Insurance Service Expenses	9,412,697	(1,216)	9,411,481	5,552,496	(2,417,523)	3,134,973
General & Operating Expenses	5,952,475	4,553,455	10,505,930	2,394,315	4,948,441	7,342,756
Unit Linked Contracts	-	41,820,109	41,820,109	-	(88,039,922)	(88,039,922)
Other Income	536,339	17,168	553,507	329,086	49,845	378,931
NET INCOME	**18,037,788**	**2,224,042**	**20,261,830**	**12,907,313**	**3,896,534**	**16,803,847**

The information above represents 2023 and 2022 as the 2024 financials statements for external insurers were unavailable at the time of the annual report.

CAPTIVE INSURERS

The captive insurance sector posted solid growth in 2023, with total assets rising by 12.5% to $171.9 million from $152.9 million. This expansion was largely supported by stronger investment activity and an increase in liquid assets. Investment holdings climbed to $34.9 million, reflecting a 35.7% increase over the prior year, while cash and deposit balances rose by 7.6% to $27.9 million. Other receivables experienced a significant surge, increasing nearly eightfold to $25.9 million from $2.9 million. This sharp rise may indicate a buildup in recoverables or intra-group financial activity. In contrast, insurance contract assets dropped dramatically by 99.9% to just $2,427, likely due to claim settlements or reclassification of expected recoveries. Reinsurance contract assets were marginally higher, increasing 4.1% to $30.2 million, while intangible assets rose by 35.1% to $3.8 million.

Total liabilities increased by 10.1% to $60.4 million, driven by movements in several categories. Specifically, other liabilities rose by 57.8% to $20.9 million, followed by a 10.0% uptick in accounts payable and accruals to $4.7 million. Also, reinsurance contract liabilities saw a modest rise of 20.9% to $623,600. Meanwhile, there was a 5.7% decrease in insurance contract liabilities to $34.0 million, from $36.1 million last year.

On the income side, insurance revenue increased by 25.8% to $38.5 million, demonstrating enhanced underwriting activity. Insurance service results rose by 38.3% to $26.2 million, supported by a 27.9% decline in total insurance services expenses. Investment income more than quadrupled to $6.6 million from $1.6 million, reflecting favorable market conditions and likely portfolio repositioning. As a result, net income reached $18.0 million, up 39.8% from $12.9 million in 2022, driven by gains across both core and investment operations.

It is important to note that for companies within the External Insurance sector, "Insurance Revenue" as reported under IFRS 17 does not necessarily equate to "Premiums Written." The revenue figure incorporates service components and timing of earnings recognition, which may differ significantly from traditional premium-based metrics, especially in long-duration contracts.

NON-CAPTIVE INSURERS

The non-captive insurance sector recorded a modest expansion in 2023, with total assets increasing by 1.0% to reach $1.1 billion. This growth was led by an identical 1.0% increase in unit-linked investment contract assets. Other assets nearly doubled, climbing to $2.7 million, while other receivables grew by 4.3% to 1.8 million. However, cash and deposits declined by 6.9% to $13.8 million, similar to a 7.1% decrease in intangible assets to $322,306.

During the review period, total liabilities increased slightly by 0.9% to $1.1 billion. This was primarily attributable to a 1.1% edge up in unit-linked investment contract liabilities to $1.1 billion. Offsetting this was a 14.1% reduction in other liabilities to $9.3 million, and a slight decline in accounts payable and accruals by 1.8% to $812,906. Moreover, total equity grew by 11.0% to $6.7 million, underpinned by a 16.7% increase in retained earnings. Share capital and contribution surplus remained unchanged.

The non-captive sector's insurance revenue grew by 2.1% to $6.5 million in 2023. Specifically, investment income rebounded from a minor loss in 2022, increasing to $227,471. Consequently, net investment results shifted from a loss of $81.7 million to a gain of $48.6 million, reflecting a strong recovery in market performance. Unit-linked contract assets followed a similar path, rebounding by 147.5% to $41.8 million. As for expenses, general and operating expenses decreased by 8.0% to $4.5 million, while other income declined by 65.6% to $17,168. As a result, net income fell by 42.9% to $2.2 million, driven by reduced profitability despite improved investment results.

CEO FORUM

The Commission hosted its first CEO Forum since the pandemic, where key initiatives impacting the insurance industry were discussed. The Commission reminded insurers of their statutory and regulatory obligations, and took the opportunity to engage its stakeholders with questions and solicit feedback from the representatives of insurance companies in attendance. Some of the topics addressed during the Forum were:

- Policy updates and development;
- AML Risk Assessment as well as upcoming surveys;
- Data gathering;
- Complaints Handling;
- Insurers Responsibility for their intermediaries;
- Legislative Amendments;
- IFRS 17;
- Reporting Obligations and Deadlines;
- Prudential Risk Assessment;
- Risk Based Capital; and
- Onsite Examination.

The Commission hosted its second CEO Forum for insurance companies on September 12, 2024. During the Forum, the results of the AML/CFT/CPF risk assessments as well as the major concerns emanating from the exercise were discussed. Insurers were reminded of their filing obligations and, where needed, to request extensions in advance. The Commission also introduced other matters that were in progress including legislative amendments, climate change and Business Continuity Guidelines. The topics covered included:

- The Implementation of IFRS 17;
- IFRS 17 Discount Rate Guidelines;
- Introduction of Risk Based Capital for General Insurers and amendments to RBC framework for Life Insurers;
- Introduction of Stress Test for General Insurers;
- Filings including Audited and Unaudited Financial Statements;
- Dividend Approval; and
- AML Risk Assessment Questionnaire

INTERMEDIARIES AND MARKET CONDUCT UNIT

The Insurance Act, Ch. 347, prohibits insurance companies from selling products directly to the public, which makes intermediaries essential to the Bahamian insurance industry. The Intermediaries and Market Conduct Unit is responsible for the monitoring and oversight of insurance intermediaries. This Unit oversees the activities of registered intermediaries including brokers, agents, sub-agents, adjusters and salespersons. The primary responsibilities of the Unit are to ensure that intermediaries comply with the legislation, guidelines and policies, and to promote the equitable treatment of policyholders. The Unit provides an offsite review of intermediaries' accounting and record-keeping processes, compliance with sponsor agreements, establishment of trust accounts, and the maintenance of prescribed capital during the annual renewal process.

REGISTRATION OF CORPORATE INTERMEDIARIES

AGENTS AND BROKERS

As of December 31, 2024, there were **fifty-eight (58) registered agents and brokers** and **seventeen (17) sub-agents**. During the year, the Commission conditionally approved **one (1)** new intermediary.

Insurance agents are sponsored by licensed insurance companies to market and sell their products, while policyholders engage brokers to identify suitable insurance products for their needs. Intermediaries are compensated in the form of commissions for premiums written on behalf of the registered insurer. In 2024, audited financial statements showed that the total commissions paid to intermediaries amounted to approximately $94 million, which was an increase from 2023.

ADJUSTERS

The Commission is responsible for the registration and supervision of insurance adjusters in The Bahamas. These adjusters are required to fulfill the qualifications outlined in section 120(6) and (7) of the Insurance (General) Regulations, 2010. As of December 31, 2024, there were **nine (9) individual adjusters**, and **five (5) independent adjusters**. The services of foreign insurance adjusters were not required as The Bahamas experienced a relatively uneventful hurricane season in 2024.

SALESPERSONS

Salespersons are the primary vehicle for the distribution of insurance products. These products must be approved by the Commission before they can be marketed and sold in The Bahamas. Salespersons represent registered insurers or corporate intermediaries to conduct insurance business. Each salesperson can be sponsored by only one insurer or intermediary at a time. Salespersons must seek the Commission's formal approval to change sponsorship. As of December 31, 2024, the Commission had registered **six hundred ninety (690) salespersons, with five hundred seventeen (517)** authorized to sell long-term insurance, **one hundred (100)** registered to sell general insurance, and **seventy-three (73)** authorized to sell both types of insurance.

An individual must meet registration requirements and pass a comprehensive examination to be registered as a Salesperson. The process includes a review of the applicant's fitness and propriety to ensure that there are no inappropriate market participants. The Commission examines applicants for registration as salespersons monthly in New Providence and Grand Bahama (based on demand). Salespersons are required to operate with a high degree of integrity, demonstrate professionalism, attend industry training, and pay their annual registration fees.

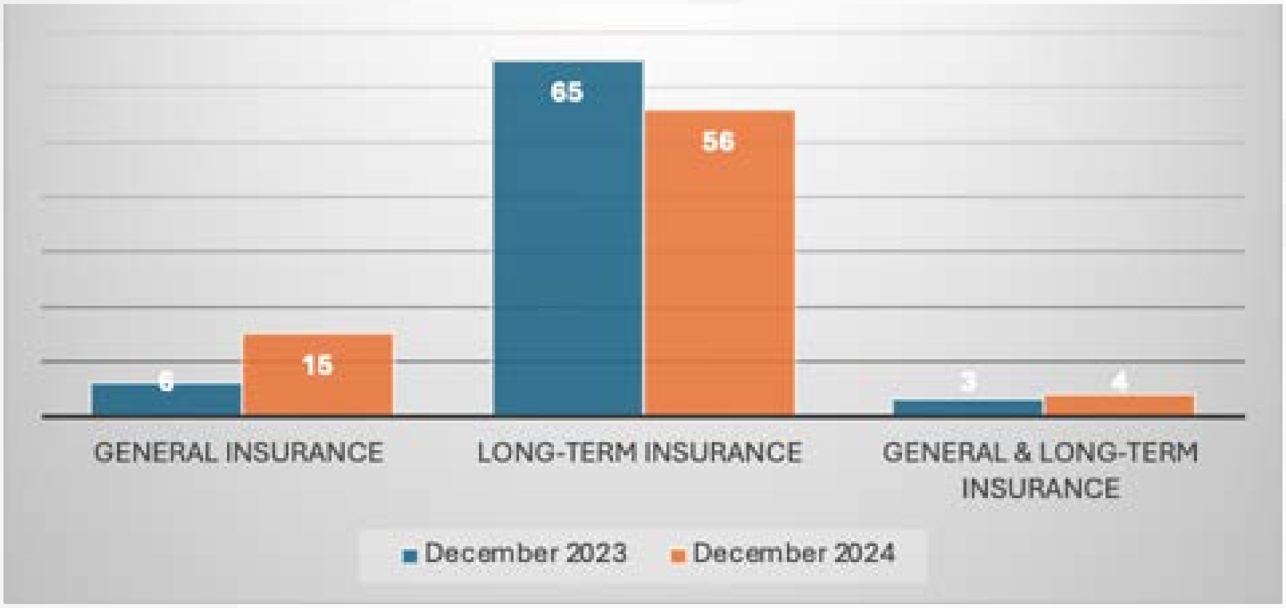
The Commission registered **eighty (80)** new salespersons in 2024. **Seventy-five (75)** salesperson registrations were cancelled during 2024. A salesperson's registration may be cancelled if the individual has not conducted insurance business for a one-year period, if there is a request for cancellation, or if the Commission determines that the salesperson has breached the legislation and is deemed unfit and improper to be registered by the Commission.

SALESPERSONS

New Salesperson Registrations	December 2023	December 2024
General Insurance	10	5
Long-Term Insurance	69	74
General & Long-Term Insurance	2	1
Total Registered Salespersons	**81**	**80**

CANCELLATION OF SALESPERSONS

YTD Cancellations Salesperson	December 2023	December 2024
General Insurance	6	15
Long-Term Insurance	65	56
General & Long-Term Insurance	3	4
Total Salespersons Cancellations	**74**	**75**



SALESPERSON EXAMINATION RESULTS

Exam Success Rate (YTD)	December 2023	December 2024
Passes	78	72
Fails	46	46
Total Candidates	**124**	**118**
Success Rate	63%	61%
Fail Rate	37%	39%
Exam Re-sits	34	22
Re-sit rate	27%	19%

APPROVAL OF INSURANCE COVER WITH UNREGISTERED COMPANIES UNDER SECTION 41

Section 41 of the Insurance Act, Ch. 347, states that no insurance cover can be obtained for:

(a) property situated in The Bahamas; or
(b) liabilities arising in The Bahamas

With any unregistered company (insurer) unless the insurance cover cannot be obtained from a locally registered insurer, or the insurance cover cannot be obtained at a comparable cost.

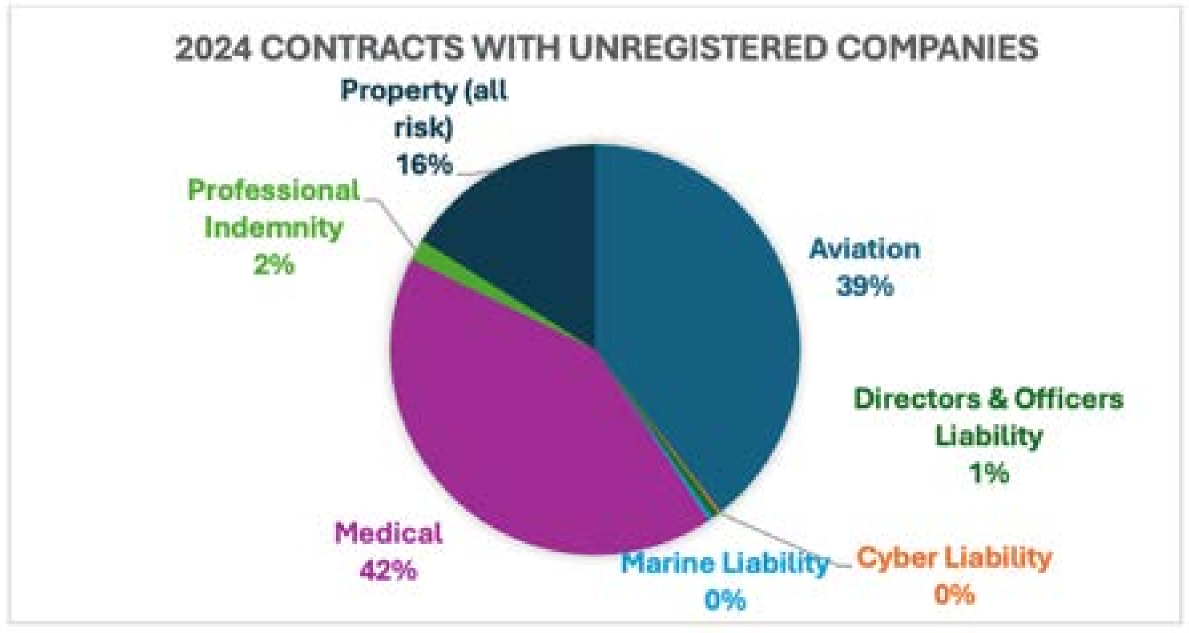
The exemption applies to the placement of insurance business with unregistered insurers. The Commission understands that certain insurance covers or specialty risks are unavailable in the local market or can be obtained at a more affordable premium abroad.

Should any person, entity, insurance company or intermediary wish to obtain insurance coverage from an unlicensed entity, they are required to apply to the Commission for coverage to be placed. Pursuant to section 41(2) of the Act, the Commission has the authority to grant permission for placement of insurance cover with an unlicensed entity. Section 41(3) of the Act exempts the Commission from any liability toward the applicant in relation to the insurance contract concerned or its replacement.

INSURANCE CONTRACTS WITH UNREGISTERED COMPANIES

The following table and chart provides a detailed overview of the business placed with unregistered insurers as at December 31, 2024:

Type of Insurance	2024 Premiums	3% Tax
Aviation	$3,691,500	$110,745
Cyber Liability	$20,000	$600
Directors & Officers Liability	$54,285	$1,629
Marine Liability	$31,866	$956
Medical	$3,889,811	$116,694
Professional Indemnity	$156,836	$4,705
Property (all risk)	$1,500,000	$45,000
Total	**$9,344,298**	**$280,329**



MARKET CONDUCT

The Unit oversees investigations into matters regarding the improper actions of intermediaries and insurers. A committee reviews each matter against a registered person to determine whether the individual or entity acted in accordance with their legislative obligation, in good faith, and to determine if there is evidence of impropriety. These investigations may result in the cancellation of registrations or the imposition of sanctions.

The Unit began to utilize social media platforms such as LinkedIn, Facebook and Instagram in August 2024 to assist with market surveillance and consumer awareness.

In 2024, the Unit issued **four (4)** Advertisement Warning Letters to salespersons who incorrectly marketed themselves as agents or as unregistered companies. The letters identified breaches under section 134 of the Act, which prohibits salespersons from making misleading advertisements or representations to the public. The Unit also issued a cease and desist letter to an insurer that was advertising in a manner which was perceived as direct selling.

SALESPERSON EXAMINATION

In October 2024, the Commission published its revised Salesperson Examination Guide recognizing that registered salespersons in the industry should be competent in compliance-related skills, exhibit proper ethical standards, as well as have in-depth knowledge of insurance products. The exam currently includes a multiple-choice section, true and false, and fill-in-the-blanks questions. The scope of the study guide and the examination were updated to include ethical scenarios and anti-money laundering and countering the financing of terrorism content. The integration of AML/CFT/CPF content, reinforces the Commission's mandate by ensuring that qualified salespersons possess the necessary knowledge to carry out their duty as the first line of defense in the industry's AML/CFT/CPF regime.

Since the revisions in October, the Commission has not observed a significant impact in the examination results. Candidate success rates have remained consistent in comparison to previous years. The Commission continues to monitor examination performance to ensure that the guidebook and examination process remains relevant, fair, comprehensive, and aligned with regulatory standards and global trends.

SECOND ANNUAL SALESPERSON REFRESHER TRAINING

The Commission hosted its second annual Salesperson Refresher Training course on December 10 -11, 2024, and December 16, 2024, respectively. The training aims to update attendees on the Commission's regulatory objectives, the legislative framework, and provide updates on anti-money laundering expectations and efforts of the industry and financial services sector as a whole. Participants were provided with an overview of their functions as prescribed by legislation, information on active investigations, risk mitigation strategies, guidance on reputable behavior and changes to the Salesperson Examination. The Commission collaborated with the Financial Intelligence Unit to provide comprehensive updates on the legal and regulatory compliance framework for both agencies. This seminar was attended by industry professionals, including management and salespersons from insurers and intermediaries.

Key highlights of the training included:

- Salespersons' Responsibilities: The IMC Unit presented insights into regular processes to ensure that attendees understand their roles and responsibilities.
- Active Salesperson Investigations: The training discussed ongoing investigations involving salespersons. This discussion provides lessons and best practices to enhance professional conduct.
- Updated Salesperson Examination Guide: Attendees were advised of changes to the study guide, including the ethics and AML/CFT/CPF components.
- Reputable Salesperson Behavior: Attendees received guidance on professional standards, ethics, and customer service to encourage them to uphold the insurance industry's positive reputation.

- Legislative and Regulatory Updates: The Legal and Policies, Research and Practices Units provided updates on legislative amendments and an overview provisions relevant to the role and responsibilities of intermediaries and insurers.

The Commission invited attendees to complete a survey to provide feedback on the seminar. This allows the Commission to continuously improve the delivery of future training seminars and dynamically assess the needs of the industry.

ENHANCING SUPERVISION AND OVERSIGHT

The Commission engaged a leading risk analytics, testing, and validation firm to conduct an AML risk assessment of registered insurers and intermediaries. The Online Risk Based Systems (ORBS) provided innovative risk analytics for reporting and supervision. A survey was conducted with all registered corporate intermediaries, and a report evidencing the findings was produced. This initiative contributed to the enhancement of the Commission's regulatory frameworks and supervisory functions. The Intermediaries and Market Conduct Unit has incorporated the initial findings in its off-site risk assessments.

EXAMINATION DEPARTMENT

Effective September 1, 2024, the On-Site Team became independent from the Insurance Companies Unit of the Supervision Department to form the Examination Department, for the purpose of providing market surveillance and monitoring to both the insurers and intermediaries market. The Department is mandated to conduct on-site inspections of its registrants and licensees pursuant to section 69 of the Insurance Act, Ch. 347, and section 41 of the External Insurance Act, Ch. 348, with the objective of effectively monitoring and ensuring compliance with insurance legislation and guidelines mandated by the Commission. On-site examinations are driven by findings of risk assessments and desk-based reviews conducted by the Insurance Companies Unit, the Actuarial and Financial Analytics Unit and the Intermediaries and Market Conduct Unit, in addition to any other material findings relative to the insurance company or intermediary. The scope of the examinations may include, but is not limited to, an assessment of the company's: corporate governance and board oversight framework, risk management framework, operational effectiveness, financial management, and AML/CFT/CPF compliance.

The Examination Department is comprised of the following persons:

- Ronique Bastian (On-site Lead Supervisor)
- Sasha Albury (Senior Analyst)
- Trishawna Kelly (Analyst)
- Ryshanda Miller (Analyst)

ROLE OF THE EXAMINATION DEPARTMENT

The role of the Examination Department is to ensure that registrants and licensees of the Commission act in accordance with applicable guidelines, international best practices and the following legislation:

- **Insurance Act, Ch. 347**
- **External Insurance Act, Ch. 348**
- **Insurance (General) Regulations, 2010**
- **Financial Transactions Reporting Act, 2018**

On-site examinations are conducted to ensure that insurers and intermediaries act with integrity and in the best interest of policyholders. Emphasis is placed on assessing the adequacy and effectiveness of a registrant and/or licensee's corporate governance and risk management frameworks, in addition to its AML/CFT/CPF and internal controls, ensuring that weaknesses or vulnerabilities can be identified, assessed, and mitigated. Through these examinations, the Commission plays a critical role in safeguarding the credibility, stability, and reputation of the insurance sector in The Bahamas.

RISK BASED SUPERVISION

The Commission employs a Risk-Based Supervisory framework to supervise and monitor insurers and intermediaries. Risk-based supervision is a comprehensive, formally structured system that assesses risk within the industry such as liquidity, reinsurance, market, operational, underwriting and investment risks. This framework enables the Commission to utilize its resources efficiently and effectively by prioritizing the areas of higher risk relative to individual insurers, while taking into account factors such as the company's size, market share, risk exposure and the complexity of its business operations. On-site examinations help to detect emerging risks and operational vulnerabilities that might not be visible through periodic filings or desk-based assessments alone. These examinations provide valuable insight into the actual practices and behaviors of the registrant or licensee, to ascertain a holistic picture of its risk profile.

RISK ASSESSMENTS

Risk assessments of the registrants and licensees are conducted, with risk ratings of Low, Medium and High assigned based on the established criteria. The frequency of the on-site examinations of the registrant or licensee is driven by the assigned risk rating as indicated in the table below.

Risk Rating	Examination Frequency
Low	3 - 5 Years
Medium	2 - 3 Years
High	Annually

The frequency of on-site examinations is also dependent on emerging risks or material concerns that may arise by way of desk-based reviews or otherwise.

SECTOR RESILIENCE

On-site examinations play a vital role in enhancing the resilience of the insurance sector by identifying weaknesses within individual institutions and ensuring that corrective actions are implemented promptly to prevent localized issues from escalating into broader systemic risks. This proactive intervention strengthens the overall health of the sector and its ability to withstand shocks and/or unexpected events. Examinations also serve as a useful tool for promoting regulatory compliance and market discipline. Further, a robust on-site examination program encourages institutions to uphold high standards of governance, transparency and ethical conduct, which in turn fosters trust and confidence in the insurance sector.

2024 ON-SITE EXAMINATION REVIEW

During the last quarter of 2024, two (2) thematic on-site examinations were conducted by the newly established Examination Team. The companies included a general insurer and an intermediary. The key areas assessed included: corporate governance, risk management, AML/CFT/CPF inclusive of Sanctions Screening, internal audit and market conduct. Based on the areas assessed, risk ratings were assigned with an overall weighting of **Low, Medium or High** based on the identified risks. Factors such as the company's size, market share and complexity of its business operations were also factored in the scoring. The Examination Team will continue to monitor the progress of the companies assessed as it relates to the implementation of corrective actions to address issues identified during the on-site examinations.

ONGOING MONITORING AND FOLLOW-UP

In the key areas assessed during on-site examinations conducted in 2024, there were instances of non-compliance with applicable legislation. Based on these findings and observations, recommendations have been formulated to support registrants and licensees in meeting their regulatory obligations and to ensure alignment with international best practices.

Key recommendations derived from these examinations included:

Corporate Governance & Compliance

- Board of Directors should:
    - Evaluate the performance of the CEO and Senior Management on an annual basis.
    - Ensure that potential conflicts of interest are addressed and managed appropriately.
    - Registrants and licensees are required to notify the Commission of any material changes to Senior Management or other significant organizational changes within thirty (30) days of the change taking effect.
    - Renewal applications and supporting documents should be submitted to the Commission within the stipulated timeframe.

Risk Management & Internal Controls

- Insurance companies and intermediaries should:
    - Maintain a comprehensive risk management framework aimed at identifying, managing and monitoring risks to ensure that they are able to withstand unexpected shocks.
    - Establish a robust Internal Audit program to evaluate internal controls and operational efficiency.
    - Maintain an effective Reinsurance program.

Training & Staff Competency

- Insurance companies and intermediaries should:
    - Ensure that all staff and salespersons complete annual AML/CFT/CPF training, as prescribed by legislation.
    - Ensure that staff and agents obtain and maintain current professional licenses and certifications.

Policies & Client Documentation

- Insurance companies and intermediaries should:
    - Ensure that policies are implemented to effectively guide internal processes and procedures that align with legislative requirements, guidelines mandated by the Commission, as well as international standards.
    - Ensure that policy documents are correctly executed within the prescribed timeframe and that policyholders understand the terms and conditions of their policy.
    - Ensure that proper Customer Due Diligence (CDD) and Know Your Customer (KYC) processes have been implemented and adhered to.
    - Ensure that client files are complete and include all required forms and supporting documentation.
    - Ensure that appropriate data protection and retention measures are implemented and enforced.

Information Security

- Insurance companies and intermediaries should:
  - Implement and maintain effective information security controls, inclusive of an effective Business Continuity Plan (BCP).
  - Ensure that staff is given appropriate training in data/cyber security, in an effort to mitigate potential threats and associated risks.

The findings and observations identified during the on-site examinations are monitored on a continual basis inclusive of corrective actions. The status of each item is tracked and categorized appropriately, as in progress, completed, or overdue. Follow-up discussions with the registrant's and licensee's key personnel will be conducted to better understand any challenges impeding progress. Where significant deficiencies persist, these matters will be escalated and may be subject to penalties, fines or other enforcement actions. If necessary, a follow-up on-site visit may be conducted to assess the licensee's corrective actions and determine whether enforcement measures should be considered.

TRAINING

Members of the Examination Team have been actively engaged in training and have obtained certifications in key areas such as: Financial Crime, Compliance and Risk Management, Reinsurance, Regulatory Strategy and Common Reporting Standards. Training will expand to include Insurtech and emerging risk areas such as: Cybersecurity, Environmental, Social, and Governance (ESG), Artificial Intelligence (AI), and Diversity, Equity, and Inclusion (DEI). Further, training will be conducted on an ongoing basis to ensure that all team members are furthered equipped with the knowledge and resources needed to effectively assess registrants and licensees of the Commission.

STRENGTHENING ON-SITE EXAMINATIONS TO ADDRESS EMERGING RISK AREAS

The Insurance industry in The Bahamas is undergoing a transformative shift driven by emerging risks such as, Cybersecurity, ESG, AI, and DEI. These domains are not only reshaping operational and risk management practices but are also becoming critical indicators of institutional resilience and long-term sustainability.

Therefore, in recognition of the dynamic risk environment, the Examination Department will adopt a structured approach to enhance the effectiveness of its on-site examination framework which will enhance regulatory oversight, support prudent risk management, and foster a more secure, innovative, and inclusive insurance sector aligned with international best practices.

Emerging Risks	Impact on the Insurance Industry	Benefit in Future On-site Examinations
Cybersecurity	The insurance industry retains vast amounts of sensitive customer data, requiring robust cybersecurity measurers to protect against data breaches and cyber threats. The Commission mandates comprehensive policies and procedures for compliance with AML/CFT/CPF legislation, including adequate cybersecurity protocols.	Incorporating cybersecurity assessments into on-site examinations allows regulators to evaluate the effectiveness of the insurance industry's data protection strategies, ensuring compliance with legal requirements and safeguarding consumer trust.
Environmental, Social, and Governance (ESG)	ESG considerations are reshaping the insurance landscape, influencing investment strategies, product offerings, and corporate governance in The Bahamas.	Assessing ESG integration during on-site examinations enables the Commission to ensure that the insurance industry is adopting sustainable practices, managing environmental risks, and adhering to governance standards, thereby fostering long-term industry stability.
Artificial Intelligence (AI)	AI is transforming the insurance industry by enhancing underwriting accuracy, optimizing claims processing, and personalizing customer experiences. However, it raises concerns regarding data privacy, algorithmic bias, and transparency.	Evaluating AI implementations during on-site examinations allows the Commission to assess the ethical use of AI, ensuring that the insurance industry employs transparent and fair algorithms that comply with regulatory standards and protect consumer interests.
Diversity, Equity, and Inclusion (DEI)	Advancing DEI within the insurance industry supports sound governance and consumer outcomes. The IAIS emphasizes that a commitment to DEI enhances corporate culture and aligns with broader ESG objectives.	Incorporating DEI assessments into on-site examinations enables the Commission to evaluate efforts in promoting inclusive practices, ensuring fair treatment of diverse consumers, and fostering a positive organizational culture.

The integration of Cybersecurity, ESG considerations, AI ethics, and DEI into future on-site examinations is fully aligned with the Insurance Act, Ch. 347, which mandates effective supervision, sound risk management practices, and safeguarding policyholder interests. Section 4 of the Act empowers the Commission to promote the soundness of the financial system and requires that registrants operate with prudence and integrity. Additionally, with the incorporation of emerging risks into on-site assessments, the Commission further ensures that its registrants and licensees are not only compliant with regulatory standards but are also building resilient, future-ready operational systems. This proactive approach will help to address modern threats such as data breaches, environmental risks, algorithmic bias, and social inequity, while enhancing industry resilience and reinforcing The Bahamas' position as a progressive, well-regulated insurance jurisdiction.

LEGAL UNIT

The Legal Unit provides comprehensive legal advice to the Commission, ensuring adherence with applicable legislative frameworks. The Unit also facilitates the enforcement of the laws administered by the Commission, thereby upholding regulatory compliance and fortifying the legal integrity of the insurance industry.

The Unit is primarily responsible for reviewing, formulating, and recommending amendments to the legislation, to advance its supervisory and regulatory framework. The Unit also plays an integral role in developing and assessing the Commission's guidelines and policies, ensuring compliance with statutory mandates.

LEGISLATIVE DEVELOPMENT

The Commission has conducted a rigorous and comprehensive review of the legislative framework governing its mandate. This review exposed deficiencies and legislative gaps that require urgent rectification. Recognizing the fundamental importance of a robust and modern legal framework, the Commission continues its advancement of a comprehensive legislative reform agenda. Central to this initiative is the amalgamation and modernization of the legislative regime to eliminate fragmentation, enhance coherence, and ensure alignment with global regulatory standards. These reforms are indispensable to establishing a forward looking resilient, and progressive framework that fortifies the Commission's regulatory oversight, bolsters jurisdictional credibility, and ensures the Commission's effectiveness in safeguarding the interests of stakeholders.

GUIDELINE DEVELOPMENT

In 2024, the Government introduced the Road Traffic (Amendment) Act, 2024 (Act) which brought about significant changes to the motoring public. In response, the Commission developed the Road Traffic (Amendment) Act, 2024 Guidelines and disseminated them for consultation. These Guidelines provide clarity on, and support the consistent implementation of, the new requirements introduced by the Act. Specifically, the Guidelines mandate the implementation of processes for cancellations, record-keeping protocols, verification of cancellation information, and robust compliance monitoring procedures. These measures are designed to strengthen operational transparency, mitigate risks, and enhance accountability across the insurance industry in The Bahamas.

The implementation of the Guidelines represent a pivotal step in aligning the practices of the industry with legislative expectations.

DEVELOPMENT AND IMPLEMENTATION OF INTERNAL POLICIES

During the reporting period, the Legal Unit collaborated with other units in developing key internal policies, which the Commission implemented to strengthen governance, promote ethical conduct, and support efficient administrative and operational practices across the organisation. These policies reflect the Commission’s dedication to creating a supportive, transparent, and accountable working environment while upholding its operational and ethical standards.

POLICIES, RESEARCH AND PRACTICES UNIT

The Policies, Research, and Practices (PRP) Unit plays a crucial role in ensuring the regulation and development of the Bahamian insurance sector. Tasked with shaping comprehensive policies, conducting research, and fostering international cooperation, the Unit facilitates compliance with both local legislation and international best practices.

INTERNATIONAL ENGAGEMENT AND COLLABORATION

The Unit actively engages with global counterparts, staying abreast of emerging regulatory trends to ensure the Bahamian insurance sector remains competitive and resilient. Key collaborations include:

- **International Associations**: The Unit maintains strong relationships with the International Association of Insurance Supervisors (IAIS), the Group of International Insurance Centre Supervisors (GIICS), the Caribbean Financial Action Task Force (CFATF), the Caribbean Association of Pension Supervisors (CAPS), and the Caribbean Association of Insurance Regulators (CAIR). The Commission is also a member of CAIR's Sustainability and Climate Technical working group. These partnerships provide valuable insights into global regulatory standards and contribute to the strengthening of local regulations.

- **Group of Financial Services Regulators (GFSR):** The Unit participated in multiple Joint Guidance Working Groups (JGWG) under the GFSR, contributing to the development of important guidance on proliferation financing, politically exposed persons (PEPs), and proposed self-regulatory status for the Bahamas Association of Compliance Officers (BACO).

RESEARCH AND BENCHMARKING INITIATIVES

The Unit places significant emphasis on research and benchmarking to continuously refine the Commission's regulatory framework. Some of the research projects included legislative benchmarking to promote a more innovate and progressive legislative framework, evaluating micro-credential programs in specialized areas such as; underwriting, claims management, compliance, data analytics and cybersecurity, and strengthening the Commission's internal audit functions through targeted research and best-practice analysis.

SUBSCRIPTIONS MANAGEMENT

The Unit manages essential subscriptions that support the Commission's regulatory and supervisory functions.

These include:

- **Compliance Screening System** – Used for conducting Know Your Customer (KYC) and Anti-Money Laundering (AML) checks, with over 4 million records for financial crime risk identification.

- **A.M. Best** – Provides analysis of the financial strength and creditworthiness of insurance companies. The Unit ensures staff have access to the most current reports.

- **FSI Connect** – An e-learning platform offering specialized training for financial regulation and supervision, managed by the Unit to maintain staff engagement.

- **LOMA** – The Commission serves as an approved testing centre for LOMA proctored examinations. The Unit facilitates secure examinations for both staff members and external candidates.

POLICIES, GUIDELINES, AND REGULATORY INITIATIVES

The Unit's policy development efforts focused on emerging challenges within the insurance sector, with key initiatives in the following areas:

- **Cyber Risk and Operational Resilience**: The Unit laid the foundation for developing a regulatory framework to address cyber risks and promote operational resilience. This includes identifying best practices in cybersecurity, IT risk management, and business continuity. The Unit also worked to facilitate communication with insurers regarding emerging cyber threats.

- **Climate Risk Management**: In response to global concerns about climate change, the Unit spearheaded the initiative to create guidance for the insurance industry to adopt risk management practices that address the financial risks posed by climate change. Earlier in the year, the Unit participated in the CARTAC Climate Risk and Financial Stability Workshop to enhance industry preparedness for climate-related risks.

- **Regulatory Alignment with Global Standards**: The Unit contributed to the IAIS' Climate Risk Consultation Package and begun beneficial research on the treatment of pensions by insurance regulators. Additionally, the Unit began the review of AML/CFT/CPF guidelines to ensure compliance with evolving global standards.

COMPLIANCE WITH UNITED NATIONS SECURITY COUNCIL SANCTIONS SCREENING FILINGS

The Unit continued to support the Commission's efforts to uphold international standards relating to financial crime prevention and sanctions compliance. During the reporting period, notices concerning United Nations Security Council (UNSC) sanctions lists were issued to long-term insurers at the request of the National Identified Risk Framework Coordinator (NIRFC). These notices were issued in accordance with the International Obligations (Economic and Ancillary Measures) Amendment Act, 2018, and the reporting obligations under the Anti-Terrorism (Amendment) Act, 2019.

The Unit also facilitated the dissemination of public notices, including publication on the Commission's website, and monitored industry responses and submissions. Overall compliance levels among insurers remained satisfactory, with required declarations generally submitted within the prescribed timelines. In instances of non-compliance, appropriate regulatory measures were pursued in accordance with the applicable legislative framework.

NATIONAL RISK ASSESSMENT (NRA)

The NRA was first completed in 2015/2016 with the objective of evaluating the AML/CFT/CPF risks, threats, and vulnerabilities in the country. In 2022, the country published an updated National Risk Assessment (NRA) for AML/CFT/CPF. During that assessment, the Commission conducted a comprehensive review of the insurance sector to identify AML/CFT/CPF risks, threats, and vulnerabilities.

The National Risk Assessment ("NRA") was initially completed in 2015/2016 to assess the country's anti-money laundering, countering the financing of terrorism, and countering proliferation financing ("AML/CFT/CPF") risks, threats, and vulnerabilities. In 2022, an updated NRA was published, during which the Commission undertook a review of the insurance sector to identify relevant AML/CFT/CPF risks and vulnerabilities. Subsequently, the Commission completed a sectoral risk assessment of the insurance industry in December 2024. Based on the assessment findings, the sector was determined to present a medium to medium-high level of AML/CFT/CPF risk exposure.

AML/CFT/CPF ON-SITE EXAMINATIONS

The Commission's AML/CFT/CPF supervisory framework facilitates the risk-based monitoring and examination of long-term insurance companies, including both domestic and external insurers, to assess compliance with applicable legislative and regulatory requirements. The framework is designed to align with the standards and supervisory expectations established by the Financial Action Task Force ("FATF") and the Caribbean Financial Action Task Force ("CFATF").

During 2024, the Commission completed the AML/CFT/CPF on-site examinations scheduled for the reporting period in respect of long-term insurers classified as financial institutions. These examinations formed part of the Commission's ongoing supervisory programme aimed at assessing the adequacy and effectiveness of registrants' and licensees' AML/CFT/CPF policies, procedures, systems, and internal controls.

A total of sixteen (16) examinations were conducted and subsequently reviewed and analyzed. In December 2024, the Unit commenced the issuance of supervisory correspondence outlining identified deficiencies and required corrective measures to support remediation efforts and ongoing regulatory compliance.

Type of Insurer	On-Site Examinations submitted by External Auditors	Off-site Examinations Submitted by the Company
Domestic Long-Term Insurers	6	5
External Long-Term Insurers	5	0
Total	11	5

As of the reporting period, five (5) domestic long-term insurance companies had been granted waivers exempting them from the requirement to engage an external auditor to conduct on-site examinations of their AML/CFT/CPF policies, systems, and controls. In such cases, the companies were permitted to conduct supervised self-assessments/off-site examinations under the oversight of a senior staff member.

All sixteen (16) examinations conducted during the period were reviewed and analyzed. As at December 2024, the Unit commenced issuing supervisory correspondence to registrants and licensees identifying observed deficiencies and outlining required corrective actions and remediation measures. The Unit also commenced the development of remedial action tracking mechanisms intended to monitor the timely resolution of identified deficiencies and support ongoing supervisory follow-up and compliance oversight.

ONLINE RISK-BASED SYSTEM (ORBS)

To further support its risk-based approach to AML/CFT/CPF supervision, the Commission partnered with a regulatory technology (“RegTech”) provider specializing in financial crime risk management and supervisory technology solutions to implement an Online Risk-Based System (“ORBS”) during the reporting period.

Following testing and review by an internal working group, the system became operational in May 2024. Access was subsequently provided to insurers, who completed AML/CFT/CPF risk assessment questionnaires through the platform.

The implementation of ORBS enhanced the Commission’s capacity to collect, assess, and monitor AML/CFT/CPF risk information across the insurance sector and supported more informed supervisory oversight.

CONCLUSION

During 2024, the Unit continued its work in support of the development and enhancement of the regulatory framework for the insurance sector in The Bahamas. This included engagement in policy development, research initiatives, and participation in regional and international regulatory discussions relevant to the evolving insurance and financial services landscape. The Unit also continued to monitor emerging risks and regulatory developments to support the Commission’s supervisory objectives and ongoing alignment with applicable international standards and best practices. During the year, The Bahamas was also elected to serve a two-year term as Vice President of the Caribbean Association of Insurance Regulators (CAIR), further supporting regional regulatory cooperation and dialogue.

OPERATIONS UNIT

The Operations Unit continued to support the Commission's operational and infrastructure requirements during the reporting period. Activities undertaken during the year included initiatives aimed at improving workspace functionality, records and document management processes, and overall operational efficiency.

The Unit also supported facility-related improvements and infrastructure enhancements, including measures intended to support sustainability and future operational needs.

Throughout the year, the Unit managed various logistical and operational matters associated with ongoing projects and organizational requirements in support of the Commission's broader operational objectives.

The Unit will continue to support operational planning and infrastructure initiatives intended to facilitate the Commission's ongoing functions and service delivery requirements.

REGISTRY AND DOCUMENT MANAGEMENT UNIT

The Registry and Document Management Unit was established in 2024 to support the development and implementation of a structured records and document management framework across the Commission. The Unit is responsible for the management, maintenance, and preservation of the Commission's records and data to support accessibility, integrity, and operational efficiency.

The Unit also supports initiatives aimed at improving document management processes and administrative workflows through the use of scalable and integrated systems and technologies. These initiatives are intended to facilitate more efficient records management, improve access to information, and support reporting and data management capabilities across the Commission.

INFORMATION TECHNOLOGY UNIT

The Information Technology Unit was established in 2024 to support the Commission's information technology, cybersecurity, and operational resilience requirements. During the reporting period, the Unit undertook a number of initiatives relating to information security, business continuity, infrastructure management, and operational support.

Key activities during the year included enhancements to cybersecurity controls, data backup and recovery processes, user authentication measures, and network infrastructure. Security awareness training was also introduced to support staff awareness of cybersecurity and information security risks.

The Commission also undertook improvements to its technology environment aimed at supporting operational efficiency, connectivity, system reliability, and secure access to information and services. This included upgrades to communication systems, replacement of certain legacy equipment and platforms, and improvements to remote access and device management capabilities.

In addition, measures were implemented to support business continuity and disaster recovery arrangements, including the strengthening of backup and recovery capabilities and the completion of continuity and recovery testing exercises.

The Unit also continued to provide day-to-day technical and operational support across the Commission while supporting ongoing technology modernization initiatives and staff onboarding processes.

During the reporting period, members of the Unit also participated in relevant technology and cybersecurity training sessions, conferences, and workshops to support ongoing professional development and awareness of emerging technology and security developments relevant to the Commission's operational environment.

INTERNAL AUDIT UNIT

In 2024, the Internal Audit Unit (Unit) executed a proactive, risk-based audit strategy aligned with the Commission's strategic objectives. The Commission achieved a milestone as the Unit was launched in February 2024 and subsequently chartered by the Board of Commissioners during the month of April 2024. With its mandate clear and Charter in place, the Unit conducted risk assessments to determine the Commission's vulnerabilities. To this end, the Unit created a comprehensive audit plan that covered the most vulnerable regulatory activities based on the risk-assessments.

The Unit continued to play a key advisory role to the Board and Management while advancing audit and assurance practices. One such advancement is the transition to a cloud-based audit management platform, enabling greater efficiency and oversight. The Unit also conducted targeted reviews of key control areas, including IT security, data privacy, lease agreements, and operational processes. Additionally, the Unit participated in international and regional training programs, gaining insights into global best practices and reinforcing the Commission's commitment to continuous improvement. Participation in global professional development programs helped benchmark practices and strengthen the Commission's internal audit framework.

FINANCE UNIT

The Finance Unit plays a central role in safeguarding the Company's financial integrity and supporting sustainable growth. During the financial year ended 31 December 2024, the Unit remained focused on strengthening financial governance, enhancing transparency, and aligning financial strategy with the Company's long-term objectives.

The Finance Unit is responsible for financial reporting, budgeting and forecasting, treasury management, taxation, internal controls, and strategic financial planning. Through disciplined financial management, the Unit continues to support operational excellence.

HUMAN RESOURCES UNIT

The Commission established a dedicated Human Resources Unit as part of its ongoing efforts to strengthen organizational capacity and enhance operational efficiency. This strategic initiative supports the Commission's commitment to effective management systems and reinforces its focus on building a strong, engaged workforce.

The creation of the Unit marked a significant milestone, which strengthened employee support and engagement while advancing key priorities, including employee well-being, performance management, and professional development.

These priorities were formally integrated into the Commission's strategic framework, with institutional objectives designed to strengthen human capital and organizational effectiveness such as:

- Implementing an HR information system tailored to the Commission's operational needs and long-term aspirations;
- Aligning staff training goals with broader organizational capacity-building initiatives; and
- Optimizing the organizational structure to enhance efficiency and productivity.

TRAINING AND DEVELOPMENT

During the year, the Commission continued to prioritise staff development through targeted training and professional learning initiatives. These included leadership development programmes, participation in relevant industry conferences, and access to continuing professional education opportunities aligned with organisational needs. The Commission also maintained its internship programme, providing structured learning opportunities for students while supporting broader capacity-building objectives within the sector.

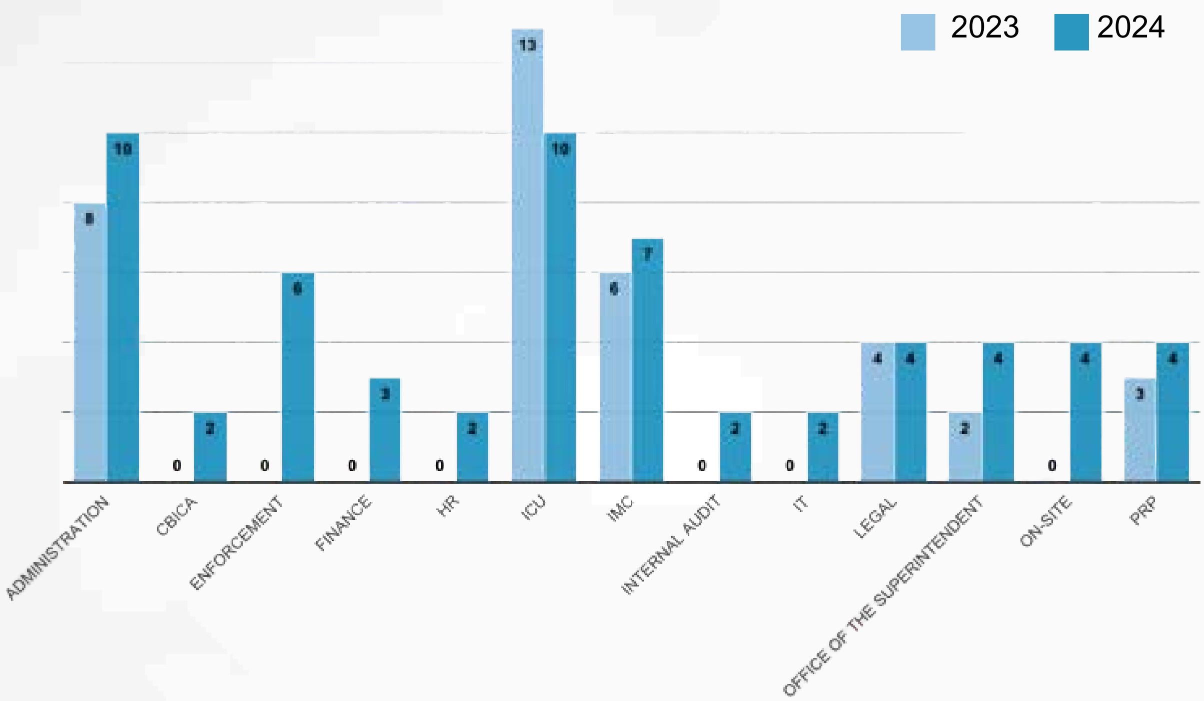
EMPLOYEE RELATIONS, WELLNESS AND ENGAGEMENT

The Commission undertook a range of initiatives to support a productive and inclusive workplace environment. These included staff engagement activities designed to encourage collaboration, awareness initiatives aligned with key social and professional themes, and wellness-focused programmes such as health workshops and physical activity events. Collectively, these efforts contributed to maintaining staff morale, supporting well-being, and strengthening organisational culture.

RECRUITMENT AND ONBOARDING

Between March and December 2024, the Commission advanced targeted recruitment and workforce planning initiatives to strengthen organisational capacity and support its regulatory mandate. Critical roles across seven (7) newly established departments were filled through structured selection processes and outreach initiatives. These departments were, **Communications, Business Intelligence and Consumer Awareness**, **On-Site Examination**, **Finance**, **Human Resources**, **Information Technology**, **Registry Document and Management, Enforcement** and **Internal Audit**.

As of 31 December 2024, the Commission employed 60 employees. The Commission experienced an 67% increase in staff, with a total of 36 employees as at 31 December 2023.



During the year, the Commission experienced measured growth across several departments, enhancing operational capacity and strengthening strategic alignment to support its mandate of protecting stakeholders and overseeing the insurance industry. Staffing increases were recorded in Administration (+2), CBICA (+2), Enforcement (+6), Finance (+3), Human Resources (+2), IMC (+1), Internal Audit (+2), Information Technology (+2), the Office of the Superintendent (+2), On-Site Supervision (+4), and PRP (+1), contributing to improved regulatory coverage and effectiveness. Conversely, the Insurance Consumer Unit recorded a three-position reduction, reflecting a strategic realignment of resources to support priority functions across the organization better.

The Commission also enhanced its onboarding framework to promote consistency and operational readiness. Orientation activities covered regulatory functions, organisational policies, and operational systems, facilitating effective integration across regulatory, enforcement, legal, and technology areas. These recruitment and onboarding initiatives contributed to workforce growth and improved organisational readiness. The Commission remains committed to optimising workforce planning, onboarding, and human resource practices to maintain a capable and resilient workforce aligned with the evolving needs of the insurance sector.

TRAINING AND DEVELOPMENT

Throughout 2024, the Commission demonstrated a strong commitment to professional development, stakeholder engagement, and international collaboration by participating in 37 conferences, training sessions, and outreach activities across eight countries. These trainings included representation at major regional and global forums such as the Caribbean Insurance Conference, GIICS meetings, CFATF plenaries, and the IAIS Annual Conference, reinforcing the Commission's alignment with international regulatory standards and best practices. Domestically, the Commission maintained active engagement with industry stakeholders through CEO forums, Insurance Month activities, and ongoing dialogue on regulatory developments, while also expanding public outreach through speaking engagements and community initiatives. Internally, capacity building remained a priority, with staff participating in specialized training, professional development programs, and industry seminars to enhance technical expertise. Collectively, these efforts underscore the Commission's strategic focus on strengthening regulatory effectiveness, fostering industry collaboration, and promoting greater public awareness of insurance matters.

By focusing on structured recruitment, comprehensive onboarding, and strategic workforce planning, the Commission continues to build a strong, capable team that is essential for delivering on its mandate and maintaining regulatory excellence.

The Unit's initiatives undertaken during the year reflect the Commission's commitment to building a strong organizational foundation that supports its strategic objectives. Through targeted recruitment, comprehensive onboarding, policy development, technology enhancements, and employee engagement programs, the Commission has strengthened its workforce and created an environment that promotes growth, collaboration, and well-being.

Looking ahead, the Commission will continue to invest in modern HR practices, talent development, and employee support systems to ensure a resilient, high-performing team capable of meeting the evolving demands of the insurance sector. These efforts underscore the organization's dedication to excellence, sustainability, and its role as a forward-thinking regulator.

COMMUNICATIONS, BUSINESS INTELLIGENCE, AND CONSUMER AWARENESS UNIT

The Communication, Business Intelligence, and Consumer Awareness Unit is responsible for overseeing and coordinating the Commission's communication strategies, business intelligence initiatives, and consumer awareness campaigns. The Unit develops effective communication plans, leverages data to support regulatory insights, and fosters consumer education to improve transparency and understanding of insurance regulations.

ROLE OF THE UNIT

The Unit plays a vital leadership role in shaping the Commission's public engagement and data-driven decision-making. The Unit is responsible for developing and implementing communication strategies that clearly and effectively convey regulatory policies and initiatives to both internal and external stakeholders. It ensures consistent messaging across all channels while proving the understanding of insurance and media relations. A key function of the Unit is overseeing business intelligence initiatives, including the collection, analysis, and interpretation of industry data to provide actionable insights for regulatory decision-making and reporting.

The Unit also leads consumer awareness efforts by designing and executing public education campaigns to improve understanding of insurance regulations, consumer rights, and responsibilities. The execution involves collaboration with external partners, advocacy groups, and industry associations. Additionally, the Unit facilitates internal coordination by collaborating closely with other departments to align strategies and ensure effective communication. It is also responsible for maintaining the Commission's website and profiles on the various social media platforms, and providing timely updates on events, licensee listings, and other relevant content.

The Unit operates with a focus on transparency, strategic communication, and regulatory compliance, ensuring that the Commission remains a trusted, responsive, and forward-looking regulatory authority.

STRATEGIC COMMUNICATION AND PUBLIC ENGAGEMENT

Throughout the reporting year, the Commission significantly expanded its communication footprint and increased engagement with stakeholders and the general public. The Commission strengthened its social media presence through the introduction of leadership profiles and the delivery of strategic public messaging. Senior executives appeared on media programmes, including *Bahamas @ Sunrise*, to address critical topics such as non-insurance of property, regulatory responsibilities, and policyholder protection.

Public education remained a core priority. The Commission delivered multiple interviews, presentations, and community outreach sessions to promote a higher level of consumer awareness and engagement. The launch of the Commission's TikTok account marked a major milestone, reaching younger audiences with educational content and achieving over 29,000 views on key videos.

The Commission also engaged with civic and professional organizations, including the Kiwanis Club, the Rotary Club of South East Nassau, the Alpha Kappa Alpha P.I.N.K. X Talks, and the Abaco Business Outlook.

CONSUMER AWARENESS AND EDUCATION INITIATIVES

Consumer empowerment was advanced through targeted education campaigns and direct outreach. A key achievement was the launch of the *Universal Life Consumer Awareness Campaign*, delivered in partnership with both the Complaints, Investigations and Enforcement, and the Intermediaries and Market Conduct Units, which produced two educational videos to support understanding of universal life policies.

Additional consumer awareness initiatives included national media interviews, as well as school orientation sessions for educators and administrators on the value of insurance, the regulator's role, and the complaints process.

The Commission also aligned its public campaigns with global observances such as Earth Day, Breast Cancer Awareness Month, and Diabetes Awareness Month, reinforcing its commitment to community health, awareness, and corporate social responsibility.

CROSS-DEPARTMENTAL COLLABORATION

The Commission strengthened internal collaboration and interagency partnerships to enhance regulatory effectiveness and service delivery. A major initiative was the launch of the Complaints Portal, developed in partnership with the Legal, and Intermediaries and Market Conduct Units. This portal provides the public with a streamlined mechanism for reporting and resolving insurance-related grievances.

Collaboration extended to legislative reform efforts, including stakeholder meetings with the Bahamas Insurance Association, the Ministry of Finance, the Ministry of Energy and Transport, and the Road Traffic Department to discuss amendments to the Road Traffic Act.

CONSUMER AWARENESS AND EDUCATION INITIATIVES

Consumer empowerment was advanced through targeted education campaigns and direct outreach initiatives aimed at a broad, diverse audience. A key achievement during the period was the launch of the Universal Life Consumer Awareness Campaign, delivered in partnership with the Complaints, Investigations and Enforcement Unit and the Intermediaries and Market Conduct Unit. This initiative produced two educational videos to improve consumer understanding of universal life insurance policies.

To further ensure accessibility and inclusivity, the Commission expanded its outreach by developing and distributing consumer awareness advertisements in Spanish and Haitian Creole. These multilingual ads helped extend the reach of key messages. They ensured that historically underserved and non-English-speaking communities had access to important insurance education and consumer protection information, reflecting a deliberate step toward greater inclusion.

Additional consumer awareness efforts included national media interviews and school orientation sessions for educators and administrators focused on the value of insurance, the regulator's role, and the complaints process.

The Commission also aligned its public education campaigns with global observances such as Earth Day, Breast Cancer Awareness Month, and Diabetes Awareness Month, reinforcing its broader commitment to community health, public awareness, and corporate social responsibility.

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OUTLOOK AND STRATEGIC PRIORITIES

CAPACITY BUILDING AND PROFESSIONAL DEVELOPMENT

The Commission continued to invest in staff training and the development of internal technical expertise. It also supported sector-wide professional development through initiatives such as the InsurTech Compliance, Innovation and Regulatory Practices (ICIRP) course, as well as enhanced certification standards for compliance officers and intermediaries.

SOCIAL MEDIA ANALYTICS

LINKEDIN

Throughout 2024, LinkedIn engagement demonstrated sustained growth across all primary metrics. Monthly unique impressions grew by approximately 169% from February to their August peak (17,989). Interaction levels remained high throughout the period, characterized by notable spikes in total clicks during May (12,824) and November (10,132), reflecting effective audience acquisition and retention.

Organic reach expanded steadily throughout the year, with impressions rising from 14,287 in February to a peak of 44,388 in November. This growth highlights the high resonance of our content strategy and an increasing reliance on unpaid visibility. Page views followed a similar upward trend despite monthly fluctuations, reaching a high of 1,020 in August and signaling heightened visitor activity.

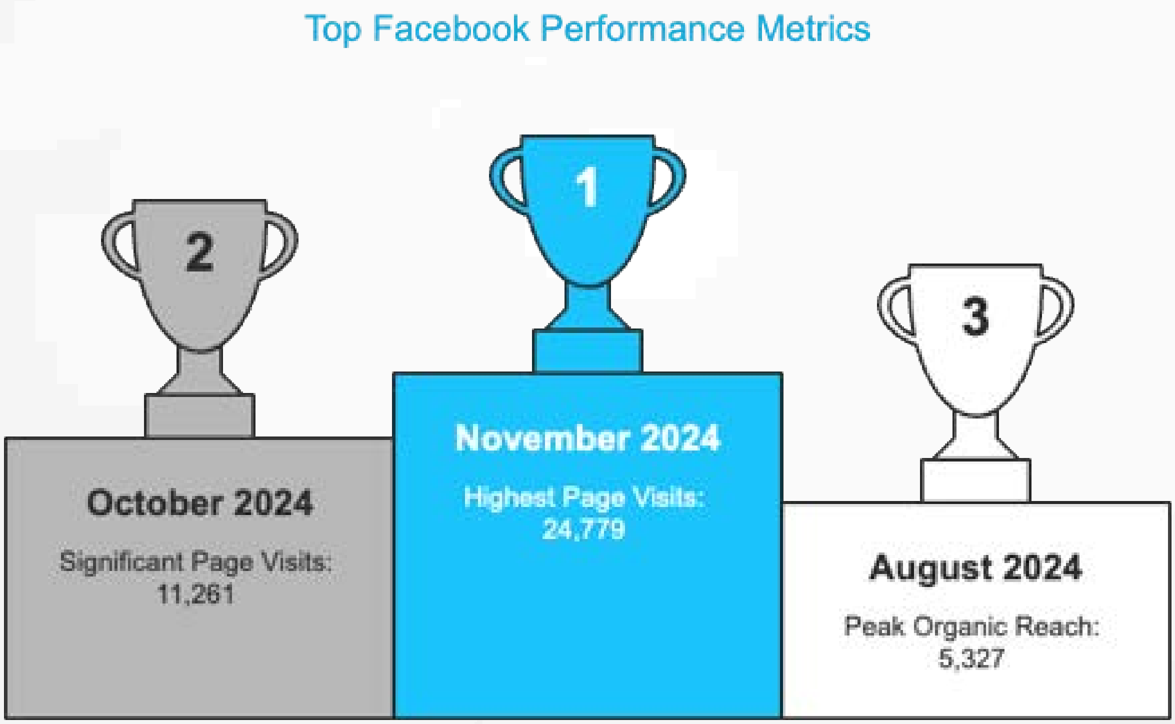
The Commission's LinkedIn community growth was particularly notable as the follower base more than tripled, moving from 586 to 1,862 by year-end. Monthly acquisitions scaled from 103 in February to a peak of 221 in August, validating the Commission’s audience development initiatives. Collectively, these metrics underscore a strong upward trajectory in 2024, characterized by enhanced brand visibility and sustained community expansion.

Top Months for LinkedIn Performance

FACEBOOK

Between February and December 2024, Facebook performance was characterized by significant organic expansion and high-impact traffic spikes. Organic reach grew nearly fourfold, rising from 1,347 in February to a peak of 5,327 in August. This heightened visibility was mirrored by an increase in audience participation, with content interactions scaling from 151 (Feb) to a peak of 801 (Sept), indicating a successful evolution in content resonance.

The most notable performance metric was a surge in page visits during Q4, which escalated from a sub-2,000 monthly average to 24,779 in November. This 1,100% increase suggests highly effective campaign-driven traffic. Concurrently, the Facebook community base maintained steady growth, expanding from 817 followers in May to 955 by year-end. Collectively, these trends underscore a year of sustained audience acquisition and heightened platform utility.



TIKTOK

The Commission successfully expanded its digital footprint in 2024 with the strategic launch of a TikTok presence, targeting broader demographic outreach. The initial launch phase yielded 549 followers and 2,482 likes across four targeted video segments. Content strategy focused on a blend of educational and promotional themes, including Universal Life Insurance, student spotlights, and recruitment-focused features.

Performance was anchored by a featured interview with the Superintendent of Insurance, which garnered over 29,000 views, signaling high audience appetite for executive insights and employment-related content. While longitudinal monthly analytics are pending beyond the pilot phase, early engagement benchmarks and positive sentiment suggest significant potential for TikTok as a high-growth outreach channel.

Platform	Core Growth Metric	Peak Performance	Year-End Status
LinkedIn	**+217%** Follower Increase	**17,989** Unique Impressions (Aug)	**1,862** Total Followers
Facebook	**+295%** Organic Reach	**24,779** Page Visits (Nov)	**955** Total Followers
TikTok	**New Launch**	**29,000+** Views (Top Video)	**549** Followers (Initial Phase)

INDUSTRY AND STAKEHOLDER ENGAGEMENT

FEBRUARY 2024 HIGHLIGHTS

BIA CHURCH SERVICE AND LUNCHEON

BAHAMAS @ SUNRISE

BIA AWARDS RECEPTION

BIBA MONTHLY MEETING

IIB LUNCH AND LEARN

CEO FORUM | INSURANCE COMPANIES

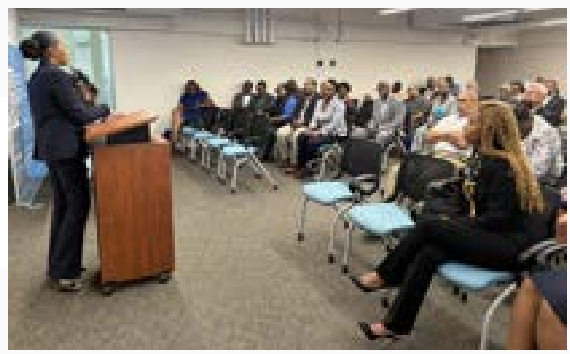
MARCH 2024 HIGHLIGHTS

MICHELE C. E. FIELDS' RETIREMENT PARTY

ICB AT CICA 2024

ROYAL FIDELITY BAHAMAS ECONOMIC OUTLOOK

CEO FORUM | INSURANCE INTERMEDIARIES



APRIL 2024 HIGHLIGHTS

GAMA COURTESY CALL

SUPERINTENDENT SPEAKS TO ROTARY CLUB

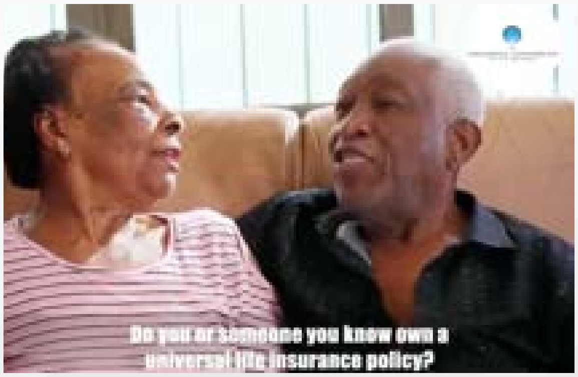
GRAND BAHAMA INDUSTRY COURTESY CALL

NEW PROVIDENCE INDUSTRY COURTESY CALL

ICB DONATES TO CHINARA GRANT

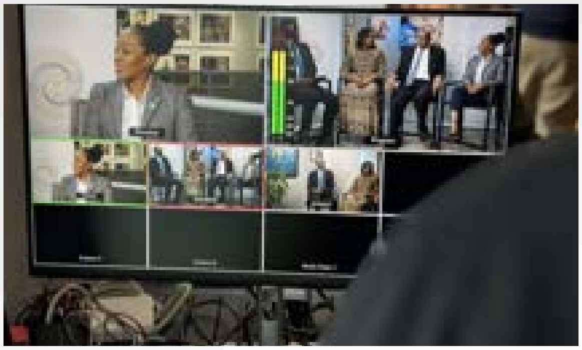
ICB DONATES TO LUPUS 242

UNIVERSAL LIFE CAMPAIGN LAUNCH



MAY 2024 HIGHLIGHTS

CENTRAL BANK'S HARBOUR SIDE CHAT



ISBET WORK STUDY STUDENTS

RIMS RISKWORLD 2024 CONFERENCE

LUPUS AWARENESS

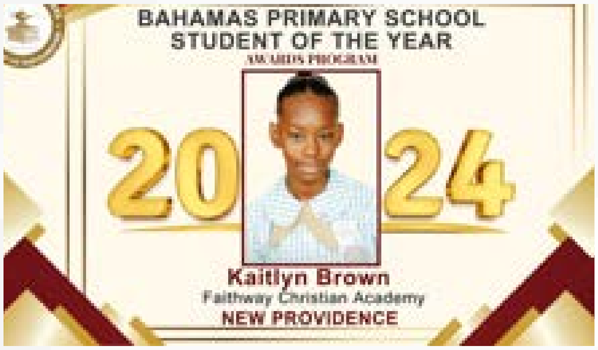
BFSB'S INDUSTRY BRIEFING

FAMILY GUARDIAN'S LIS ICB AND LEGAL SYMPOSIUM

IIA BAHAMAS CHAPTER 2024 CONFERENCE

CANCER SOCIETY BALL AND DONATION

PRIMARY SCHOOL STUDENT OF THE YEAR DONATION



CAIR 2024 ANNUAL CONFERENCE

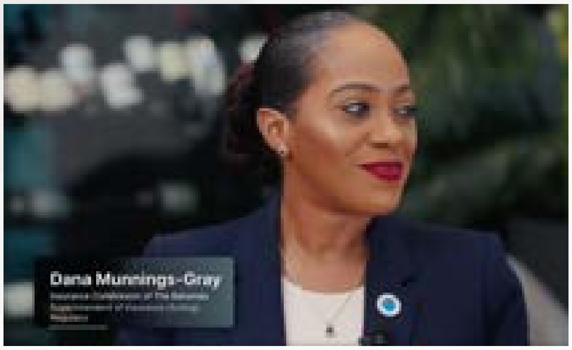
JUNE 2024 HIGHLIGHTS

IAC ANNUAL CARIBBEAN INSURANCE CONFERENCE

CFATF 58TH PLENARY AND WORKING GROUP MEETINGS

IIB LUNCHEON

BFSB ECOSYSTEM - EPISODE 1 "RESILIENCE TO GLOBAL ECONOMIC FLUCTUATIONS"



DONATION TO DAKARAI TURNQUEST

BLUE WAVES SWIM CLUB DONATION

ZNS INTERVIEW - FLOOD INSURANCE

BFSB LONDON LANDFALL

GIICS SEMINAR AND ANNUAL GENERAL MEETING

JULY 2024 HIGHLIGHTS

APPOINTMENT OF SUPERINTENDENT OF INSURANCE

APPOINTMENT OF SUPERINTENDENT

Dana Munnings-Gray joined the Insurance Commission of The Bahamas on March 1, 2022, serving as Deputy Superintendent of Insurance until December 5, 2023, when she assumed the role of Acting Superintendent of Insurance. Effective July 1, 2024, Mrs. Munnings-Gray was officially appointed Superintendent of Insurance. The Commission recognizes and celebrates this achievement with her. The Commission also wishes to express gratitude to the industry and stakeholders for their ongoing support of Mrs. Munnings-Gray and her contributions to the insurance sector.

FOLLOW US

EYEWITNESS INTERVIEW - FLOOD INSURANCE

IAAP SUMMIT

ACCESS BANK PLC COURTESY CALL

NEW COMPLAINTS PORTAL

CENTRAL BANK OF THE BAHAMAS' 50TH ANNIVERSARY SERVICE OF THANKSGIVING

NAGARA ANNUAL CONFERENCE IN ATLANTA, GEORGIA

GAMA LUNCH AND LEARN

WEALTH BRIEFING ARTICLE WITH DANA MUNNINGS-GRAY

There Is Big Wealth Sector Potential For Bahamas' Insurance Sector

AUGUST 2024 HIGHLIGHTS

COLINA INSURANCE LIMITED'S ANNIVERSARY RECEPTION

SUPPORTING STUDENTS STUDYING ACTUARY SCIENCE

FATF STANDARDS TRAINING COURSE

MEETING WITH BIA, THE MINISTRY OF FINANCE, THE MINISTRY OF ENERGY AND TRANSPORT, AND THE ROAD TRAFFIC BOARD

GERALD CASH SPEAKING ENGAGEMENT

DORIS JOHNSON SPEAKING ENGAGEMENT

SEPTEMBER 2024 HIGHLIGHTS

SEPTEMBER EDITION OF CAPTIVE INSURANCE TIMES

P.I.N.K. X TALKS - FINANCIAL EMPOWERMENT SEMINAR

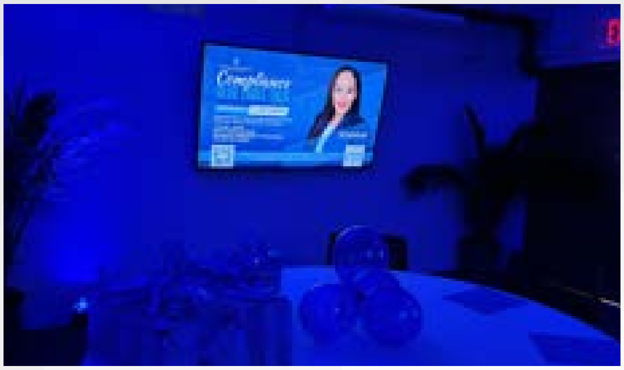
DORIS JOHNSON DONATION

ABACO BUSINESS OUTLOOK

ABACO COURTESY CALLS

KIWANIS CLUB OF NASSAU A.M. SPEAKING ENGAGEMENT

COMPLIANCE BLUE TABLE TALKS



MEETING WITH BIA'S COMPLIANCE COMMITTEE

CEO FORUM INSURANCE COMPANIES AND INTERMEDIARIES

ICB DONATIONS - ALL SAINTS CAMP

ICB DONATIONS - PERSIS RODGERS

ICB DONATIONS - ELIZABETH ESTATES HOME

ICB DONATIONS CHILDREN'S EMERGENCY HOSTEL

ICB DONATIONS - SIMPSON PENN CENTRE FOR BOYS

ICB DONATIONS - WILLIE MAE PRATT CENTRE FOR GIRLS

OCTOBER 2024 HIGHLIGHTS

GAMA BAHAMAS INTERNATIONAL 2024 CONFERENCE

CRCA 2024 CONFERENCE

UNIVERSITY OF THE BAHAMAS CAREER FAIR

BREAST CANCER AWARENESS MONTH

ACAMS BAHAMAS CHAPTER SEMINAR

BSHRM 2024 ANNUAL CONFERENCE

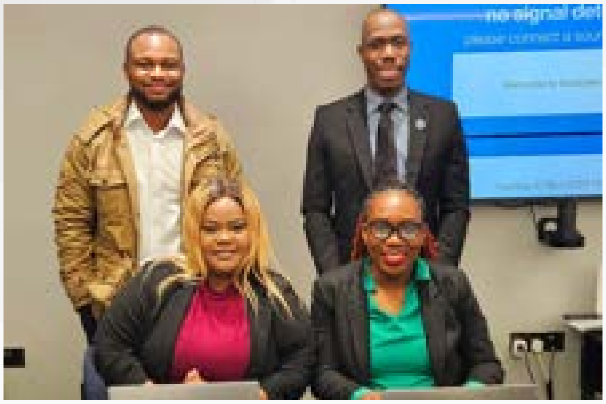
NOVEMBER 2024 HIGHLIGHTS

BAHAMAS AIDS FOUNDATION'S 2024 RED RIBBON BALL

BACO COURTESY CALL

FINANCIAL INTELLIGENCE UNIT (FIU) TRAINING

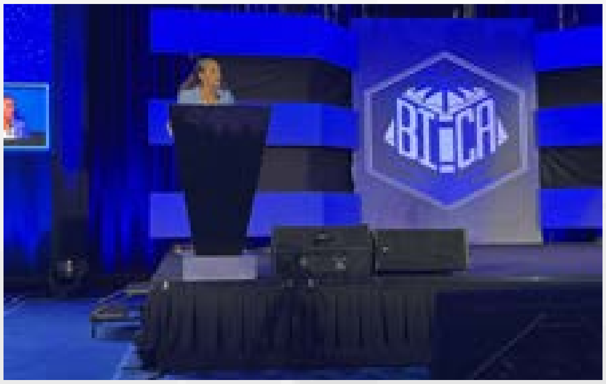
GIICS TRAINING SEMINAR



INSPIREHER 2024 CONFERENCE

GERALD CASH PREFECT CEREMONY

BICA ACCOUNTANTS' WEEK 2024



ICB FUN, RUN, WALK AND HEALTH FAIR

EY COURTESY CALL

BACO COMPLIANCE DAY

DECEMBER 2024 HIGHLIGHTS

34TH ANNUAL CARIBBEAN ACTUARIAL ASSOCIATION CONFERENCE

BICA TAXATION UPDATE SEMINAR

CFATF 59TH PLENARY AND WORKING GROUP

S.T.I. GLOBAL EDUCATION LTD. TRAINING

2ND ANNUAL INSURANCE PROFESSIONAL REFRESHER TRAINING SEMINAR

BFSB INDUSTRY BRIEFING

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS) ANNUAL CONFERENCE

NATIONAL CYBERSECURITY STRATEGY (NCS) WORKSHOP

DEPOSIT INSURANCE CORPORATION 25TH ANNIVERSARY

FINANCIAL STATEMENTS

As of December 31, 2024

INSURANCE COMMISSION OF THE BAHAMAS

Financial Statements
For The Year Ended December 31, 2024
And Independent Auditors' Report

Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville,
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101

INDEPENDENT AUDITORS' REPORT

To the Members of
Insurance Commission of The Bahamas:

Opinion

We have audited the financial statements of Insurance Commission of The Bahamas (the "Commission"), which comprise the statement of financial position as of December 31, 2024, and the statement of profit or loss and other comprehensive income or loss, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

May 31, 2025

Insurance Commission of The Bahamas

Statement of Financial Position
As of December 31, 2024
(Expressed in Bahamian dollars)

	2024 $	2023 $
ASSETS		
Current assets		
Cash on hand and at banks (Notes 12 and 14)	10,089,819	5,650,888
Accounts receivable (Notes 4, 12, and 14)	2,666,290	2,265,358
Prepaid expenses and other assets (Note 5)	139,391	36,323
Investments (Notes 6,12, and 14)	12,590,448	12,351,493
Total current assets	25,485,948	20,304,062
Non-current assets		
Investments (Notes 6,12, and 14)	8,250,900	8,996,200
Right-of-use asset (Note 7)	640,957	961,327
Equipment (Note 7)	342,670	105,343
Pension contribution receivable (Notes 11 and 12)	118,863	152,684
Total non-current assets	9,353,390	10,215,554
Total assets	**34,839,338**	**30,519,616**
LIABILITIES		
Current liabilities		
Premium taxes payable (Notes 12 and 14)	6,780,683	3,899,841
Accounts payable and accrued expenses (Notes 8, 12 and 14)	829,300	1,170,444
Lease liability (Notes 12 and 14)	406,864	396,920
Deferred income (Note 10)	167,805	169,902
Total current liabilities	8,184,652	5,637,107
Non-current liabilities		
Staff pension fund (Note 11)	1,349,742	1,415,229
Lease liability (Notes 12 and 14)	373,277	729,617
Funds held on behalf of Licensees (Note 9)	157,569	157,108
Total non-current liabilities	1,880,588	2,301,954
Total liabilities	**10,065,240**	**7,939,061**
NET ASSETS	**24,774,098**	**22,580,555**
Represented by:		
SURPLUS	**24,774,098**	**22,580,555**

These financial statements were approved and authorized for issue by the Members of the Commission on May 31, 2025, and signed on their behalf by:

Superintendent **Chairman (Audit Committee)**

The accompanying notes form an integral part of these Financial Statements.

Insurance Commission of The Bahamas

Statement of Profit or Loss and Other Comprehensive Income or Loss
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

	2024 $	2023 $
INCOME		
Fee Income:		
Premium taxes	8,650,612	7,790,317
License and registration fees	348,483	350,731
Total fee income	8,999,095	8,141,048
Interest income (Note 12)	653,506	652,124
Total income	**9,652,601**	**8,793,172**
EXPENSES		
Salaries, wages, and employee benefits (Notes 11 and 12)	4,029,507	2,960,503
Training and conferences	546,563	432,391
Utilities and property charges (Note 12)	505,813	281,239
Depreciation (Note 7)	463,873	434,949
Professional fees (Note 12)	412,171	926,220
Allowance for impairment (Notes 4 and 6)	402,000	-
Office operating expenses	273,989	92,606
Membership fees and subscriptions	237,250	124,140
Commissioners' honoraria and expenses (Note 12)	228,586	135,296
Public & community relations	212,271	197,379
Lease interest expense (Note 12)	52,405	68,059
Repairs and maintenance	39,393	41,516
Miscellaneous	28,633	9,193
Bank charges	19,626	7,496
Rent	13,180	8,871
Vehicle expense	6,303	5,233
Security service charges	4,539	-
Total expense	**7,476,102**	**5,725,091**
Profit for the year	**2,176,499**	**3,068,081**
OTHER COMPREHENSIVE INCOME/ LOSS		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain (loss) on defined benefit plan (Note 11)	**17,044**	**(29,109)**
TOTAL COMPREHENSIVE INCOME	**2,193,543**	**3,038,972**

The accompanying notes form an integral part of these Financial Statements.

Insurance Commission of The Bahamas

Statement of Changes in Net Assets
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

SURPLUS	**$**
Balance as of January 1, 2023	**25,041,593**
Profit for the year	3,068,081
Surplus Funds: Distribution to Government of The Bahamas	(5,500,010)
Other comprehensive loss	(29,109)
Balance as of December 31, 2023	**22,580,555**
Profit for the year	2,176,499
Other comprehensive income	17,044
Balance as of December 31, 2024	**24,774,098**

The accompanying notes form an integral part of these Financial Statements.

Insurance Commission of The Bahamas

Statement of Cash Flows
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

	2024 $	2023 $
Cash flows from operating activities:		
Profit for the year	2,176,499	3,068,081
Adjustment for non-cash items:		
Depreciation (Note 7)	463,873	434,949
Allowance for impairment (Notes 4 and 6)	402,000	-
Interest income (Note 12)	(653,506)	(652,124)
	2,388,866	2,850,906
Movement in working capital:		
Increase in accounts receivables	(516,847)	(270,389)
Increase in prepaid expenses and other assets	(103,068)	(31,051)
Increase in pension contribution receivable	(8,397)	(7,997)
Increase in premium taxes payable to Government	2,880,842	3,896,825
(Decrease)/ increase in accounts payable and accrued expenses	(341,144)	630,877
Decrease increase in deferred income	(2,098)	(24,950)
(Decrease)/ increase in staff pension fund liability	(6,225)	83,214
Increase in funds held on behalf of a licensee	461	1,280
Net cash provided by operating activities	**4,292,390**	**7,128,715**
Cash flows from investing activities		
Sale of term deposits and BGRS (Note 6)	213,345	2,980,780
Purchase of equipment (Note 7)	(380,829)	(120,312)
Interest received	660,421	672,435
Net cash provided by investing activities	**492,937**	**3,532,903**
Cash flows from financing activities		
Distribution to the Government of The Bahamas	-	(5,500,010)
Principal payment on lease liability	(346,396)	(318,938)
Net cash used in financing activities	**(346,396)**	**(5,818,948)**
Increase in cash and cash equivalents	**4,438,931**	**4,842,670**
Cash and cash equivalents as of the beginning of the year	5,650,888	808,218
Cash and cash equivalents as of the end of the year	**10,089,819**	**5,650,888**

The accompanying notes form an integral part of these Financial Statements.

1. General Information

The Insurance Commission of The Bahamas (the Commission) is established as a body corporate, under the Insurance Act, 2005 (the Act) of the Commonwealth of The Bahamas (The Bahamas). The Commission commenced operations on July 2, 2009, the date on which the Act came into effect. The functions of the Commission include the monitoring and regulation of the insurance market in The Bahamas, the participants of which include insurance companies, underwriters, medical health service organizations, brokers, agents, sub-agents, adjusters, risk managers, consultants and salespersons. The Commission regulates the industry in accordance with the Act and the External Insurance Act, 2009 and the related rules and regulations. The Act provided for the repeal of the Insurance Act, 1969, which vested certain powers of regulation of the insurance industry in the Office of the Registrar of Insurance Companies (ORIC). The office of the Commission is located at Poinciana House, East Bay Street, Nassau, Bahamas.

2. Adoption of New and Amended International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

In the current year, there were several new and amended Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB effective for annual reporting periods beginning on or after January 1, 2024.

Relevant Standards and Interpretations effective but not affecting the reported results or financial position

Amendments to IAS 1 Classification of Liabilities as Current or Non-current
Amendments to IAS Non-current Liabilities with Covenants
Amendments to IFRS 16-Lease Liability in a Sale and Leaseback

The above standards have not led to changes in the financial position of the Commission during the current year.

Relevant Standards and Interpretations in issue but not yet effective

Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
IFRS 7 and 9	Amendments to the Classification and Measurement of Financial Instruments
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

Management has not assessed whether the relevant adoption of these standards and interpretations in future periods will have a material impact on the financial statements of the Commission.

3. Summary of Material Accounting Policy Information

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires management to exercise its judgment in the process of applying its accounting policies. It also requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 3(e), 3(f), 3(i), 3(j) and 11.

(b) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention.

(c) Foreign currency translation

The financial statements are presented in Bahamian dollars, which is the Commission's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at period end exchange rates are recognised in the statement of profit and loss and other comprehensive income or loss.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits with banks and term deposits with banks with original contractual maturities of three months or less.

(e) Accounts receivable

Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost, less a loss allowance for expected credit losses (ECL), in accordance with IFRS 9. The Commission applies the simplified approach permitted by IFRS 9 for trade receivables, whereby a loss allowance is recognized based on lifetime expected credit losses at initial recognition and throughout the life of the receivable. The assessment of ECL is based on historical credit loss experience, adjusted for current conditions and reasonable and supportable forward-looking information. Accounts receivable are considered past due when outstanding for more than sixty days.

3. Summary of Material Accounting Policy Information (Continued)

(f) Investments

Management conducts an annual Expected Credit Loss (ECL) assessment for all financial assets. At initial recognition, investments are measured at amortised cost net of any write down for derecognition. Provision for credit losses on investments is based on IFRS 9 simplified approach. Under the simplified approach the impairment loss is measured as Lifetime Expected Credit Loss (ECL).

The Commission recognizes a loss allowance for expected credit losses ("ECL") on cash and cash equivalents. This approach uses the instrument level probability of default, loss given default and exposure at default each time step over the relevant period of credit risk. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or 3 assets. Management has considered the maximum credit period when measuring ECL to which the entity is exposed to credit risk on its demand deposits to be one year. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Management considers both qualitative and quantitative reasonable to assess whether the credit risk of an asset has increased significantly.

g) Right-of-use asset and equipment

In accordance with IFRS 16 Leases, the Commission recognizes a right-of-use (ROU) asset and a corresponding lease liability at the commencement date of a lease. ROU assets are measured at cost, which includes the initial lease liability, any lease payments made at or before commencement (less any incentives received), initial direct costs, and estimates of dismantling or restoration obligations. ROU assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The Commission applies IAS 36 Impairment of Assets to assess ROU assets for impairment. The Commission has elected not to recognize ROU assets and lease liabilities for short-term leases (12 months or less) and leases of low-value assets, with lease payments expensed on a straight-line basis over the lease term. ROU assets primarily relate to the leased office space used in the Commission's operations.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which are estimated as follows:

Computer equipment	3 years
Imaging system	3 years
Telephone system	3 years
Leasehold improvements	5 years
Furniture and fittings	5 years
Motor Vehicles	8 years
Right-to-use asset	8 years

A full year's depreciation charge is made in the year of purchase.

3. Summary of Material Accounting Policy Information (Continued)

(g) Right-of-use asset and equipment (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The Commission estimates its incremental borrowing rate at 5.50% for Office Space. Lease payments included in the measurement of the lease liability comprise of fixed lease payments (including in-substance fixed payments). The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Commission remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term.

(h) Income and expense recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Commission. Revenue from licensing activities is recognised over the period of the applicable license, with amounts collected in relation to future periods being deferred in the statement of financial position.

The Act, as amended, provides for the Commission to receive twenty five percent (25%) of premium taxes collected from registered insurers. Only the Commission's share of the premium taxes due from licensees as at the date of these financial statements is recognised as revenue and included in accounts receivable.

Interest income and finance costs are recognised using the effective interest method. All other income and expenses are recognised on the accrual basis of accounting.

3. Summary of Material Accounting Policy Information (Continued)

(i) Employee benefits

Employees of ORIC were entitled to a defined benefit pension under the Pensions Act, Chapter 43; the Commission has continued equivalent pension benefits for employees transferred from ORIC. The Commission

A defined benefit pension plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually as a function of one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position is the present value of the defined benefit obligation as of the statement of financial position date minus the fair value of plan assets, together with adjustments for actuarial gains or losses and past service costs. The part of the pension liability that relates to the period before each employee was transferred to the Commission from ORIC is shown as a receivable from the Government in the statement of financial position. As of the date of the statement of financial position, the plan had no investments. The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Bahamas Government securities that have terms to maturity approximating the terms of the related liability.

In 2012, the Commission implemented a defined contribution pension plan for its other employees (who were not previous employees of ORIC). Under the plan, the Commission and the employee make contributions based on fixed percentages of gross salaries to a privately administered fund. The Commission has no legal or constructive obligations to pay further contributions once payment of approved contributions has been made. Employees transferred from ORIC are entitled to join the plan; however, the Commission makes no contribution to the plan on their behalf. Salaries, wages, and other employee benefits are recognised on the accrual basis of accounting. The value of accrued benefits, or past service costs, has been recognised immediately in the current period's statement of profit or loss or other comprehensive income or loss.

(j) Taxation

The Commission is established under the laws of The Bahamas and, therefore, is not subject to income or capital gains taxes. In respect to the official communication received from the Ministry of Finance, on March 16, 2020, the Commission is permitted to offset net VAT Receivable against premium taxes payable.

(Expressed in Bahamian dollars)

4. Accounts Receivable

	2024 $	2023 $
Premium taxes	2,384,479	2,018,598
Accrued interest income	145,766	152,681
Other	139,630	24,223
VAT recoverable	104,415	68,856
Fees	1,000	1,000
Total	2,775,290	2,265,358
Less: Allowance for credit losses	(109,000)	-
	2,666,290	**2,265,358**

Allowance for credit losses consist of the following:

	Beginning $	Provision for Credit Losses $	Write-offs $	End $
Accounts Receivable	-	**109,000**	-	**109,000**

The following table reconcile the opening and closing allowance for credit losses by stage.

	Stage 1 $	Performing Stage 2 $	Impaired Stage 3 $	Total $
Beginning balance	-	-	-	-
Allowance for credit losses	109,000	-	-	109,000
Model changes	-	-	-	-
Transfer in (out)	-	-	-	-
Purchases and originations	-	-	-	-
Derecognition and maturities	-	-	-	-
Remeasurements	-	-	-	-
Total	**109,000**	-	-	**109,000**

5. Prepaid expenses and other assets

	2024 $	2023 $
Premium other expenses	72,051	35,161
Prepaid subscription	67,340	1,162
Total	**139,391**	**36,323**

(Expressed in Bahamian dollars)

6. Investments

	2024 $	2023 $
Term Deposits	12,590,448	12,351,493
Bahamas Government Registered Stocks	8,543,000	8,996,200
Total	21,134,348	21,347,693
Less: Allowance for credit losses	(293,000)	-
	20,841,348	21,347,693

During the period covered by these financial statements, the weighted average interest rate earned on certificates of deposit was 1.00% (2023: 1.00%). All certificates of deposit mature within twelve months of the date of the statement of financial position.

Investments in Bahamas Government Registered Stocks (BGRS) have interest rates tied to the Bahamian dollar prime rate (Prime). The interest rates ranged from 4.25% to 6.50%. As of the date of the statement of financial position, Prime was 4.25% (2023: 4.25%). The Commission has determined that the expected credit loss with respect to BGRS is $293,000 and the investments are stated at amortized cost.

The fair value of all investments has been determined using level 2 inputs as defined under the fair value hierarchy in accordance with IFRS 13.

Allowance for credit losses consist of the following:

	Beginning $	Provision for Credit Losses $	Write-offs $	End $
Investments	-	293,000	-	293,000

The following table reconcile the opening and closing allowance for credit losses by stage.

	Stage 1 $	Performing Stage 2 $	Impaired Stage 3 $	Total $
Beginning balance	-	-	-	-
Allowance for cedit losses	293,000	-	-	293,000
Model changes	-	-	-	-
Transfer in (out)	-	-	-	-
Purchases and originations	-	-	-	-
Derecognition and maturities	-	-	-	-
Remeasurements	-	-	-	-
Total	**293,000**	-	-	**293,000**

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

7. Right-of-Use Asset and equipment

	Right-of-use Asset	Computer Equipment	Furniture & Fitting	Telephone System	Leasehold Improvement	Auto	Total
	$	$	$	$	$	$	$
Cost							
January 1, 2024	2,261,803	233,096	373,057	48,050	17,209	30,693	2,963,908
Additions	-	191,429	34,779	15,464	29,480	109,677	380,829
December 31, 2024	**2,261,803**	**424,525**	**407,836**	**63,514**	**46,689**	**140,370**	**3,344,737**
Accumulated Depreciation							
January 1, 2024	1,300,476	173,964	336,165	48,050	7,889	30,693	1,897,237
Depreciation	320,370	94,351	22,063	5,154	8,226	13,709	463,873
December 31, 2024	**1,620,846**	**268,315**	**358,228**	**53,204**	**16,115**	**44,402**	**2,361,110**
Net Book Value							
December 31, 2024	**640,957**	**156,210**	**49,608**	**10,310**	**30,574**	**95,968**	**983,627**
December 31, 2023	**961,327**	**59,131**	**36,892**	**-**	**9,320**	**-**	**1,066,670**

8. Accounts Payable and Accrued Expenses

	2024	**2023**
	$	**$**
Accrued expenses	648,508	772,288
Due to Poinciana SPV	158,889	75,450
VAT payable to the Government	16,995	16,433
Due to the Securities Commission	4,908	15,041
Unclaimed funds	-	291,232
Total accounts payable and accrued expenses	**829,300**	**1,170,444**

9. Funds Held on Behalf of Licensee

Funds held on behalf of a licensee of $157,569 (2023: $157,108) relate to a deposit prescribed under section 43(1) of the Insurance Act. Section 43 requires any company that wishes to be registered and carry on any class of insurance to deposit, with the Commission or with an approved financial institution on behalf of the Commission, the prescribed deposit. These funds are held at cost.

10. Deferred Income

The deferred income of $167,805 (2023: $169,902) relates to fee income received during the year in respect of future financial periods.

(Expressed in Bahamian dollars)

11. Staff Pension Fund

	2024	2023
	$	$
Present value of benefit obligation	1,349,742	1,348,339
Value of defined contribution	-	66,890
Liability recognised in the statement of financial position	**1,349,742**	**1,415,229**

The amount recognised in the statement of financial position, relating to the defined benefit pension entitlements, was determined as follows:

	2024	2023
	$	$
Present value of benefit obligation	1,349,742	1,348,339
Liability recognised in the statement of financial position	**1,349,742**	**1,348,339**
Assets recognised in the statement of financial position		
Present value of the amount due from The Government	(118,863)	(152,684)
Present value of benefit obligation	**1,230,879**	**1,195,655**

Movement in the net liability recognised in the statement of financial position are as follows:

	2024	2023
	$	$
Net liability at start of period	1,195,655	1,158,218
Net expense recognised in the Statement of Profit or Loss	88,762	85,222
Amount recognised in other comprehensive income	(17,044)	29,109
Contributions employer	(36,494)	(76,894)
Net liability at end of period	**1,230,879**	**1,195,655**

The movement in the present value of the Staff Pension Fund benefit obligation are as follows:

	2024	2023
	$	$
Opening present value obligation	1,348,339	1,303,625
Interest cost	74,406	70,817
Current service cost	22,753	22,402
Benefits paid	(36,494)	(76,895)
Actuarial gain/(loss) on obligation due to experience	(59,262)	28,390
Closing present value obligation	**1,349,742**	**1,348,339**

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

11. Staff Pension Fund (Continued)

The movement in the pension contribution due from the Government is as follows:

	2024	2023
	$	$
	152,684	145,407
Opening present value of amount due from government		
Interest cost	8,397	7,997
Actuarial (loss) on obligation	(42,218)	(720)
Closing present value of amount due from the Government	**118,863**	**152,684**

The movement in the fair value of the plan assets are as follows:

	2024	2023
	$	$
Opening present value of plan assets	-	-
Contribution - employer	36,494	76,895
Benefits paid	(36,494)	(76,895)
Closing fair value of plan assets	-	-

The amount recognised in the statement of profit or loss and other comprehensive income comprises:

	2024	2023
	$	$
Current service cost (net employees' contribution)	22,753	22,402
Interest Cost	66,009	62,820
Expense recognised in Statement of Profit or Loss	**88,762**	**85,222**
Actuarial (gains)/losses recognised in Other Comprehensive Income	**(17,044)**	**29,109**

Principal actuarial assumptions used were:	2024	2023
Discount rate at end of year	5.50%	5.50%
Future salary increases	3.00%	3.00%

The following table illustrates the changes to the net liability as at December 31, 2024 for a 1% change in these respective assumptions while holding all other assumptions constant.

	1% increase	1% decrease
	$	$
Discount rate	(124,793)	148,626
Future salary increases	44,908	(42,329)

(Expressed in Bahamian dollars)

12. Balances and Transactions with Related Parties

Related parties comprise Government ministries and departments, Government corporations and agencies, entities controlled by the Government, entities in which the Government has a significant ownership interest, and key management personnel. Balances and transactions with related parties include the following:

	2024 $	2023 $
Assets		
Cash at banks	10,088,719	5,649,788
Accounts receivable	250,181	371,529
Pension contribution receivable	118,863	152,684
Investments	20,841,348	21,347,693
Liabilities		
Premium taxes payable	6,780,683	3,899,841
Lease liability	780,141	1,126,537
Accounts payable and accrued expenses	185,801	110,858
Income		
Interest income	653,506	652,124
Expenses		
Utilities and property charges	441,996	272,544
Lease payments	396,940	386,997
Commissioners' honoraria and expenses	228,586	135,296
Professional fees	28,283	78,000
Bank charges	19,513	7,496

Key Management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Commission directly or indirectly, including the members of the Commission. Compensation of key management personnel for the year is as follows:

	2024 $	2023 $
Short term employee benefits	865,880	644,100
Post-employment benefits	74,090	52,617
	939,970	**696,717**

13. Commitments and Contingencies

Lease obligation

In accordance with the requirements of IFRS 16, the Commission recognises a lease liability with respect to all lease agreements with the exception of short-term leases (defined as leases with a lease term of 12 months or less). For short-term leases, the Commission recognises the lease payment as an operating expense. As at December 31, 2024, the balance outstanding on the lease liability totaled $780,141 (2023: $1,126,537) and the current lease payment due within one year is $406,864 (2023: $396,920).

(Expressed in Bahamian dollars)

13. Commitments and Contingencies (Continued)

Commitments

The Commission has entered into a five-year lease agreement, with an option for three additional years, beginning January 1, 2019, with Poinciana SPV. Obligations to make minimum lease payments as at December 31 are presented below:

Year	Minimum Lease Commitment
2024	$ 396,920
2025	$ 406,863
2026	$ 416,787

The Commission had a service agreement with the Securities Commission of The Bahamas for certain accounting, human resources and information technology services at a cost of $6,500 per month. The service agreement came to an end May 31, 2024.

Contingencies

During 2009, the Commission entered into an indemnity agreement with a Judicial Manager, appointed by The Bahamas' Supreme Court (the Court), to manage the affairs of one of the licensees of the Commission. The indemnity guaranteed the payment of the Judicial Manager's fees and expenses in the event of insufficiency of payment by the Estate. All fees approved for payment by the Court to date have been paid by the Estate and no provision has been made in these financial statements for any of the Judicial Manager's fees or expenses.

14. Financial Risk Management

Risk is inherent in the Commission's activities but is managed through a continuing and pro-active process of identification, measurement, and monitoring. The process of risk management is critical to the Commission's continuity. The Commission's overall risk management program focuses on the unpredictability of financial markets and seeks minimize potential adverse effects on the Commission's financial performance. The Commission engages in transactions that expose it to credit risk, liquidity risk, and interest rate risk in the normal course of business. The Commission's financial performance is affected by its capacity to understand and effectively manage these risks.

(a) Market risk

Market risk is the risk of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, equity prices, and other market changes.

i. Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in the market.

As of December 31, 2024, the Commission has no significant exposure on price risk.

14. Financial Risk Management (Continued)

(a) Market risk (continued)

ii. Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Commission may invest in financial instruments denominated in currencies other than Reporting Currency.

As of December 31, 2024, the Commission has no significant exposure on currency risk.

iii. Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Commission's exposure to cash flow interest rate risk is concentrated in cash at banks and investments; The Commission does not hedge this risk as it is not considered significant. The Commission does not have any significant fair value interest rate risk.

(b) Custody risk

The Commission is also exposed to operational risks such as custody risk. Custody risk is the risk of a loss being incurred on financial assets in custody as a result of a custodian's insolvency, negligence, misuse of assets, fraud, poor administration, or inadequate record keeping. Although an appropriate legal framework is in place that reduces the risk of loss of value of the investments held by a custodian in the event of failure, the ability of the Commission to transfer the investments might be temporarily impaired.

As of December 31, 2024, substantially all transactions were cleared through Bank of The Bahamas. Bankruptcy or insolvency of the custodian may cause the Commission's rights with respect to cash at the bank to be delayed or limited. The Commission regularly monitors its risk by monitoring the credit quality of its custodians.

There is no credit rating available for the custidian mentioned above.

(c) Capital risk management

The Commission regards the balance of its Surplus account and any reserve fund as capital. The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a capital base sufficient to support its regulatory powers and associated operations.

Effective July 1, 2013, surplus funds in excess of amounts authorized by the Minister of Finance to be reserved are payable to the Consolidated Fund.

(Expressed in Bahamian dollars)

14. Financial Risk Management (Continued)

(d) Credit risk

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Commission's exposure to credit risk is concentrated in its cash at bank, investments, and accounts receivable.

The Commission mitigates the risk associated with cash at banks by placing its deposits with a domestic financial institution in good standing with the Central Bank of The Bahamas.

The risk associated with investments is mitigated by placing term deposits in domestic financial institutions in good standing with the Central Bank of The Bahamas and investing in Bahamas Government Registered Stock which is guaranteed by the Government.

The risk associated with accounts receivable is mitigated by the monitoring of the payment history of licensees before deciding whether to renew annual licenses

The Commission, in its effort to minimise credit risk exposure, monitors the accounts receivable balances, ensuring that all efforts are expended in order to reduce accounts with long-overdue balances. A large proportion of accounts receivable are related to premium taxes which are due within four weeks of the end of each quarter. In 2024, they were normally collected within 60 days after the period to which they applied.

Most of the remaining accounts receivable is concentrated in a small group of insurers.

Days outstanding:	2024 $	2023 $
0 to 60 days	2,384,479	2,018,598
61 to 120 days	294,145	221,537
More than 120 days	96,666	25,223
Sub-total	2,775,290	2,265,358
Less: Allowance for credit loss	(109,000)	-
Total	**2,666,290**	**2,265,358**

Fees are payable annually on the anniversary of the license issue date. Premium taxes are payable quarterly and within thirty days of the end of the quarter to which they relate.

(e) Liquidity risk

The objective of liquidity management is to ensure the availability of sufficient funds to honour all of the Commission's financial commitments as they become due. The Commission maintains a level of liquid assets that mature in the short term or could be redeemed immediately to meet cash requirements for normal operating purposes.

As of December 31, 2024, all of the Commission's payables and accrued expenses are due within one year. The below table summarizes the maturity profile of the Commission's financial instruments, which are held at amortised cost.

(Expressed in Bahamian dollars)

14. Financial Risk Management (Continued)

(e) Liquidity risk (continued)

As at December 31, 2024	Less than one year $	Greater than one year $	Total $
Financial Assets			
Cash	10,089,819	-	10,089,819
Accounts receivable	2,666,290	-	2,666,290
Investments	12,590,448	8,250,900	20,841,348
Balance carried forward	25,346,557	8,250,900	33,597,457
Financial Liabilities			
Premium taxes payable	6,780,683	-	6,780,683
Accounts payable and accrued expenses	420,468	408,832	829,300
Lease liability	406,864	373,277	780,141
Total	**7,608,015**	**782,109**	**8,390,124**
Liquidity Gap	**17,738,542**	**7,468,791**	**25,207,333**

As at December 31, 2023	Less than one year $	Greater than one year $	Total $
Financial Assets			
Cash	5,650,888	-	5,650,888
Accounts receivable	2,265,358	-	2,265,358
Investments	618,933	20,728,760	21,347,693
Balance carried forward	**8,535,179**	**20,728,760**	**29,263,939**
Financial Liabilities			
Premium taxes payable	3,899,841	-	3,899,841
Accounts payable and accrued expenses	398,156	772,288	1,170,444
Lease liability	396,920	729,617	1,126,537
Total	**4,694,917**	**1,501,905**	**6,196,822**
Liquidity Gap	**3,840,262**	**19,226,855**	**23,067,117**

15. Fair Value of Financial Instruments

Financial instruments utilised by the Commission include the recorded financial assets and liabilities, and their estimated fair values approximate their carrying values.

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Bahamian dollars)

16. Unclaimed Funds

At December 31, 2024, $5,444,991 (2023: $5,047,001), inclusive of interest, stamp tax, and monthly maintenance fees, in unclaimed funds were being held in a special account at the Central Bank of The Bahamas, for the benefit of the policyholders and beneficiaries, in accordance with Section 183 of the Act. The Commission retained Nil (2023: $291,232), for the benefit of the policyholders and beneficiaries.

These funds represent statements of all unclaimed money outstanding for at least one year, which were submitted by the Commission's licensees, as outlined in Section 182 of the Act. The unclaimed funds are held in trust and are not included on the statement of financial position.

17. Distribution to Government of The Bahamas

The Government of The Bahamas has not requested a distribution for the year 2024 (2023: $5,500,010).

18. Subsequent Events

Subsequent to the reporting date, the Commission entered into two lease agreements with Skyline Retreat Ltd., located in New Providence, and Pajaro Holdings Company Limited, located in Freeport, Grand Bahama. These lease arrangements will be evaluated and recognized in accordance with the requirements of IFRS 16 – Leases in the subsequent reporting period.

Notes

Notes

INSURANCE COMMISSION
OF THE BAHAMAS

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