INSURANCE COMMISSION
OF THE BAHAMAS

PUBLIC NOTICE

To: All Registrants and Licensees

Date: October 6, 2026

Re: SECTIONS 41 AND 133 OF THE INSURANCE ACT, CH. 347
PLACEMENT OF INSURANCE BUSINESS WITH NON-REGISTERED INSURERS

The Insurance Commission of The Bahamas ("the Commission") wishes to remind industry participants and the public of the requirements governing the placement of insurance business with insurers that are not registered to carry on insurance business in The Bahamas.

Persons seeking to place insurance business with a non-registered insurer are reminded that such placements must be undertaken in accordance with the applicable provisions of the Insurance Act, Ch. 347 ("the Act") and require the **prior** written permission of the Commission.

Section 41 – CONTRACTS WITH NON-REGISTERED COMPANIES

Pursuant to section 41(2), a person wishing to enter into an insurance contract with a non-registered company may apply to the Commission for permission to do so. In considering an application, the Commission must be satisfied that similar protection at a comparable cost cannot be obtained from a company registered under the Act.

Requests for permission under section 41 must be submitted directly to the Commission by the proposed insured. Applications submitted on behalf of the proposed insured by an insurance intermediary will not be accepted.

An insurance intermediary may assist the proposed insured in obtaining quotations, approaching the local insurance market and compiling supporting documentation; however, the request for permission must originate from the proposed insured.

Applications must be accompanied by sufficient supporting documentation demonstrating the proposed insured's efforts to obtain the required coverage within the registered Bahamian insurance market. Supporting documentation should include, as applicable, quotations, declinations and correspondence with registered insurers or intermediaries.

The application must also include details of the proposed coverage from the non-registered insurer, including the applicable quotation, indication or proposed policy terms, premium, coverage limits, deductibles, material exclusions and other relevant terms and conditions. This information should be sufficient to enable the Commission to assess whether similar protection at a comparable cost is available from an insurer registered under the Act.

Section 133 – DEALINGS WITH NON-REGISTERED INSURERS

Registered agents, sub-agents and brokers are reminded of the requirements of section 133 of the Act relating to dealings with insurers that are not registered to carry on insurance business in The Bahamas.

Pursuant to section 133(2), an agent, sub-agent or broker wishing to enter into an insurance contract with a non-registered company, other than a contract relating to reinsurance, may apply to the Commission for permission to do so. The Commission may grant permission where it is satisfied that similar protection at a comparable cost cannot be obtained from a company registered under the Act.

Requests for permission under section 133 must be submitted directly to the Commission by the registered agent, sub-agent or broker proposing to place the insurance business with the non-registered insurer.

Applications must be accompanied by sufficient supporting documentation demonstrating that reasonable efforts have been made to obtain similar protection at a comparable cost within the registered Bahamian insurance market. The application must also include details of the proposed coverage from the non-registered insurer, including the applicable quotation, indication or proposed policy terms, premium, coverage limits, deductibles, material exclusions and other relevant terms and conditions.

Premium Tax

Where permission is granted under section 133 for the placement of insurance business with a non-registered insurer, the registered intermediary is reminded of the applicable premium tax requirements. A premium tax of three per cent (3%) is payable on the applicable premium.

The registered intermediary is responsible for ensuring that the applicable premium tax is calculated and remitted to the Commission in accordance with the requirements of the Insurance Act, Ch. 347 and the Insurance (General) Regulations, 2010.

Evidence of payment in respect of the approved placement must be provided to the Commission with the intermediary's next applicable quarterly premium tax submission.

Personal Liability

Registered agents, sub-agents and brokers are specifically reminded that, pursuant to section 133(1) of the Act, an agent, sub-agent or broker is personally liable to the insured on contracts of insurance made by or through that intermediary directly with an insurer not registered to carry on insurance business in The Bahamas, in the same manner as if the intermediary were the insurer.

Further, pursuant to section 133(3), an intermediary who enters into such a contract without obtaining the permission of the Commission commits an offence and is liable to the insured in the same manner as if the intermediary were the insurer.

Accordingly, the Commission's prior written permission must be obtained before the insurance contract is entered into or coverage is placed with the non-registered insurer.

Registered intermediaries are further reminded that, pursuant to section 133(4) of the Act, the granting of permission by the Commission does not render the Commission liable to the applicant in respect of the insurance contract or its replacement.

Processing Time

The Commission will endeavour to process requests for permission under sections 41 and 133 within two (2) business days of receipt of a **complete application** and all required supporting documentation.

Where additional information or clarification is required, the processing period will commence once all outstanding information necessary to assess the application has been received.

Applicants are therefore encouraged to submit requests sufficiently in advance of the proposed inception or renewal date to allow for regulatory review.

Submission of Requests

Requests for permission under sections 41 and 133 of the Act, together with all required supporting documentation, must be submitted electronically to **supervisionunit@icb.gov.bs.**

Applicants are reminded that submission of a request does not constitute approval. The Commission's prior written permission must be obtained before coverage is bound or placed with a non-registered insurer.

Dana Munnings-Gray
Superintendent of Insurance