

# INSURANCE (GENERAL) REGULATIONS, 2010

## Arrangement of Regulations

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**INSURANCE ACT, 2005  
(No. 16 of 2005)**

**INSURANCE (GENERAL) REGULATIONS, 2010**

The Commission, in exercise of the powers conferred by section 233 of the Insurance Act, 2005 makes the following regulations —

**PART I – PRELIMINARY**

**1. Citation.**

These regulations may be cited as the Insurance (General) Regulations, 2010.

**2. Interpretation.**

In these regulations —

**“accident and sickness insurance”** means —

- (a) in the case of accident —
  - (i) insurance against loss resulting from bodily injury to, or the death of, a person caused by an accident, or
  - (ii) insurance where an insurer undertakes to pay a certain sum or sums of insurance money in the event of bodily injury to, or the death of, a person caused by an accident; and
- (b) in the case of sickness —
  - (i) insurance against loss resulting from the sickness or disability of a person other than loss resulting from an accident or death,
  - (ii) insurance where an insurer undertakes to pay a certain sum or sums of insurance money in the event of the sickness or disability of a person other than as a result of an accident, or
  - (iii) insurance where an insurer undertakes to pay a certain sum or sums of insurance money to reimburse expenses incurred for the health care, including the dental care and the preventative care, of a person other than as a result of an accident;

**“accidental death insurance”** means insurance where the insurer undertakes to pay an amount of insurance money in the event of the death by accident of the insured person;

**“acquisition costs”** mean, with respect to —

- (a) life insurance, costs incurred in the acquisition of new insurance policies and annuity contracts, including those costs that vary with, and are primarily related to, the acquisition of the policies and contracts, such as commissions, certain underwriting and policy issuing costs, and medical fees;
- (b) general insurance, all expenses incurred in relation to the production of new and renewal business, including specifically identifiable and allocated expenses relating to commissions, bonuses, allowances and other compensation paid to agents and brokers;

**“the Act”** means the Insurance Act, 2005;

**“affiliate”** has the same meaning as that stipulated in the Companies Act (*Ch. 308*);

**“amortization date”** means, in relation to the value of a mortgage loan payable to a registered insurer, the earliest of the following dates, namely —

- (a) the earliest date, if any, when the rate of interest payable under the terms of the mortgage loan can be increased by the lender;
- (b) the date when the mortgage loan is repaid in full if it is repaid in accordance with the loan agreement; and
- (c) where the purchase price of the mortgage loan is in excess of the principal amount outstanding under the loan on the date of its acquisition by the registered insurer, the earliest date, if any, before the end of the original term of the loan, when the loan can be repaid in full without the borrower incurring a penalty in excess of an amount equal to interest in respect of six months calculated on the principal amount outstanding under the loan on the date of repayment;

**“amortized value”** means, in relation to the value of redeemable security on any date after its acquisition, a value so determined that if the security were purchased at that date and at that value, the yield would be the same as the yield with reference to the purchase price;

**“annual statement”** means in respect of a registered insurer, the annual financial returns of the registered insurer prepared in accordance with section 58 of the Act;

**“catastrophe hazard”** means an event which results in a significant deviation of the actual aggregate losses from the expected aggregate losses;

**“controller”** means a director or a chief executive officer of a company;

**“debt security”** means a redeemable security, a perpetual bond or a mortgage loan;

**“entity”** means a body corporate, trust, partnership, fund, an unincorporated association or organization, or an agency of the government;

**“equity asset”** means any share of the capital stock of a body corporate;

**“fidelity insurance”** means —

- (a) insurance against loss caused by the unfaithful performance of duties by a person in a position of trust; or
- (b) insurance where an insurer undertakes to guarantee the proper fulfillment of the duties of an officer; including commercial guarantees, bankers, the Supreme Court and government bonds;

**“group insurance”** means insurance where the lives or health of a number of persons are insured severally under a single contract between an insurer and an employer or other person;

**“holding body corporate”** means a body corporate that has another body corporate as its subsidiary;

**“indebtedness”** means indebtedness in respect of commercial paper, acceptances, lines of credit to the extent drawn on and margin loans made to a director or officer of a company;

**“independent adjuster”** means an adjuster appointed by an insurer, agent or broker to assess on behalf of the insurer, agent or broker, the settlement of a claim under an insurance policy;

**“life insurance”** means insurance in respect of which an insurer undertakes to pay insurance money —

- (a) on death;
- (b) on the happening of an event or contingency dependent on human life;
- (c) at a fixed or determinable future time or times; or
- (d) for a term dependent on human life, and which, for greater certainty, includes —
  - (i) accidental death insurance, but not accident insurance,
  - (ii) health insurance,
  - (iii) disability insurance,



- (iv) group insurance, and
- (v) an undertaking entered into by an insurer to provide a life or fixed term annuity or what would be an annuity except for the fact that the periodic payments may be unequal in amount, and provides for the establishment, accumulation and payment of sinking, redemption, accumulation renewal or endowment funds;

**“long-term mortgage loan”** means on any date, a mortgage loan the terms of which do not require the repayment in full of the principal amount thereof until after the expiration of five years from that date;

**“long-term redeemable security”** means on any date, a redeemable security the terms of which do not require the repayment in full of the principal amount thereof until after the expiration of five years from that date;

**“market deficiency”** means in respect of any class of assets of a registered insurer, on any date, the amount if any, by which the aggregate of the book values on that date of the assets of the registered insurer in that class exceeds the aggregate of their market values on that date;

**“market excess”** means in respect of any class of assets of a registered insurer, on any date, the amount if any, by which the aggregate of the market values on that date of the assets of the registered insurer in that class exceeds the aggregate of their book values on that date;

**“medical or health service organization”** includes medical service plans, hospital service plans, health maintenance organizations, pre-paid limited health care service plans, dental, optometry and other similar health service plans;

**“mortgage loan”** means a loan made by or assigned to a registered insurer, the repayment of which is secured by a mortgage on real property;

**“not in good standing”** in respect of a loan, means a loan in respect of which —

- (a) any payment of the principal or interest is ninety days or more overdue;
- (b) interest is not being accrued on the books of the lender because it is doubtful whether the principal or interest will be paid or recovered; or
- (c) the rate of interest is reduced by the lender because the borrower is financially weak;

**“officer” or “senior officer”** means —

- (a) in relation to a body corporate, a director of the body corporate who is a full-time employee of the body corporate, the chief executive officer, chief operating officer, president, vice-president, secretary, controller, treasurer, chief financial officer, chief accountant, chief auditor, chief actuary, and any other natural person designated as an officer of the body corporate by any bye-law or resolution of the directors of the body corporate;
- (b) the head of the strategic planning unit of the body corporate;
- (c) the head of the unit of the body corporate that provides legal services or human resources services to the body corporate; or
- (d) in relation to any other entity, any natural person designated as an officer of the entity by any bye-law or resolution of the members thereof, or otherwise;

**“perpetual bond”** means a bond, the terms of which do not require the repayment of the principal amount thereof at any fixed or determinable date, or otherwise than at the option of the borrower;

**“policy”** means a written contract of insurance, reinsurance or an annuity contract whether contained in one or more documents;

**“professional indemnity insurance”** means insurance against legal liability towards third parties for injury, loss or damage, arising from a person’s professional negligence, error or omission, or that of his employees;

**“public adjuster”** means an adjuster appointed by an insured or claimant to assess and agree on the settlement of a claim under an insurance policy;

**“redeemable security”** means a security, other than an equity asset, that is issued for a fixed term and is redeemable at the end of that term at a specified value;

**“regulatory capital”** means admissible assets less the aggregate of —

- (a) liabilities;
- (b) subordinated debt;
- (c) preferred shares,

based on the unconsolidated financial statements of the company at the end of the previous fiscal year;

**“security”** means —

- (a) in relation to a body corporate —
  - (i) a share of any class of shares of the body corporate,

(ii) a debt obligation of the body corporate, or

(iii) a warrant of the body corporate,

but excludes a deposit with a financial institution or any instrument evidencing such a deposit; and

(b) in relation to any other entity, any ownership interest in or debt obligation of the entity;

**“security interest”** means an interest in or charge on property by way of mortgage, lien, pledge, or otherwise taken by a creditor or guarantor to secure the payment of performance of an obligation;

**“service corporation”** means, in relation to a company, a body corporate that engages exclusively in the provision of services to other companies;

**“short-term mortgage loan”** means, on any date, a mortgage loan the terms of which require the repayment in full of the principal amount thereof not later than five years from that date;

**“significant borrower”** in respect of a company, means —

(a) a natural person who has indebtedness for money borrowed from the company or from an affiliate of the company, other than a loan secured by a mortgage on the principal residence of that person, the total principal of which exceeds the greater of —

(i) two hundred thousand dollars, and

(ii) one fiftieth of one per cent of the regulatory capital of the company; or

(b) an entity that has indebtedness for money borrowed from the company or from an affiliate of the company, the total principal of which exceeds the greater of —

(i) five hundred thousand dollars,

(ii) one twentieth of one per cent of the regulatory capital of the company, and

(iii) twenty-five per cent of the value of the assets of the entity;

**“subsidiary”** means a body corporate that is controlled by another body corporate;

**“third party administrator”** means a person who or which performs managerial and clerical functions for an insurer or on behalf of a group of insured individuals; and

**“yield”** means —

(a) in relation to a mortgage loan, the effective rate of interest that will be returned on the purchase price of the loan if the

payments on account of principal and interest specified in the loan agreement are made up to, and including, the amortization date and any principal amount outstanding under the loan is then repaid;

- (b) in relation to a redeemable security, the effective rate of interest that will be returned on the purchase price of the security if the payments on account of interest specified in the security are made up to and including the redemption date and the security is then redeemed at the specified value, the redemption date being, in the case of a security that is redeemable at more than one specified date, the specified date that gives the lowest effective rate of interest.

## **PART II — CLASSES OF INSURANCE BUSINESS – SECTION 3 OF THE ACT**

### **3. Classes of insurance business.**

For the purposes of section 3 of the Act, the classes of insurance business identified in Column A are as defined in Column B —

#### **Column A**

#### **Column B**

- |  |  |
|--|--|
| (1) Accident insurance business        | has the same meaning assigned to it under paragraph (a) of the definition of “accident and sickness”.  |
| (2) Industrial life insurance business | means life insurance, the premiums for which are usually collected weekly or monthly by the insurer's representative at the policyholder's home or place of work.  |
| (3) Liability insurance business       | means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of, motor vehicles or out of, or in connection with the use of, vessels or aircraft or risks incidental to the construction, repair or docking of vessels or aircraft |

*subclasses of paragraph (3) include —*

- |  |   |
|--|---|
| (a) directors and officers liability insurance | means insurance against liability incurred by directors or officers under the |
|--|---|

- Companies Act (*Ch.308*) in connection with their duties as directors and officers of companies;
- (b) employer's liability insurance means —
- (i) insurance against legal liability arising out of bodily injury to, or the disability or death of, an employee of the insured occurring as a result of or in the course of the employee's employment, and
  - (ii) if included in a contract that provides insurance against liability arising out of bodily injury to, or the disability or death of, an employee of the insured, insurance coming within the class of personal accident insurance covering an employee of the insured where the insurance is limited to accidents occurring as a result of or in the course of the employee's employment whether or not liability exists;
- (c) legal expense insurance means insurance against the cost incurred by a person or persons for specified legal services, including fees or other costs incurred relative to the provision of such services;
- (d) libel and slander insurance means insurance against legal liability for damages and claimant's costs and expenses in respect of claims made against the insured for any libel, slander to title of goods, infringement of trademark, registered design, copyright or patent right, arising from information contained in specified publications;
- (e) personal liability insurance means insurance against the legal liability of the insured and any member of the family of the insured normally residing with him

- (f) product liability insurance
- to compensate third parties for any injury, illness, loss of or damage to property arising out of their private activities away from home;
- means insurance against liability incurred by manufacturers, repairers, or retailers arising out of —
- (i) bodily injury to, or the death of, a person, or
  - (ii) the loss of, or damage to, property, caused by products (including containers, packaging and labelling) made, sold or distributed by them;
- (g) public liability insurance
- includes —
- (i) insurance against legal liability arising out of —
    - (aa) bodily injury to, or the death of, a person, or
    - (bb) the loss of, or damage to, property, and
  - (ii) insurance against expenses arising out of bodily injury to a person other than the insured or a member of the family of the insured, whether liability exists or not, if the insurance is included in a contract for the insurance described in sub-subparagraph (i), but does not include insurance coming within the class of aircraft insurance, automobile insurance, marine, engineering, product or employer's liability insurance;

- (h) third party liability insurance means insurance against legal liability of the insured to pay in respect of death or bodily injury to, or damage to the property of, third parties;
  - (i) title insurance means insurance against loss or damage caused by —
    - (i) a defect in the title to real property,
    - (ii) the existence of a lien, encumbrance or servitude on real property,
    - (iii) a defect in the execution of a mortgage, hypothec or deed of trust in respect of real property, or
    - (iv) any other matter affecting the title to real property or the right to the use and employment of real property.
- (4) Marine, aviation and transport insurance business means the business of transit effecting and carrying out, otherwise than incidentally to some other class of insurance business, contracts of insurance —
  - (a) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
  - (b) upon goods, merchandise or property of any description whatever on board vessels or aircraft;
  - (c) upon the freight of, or any other interest in or relating to, vessels or aircraft;
  - (d) against damage arising out of or in connection with the use of vessels or aircraft, including third party risks;
  - (e) against risks incidental to the construction, repair or

docking of vessels, including third party risks;

- (f) against transit risks, whether the transit is by sea, inland water, land or air, or partly one and partly another, including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance, but not including risks the insurance of which is motor vehicle insurance business; or
- (g) against any other risks the insurance of which is customarily undertaken in conjunction with or as incidental to any business referred to in subparagraphs (a) to (f).

(5) Motor vehicle insurance business

means insurance against —

- (a) liability arising out of —
  - (i) bodily injury to, or the death of, a person, or
  - (ii) the loss of, or damage to property, caused by an automobile or the use or operation thereof; or
- (b) the loss of, or damage to, an automobile and the loss of use thereof, and includes insurance coming within paragraph (a) of the definition of the class of accident and sickness insurance where the accident is caused by an automobile or the use or operation thereof, whether liability



- exists or not, if the contract also provides for the insurance described in subparagraph (a)(i).
- (6) Ordinary life insurance business means life insurance other than industrial life insurance business.
- (7) Pecuniary loss insurance business means the business of effecting and carrying out contracts of insurance against any of the following risks, namely —
- (i) risk of loss to the person insured arising from the insolvency of debtors of the person or from the failure (otherwise than through insolvency) of debtors of the person to pay their debts when due,
  - (ii) risk of loss to the person insured arising from having to perform a contract of guarantee entered into by him,
  - (iii) risk of loss to the person insured attributable to him incurring unforeseen expense, and
  - (iv) risks not —
    - (aa) falling within subparagraphs (i) to (iii),
    - (bb) falling within any other class of insurance business, or

(cc) attributable to interruptions or reductions of the scope of business

*subclasses of paragraph (7) include —*

(a) credit insurance

means insurance against loss to a person who has granted credit where the loss is the result of the insolvency or default of the person to whom credit is given but does not include insurance coming within the class of mortgage insurance;

(b) credit protection insurance

means insurance where the insurer agrees to pay off credit balances or debts of individuals in the event of an impairment or potential impairment in the individual's income or ability to earn an income, but does not include insurance coming within the class of accident and sickness insurance, life insurance, or mortgage insurance;

(c) mortgage insurance

means insurance against loss caused by default on the part of a borrower under a loan secured by a mortgage on real property, a hypothec on immovable property or an interest in real or immovable property;

(d) surety insurance

means insurance where an insurer undertakes to guarantee —

(i) the due performance of a contract or undertaking, or

- (ii) the payment of a penalty or indemnity for any default, but does not include insurance coming within the class of credit insurance, credit protection insurance, or mortgage insurance.
- (8) Property insurance business
  - means the issue of, or the undertaking of, liability pursuant to policies of insurance against loss or damage to real or personal property of every kind and interests therein, from any hazard or cause, or against loss consequential upon such loss or damage, not being risks the insurance of which is motor vehicle insurance business or marine, aviation and transport insurance business
  - subclasses of paragraph (8) include —*
    - (a) boiler and/ or machinery insurance
      - means insurance against —
      - (i) liability arising out of —
        - (aa) bodily injury to, or the death of, a person, or
        - (bb) the loss of, or damage to, property, or
      - (ii) the loss of, or damage to property, caused by the explosion, rupture, malfunction or breakdown of, or accident to, pressure vessels of any kind

- and pipes, engines and machinery;
- (b) contractor's all risk insurance means insurance against loss incurred as a result of fire and other specified perils in respect of both temporary and permanent works while in the course of construction and until handed over by the contractor to the employer;
- (c) crop insurance means insurance against loss of or damage to crops resulting from fire, windstorm, drought, flooding, disease and other perils;
- (d) fire insurance means insurance against the loss of, or damage to, property caused by fire, lighting, explosion due to ignition, smoke, and the breakage of or the leakage from a sprinkler or other fire protection equipment or system;
- (e) hurricane and windstorm insurance means insurance against the loss of, or damage to, property caused by windstorm, cyclone, hurricane or tornado, including rain accompanying, flood following, and tidal wave caused by, such perils;
- (f) livestock insurance means insurance against the loss, sickness or death of, or injury to, animals, birds or fish;
- (g) theft insurance means insurance against the loss of, or damage to, property caused by theft, wrongful conversion,

- (h) water damage insurance
- burglary, housebreaking or robbery, and includes insurance against loss caused by forgery;
- means insurance against the loss of, or damage to, property caused by the escape of water or oil —
- (i) from plumbing, heating or sprinkler or other fire protection equipment or system in a building; or
- (ii) from any water main or water pipe outside of a building.
- (9) Sickness or health insurance business
- means —
- (i) insurance against loss resulting from the illness or disability of a person other than loss resulting from death,
- (ii) insurance where an insurer undertakes to pay a certain sum or sums of money in the event of the illness or disability of a person, or
- (iii) insurance against expenses incurred for vision or dental care, laboratory or x-ray services, hospitalization, other than for illness or disability arising out of an accident
- a subclass of paragraph (9) includes —*
- permanent health insurance
- means insurance against risks of the persons insured

sustaining injury as the result of an accident, or of an accident of a specified class or becoming incapacitated in consequence of disease, or of disease of a specified class being contracts that —

(aa) are expressed to be in effect for a period of not less than five years or without limit of time, and

(bb) either are not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned.

(10) Variable annuity business

means insurance business under a policy which provides that the annuity benefits payable to the policyholder are to be determined wholly or partly —

(a) according to the investment experience of a separate segregated account maintained by the insurer in respect of that policy or class of policy;

(b) by reference to the value of, or income from assets of any description allocated in the general accounts of the insurer in respect of that policy or class of policy

- whether or not specified in the policy; or
- (c) by reference to fluctuations in or in an index of, the value of assets of any description whether or not specified in the policy.
- (11) Variable life insurance business
- means life insurance business under a policy the duration of which may vary, and under which the benefits payable to the policyholder are to be determined wholly or partly —
- (i) according to the investment experience of a separate segregated account or accounts maintained by the insurer in respect of that policy or class of policy,
- (ii) by reference to the value of or income from assets of any description allocated in the general accounts of the insurer in respect of that policy or class of policies whether or not it is specified in the policy, or
- (iii) by reference to fluctuations in or in an index of the value of assets of any description whether or not it is specified in the policy
- subclasses of paragraph (11) include —*
- (a) unit-linked insurance
- means insurance provided by life insurance contracts and includes benefits which are wholly or partly linked to the income from, or the value of, any group of the company's assets, or wholly or partly calculated by reference to the yield from or the value of any descriptions of investments,

- |                              |   |
|------------------------------|---|
|                              | whether investments of those descriptions are held by the company or not;   |
| (b) universal life insurance | means a flexible whole life insurance policy that provides lifetime protection under a contract that separates the protection and savings components. |

**PART III – CORPORATE GOVERNANCE  
– SECTIONS 53 AND 68 OF THE ACT**

**4. Affiliation of natural person.**

A natural person is affiliated with a company where the person —

- (a) is, or was at any time in the past three years, an officer, employee, attorney or external auditor of the company or an affiliate of the company;
- (b) exercises voting control of five per cent or more of the share capital of the company;
- (c) has a significant interest in a class of shares of the company;
- (d) has a substantial investment in an affiliate of the company;
- (e) is a significant borrower in respect of the company;
- (f) is an officer or employee of an entity that is a significant borrower in respect of the company;
- (g) controls one or more entities of which the total indebtedness to the company or to an affiliate of the company would cause those entities, if treated as a single entity, to be a significant borrower of the company;
- (h) provides goods or services to the company, or is a partner or an employee in a partnership that provides goods or services to the company or an officer or employee of, or a person who has a substantial investment in, a body corporate that provides goods or services to the company, if the total annual billings to the company in respect of the goods and services provided exceeds ten per cent of the total annual billings of the person, partnership or body corporate, as the case may be;
- (i) has a loan that was obtained under special circumstances or conditions or that is not in good standing from the company, or from an affiliate of the company or is a director, an officer or an



employee of, or a person who controls, an entity that has a loan that was obtained under special circumstances or conditions that is not in good standing from the company or from an affiliate of the company; or

- (j) is the parent, spouse, or a child who is less than eighteen years of age, of a person described in paragraphs (a) to (i).

## **5. Control.**

For the purposes of this Part, a person has control of —

- (a) a body corporate, if securities of the body corporate to which are attached more than fifty per cent of the votes that may be cast to elect directors of the body corporate, are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b) an unincorporated entity, other than a limited partnership, if more than fifty per cent of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity;
- (c) a limited partnership, if the general partner controls the limited partnership; and
- (d) an entity, if the person has any direct or indirect influence that, if exercised, would result in control in fact of the entity.

## **6. Deemed control.**

For the purposes of this Part, a person is deemed to control an entity where —

- (a) an entity that is controlled by another entity is under the control of that person;
- (b) the aggregate of —
  - (i) any securities of the entity that are beneficially owned by that person, and
  - (ii) any securities of the entity that are beneficially owned by any entity controlled by that person,

is such that, if that person and the entities referred to in paragraph (b)(i) that beneficially own securities of the entity were one person, that person would control the entity.

**7. Significant interest.**

For the purposes of this Part —

- (a) a person has a significant interest in a class of shares of a company where the aggregate of —
  - (i) any shares of that class beneficially owned by the person, and
  - (ii) any shares of that class beneficially owned by entities controlled by the person,exceeds ten per cent of all of the outstanding shares of that class of shares of the company;
- (b) a person has an increased significant interest where that person, or any entity controlled by that person, has a significant interest in a class of shares of a company and increases that significant interest in the class of shares where the person or any entity controlled by that person acquires —
  - (i) beneficial ownership of additional shares of that class, or
  - (ii) control of any entity that beneficially owns shares of that class,in such number as to increase the percentage of shares of that class that are beneficially owned by the person and by any entity controlled by the person.

**8. Acting in concert.**

- (1) Where two or more persons have agreed to act jointly or in concert in respect of —
  - (a) shares of a company that they beneficially own;
  - (b) shares or ownership interests that they beneficially own of any entity that beneficially owns shares of a company; or
  - (c) shares or ownership interests that they beneficially own of any entity that controls any entity that beneficially owns shares of a company,those persons shall be deemed to be a single person who is acquiring beneficial ownership of the aggregate number of shares of the company or shares or ownership interests of the entity that are beneficially owned by them.
- (2) Without limiting the generality of paragraph (1), any agreement between two or more persons who beneficially own shares of a company or shares or ownership interests of any entity referred to in paragraph (1)(b) or (c) —

- (a) where any of them or their nominees may veto any proposal put before the board of directors of the company; or
- (b) pursuant to which no proposal put before the board of directors of the company may be approved except with the consent of any of them or their nominees,

shall be deemed to be an agreement referred to in paragraph (1).

**9. Exceptions.**

For the purposes of regulation 8, persons shall be presumed not to have agreed to act jointly or in concert solely by reason of the fact that —

- (a) one is the proxyholder of one or more of the others in respect of shares or ownership interests referred to in regulation 8(1); or
- (b) they exercise the voting rights attached to shares or ownership interests referred to in regulation 8(1) in the same manner.

**10. Designation.**

Where in the opinion of the Superintendent of Insurance it is reasonable to conclude that an agreement referred to in regulation 8(1) exists by or among two or more persons, the Superintendent of Insurance may designate those persons, as persons who have agreed to act jointly or in concert.

**11. Substantial investment in a body corporate.**

A person has a substantial investment in a body corporate where —

- (a) the voting rights attached to the aggregate of any voting share of the body corporate beneficially owned by the person and by any entity controlled by the person exceeds ten per cent of the voting rights attached to all of the outstanding voting shares of the body corporate; or
- (b) the aggregate of any shares of the body corporate beneficially owned by the person and by any entity controlled by the person represents ownership which exceeds twenty-five per cent of the shareholder's equity of the body corporate.

**12. Increasing substantial investment in a body corporate.**

A person who has a substantial investment in a body corporate pursuant to regulation 11(a) increases that substantial investment when the person or any entity controlled by the person acquires —

- (a) beneficial ownership of additional voting shares of the body corporate in such number as to increase the percentage of voting rights attached to the aggregate of the voting shares of the body

corporate beneficially owned by the person and by any entity controlled by the person; or

- (b) control of any entity that beneficially owns any voting share of the body corporate in such number as to increase the percentage of voting rights attached to the aggregate of the voting shares of the body corporate beneficially owned by the person and by any entity controlled by the person.

### **13. New substantial investment.**

For the purposes of these regulations —

- (a) where a person has a substantial investment in a body corporate and the person, or any entity controlled by the person —
  - (i) purchases or otherwise acquires beneficial ownership of shares of the body corporate, or
  - (ii) acquires control of any entity that beneficially owns shares of the body corporate, in such number as to cause the shareholders' equity of the body corporate represented by the aggregate of the shares of the body corporate beneficially owned by the person and by any entities controlled by the person to exceed twenty-five per cent of the shareholders' equity of the body corporate; or
- (b) where a person has a substantial investment in a body corporate and the person or any entity controlled by the person —
  - (i) purchases or otherwise acquires beneficial ownership of voting shares of the body corporate, or
  - (ii) acquires control of any entity that beneficially owns voting shares of the body corporate, in such number as to cause the voting rights attached to the aggregate of the voting shares beneficially owned by the person and by any entity controlled by the person to exceed ten per cent of the voting rights attached to all of the outstanding voting shares of the company,

the acquisition is deemed to cause the person to increase a substantial investment in the body corporate.

### **14. Substantial investment in unincorporated entity.**

A person has a substantial investment in an unincorporated entity where the aggregate of any ownership interest, however designated, into which the entity is divided, beneficially owned by the person and by any entity controlled by the person exceeds twenty-five per cent of all of the ownership interests into which the entity is divided.

**15. Increasing substantial investment in unincorporated entities.**

A person who has a substantial investment in an unincorporated entity, increases that substantial investment when the person or any entity controlled by the person acquires —

- (a) beneficial ownership of additional ownership interests in the unincorporated entity in such number as to increase the percentage of ownership interests in the unincorporated entity beneficially owned by the person and by any entities controlled by the person; or
- (b) control of any entity that beneficially owns ownership interests in the unincorporated entity in such number as to increase the percentage of ownership interests beneficially owned by the person and by any entity controlled by the person.

**DIRECTORS AND OFFICERS**

**16. Duty to manage.**

- (1) The board of directors of a company shall manage, or ensure and supervise the competent management of the business and affairs of the company.
- (2) Without limiting the generality of paragraph (1), the board of directors of a company shall —
  - (a) appoint a chief executive who is a fit and proper person with the requisite technical and managerial experience;
  - (b) effectively supervise and evaluate the performance of the chief executive and his management team;
  - (c) establish, from among its members, an audit committee to perform the duties referred to in regulation 23(2);
  - (d) establish, from among its members, a conduct review committee to perform the duties referred to in regulation 24(2);
  - (e) establish, from among its members, a committee for the investment and lending policies, standards and procedures;
  - (f) establish procedures to resolve conflicts of interest, including techniques for the identification of potential conflict situations, and for restricting the use of confidential information;
  - (g) designate a committee of the board of directors to monitor the procedures referred to in subparagraph (f);
  - (h) in the case of a company that issues participating policies, establish before issuing any participating policies or, in the case of an existing company, within six months after the coming into force of

- these regulations, a policy for determining the dividends and bonuses to be paid to the participating policyholders;
- (i) establish procedures to provide disclosure of information to customers of the company, that is required to be disclosed by the Act and for dealing with complaints made by customers of the company;
  - (j) designate a committee of the board of directors to monitor the procedures referred to in subparagraph (h) and satisfy itself that the procedures are being adhered to by the company;
  - (k) in the case of an existing company that carries on long-term insurance business without an actuary, appoint an actuary immediately after the coming into force of these regulations;
  - (l) annually, assess the effectiveness of its overall governance process and arrange to make changes as necessary;
  - (m) annually, within four months after the end of each calendar year, report to the Commission any material deficiencies and problems that were identified within the company, along with action plans and timetables for their corrections; and
  - (n) establish, from among its members, any other committee as may be necessary to carry out its functions.
- (3) Paragraph (2)(c), (d) and (e) do not apply to the directors of a company where —
- (a) all the voting shares of the company, other than directors' qualifying shares, if any, are beneficially owned by a financial institution approved by the Commission; and
  - (b) the audit committee, the conduct review committee or the investment committee of the financial institution referred to in subparagraph (a) performs for, and on behalf of, the company all the functions that would otherwise be required to be performed by the audit committee, the conduct review committee or the investment committee of the company.
- (4) Where the board of directors of a company establish or vary a dividend or bonus policy under paragraph (2)(h), the directors shall, within thirty days, send a copy of the establishment or variation to the Commission.
- (5) The Commission may make rules governing the contents of a dividend or bonus policy established under paragraph (2)(h).
- (6) Every director or officer of a company in exercising any of the powers of a director or an officer and discharging any of the duties of a director or an officer shall —

- (a) act honestly and in good faith with a view to the best interest of the company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (c) manage the company in accordance with sound business and financial practice.

**17. No exculpation.**

No provision in any contract, resolution or bye-laws of a company shall exempt any director, officer or employee of the company from the performance of his duty in accordance with the Act and these regulations or for a breach thereof.

**DIRECTORS' QUALIFICATION AND NUMBER**

**18. Minimum number of directors.**

A company shall have a minimum of five directors.

**19. Residency requirement.**

At least one half of the directors of a company that is a subsidiary of a foreign company and at least three quarters of the directors of any other company shall be, at the time of each director's election or appointment, resident in The Bahamas.

**20. Additional requirements of directors.**

- (1) A company shall have no more than two-thirds of its directors who are affiliated with the company.
- (2) No more than twenty per cent of the directors of a company shall be employees of that company or of a subsidiary of that company.

**21. Disqualified directors.**

- (1) The following persons are disqualified from being directors of a company —
  - (a) a person who is less than eighteen years of age;
  - (b) a person who is of unsound mind and has been so found by the Supreme Court in The Bahamas or elsewhere;
  - (c) a person who has the status of a bankrupt;
  - (d) a person who is not a natural person;
  - (e) an employee of the government of The Bahamas;
  - (f) a Minister of the government of The Bahamas; and

- (g) a person who is an insurance agent or broker, or an affiliate of an insurance agent or broker of the company.
- (2) Notwithstanding paragraph (1)(g), where a person who is an insurance agent or broker, or an affiliate of an insurance agent or broker, of a company, serves as a director, that person shall not serve as a director for a period exceeding four years from the commencement of these regulations and shall thereafter be disqualified from serving as a director of the company.

## **COMMITTEES OF THE BOARD**

### **22. Delegation of Board powers.**

The board of directors may —

- (a) delegate powers of the board to the committees established under regulation 16; and
- (b) assign duties to the committees established under regulation 16 as the board considers necessary.

### **23. Audit committee.**

- (1) The audit committee of a company shall consist of at least three directors, the majority of whom shall be independent (that is, not an affiliated person under regulation 4) and none of whom shall be employees or officers of the company or of a subsidiary of the company.
- (2) The duties of the audit committee are to —
  - (a) review the annual statement of the company before it is approved by the board of directors;
  - (b) review such other returns of the company as the board of directors may deem necessary;
  - (c) require the management of the company to implement and maintain appropriate internal control procedures;
  - (d) review, evaluate and approve the procedures under subparagraph (c);
  - (e) review such investments and transactions as the auditor or any officer of the company may bring to the attention of the committee that may adversely affect the well-being of the company;
  - (f) meet with the auditor to discuss the annual statement and the returns and transactions referred to it;
  - (g) meet with the actuary of the company to discuss the parts of the annual statement and the annual return prepared by the actuary;



- (h) meet with the chief internal auditor of the company, and with management, to discuss the effectiveness of the internal control procedures under subparagraph (c); and
- (i) meet with the board of directors to discuss matters of concern.

**24. Conduct review committee.**

- (1) The conduct review committee of a company shall consist of a minimum of three directors, the majority of whom shall be independent (that is, not an affiliated person under regulation 4) and none of whom shall be employees or officers of the company or of a subsidiary of the company.
- (2) The duties of the conduct review committee are to —
  - (a) require the management of the company to establish procedures for complying with the rules on transactions with related parties;
  - (b) review the procedures under subparagraph (a); and
  - (c) review the practices of the company to ensure that any transaction with related parties of the company that may have a material effect on the stability or solvency of the company are identified.

**25. Investment committee.**

The duties of the investment committee are to —

- (a) set the investment strategies and policies;
- (b) oversee the investment portfolio of the registered insurer;
- (c) monitor the investment results of the registered insurer;
- (d) review and revise its investment strategies on a regular basis in light of changes in the market environment; and
- (e) give due consideration to matching the assets of the registered insurer with its liabilities, as appropriate.

**INVESTMENT AND DISPOSITION OF COMPANY FUNDS**

**26. Investment and disposition.**

- (1) The directors, officers and members of a committee that can exercise any authority over the investment or disposition of the funds of the company shall at all times comply with the relevant requirements of the Companies Act (*Ch. 308*), as they relate to the fiduciary duties owed to the company, and the declarations to be made of interests in material contracts.
- (2) The board of directors of an insurance company shall establish, and the company shall adhere to, investment and lending policies, standards and

procedures that a reasonable and prudent person would apply in respect of a portfolio of investments and loans.

**27. Consideration.**

- (1) Except for the entitlement of dividends, no director or officer of the company, and no member of a committee that can exercise any authority over the investment or disposition of the funds of the company, shall either directly or indirectly accept any fee, brokerage, commission, gift or other consideration for or on account of any loan, deposit, purchase, sale, payment or exchange made by or on behalf of the company, other than allowed for in these regulations.
- (2) Where the director or officer is a policyholder, he is entitled to all the benefits accruing to him under the terms of his contract.

**28. Rate of interest.**

Where any purchase, sale, loan, deposit or other investment is made by or on behalf of the company with another company with which a director or an officer is affiliated, interest on the sale, loan or other investment shall be paid at a rate not lower, or higher as the case may be, than the prevailing commercial rate for a sale, loan, deposit or investment of a similar kind, size and term, in accordance with normal business practice.

**29. Borrowing powers.**

- (1) The board of directors of a registered insurer may exercise all the borrowing powers of the body corporate.
- (2) Notwithstanding paragraph (1), the undischarged amount of monies to be borrowed or secured by the board of directors shall not exceed five per cent of the assets of the body corporate without the prior written approval of the Commission.
- (3) Where there is a catastrophe hazard, a registered insurer may, with the prior written approval of the Commission, borrow in excess of five per cent but shall not exceed the potential recoveries from reinsurance.

**DISCLOSURE OF CONFLICT OF INTEREST**

**30. Disclosure of interest.**

- (1) A director or an officer of a company who —
  - (a) is a party to a material contract or proposed material contract with the company;

- (b) is a director or an officer of any entity that is a party to a material contract or proposed material contract with the company; or
  - (c) has a significant interest in any person who is a party to a material contract or proposed material contract with the company,shall disclose in writing to the company or request to have entered in the minutes of the meetings of directors, the nature and extent of that interest.
- (2) The disclosure under paragraph (1) shall be made, in the case of a director —
  - (a) at the meeting of directors at which a proposed contract is first considered;
  - (b) if the director was not then interested in a proposed contract, at the first meeting after the director becomes so interested;
  - (c) if the director becomes interested after a contract is made, at the first meeting after the director becomes so interested; or
  - (d) if a person who is interested in a contract later becomes a director, at the first meeting after that person becomes a director.
- (3) The disclosure under paragraph (1) shall be made, in the case of an officer who is not a director —
  - (a) immediately after the officer becomes aware that a proposed contract is to be considered or a contract has been considered at a meeting of directors;
  - (b) if the officer becomes interested after a contract is made, immediately after the officer becomes so interested; or
  - (c) if a person who is interested in a contract later becomes an officer, immediately after the person becomes an officer.
- (4) If a material contract or proposed material contract is one that, in the ordinary course of business of the company, would not require approval by the directors or the shareholders and policyholders, a director or an officer referred to in paragraph (1) shall —
  - (a) disclose in writing to the company; or
  - (b) request to have entered in the minutes of meetings of directors, the nature and extent of the director's or officer's interest immediately after the director or officer becomes aware of the contract or proposed contract.
- (5) Where a director has an interest in a contract, that director shall not be present at any meeting of directors while the contract is being considered meeting or vote on any resolution to approve the contract unless the contract is —

- (a) an arrangement by way of security for money lent to, or obligations undertaken by the director for the benefit of, the company or a subsidiary of the company;
  - (b) a contract relating primarily to the director's remuneration as a director or an officer, employee or agent of the company or a subsidiary of the company or an entity controlled by the company or an entity in which the company has a substantial investment;
  - (c) a contract for indemnification of, or insurance for, directors and officers; or
  - (d) a contract with an affiliate of the company.
- (6) Any director who knowingly contravenes paragraph (5) shall cease to hold office as a director and is not eligible for election or appointment as a director of any insurance company, for a period of five years after the date on which the contravention occurred.
- (7) An act of the board of directors of a company or of a committee of directors is not invalid where a person acting as a director had ceased to hold office as a director under paragraph (6).

### **31. Continuing disclosure.**

For the purposes of regulation 30(1), a general notice to the directors by a director or an officer declaring that he is a director or officer of an entity, or has a significant interest in a person, shall be —

- (a) regarded as interest in any contract made with that entity or person; and
- (b) a sufficient declaration of interest in relation to any contract so made.

### **32. Avoidance standards.**

A material contract between a company and —

- (a) any of its directors or officers;
- (b) another entity of which a director or an officer of the company is a director or an officer; or
- (c) a person in which the director or officer has significant interest,

is neither void nor voidable —

- (i) by reason only of that relationship, or
- (ii) by reason only that a director with an interest in the contract is 'present' counted to determine the presence of a quorum at the meeting of directors that authorized the contract,

if the director or officer disclosed the interest in accordance with regulation 30(2), (3) or (4) or regulation 31 and the contract was approved by the directors or the shareholders and policyholders and it was reasonable and fair to the company at the time it was approved.

**33. Application to the Supreme Court.**

Where a director or an officer of a company fails to disclose an interest in a material contract in accordance with regulations 30 and 31, the Supreme Court may, on the application of the company, a shareholder of the company or a policyholder entitled to vote, set aside the contract on such terms as the Supreme Court thinks fit.

**RELATED PARTY TRANSACTIONS**

**34. Related party of company.**

- (1) A person is a related party of a company, where that person is —
  - (a) a person who has a significant interest in a class of shares of the company;
  - (b) a director or senior officer of the company or of a body corporate that controls or is controlled by the company, or is acting in a similar capacity in respect of an unincorporated entity that controls or is controlled by the company;
  - (c) the parent, spouse, or a child who is less than eighteen years of age, of a person described in subparagraph (a) or (b);
  - (d) an entity that is controlled by a person referred to in subparagraphs (a) to (c);
  - (e) an entity in which a person who controls the company has a substantial investment;
  - (f) an entity in which the parent, spouse, or a child who is less than eighteen years of age, of a person who controls the company, has a substantial investment; or
  - (g) a person, or a member of a class of persons, designated under paragraph (4) or (5) as, or deemed under paragraph (6) to be, a related party of the company.
- (2) Where an entity in which a company has a substantial investment would be a related party of the company only because a person who controls the company controls the entity or has a substantial investment in the entity, and the person does not control the entity or have a substantial investment in the entity otherwise than through the person's controlling interest in the company, the entity is not a related party of the company.

- (3) The holding body corporate of a company is deemed not to be a person referred to in paragraph (1)(a) if the holding body corporate is a foreign company.
- (4) The Commission may, with respect to a particular company, designate as a related party of the company —
  - (a) any person or class of persons whose direct or indirect interest in or relationship with the company or a related party of the company might reasonably be expected to affect the exercise of the best judgment of the company in respect of a transaction; or
  - (b) any person who is —
    - (i) a party to any agreement; and
    - (ii) acting in concert with the other parties to the agreement.
- (5) Where a person is designated as a related party of a company under paragraph (4), the Commission may also designate any entity in which the person has a substantial investment and any entity controlled by such an entity to be a related party of the company.
- (6) Where, in contemplation of a person becoming a related party of a company, the company enters into a transaction with the person, the person is deemed to be a related party of the company in respect of that transaction.
- (7) Notwithstanding paragraph (1)(a), the Commission may determine that a person is not a related party where that person has a significant interest in a class of non-voting shares.
- (8) For the purpose of determining whether an entity or a person has a substantial investment for the purposes of paragraph (1)(d),(e) or (f), the references to control and controlled shall be construed as reference to control within the meaning of regulation 5.

**35. Application (regulations 4 to 58).**

- (1) This Part applies to any modification of, addition to, or renewal or extension of, a prior transaction.
- (2) This Part does not apply to any transaction entered into prior to the coming into force of these regulations.
- (3) This Part does not apply to —
  - (a) assets of a segregated fund where all the policies in respect of which the fund is maintained are held by one person or all the amounts in respect of which it is maintained are retained on the direction of one person;

- (b) the issue by the company of shares of any class when fully paid for in money or when issued —
    - (i) in accordance with any provisions for the conversion of other issued and outstanding securities of the company into shares of that class,
    - (ii) as a share dividend,
    - (iii) in accordance with the terms of an amalgamation,
    - (iv) by way of consideration in accordance with the terms of a sale agreement, or
    - (vi) with the approval, in writing, of the Commission, in exchange for shares of another body corporate;
  - (c) the payment of dividends or policy dividends or bonuses by a company; or
  - (d) transactions that consist of the payment or provision by a company to persons who are related parties of the company of salaries, fees, stock options, policy premiums, pension benefits, incentive benefits or other benefits or remuneration in their capacity as directors, officers or employees of the company.
- (4) Nothing in paragraph (2)(d) exempts from the application of this Part the payment by a company of fees or other remuneration to a person for —
    - (a) the provision of services referred to in regulation 44(1)(a); or
    - (b) duties outside the ordinary course of business of the company.
  - (5) Where a holding body corporate of a company is not a related party of the company, any entity in which the holding body corporate has a substantial investment is not a related party of the company, if no related party of the company has a substantial investment in the entity otherwise than through the control of the holding body corporate.

### **36. Transactions.**

- (1) For the purposes of these regulations, entering into a transaction with a related party of a company includes —
  - (a) making a guarantee on behalf of the related party;
  - (b) making an investment in any securities of the related party;
  - (c) taking an assignment of, or otherwise acquiring a loan made by, a third party to the related party;
  - (d) taking a security interest in the securities of the related party; and
  - (e) causing the company to be reinsured by the related party against any risk undertaken by the company.
- (2) A transaction is considered to be material, unless otherwise approved by the Commission or by contract —

- (a) if the individual transaction exceeds the greater of —
  - (i) ten thousand dollars, or
  - (ii) one fifth of one percent of the regulatory capital;
- (b) for all transactions in a calendar year per related party, if the transaction in the aggregate exceeds the greater of —
  - (i) ten thousand dollars, or
  - (ii) one-half of one percent of the regulatory capital.
- (3) The fulfilment of an obligation under the terms of any transaction, including the payment of interest on a loan or deposit and the making of a payment or an advance under a policy, is part of the transaction under paragraph (1), and is not a separate transaction.
- (4) For the purposes of this Part, loan includes a deposit, a financial lease, a conditional sales contract, a repurchase agreement and any other similar arrangement for obtaining funds or credit, but excludes investments in securities or the making of an acceptance, endorsement or other guarantee.

### **PROHIBITED RELATED PARTY TRANSACTIONS**

#### **37. Prohibited transaction.**

- (1) Except as provided in these regulations, a company shall not, directly or indirectly, enter into any transaction with a related party of the company.
- (2) Without limiting the generality of paragraph (1), a company is deemed to have indirectly entered into a transaction in respect of which these regulations apply where the transaction is entered into by an entity that is controlled by the company.

### **PERMITTED RELATED PARTY TRANSACTIONS**

#### **38. Nominal value transaction.**

Notwithstanding anything in these regulations, a company may enter into a transaction with a related party of the company if the value of the transaction is nominal or immaterial to the company when measured by criteria that have been established by the conduct review committee of the company and approved in writing by the Commission.

#### **39. Reinsurance.**

- (1) A company may, subject to paragraph (2), cause itself to be reinsured by a related party of the company against any risk undertaken by the company.



- (2) A company may, with the prior written approval of the Commission, cause itself to be reinsured by a related party of the company that is not a company or a foreign company.

**40. Risks of related party.**

A company may, with the prior written approval of the Commission, reinsure any risks undertaken by a related party of the company.

**41. Secured loans.**

A company may make a loan to, or a guarantee on, behalf of a related party of the company or take an assignment of, or otherwise acquire a loan to, a related party of the company if —

- (a) the loan or guarantee is fully secured by securities of, or guaranteed by, the government of The Bahamas; or
- (b) the loan is made to a related party who is a natural person on the security of a mortgage of the principal residence of that related party, and does not exceed eighty per cent of the value of the property at the time of the loan.

**42. Borrowing etc from related party.**

- (1) A company may borrow money from, or issue debt obligations to, a related party of the company.
- (2) A company may issue policies to a related party of the company or accept or retain on the direction of a policyholder or beneficiary who is a related party, amounts that are payable as —
  - (a) policy dividends or bonuses; or
  - (b) policy proceeds on the surrender or maturity of the policy or on the death of the person whose life is insured,

where the liabilities of the company in respect of the policies or the amounts accepted or retained vary in amount depending on the market value of a specified group of assets.

**43. Acquisition of assets.**

- (1) A company may purchase or otherwise acquire from a related party of the company —
  - (a) securities of, or guaranteed by, the government of The Bahamas;
  - (b) assets fully secured by securities of, or guaranteed by, the government of The Bahamas; or
  - (c) goods for use in the ordinary course of business.

- (2) A company may sell any asset of the company to a related party of the company where —
  - (a) the value of the assets, plus the total value of all assets of the company, directly or indirectly, acquired from, or transferred to the related party in the past twelve months, is less than ten per cent of the total value of the assets of the company as shown in the last annual financial statement of the company;
  - (b) the consideration for the assets is fully paid in money; and
  - (c) there is an active market for those assets.
- (3) Notwithstanding paragraphs (1) and (2), a company may, in the normal course of business and pursuant to arrangements that have been approved by the Commission in writing, acquire or dispose of any assets, other than real property, from or to a related party of the company that is a financial institution.
- (4) Notwithstanding paragraphs (1) and (2), a company may acquire any assets from, or dispose of any assets to, a related party of the company as part of, or in the course of, a restructuring, if the acquisition or disposition has been approved in writing by the Commission.
- (5) A company may, with the prior written approval of the Commission, lease assets, if the lease payments are made in money —
  - (a) from a related party of the company for use in the ordinary course of business of the company, or
  - (b) to a related party of the company.

#### **44. Services.**

- (1) A company may enter into a transaction with a related party of the company, if the transaction —
  - (a) subject to paragraph (2), consists of a written contract for the purchase by the company of services used in the ordinary course of business;
  - (b) subject to paragraph (4), involves the provision of services normally offered to the public by the company in the ordinary course of business;
  - (c) consists of a written contract with a financial institution or an entity in which the company is permitted to have a substantial investment, that is, a related party of the company —
    - (i) for the networking of any services provided by the company or the financial institution or entity, or

- (ii) for the referral of any person by the company to the financial institution or entity, or for the referral of any person by the financial institution or entity to the company;
  - (d) consists of a written contract for pension or benefit plans or their administration as it relates to directors or officers or employees of the company or its subsidiaries; or
  - (e) involves the provision by the company of management, advisory, accounting, information processing or other services in relation to any business of the related party.
- (2) Where a company has entered into a contract pursuant to paragraph (1)(a) and the contract, when taken together with all other such contracts entered into by the company, results in all or substantially all of the management functions of the company being exercised by persons who are not employees of the company, the Commission may, by order, if the Commission considers that result to be inappropriate, require the company, within such time as may be specified in the order, to take all steps necessary to ensure that management functions that are integral to the carrying on of business by the company are exercised by employees of the company to the extent specified in the order.
- (3) Notwithstanding regulation 37(2), a company is deemed not to have indirectly entered into a transaction in respect of which these regulations apply if the transaction is entered into by a service corporation that is controlled by the company and the transaction is on terms and conditions at least as favourable to the company as market terms and conditions, as defined in regulation 49(2).
- (4) The provision of services, for the purposes of paragraph (1) (b), does not include the making of loans or guarantees.

**45. Directors and officers and their interests.**

- (1) Subject to paragraph (2) and regulations 46 and 47, a company may enter into any transaction with a related party of the company if the related party is —
- (a) a natural person who is a related party of the company only because the person is —
    - (i) a director or senior officer; or
    - (ii) the parent, spouse, or a child who is less than eighteen years of age, of a director or senior officer,of the company or of an entity that controls the company; or
  - (b) an entity that is a related party of the company only because the entity is controlled by —
    - (i) a director or senior officer; or

- (ii) the parent, spouse, or a child who is less than eighteen years of age, of a director or senior officer,  
of the company or of an entity that controls the company.
- (2) A company may, with respect to a related party of the company referred to in paragraph (1) who is a full-time senior officer of the company, make, take an assignment of, or otherwise acquire a loan to, the related party only if the aggregate principal amount of all outstanding loans to the related party that are held by the company and its subsidiaries, together with the principal amount of the proposed loan, does not exceed the greater of twice the annual salary of the related party and one hundred thousand dollars.
- (3) Paragraph (2) does not apply to —
  - (a) loans referred to in regulation 41(b); and
  - (b) margin loans referred to in regulation 47, and the amount of any such loans to a related party of a company shall not be included in determining, for the purposes of paragraph (2), the aggregate principal amount of all outstanding loans made by the company to the related party.
- (4) Notwithstanding regulation 49, a company may make a loan —
  - (a) other than a margin loan, to a senior officer of the company; or
  - (b) referred to in regulation 41(b), to the parent, or spouse of a senior officer of the company,  
on terms and conditions more favourable than market terms and conditions, as defined in regulation 49(2), if the terms and conditions of the loan have been approved by the conduct review committee of the company.
- (5) Notwithstanding regulation 49, a company may offer financial services, other than loans or guarantees, to a senior officer of the company, or to the parent, spouse, or a child who is less than eighteen years of age, of a senior officer of the company, on terms and conditions more favourable than market terms and conditions, as defined in regulation 49(2), if —
  - (a) the financial services are offered by the company to employees of the company on those favourable terms and conditions; and
  - (b) the conduct review committee of the company has approved the practice of making those financial services available on those favourable terms and conditions to senior officers of the company or to the parents, spouses, or the children under eighteen years of age, of senior officers of the company.

**46. Board approval required.**

- (1) Except with the concurrence of at least two thirds of the directors present at a meeting of the board of directors of the company, a company shall not, with respect to a related party of the company referred to in regulation 45(1) —
- (a) make, take an assignment of or, otherwise acquire, a loan to the related party, including a margin loan referred to in regulation 45;
  - (b) make a guarantee on behalf of the related party, or
  - (c) make an investment in the securities of the related party if, immediately following the transaction, the aggregate of —
    - (i) the principal amount of all outstanding loans to the related party that are held by the company and its subsidiaries, other than loans referred to in regulation 41(b), and if the related party is a full-time senior officer of the company, loans to the related party that are permitted by regulation 45(2);
    - (ii) the sum of all outstanding amounts guaranteed by the company and its subsidiaries on behalf of the related party, and
    - (iii) where the related party is an entity, the book value of all investments by the company and its subsidiaries in the securities of the entity,would exceed two per cent of the regulatory capital of the company.
- (2) A company shall not, with respect to a related party of the company referred to in regulation 45(1) —
- (a) make, take an assignment of or otherwise acquire a loan to the related party, including a margin loan referred to in regulation 45;
  - (b) make a guarantee on behalf of the related party; or
  - (c) make an investment in the securities of the related party if, immediately following the transaction, the aggregate of —
    - (i) the principal amount of all outstanding loans to all related parties of the company referred to in regulation 45(1) that are held by the company and its subsidiaries, other than loans referred to in regulation 41, and loans in accordance with regulation 45(2),
    - (ii) the sum of all outstanding amounts guaranteed by the company and its subsidiaries on behalf of all related parties of the company referred to in regulation 45(1), and
    - (iii) the book value of all investments by the company and its subsidiaries in the securities of all entities that are related parties of the company referred to in regulation 45(1),

would exceed fifty per cent of the regulatory capital of the company.

- (3) Loans, guarantees and investments that are referred to in regulation 36 shall not be included in calculating the aggregate of loans, guarantees and investments referred to in paragraphs (1) and (2).

**47. Margin loans.**

The Commission may establish the terms and conditions on which a company may make margin loans to any director or senior officer of the company.

**48. Exemption by order.**

- (1) A company may enter into a transaction with a related party of the company if the Commission, by order, has exempted the transaction from the provisions of regulation 35.
- (2) The Commission shall not make an order referred to in paragraph (1) unless the Commission is satisfied that the decision of the company to enter into the transaction has not been and is not likely to be influenced in any significant way by a related party of the company and does not involve in any significant way the interests of a related party of the company.

## **RESTRICTIONS ON PERMITTED TRANSACTIONS**

**49. Market terms and conditions.**

- (1) Except as provided in regulation 44(4), any transaction entered into with a related party of the company shall be on terms and conditions that are at least as favourable to the company as market terms and conditions.
- (2) For the purposes of paragraph (1), market terms and conditions means —
  - (a) in respect of a service or a loan facility offered to the public by the company in the ordinary course of business, terms and conditions that are no more or less favourable than those offered to the public by the company in the ordinary course of business; and
  - (b) in respect of any other transaction, terms and conditions, including those relating to price, rent or interest rate, that might reasonably be expected to apply in a similar transaction in an open market under conditions requisite to a fair transaction between parties who are at arm's length and acting prudently, knowledgeably and willingly.

## **DISCLOSURE**

### **50. Company obligation.**

- (1) Where, in respect of any proposed transaction permitted by this Part, other than those referred to in regulation 38, a company has reason to believe that the other party to the transaction is a related party of the company, the company shall take all reasonable steps to obtain from the other party full disclosure, in writing, of any interest or relationship, direct or indirect, that would make the other party a related party of the company.
- (2) A company and any person who is a director or an officer, employee or agent of the company may rely on any information contained in any disclosure received by the company pursuant to paragraph (1) or any information otherwise acquired in respect of any matter that might be the subject of such a disclosure and no action lies against the company or any such person for anything done or omitted in good faith in reliance on any such information.

### **51. Notice to Commission.**

If a company has entered into a transaction that the company is prohibited by this Part from entering into, or a company has entered into a transaction for which approval is required under regulation 46 without having obtained the approval, the company shall, on becoming aware of that fact, notify the Commission without delay.

## **REMEDIAL ACTIONS**

### **52. Voidable contracts.**

- (1) Where a company enters into a transaction that it is prohibited by these regulations, the company or the Commission may apply to the Supreme Court for an order setting aside the transaction and directing that the related party of the company involved in the transaction account to the company for any profit or gain realized.
- (2) On an application to the Supreme Court under paragraph (1), the court may make such order as it thinks fit, including an order for compensation for any loss or damage incurred by the company.
- (3) An application under paragraph (1) in respect of a particular transaction may only be made within the period of three months following the day the notice referred to in regulation 51 in respect of the transaction is given to the Commission.

## **SHARES OF COMPANY, PARENT OR SUBSIDIARY**

### **53. Holding of own shares.**

Except as provided for under sections 36 to 40 of the Companies Act (*Ch.308*), or unless permitted by these regulations, a company shall not —

- (a) hold shares of the company or of any body corporate that controls the company;
- (b) hold any ownership interests of any unincorporated entity that controls the company;
- (c) permit any of its subsidiaries to hold any shares of the company or of any body corporate that controls the company; or
- (d) permit any of its subsidiaries to hold any ownership interests of any unincorporated entity that controls the company.

### **54. Purchase and redemption of shares.**

- (1) Subject to paragraph (2) and to its bye-laws a company may, with the consent of the Commission, purchase, for the purpose of cancellation, any shares issued by it, or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof calculated according to a formula stated in its bye-laws or the conditions attaching to the shares.
- (2) A company shall not make any payment to purchase or redeem any shares issued by it if there are reasonable grounds for believing that the company is, or the payment would cause the company to be, in contravention of any regulation or any direction made by the Commission.
- (3) Except provided for in any other Act or by the Commission, a company may accept from any shareholder a share of the company surrendered to it as a gift, but may not exclude or reduce liability in respect of an amount unpaid on any such share.

### **55. Holding as personal representative.**

- (1) A company may, and may permit its subsidiaries to, hold, in the capacity of a personal representative, shares of the company or of any body corporate that controls the company or ownership interests in any unincorporated entity that controls the company, but only where the company or the subsidiary does not have beneficial interest in the shares or ownership interests.
- (2) A company may, and may permit its subsidiaries to, by way of security interest, hold —
  - (a) shares of the company or of any body corporate that controls the company, or



- (b) any ownership interest of any entity that controls the company, where the security interest is nominal or immaterial when measured by criteria established by the company that have been approved in writing by the Commission.

**56. Holding of shares.**

A company may, with the approval of the Commission, hold shares of the company or shares or ownership interests of an entity that controls the company, where the —

- (a) shares or ownership interests are assets of a fund maintained by the company; and
- (b) assets of the fund reflect the securities upon which a generally recognized market index is based and the weighting of those securities in that index.

**57. Cancellation of shares.**

- (1) Subject to paragraph (2), where a company purchases shares of the company or fractions thereof or redeems or otherwise acquires shares of the company, the company shall cancel those shares.
- (2) Where a company or any of its subsidiaries, through the realization of security, acquires any shares of the company or of any body corporate that controls the company or any ownership interests in an unincorporated entity that controls the company, the company shall, or shall cause its subsidiaries to, as the case may be, within six months after the day of the realization, sell or otherwise dispose of the shares or ownership interests.

**58. Subsidiary holding shares.**

A company shall cause —

- (a) any subsidiary of the company that holds shares of that company;
- (b) any subsidiary of the body corporate that controls that company; or
- (c) any unincorporated entity that controls that company,

to sell or otherwise dispose of those shares or ownership interests within six months after these regulations come into force.

**PART IV – CAPITAL REQUIREMENTS, DEPOSIT OF ASSETS, SOLVENCY  
AND RESERVES  
– SECTIONS 25, 43, 45 AND 78 OF THE ACT**

**59. References.**

Reference —

- (a) with respect to a registered foreign insurer, to an asset or to class of assets of a registered insurer shall be construed as a reference to an asset, or to the assets, of that class, included in the assets in The Bahamas of the registered foreign insurer; and
- (b) to the date on which an asset was acquired or purchased by a registered insurer shall be construed as a reference to the most recent date on which the asset was deposited with the Commission or vested in trust under and for the purposes of the Act.

**SHARE CAPITAL**

**60. Share capital registration.**

- (1) A company may not be registered to carry on, in The Bahamas —
  - (a) long-term insurance business unless it has a minimum paid-up and unencumbered share capital of not less than three million dollars;
  - (b) general insurance business unless it has a minimum paid-up and unencumbered share capital of not less than two million dollars;
  - (c) industrial life insurance business only unless it has a minimum paid-up share capital of not less than one million dollars; and
  - (d) any other insurance business, unless it has a minimum paid-up share capital of such amount as the Commission determines, or an equivalent sum in other currency approved by the Commission, the capital to be fully paid up in cash.
- (2) In addition to the amounts specified in paragraph (1) the company may be required to have additional funding in the form of contributed surplus which shall be determined by the Commission.
- (3) No foreign company may be registered to carry on long-term insurance or general insurance business in The Bahamas unless, in addition to complying with the requirements under paragraph (1), it has deposited with the Commission the deposits required under regulation 61.
- (4) Paragraph (1) shall not apply to a company registered pursuant to the repealed Insurance Act, 1969 immediately prior to the coming into force

of the Act, but shall apply in accordance with section 235 of the Act, so long as the time limit for compliance does not exceed three years.

## **DEPOSIT OF ASSETS**

### **61. Initial deposit required to carry on insurance business.**

The minimum assets required, to be deposited with the Commission by a registered insurer from commencement of operations in or from within The Bahamas shall be —

- (a) in respect of an entity which proposes to carry on life and/or health insurance business, two million dollars;
- (b) in respect of an entity which proposes to carry on property and casualty insurance business, one million dollars; and
- (c) in respect of an entity which proposes not to write any new business, five hundred thousand dollars.

### **62. Deposits to be placed in trust.**

Pursuant to section 43(3) of the Act, the deposits referred to in regulation 61 shall be placed in a trust to be held by a licensed financial institution in The Bahamas approved by the Commission.

### **63. Method of creating trust.**

- (1) A trust referred to in regulation 62 shall be created by a trust deed, the contents and the trustee shall be approved by the Commission before the trust is created.
- (2) A trustee may not deal with any assets held in trust by him under this regulation without the prior general or specific approval of the Commission.

### **64. Changes in amount of deposit.**

The Commission may require the amount of deposit referred to in sections 25 and 43 of the Act and regulation 61 to be increased, decreased, or otherwise changed, either before or after granting the certificate of registration, to such amount as it considers necessary, and for this purpose the Commission may require a reinsurer that reinsures all or part of the insurer's business to deposit balances owing to the insurer with the Commission.

**65. Excess deposit.**

An insurer may voluntarily make a deposit in excess of the amount prescribed, but no part of a voluntary deposit shall be withdrawn without the approval of the Commission.

**66. Nature of assets to be deposited.**

The assets which a registered insurer is required to deposit with the Commission shall consist of —

- (a) cash;
- (b) unencumbered securities of, or guaranteed by, the government;
- (c) other securities, at an accepted value and on the conditions established by the Commission;
- (d) any combination of the above.

**67. Value at which securities received.**

The value of such securities shall be estimated at their market value, and in the absence of market value, estimated at their fair value at the time they are deposited.

**ADMISSIBLE ASSETS AND SECURITIES**

**68. Percentage of admissible assets on general insurance business.**

Of the value of the admissible assets which an insurer carrying on general insurance business must at any time have in order to maintain the minimum margin of solvency which that insurer is required by the Act to maintain in respect of general insurance business, at least seventy-five per cent shall be in the form of qualifying assets.

**69. Percentage of admissible assets on long-term insurance business.**

Of the value of the admissible assets which an insurer carrying on long-term insurance business must at any time have in order to maintain the minimum margin of solvency which that insurer is required by the Act to maintain in respect of long-term insurance business, at least sixty per cent shall be in the form of qualifying assets.

**70. Qualifying Assets.**

Subject to regulations 71 and 72, qualifying assets, which are based on the unconsolidated financial statements of the company, are —

- (a) cash in hand and on deposit at a bank in The Bahamas;

- (b) bank certificates of deposits;
- (c) government bonds;
- (d) government guaranteed bonds or securities approved by the Commission;
- (e) securities quoted on a recognized securities exchange;
- (f) preferred shares issued by a company approved by the Commission;
- (g) performing loans by way of mortgages on real estate;
- (h) net investment income due and accrued;
- (i) premiums receivable;
- (j) reinsurance balances receivable;
- (k) accounts receivable (other than balances from brokers, agents, sub-agents and salespersons) net of provisions for bad and doubtful debts;
- (l) land and buildings held for investment purposes;
- (m) irrevocable letters of credit provided by a recognized bank, for such amount and on such conditions as approved by the Commission; and
- (n) policy loans which amount to a value less than the cash surrender value of the policy,

less the amount, if any, of any encumbrance.

**71. Inadmissible asset.**

An amount receivable or balance due from a person with whom an insurer is affiliated, is not an admissible asset of that insurer unless in any particular case the Commission consents in writing to its being regarded as such.

**72. Admissible assets.**

- (1) Subject to paragraph (2), for solvency or reduced requirements, admissible assets and the reduced value assigned to them, which are based on the unconsolidated financial statements of the company, are —
  - (a) goodwill and other intangible assets (100% discount);
  - (b) deferred acquisition costs (100% discount);
  - (c) non-performing mortgage loans overdue for ninety days or more (20% discount);
  - (d) furniture and fixtures (85% discount);
  - (e) equipment (50% discount) of the net value;
  - (f) computer software (100% discount);
  - (g) ordinary shares of private company (100% discount);

- (h) debit balances due from brokers, agents, sub-agents and salespersons (75%);
  - (i) bills receivable that are not properly secured by collateral (100% discount);
  - (j) unsecured cash advances to or in the hands of officers or agents (100% discount);
  - (k) outstanding premiums that are more than one modal past due (100% discount);
  - (l) all NSF, Post Dated, Payment Stopped or otherwise non-bankable cheques (100% discount);
  - (m) non-arms-length transactions with affiliates (100% discount);
  - (n) accounts receivable (other than balances due from brokers, agents, sub-agents and salespersons) (50% discount);
  - (o) investment assets (other than assets in regulation 70(a) to (d)) representing more than 60% of total investments (an additional 20% discount);
  - (p) securities quoted on a recognized securities exchange (20% discount);
  - (q) preferred shares issued by a company approved by the Commission (20% discount);
  - (r) land and buildings held for investment purposes (15% discount);
  - (s) land and office buildings used in operations (25% discount);
  - (t) real estate acquired as a result of foreclosed mortgages (25% discount);
  - (u) qualifying assets not referred to in subparagraphs (a) to (t) (0% discount);
  - (v) other assets (100% discount).
- (2) The Commission may approve other categories of admissible assets and the reduced value assigned to them.

### **73. Solvency margins.**

Notwithstanding anything to the contrary contained in these regulations, and after relevant consultations, the Commission may, upon giving at least six months notice, adjust, or otherwise change the nature and manner of determining the solvency margins required by this Part.

## **VESTING OF ASSETS**

### **74. Vesting of assets.**

- (1) Pursuant to section 45 of the Act and subject to regulations 75, 76 and 77, a registered insurer shall, in respect of the insuring of risks that fall within the classes of motor, property and long-term insurance business, vest assets in trust the total value of which when determined on the basis provided for under section 45(4) and (5) of the Act or on the basis of the market value of those assets, is at least equal to —
  - (a) the total of the amount of the reserve for actuarial and other policy liabilities of the registered insurer in respect of that class, determined on the same basis as the reserve included in the annual return of the registered insurer; or
  - (b) the total of the amount of the other liabilities of the registered insurer in respect of that class.
- (2) The assets required to be placed in trust are to be held by a licensed financial institution in The Bahamas.
- (3) The financial institution referred to under paragraph (2) shall be appointed by the registered insurer with the prior written approval of the Commission.
- (4) The financial institution referred to under paragraph (2) shall not —
  - (a) be an affiliate of the registered insurer;
  - (b) be a company of the registered insurer; or
  - (c) be a subsidiary of a company of the registered insurer.

### **75. Unearned premiums.**

For the purposes of the calculations in regulation 74 —

- (a) where a registered insurer has issued policies on the premium note system, unearned assessments levied in respect of outstanding premium notes held by the registered insurer shall be considered to be unearned premiums; and
- (b) unearned premiums shall be calculated on a pro rata basis as at the date of the annual return, except that, where the risk insured and the amount of insurance are not substantially uniform over the term of the policy, the unearned premium shall be calculated in such a manner as the Commission may determine.

### **76. Limit on credit for reinsurance ceded.**

- (1) Subject to paragraph (2), where a registered insurer is reinsured in whole or in part against risks undertaken or claims payable in respect of a policy

or group of policies, the aggregate of the amounts referred to in regulation 74 may be reduced by subtracting therefrom an amount not exceeding seventy-five per cent of the aggregate of the portions thereof that may reasonably be considered to apply to the portion of the risks or claims that is reinsured.

- (2) Where a reinsurer is not registered under the Act to insure risks and is incorporated elsewhere than in The Bahamas, a reduction under paragraph (1) may be made only if —
- (a) the Commission has determined, that the financial condition of the reinsurer is satisfactory and that its operations are conducted in accordance with sound business and financial practices; or
  - (b) security is maintained in The Bahamas, in respect of the potential liabilities of the reinsurer, in an amount, of a nature and under arrangements that are determined by the Commission, to be satisfactory.

#### **77. Additional reductions.**

The total value of assets required under regulation 74 to be vested may be further reduced by —

- (a) any assets deposited with the Commission pursuant to section 43 of the Act;
- (b) any reinsurance amount under regulation 76;
- (c) any amounts that are receivable from agents and policyholders of the registered insurer in respect of policies in force, as may be approved by the Commission; and
- (d) in connection with risks insured outside The Bahamas, any assets required by an insurance supervisory authority in a foreign jurisdiction to be deposited, vested, pledged, or otherwise dedicated or encumbered in connection with any such business.

#### **78. Letter of credit.**

The Commission may, allow a registered insurer to reduce the total value of assets required to be vested pursuant to regulation 74 by the amount of a letter of credit drawn on a bank approved by the Commission, up to a maximum reduction of fifteen per cent of the total value.

#### **79. Restrictions on vesting.**

No registered insurer shall, without the written approval of the Commission, vest in trust —



- (a) interests in real property, in excess of fifteen percent of the total assets vested in trust; or
- (b) equity interests in entities, in excess of twenty-five percent of the total assets vested in trust.

**80. Further restrictions on deposits or vesting.**

No registered insurer may, without the written approval of the Commission, deposit or vest in trust —

- (a) securities issued by or debt obligations of the insurer or any of its affiliates;
- (b) real property, or ground rents or mortgages on real property situated outside The Bahamas;
- (c) any non-marketable shares or ownership interests or securities which may be held in any other entity;
- (d) interests in real property or equity interests in entities which exceed such percentage of the total assets vested in trust as may be determined by the Commission; or
- (e) such other assets as the Commission may direct pursuant to regulation 78.

**81. Additional restrictions.**

Notwithstanding anything to the contrary contained in these regulations, the Commission may impose additional restriction on —

- (a) the types of assets which may be vested in trust;
- (b) the total accepted value of particular assets or classes of assets; and
- (c) the place of investments.

**82. Application to registered foreign insurers.**

Regulations 68 to 81 inclusive, shall apply, *mutatis mutandis*, to the insurance business in The Bahamas of a registered foreign insurer.

**VALUATION OF ASSETS AND INVESTMENTS**

**83. Amortized value of mortgage loans.**

- (1) Subject to paragraph (3), the amortized value of a mortgage loan payable to a registered insurer, on any date after the date of its acquisition by the registered insurer and before its amortization date, shall, at the option of the registered insurer, be deemed to be —

- (a) the value so determined that if the loan were acquired on that date and at that value, the yield would be the same as the yield with reference to the purchase price of the loan; or
  - (b) the value determined by adding —
    - (i) the principal amount outstanding under the loan on that date, and
    - (ii) the product of —
      - (aa) an amount equal to the purchase price of the loan less the principal amount outstanding under the loan on the date of its acquisition by the registered insurer, and
      - (bb) the proportion that the period from that date to the amortization date of the loan bears to the period from the date of acquisition of the loan by the registered insurer to its amortization date.
- (2) The amortized value of a mortgage loan payable to a registered insurer, on any date on or after its amortization date, shall be deemed to be an amount equal to the principal amount outstanding under the loan on that date.
- (3) A registered insurer shall deem the amortized value, on any subsequent date, of any mortgage loan payable to the registered insurer to be the value determined by the same method set out in paragraph 1(a) or (b), unless it obtains the written approval of the Commission to use an alternative method.

#### **84. Purchase price of asset.**

- (1) The purchase price of an asset of a registered insurer —
- (a) where the market value of the asset on the date of its acquisition by the registered insurer is readily ascertainable, shall be deemed to be an amount equal to —
    - (i) the amount advanced for the asset, in the case of an asset that is a mortgage loan payable to the registered insurer,
    - (ii) the cost of acquisition of the asset, in the case of any other asset of the registered insurer, or
    - (iii) the current quoted market value, in the case of marketable securities;
  - (b) where the amount advanced for, or the cost of acquisition of, the asset does not differ materially from the market value of the asset on the date of its acquisition by the registered insurer, shall be deemed to be an amount equal to the sum of —
    - (i) the market value of the asset on the date of its acquisition by the registered insurer, and

- (ii) such expenses incurred in acquiring the asset as the Commission considers reasonable, where the amount advanced for, or the cost of acquisition of, the asset differs materially from the market value of the asset on the date of its acquisition by the registered insurer; and
- (c) where the market value of the asset on the date of its acquisition by the registered insurer is not readily ascertainable, shall be deemed to be an amount, not exceeding the cost of acquisition of the asset that —
  - (i) the registered insurer considers to have been the fair value of the asset on the date of its acquisition by the registered insurer, and
  - (ii) is acceptable to the Commission.
- (2) For the purposes of this regulation, the market value of an asset on the date of its acquisition by a registered insurer is deemed to be readily ascertainable if it is quoted on a recognized stock exchange on that date, or is obtainable by means of an independent professional appraisal as determined by the Commission.

**85. Book value of asset.**

- (1) For the purposes of section 47(3) of the Act, the book value of an asset of a registered insurer, other than an equity asset of the registered insurer, as at a particular date, shall be determined —
  - (a) where the asset is a redeemable security maintained by the registered insurer that is not in default, at the option of the registered insurer —
    - (i) by ascertaining the amortized value of the security and by deeming the book value to be equal to the amortized value, or
    - (ii) by adding the purchase price of the security and the product of —
      - (aa) an amount equal to the redemption value of the security less its purchase price, and
      - (bb) the quotient equal to the length of the period that has elapsed since the date of acquisition of the security by the registered insurer divided by the length of the period from the date of acquisition of the security by the registered insurer to its redemption date;
  - (b) in the case of a perpetual bond not in default, by ascertaining the purchase price of the bond and by deeming the book value to be equal to that purchase price;

- (c) in the case of a redeemable security in default or a perpetual bond in default —
    - (i) where the market value, on that date, of the security or bond is quoted on a stock exchange, by ascertaining the market value, on that date, of the security or bond and by deeming the book value to be equal to that market value, or
    - (ii) where the market value, on that date, of the security or bond is not quoted on a stock exchange, by ascertaining the amount —
      - (aa) that places a fair value, on that date, on the security or bond, and
      - (bb) that is acceptable to the Commission, and by deeming the book value to be equal to that amount;
  - (d) in the case of a mortgage loan —
    - (i) where no installment is in default for more than three months, by ascertaining the amortized value of the loan, on that date, and by deeming the book value to be equal to that amortized value, or
    - (ii) where any installment is in default for more than three months, by determining the market value of the loan, on that date, in accordance with regulation 86(6) and by deeming the book value to be equal to that market value;
  - (e) in the case of real property, by deeming the book value to be equal to —
    - (i) the amount determined by subtracting from the sum of the purchase price of the real property and the cost of improvements, if any, to the real property made since the date of acquisition of the real property by the registered insurer, the amount of an allowance for depreciation of the real property calculated on that date,
    - (ii) the appraised value of the property, providing the appraisal is carried out by a government approved appraiser acceptable to the Commission, or
    - (iii) such other amount as is acceptable to the Commission on the basis of the information that the registered insurer submits to it.
- (2) Notwithstanding paragraph (1)(a), where a registered insurer has, on any date, in respect of any redeemable security of the registered insurer referred to in paragraph (1)(a), opted to determine the book value of the security for the purposes of section 43(3) of the Act by the method set out

in paragraph (1)(a), the registered insurer, for the purposes of section 47(4) of the Act shall —

- (a) determine the book value, on that date, of any other such redeemable security of the registered insurer by the same method; and
- (b) determine the book value, on any subsequent date, of any such redeemable security of the registered insurer by the same method, unless it obtains the written approval of the Commission to use the alternate method set out in paragraph (1)(a).

**86. Market value of mortgage loans.**

- (1) Subject to paragraph (4), and for the purposes of section 47(3) of the Act, the market value, on any date, of a mortgage loan payable to a registered insurer in respect of which no installment is in default for more than three months, shall be determined, where the rate of interest payable under the terms of the mortgage loan —
  - (a) is greater than the average rate of interest payable in respect of all mortgage loans of the same category payable to that registered insurer, other than mortgage loans assigned to that registered insurer, that have been made during a period of three months immediately preceding that date —
    - (i) by adding the principal amount outstanding under the mortgage loan on that date and an amount equal to such portion of that principal amount outstanding as is determined in accordance with paragraph (2), and
    - (ii) by deeming the market value to be equal to the sum so obtained; and
  - (b) is equal to or less than the average rate of interest payable in respect of all mortgage loans of the same category payable to that registered insurer, other than mortgage loans assigned to that registered insurer, that have been made during a period of three months immediately preceding that date —
    - (i) by subtracting from the principal amount outstanding under the mortgage loan on that date an amount equal to such portion of that principal amount outstanding as is determined in accordance with paragraph (2), and
    - (ii) by deeming the market value to be equal to the result so obtained.
- (2) The portion of the principal amount outstanding, referred to in paragraph (1), shall be determined —

- (a) in the case of a long-term mortgage loan, by multiplying by six the absolute value of the difference between —
    - (i) the rate of interest payable under the terms of the mortgage loan, and
    - (ii) the average rate of interest payable in respect of all mortgage loans of the same category payable to the registered insurer, other than mortgage loans assigned to the registered insurer, that have been made during the period referred to in paragraph (1); and
  - (b) in the case of a short-term mortgage loan, by multiplying by two and one half the absolute value of the difference between —
    - (i) the rate of interest payable under the terms of the mortgage loan, and
    - (ii) the average rate of interest payable in respect of all mortgage loans of the same category payable to the registered insurer, other than mortgage loans assigned to the registered insurer, that have been made during the period referred to in paragraph (1).
- (3) For the purposes of this regulation —
  - (a) the mortgage loans payable to a registered insurer, other than mortgage loans assigned to the registered insurer, shall be classified in categories that are acceptable to the Commission;
  - (b) the average rate of interest payable in respect of all mortgage loans of the same category payable to a registered insurer, other than mortgage loans assigned to the registered insurer, that have been made during the period referred to in paragraph (1), may be determined by any method of approximation acceptable to the Commission; and
  - (c) where the average rate of interest payable in respect of all mortgage loans of a particular category payable to a registered insurer, other than mortgage loans assigned to the registered insurer, that have been made during the period referred to in paragraph (1), cannot be determined under subparagraph (b) because the registered insurer has not made any or has made very few mortgage loans of that category during that period, the registered insurer may substitute for that average rate of interest an estimated average rate of interest that is acceptable to the Commission.
- (4) Instead of determining the market value, on any date, of each mortgage loan referred to in paragraph (1), a registered insurer may determine the market value, on any date, of all mortgage loans that are in the same

group, on a group basis in accordance with paragraph (1), and for that purpose —

- (a) the mortgage loans referred to in paragraph (1) shall be classified in groups in such a manner that each group is —
    - (i) part of a category of mortgage loans determined under paragraph (3), and
    - (ii) acceptable to the Commission;
  - (b) each group of mortgage loans shall be deemed to be one mortgage loan for the purposes of paragraphs (1) and (2);
  - (c) the average rate of interest payable in respect of each group of mortgage loans shall be determined by any method of approximation acceptable to the Superintendent of Insurance, and for the purposes of paragraph (1), that average rate of interest shall be deemed to be the rate of interest payable under the terms of one mortgage loan; and
  - (d) the aggregate of the principal amounts outstanding, on any date, under all mortgage loans in a group shall be deemed to be the principal amount outstanding under one mortgage loan on that date.
- (5) Notwithstanding paragraphs (1) and (3) and for the purposes of section 47(3) of the Act —
- (a) the market value, on any date, determined separately in respect of a mortgage loan payable to a registered insurer —
    - (i) in respect of which no installment is in default for more than three months, and
    - (ii) that the borrower is entitled to repay in full before the end of the original term of the loan without incurring a penalty in excess of an amount equal to interest in respect of three months calculated on the principal amount outstanding under the loan on the date of repayment,shall not exceed the principal amount outstanding under the loan on that date; and
  - (b) the market value, on any date, determined on a group basis in respect of all mortgage loans in a group of mortgage loans payable to a registered insurer that includes loans referred to in subparagraph (a), shall not exceed the aggregate of the principal amounts outstanding on that date under all loans in that group.
- (6) For the purposes of section 47(3) of the Act, the market value, on any date, of a mortgage loan payable to a registered insurer any installment of which is in default for more than three months, shall be determined by ascertaining the amount that places a fair value, on that date, on the

mortgage loan, and by deeming the market value to be equal to that amount.

- (7) Notwithstanding paragraphs (1) to (6), for the purposes of section 47(3) of the Act, the market values, on any date, of mortgage loans payable to a registered insurer may be determined by using any method or methods that, in the opinion of the Commission, places values on the loans that in the aggregate are not significantly different from the values, in respect of that date, determined under paragraphs (1) to (6).

**87. Investment valuation reserve.**

- (1) Subject to paragraph (2) and regulation 88, the amount of the investment valuation reserve, referred to in section 47(3) of the Act, in respect of the assets maintained by a registered insurer, as at a particular date, shall be the aggregate of —
- (a) the amount by which the total market deficiency in respect of long-term redeemable securities, long-term mortgage loans, perpetual bonds and real property of the registered insurer exceeds the market excess in respect of equity assets of the registered insurer;
  - (b) an amount equal to the lesser of —
    - (i) the amount by which the market deficiency in respect of equity assets of the registered insurer exceeds the total market excess in respect of debt securities and real property of the registered insurer, and
    - (ii) the sum of one half of the amount determined under sub-subparagraph (i) as at that date and one half of the amount determined under that sub-subparagraph as at the end of the calendar year preceding that date; and
  - (c) where the total of the book value of mortgage loans maintained by the registered insurer as at that date exceeds twenty percent of the total of the book values of all the assets maintained by the registered insurer as at that date in respect of its insurance business, an amount equal to the market deficiency in respect of short-term mortgage loans of the registered insurer.
- (2) The amount of the investment valuation reserve referred to in section 47(3) of the Act, in respect of the assets maintained by a registered insurer, as at a particular date, shall not exceed the lesser of —
- (a) an amount equal to the total market deficiency in respect of debt securities, equity assets and real property of the registered insurer; and



- (b) the sum of —
  - (i) the total market deficiency in respect of long-term redeemable securities, long-term mortgage loans, perpetual bonds, equity assets and real property of the registered insurer, and
  - (ii) where the aggregate of the book values of mortgage loans maintained by the registered insurer exceeds twenty per cent of the aggregate of the book values of all the assets maintained by the registered insurer in respect of its insurance business, an amount equal to the greater of —
    - (aa) zero, and
    - (bb) the amount of the market deficiency in respect of short-term mortgage loans of the registered insurer less the amount of any market excess in respect of short-term redeemable securities of the registered insurer.

**88. Accident and sickness insurance business.**

- (1) Where the only class of insurance business transacted by a registered insurer is accident and sickness insurance business, the amount of the investment valuation reserve referred to in section 47(3) of the Act relating to assets maintained by the registered insurer in respect of its accident and sickness insurance business, as at a particular date, shall be —
  - (a) where the aggregate of the book values of the mortgage loans maintained by the registered insurer as at that date does not exceed twenty per cent of the aggregate of the book values of all assets maintained by the registered insurer as at that date in respect of its accident and sickness insurance business, the total market deficiency in respect of redeemable securities, long-term mortgage loans, perpetual bonds, equity assets and real property of the registered insurer; or
  - (b) in any other case, the aggregate of —
    - (i) the amount calculated under subparagraph (a), and
    - (ii) the market deficiency in respect of short-term mortgage loans of the registered insurer.
- (2) Where, in a particular calendar year, a registered insurer enters into transactions in respect of accident and sickness insurance business and one or more other classes of insurance business, that registered insurer shall, for the purposes of paragraph (1), be considered not to have entered into transactions in respect of any class of insurance business other than accident and sickness insurance business, if the net accident and sickness insurance premium income of the registered insurer for that calendar year

exceeds ninety per cent of the total net premium income of the registered insurer, in respect of all its insurance business in The Bahamas —

- (a) for the preceding calendar year; or
- (b) where the registered insurer did not enter into any transactions in respect of accident and sickness insurance business in The Bahamas, in the immediately preceding calendar year, for the expired period of that calendar year.

**89. Gain or loss from disposition of assets.**

For the purposes of section 47(3) of the Act, the gain or loss resulting from the sale or other disposition, during a calendar year, of the assets of a registered insurer shall be shown as a separate entry in the annual statement of the registered insurer for that calendar year.

## **SOLVENCY**

**90. Solvency margin of long-term insurance business (Life & Health).**

- (1) For the purposes of these regulations, margin of solvency means the excess of the value of its admissible assets over the amount of its liabilities.
- (2) Subject to regulation 69, the margin of solvency of a registered long-term insurer shall be —
  - (a) twenty per cent of the premium income, including annuity premiums, in its last financial year; or
  - (b) five hundred thousand dollars,whichever is the greater amount plus the minimum amount of capital required.
- (3) Subject to paragraph (4), the amount of any liabilities of an insurer shall be determined in accordance with generally accepted accounting and actuarial concepts, bases and policies or other generally accepted methods appropriate for insurers and approved by the Commission.
- (4) The liabilities of any long-term insurance business carried on by an insurer shall be taken to be whichever is the greater of —
  - (a) the amount of the liabilities as determined under paragraph (3); or
  - (b) the amount of the liabilities last ascertained by an investigation under section 62 of the Act.

- (5) For the purposes of this regulation and subject to the written approval of the Commission, the assets and liabilities of an insurer to be taken into account include the assets and liabilities disclosed by group accounts of the company and its subsidiaries.

**91. Solvency margin of general insurance business (Property and Casualty).**

- (1) Subject to regulation 68, the margin of solvency, for the purposes of this regulation, in the case of a registered general insurer is an amount of not less than the sum of —
  - (a) twenty per cent of that insurer's first ten million dollars of premium income in respect of general insurance business; and
  - (b) eighteen per cent of the amount by which that insurer's premium income in respect of general insurance business exceeds ten million dollars,and the minimum amount of capital required.
- (2) For the purposes of this Part an insurer's premium income shall be taken to be —
  - (a) during the financial year in which the insurer first carries on general insurance business in The Bahamas, the amount stated in the insurer's application for registration in respect of that business as the maximum gross premium income which the insurer proposes to earn in respect of general insurance business during that financial year reduced by the amount stated in that application as the total estimated rebates, refunds and reinsurance commission which will, on the basis of that proposed maximum gross premium income, be payable by the insurer, and, subject to paragraph (3) and regulation 92, by the gross amount of any reinsurance which will, on that basis, be ceded by the insurer in respect of general insurance business during that financial year;
  - (b) at any other time, the gross premium income earned in respect of general insurance business during the insurer's last preceding financial year reduced by any rebates, refunds and reinsurance commissions payable by the insurer, and, subject to paragraph (3) and regulation 92, by the gross amount of any reinsurance ceded by the insurer, during that preceding financial year:

Provided that where a registered insurer's first or preceding financial year is not a period of 12 calendar months, that insurer's net premium income, in respect of general insurance business shall be taken to be an amount calculated in accordance with this paragraph divided by the number of days in that first or preceding financial year, and the resultant figure multiplied by 365.

- (3) For the purposes of this regulation, reinsurance ceded by an insurer to a person with whom the insurer is associated shall not be taken into account except it is so ceded to a registered insurer, or the Commission approves in writing that the reinsurance be taken into account.
- (4) For the purpose of these regulations, insurance ceded includes facultative, excess of loss and proportional reinsurance.

**92. Limit on credit for reinsurance ceded.**

- (1) Subject to paragraph (2), where a registered insurer is reinsured in whole or in part against risks undertaken or claims payable in respect of a policy or group of policies, the gross amount of reinsurance ceded referred to in regulation 91(2) may not exceed seventy-five per cent of the aggregate of the portions thereof that may reasonably be considered to apply to the portion of the risks or claims that is reinsured.
- (2) Where a reinsurer is not registered under the Act to insure risks and is incorporated elsewhere than in The Bahamas, a reduction under regulation 91(2) may be made only if —
  - (a) the Commission has determined, that the financial condition of the reinsurer is satisfactory and that its operations are conducted in accordance with sound business and financial practices; or
  - (b) security is maintained in The Bahamas, in respect of the potential liabilities of the reinsurer, in an amount, of a nature and under arrangements that are determined by the Commission, to be satisfactory.

**RESERVES FOR GENERAL INSURANCE BUSINESS**

**93. Computation of reserves liability.**

- (1) Every company that carries on general insurance business shall, in respect of its outstanding unexpired policies, include among the liabilities provided in its annual statement of account, reserves on the following basis —
  - (a) eighty per cent of the unearned premiums computed *pro rata per mensem*, as at the date of the statement;
  - (b) forty per cent of the annual premium for the year of accounting, as at the date of the statement; or
  - (c) such amount as is calculated actuarially if the actuarial basis is approved by the Commission,whichever is greater.

- (2) The Commission may, as it considers necessary, exempt any company from the provisions of this regulation.
- (3) For the purpose of this regulation, premium means in relation to a class of insurance business such premium as may be prescribed as being the net premium in relation to that class.

**94. Additional reserves.**

- (1) In addition to the reserves required under regulation 93, every company carrying on general insurance business shall, in respect of all classes of that business —
  - (a) provide reserves for meeting claims outstanding at the date of its annual statement of account; and
  - (b) set aside reserves for meeting catastrophes in such manner as may be determined by the Commission.
- (2) The reserves referred to in paragraph (1), are, in relation to a class of insurance business, such reserves as may be prescribed as being the net reserves in relation to that class.
- (3) The Commission may —
  - (a) as it considers necessary, exempt any company from the provisions of paragraph (1);
  - (b) disallow any method used for the calculation of reserves referred to in paragraph (1), where it is satisfied that such a method does not result in the provision of adequate reserves;
  - (c) prescribe that reserves under regulation 93 and under paragraph (1) shall in respect of any class of general insurance business, be held in trust as a statutory fund.
- (4) Every company shall send to the Commission details of the method used in calculating the reserves referred to in paragraph (1).

**PART V – MEDICAL OR HEALTH SERVICE ORGANIZATIONS, INSURANCE BROKERS, ADJUSTERS, CONSULTANTS, AGENTS, RISK MANAGERS AND SUB-AGENTS CAPITALIZATION, INSURANCE AND DEPOSIT**

**95. Registration of sub-agents.**

Pursuant to section 119(1) of the Act, sub-agents shall be registered in one of two categories —

- (a) Category 1: Sole Proprietor.

An individual, producing annual commissions of one hundred thousand dollars or less, and is sponsored by a registered agent, or broker in accordance with section 123(3) of the Act, and

(b) **Category 2: Corporate Sub-Agent.**

A company producing annual commissions in excess of one hundred thousand dollars.

**96. Organization's capital and net assets value.**

Every registered medical or health service organization shall maintain at all times a minimum paid-up share capital and/or minimum net assets value of not less than a sum that is determined by the Commission.

**97. Broker etc capital and net assets value.**

Every registered insurance broker, independent and public adjuster, shall maintain at all times a minimum paid-up share capital and minimum net assets value of not less than an amount equal to the maximum deductible amount of the broker's professional indemnity insurance policy or fifty thousand dollars, whichever is the greater.

**98. Agent's capital and net assets value.**

Every registered insurance agent shall maintain at all times a minimum paid-up share capital and net assets value of not less than thirty thousand dollars.

**99. Sub-agent's capital and net assets value.**

Every registered insurance sub-agent who is a limited company shall maintain at all times a minimum paid-up share capital and net assets value of not less than five thousand dollars.

**100. Adjuster, risk manager or consultant capital and net assets value.**

Every registered adjuster, risk manager or consultant who is a limited company or partnership shall be required to maintain at all times such minimum paid-up share capital or net assets value as determined by the Commission.

**101. Exclusion of intangible assets.**

The minimum net assets value referred to in regulations 96 to 100 shall be determined by excluding all intangible assets in accordance with international accounting standards.

**102. Commission's power to specify large amount.**

The amounts specified in regulations 96 to 100 are minimum amounts and depending on the scope of business outlined in the Business Plan, the Commission may specify such larger amounts as it considers necessary.

**103. Commission's discretion to register.**

The Commission may permit a medical or health service organization, an insurance adjuster, broker, agent, sub-agent, risk manager or consultant carrying on insurance business in The Bahamas at the commencement of these regulations to be registered despite its inability to comply with regulations 96 to 100, provided that the organization, adjuster, broker, agent, sub-agent, risk manager or consultant presents a satisfactory plan to the Commission for increasing the capital to the amount required in not more than three years.

**104. Professional indemnity insurance policy and limit.**

- (1) Every registered insurance broker shall maintain and continue to maintain, in respect of his insurance brokerage activities, and place with a carrier acceptable to the Commission, a professional indemnity insurance policy with a minimum limit of indemnity for any one claim and in any one insurance period of twelve months.
- (2) The limit of indemnity under paragraph (1) shall be —
  - (a) a sum equal to —
    - (i) the aggregate insurance brokerage/commission income relating to the average for the three years immediately preceding the date of commencement of the professional indemnity insurance cover (applicable to an insurance broker who has been in business for more than three years);
    - (ii) the projected insurance brokerage/commission income for twelve months for the period of the professional indemnity insurance cover (applicable to an insurance broker who has been in business for less than three years); or
  - (b) a sum of not less than five hundred thousand dollars, and not more than five million dollars.
- (3) Professional indemnity insurance cover, which exceeds the amounts in paragraph (1)(a), may be required by the Commission in order to meet the requirements of an individual broker.
- (4) The professional indemnity insurance policy referred to in paragraph (1) shall extend to include the activities on behalf of the broker and sub-agents, if any.

- (5) Where as a result of a claim or claims the indemnity available shall fall below the amount determined in paragraph (1), the broker shall effect a reinstatement of cover up to not less than the original before the loss.
- (6) Where the professional indemnity insurance is withdrawn, cancelled or not renewed, the broker shall immediately notify the Commission and shall immediately cease to solicit further insurance business until the professional indemnity insurance has been reinstated or replaced.
- (7) For the purpose of this regulation, insurance brokerage/commission income means income derived from advising on or arranging any contract which contains an element of insurance, irrespective of the extent of such insurance element.

**105. Errors and Omission Policy.**

- (1) Every registered adjuster, risk manager and consultant (sole proprietor, partnership or company) shall effect Errors and Omission Insurance Cover as follows —
  - (a) for an individual adjuster, risk manager or consultant, at a minimum level of five hundred thousand dollars;
  - (b) for a partnership or company, at a minimum level of two million dollars.
- (2) The insurer shall, upon registration, submit to the Commission, evidence of an undertaking to place Errors and Omission Insurance Cover (including evidence of the relevant deductible).
- (3) Where the insurance cover under paragraph (1) is withdrawn, cancelled or not renewed, the adjuster, risk manager or consultant shall immediately notify the Commission and shall immediately cease to solicit further insurance business until the insurance cover is reinstated or replaced.

**106. Fidelity insurance.**

- (1) Every registered insurance agent who is a limited company shall —
  - (a) maintain fidelity insurance against losses arising from the dishonesty of employees, directors and officers for an amount of not less than —
    - (i) twenty thousand dollars for any one employee,
    - (ii) fifty thousand dollars for any one officer or director, or
    - (iii) two hundred thousand dollars for any one occurrence in the aggregate including collusion; or
  - (b) maintain some other form of financial guarantee in a form approved by the Commission in an amount of at least two hundred thousand dollars.



- (2) Where the fidelity insurance is withdrawn, cancelled or not renewed, the registered insurance agent shall immediately notify the Commission and shall immediately cease to solicit further insurance business until the fidelity insurance has been reinstated or replaced.
- (3) The fidelity insurance or any other financial guarantee under paragraph (1), shall include the activities on behalf of the sub-agent, if any.

**107. Appropriate indemnity or coverage.**

The Commission shall determine the appropriate professional indemnity or other insurance coverage for the different types of medical or health service organizations.

**108. Commencement of insurance coverage.**

The professional indemnity and other insurance coverage under regulations 104 to 107 shall be effected by the registered entity within forty-five days after registration.

**109. Power of attorney or guarantee etc.**

- (1) Every registered insurance agent shall provide evidence satisfactory to the Commission of a power of attorney or agency agreement between that agent and the insurer for whom that agent acts.
- (2) The power of attorney, agency agreement or guarantee under paragraph (1), shall include the activities of sub-agents, if any.
- (3) Where the power of attorney, agency agreement or guarantee under paragraph (1), is withdrawn or such agreement determined, the registered insurance agent shall immediately notify the Commission and shall immediately cease to solicit further insurance business on behalf of that insurer until such power of attorney, agreement or guarantee is reinstated.

**110. Alternative to power of attorney.**

A registered insurance agent may, as an alternative to meeting the requirement under regulation 109, maintain a professional indemnity insurance in the same manner and for the same amount as a registered insurance broker in regulation 104.

**111. Indemnity policy and fidelity insurance.**

Every company that is registered as a broker and agent shall maintain both a professional indemnity policy and fidelity insurance.

**112. Deemed insurance broker.**

An agent who acts on behalf of more than one insurer is deemed to act as an insurance broker and shall be required to maintain a professional indemnity insurance policy under regulation 104.

**113. Suspension of certificate of registration.**

In the case of a sub-agent, if the professional indemnity insurance, fidelity insurance, power of attorney, agency agreement or guarantee referred to in regulations 104(4), 106(3) and 109(2), is for any reason withdrawn from the sub-agent, then the certificate of registration of that sub-agent is *ipso facto* suspended until such time as the professional indemnity insurance, fidelity insurance, power of attorney, agency agreement or guarantee is reinstated.

**114. Expiration of certificate of registration.**

The certificate of registration of a registered medical or health service organization, broker, adjuster, risk manager, consultant, agent or sub-agent shall expire on the date of the effective cancellation or non-renewal of any insurance policy under regulations 104 to 107, unless before that date the insurance is replaced or the medical or health service organization, broker, adjuster, risk manager, consultant, agent or sub-agent is in compliance with regulations 104 to 107.

**115. Deposits.**

Pursuant to section 122 of the Act, registered foreign intermediaries shall deposit with the Commission, at such times as may be determined by the Commission, the following fees —

Gross Annual Commission or Fees (in The Bahamas)	Amount of Deposit
Up to \$500,000	\$ 50,000
\$500,000 to \$1,000,000	\$100,000
\$1,000,000 to \$2,000,000	\$200,000
Over \$2,000,000	\$500,000

**116. Documentary evidence.**

The foreign intermediaries under regulation 115 shall provide documentary evidence to the Commission that they have minimum capital, professional indemnity insurance policy, errors and omission policy and/or fidelity insurance as required under regulations 96 to 100 and 104 to 106.

**PART VI – REGISTRATION OF MEDICAL OR HEALTH SERVICE  
ORGANIZATIONS, INSURANCE SALESPERSONS, AGENTS, SUB-AGENTS,  
BROKERS, ADJUSTERS, RISK MANAGERS AND CONSULTANTS  
– SECTIONS 24, 119, AND 121 OF THE ACT**

**117. Salesperson's registration category.**

Salespersons shall be registered in one of two categories —

- (a) Category 1: "Tied, "Employed" "Exclusive" Salespersons.  
Any individual employed full time by a company, whether salaried only or by way of a combination of salary and commissions, for the sole purpose of soliciting business on behalf of or selling the insurance products of their employer only; or
- (b) Category 2: "Commissioned" Salesperson.  
Any individual remunerated solely by way of commissions by any registered sub-agent, agent, broker, or long-term insurer for the sole purpose of soliciting business on behalf of or selling the insurance products of such sub-agent, agent, broker, or long-term insurer.

**118. Sub-agent's registration category.**

Pursuant to section 119(1) of the Act, sub-agents shall be registered in one of two categories —

- (a) Category 1:  
An individual producing annual commissions of one hundred thousand dollars or less, and is sponsored by a registered agent, or broker in accordance with section 123(3) of the Act; or
- (b) Category 2:  
A company producing annual commissions in excess of one hundred thousand dollars.

**119. Registration.**

- (1) Where an entity makes application for registration as a medical/health service organization, broker, agent, sub-agent or adjuster —
  - (a) the entity shall be incorporated and registered under the Companies Act (*Ch. 308*) to transact insurance business; and
  - (b) the corporate name of the entity, except medical or health service organizations, shall include the words "Insurance" or "Assurance", as the case may be, except otherwise approved by the Commission.
- (2) The registered adjusters, risk managers and consultants shall not sell insurance products —

- (a) by way of directly offering, advertising or on a person-to-person basis the insurance product;
  - (b) by the promotion of the insurance product; or
  - (c) by the facilitation of an agreement or contract between an insurer and a customer.
- (3) Any person registered to carry on insurance business in The Bahamas at the commencement of the Act shall —
  - (a) apply to the Commission, within the prescribed time period, to be registered under the Act; and
  - (b) submit to the Commission the necessary documents and particulars required, together with the prescribed fee set out in the Third Schedule.
- (4) Every application for registration under Part V of the Act shall be —
  - (a) made to the Commission in Form 3 of the First Schedule; and
  - (b) accompanied by a receipt obtained from the Commission upon payment of the fees specified in the Third Schedule.

**120. Application documents.**

- (1) An application for a salesperson's registration or renewal of certificate of registration shall be accompanied by —
  - (a) a statement by a sponsoring insurer, broker or agent ("the sponsor") indicating that —
    - (i) the sponsor has taken steps to screen the applicant and is satisfied that the applicant is suitable to carry on business as a salesperson; and
    - (ii) in support of the application the sponsor accepts fully the acts, errors and omissions of the applicant;
  - (b) certified documents to prove educational qualifications or experience of the applicant.
- (2) An application for registration as a medical or health service organization, broker, agent, risk manager, sub-agent, consultant or adjuster shall be accompanied by —
  - (a) certified documents to prove educational qualifications or experience of the partners, directors, senior managers and insurance intermediaries;
  - (b) a business plan which shall include, among other things, a three year projection of Premium Generation, Commission (or "adjusting") Income on a class-by-class basis, and other income, all

- on a month-by-month basis, together with an itemized statement of Projected Expenses on a month-by-month basis;
  - (c) the audited opening balance sheet, or audited financial statement of the applicant for the financial year immediately preceding the date of application; and
  - (d) where appropriate, certified copies of the instruments constituting the firm (certification to be done by the Registrar of Companies) and a statement setting out the details of beneficial shareholding.
- (3) An application for registration as an agent or sub-agent shall be accompanied by a statement by a sponsoring insurer, broker or agent ("the sponsor") indicating that —
- (a) the sponsor has taken steps to screen the applicant and is satisfied that the applicant is suitable to carry on business as a sub-agent or agent; and
  - (b) in support of the application, the sponsor accepts fully the acts, errors and omissions of the applicant.
- (4) Where an application is submitted for registration as an agent or sub-agent, the applicant shall submit together with his application form certified copies of his agency agreement or power of attorney, as well as any agreement relating to commissions and other remuneration payable to him in respect of his agency.
- (5) Where an application is submitted for registration as a broker, agent, risk manager, adjuster or consultant —
- (a) the applicant shall provide proof, to the satisfaction of the Commission, that there is in force professional indemnity, fidelity, or errors and omissions insurance cover of not less than the prescribed amount placed with an insurer approved by the Commission;
  - (b) the Commission must be satisfied that, in the case of a company, the paid-up capital in cash is not less than the prescribed amount.
- (6) The individual applicant for registration as an adjuster shall have experience and professional qualifications preferably of the ACILAI (Associate of the Chartered Insurance Loss Adjusters Institute) (London) or ACII (Associate of the Chartered Insurance Institute) (London) standard, with loss adjusting qualifications, or a minimum of five years experience plus relevant qualifications. Equivalent qualifications and experience shall be accepted subject to meeting standards acceptable to the Commission.
- (7) Where the application for registration is from a partnership, firm or company of adjusters, the entity must have as partners or at board level persons with appropriate experience and professional qualifications

preferably of the ACILAI (Associate of the Chartered Insurance Loss Adjusters Institute) (London) or ACII (Associate of the Chartered Insurance Institute) (London) standard, with loss adjusting qualifications and experience. The partnership, firm or company shall also have on board individual adjusters qualified and experienced in the classes of business in which the applicant may be engaged. Equivalent qualifications and experience will be accepted subject to meeting standards acceptable to the Commission.

- (8) Where an application is submitted for registration as a medical or health service organization, risk manager or consultant, the individual, partnership, or firm shall satisfy the Commission that the individual, partnership, or firm has available persons with qualifications and experience acceptable to the Commission.

**121. Disclosure of managers etc.**

- (1) Where a body corporate makes application for registration as a medical or health service organization, broker, agent, sub-agent, adjuster, risk manager or consultant, the company shall specify the managers or controllers of the company.
- (2) A certificate of registration of a body corporate shall specify the officer or officers who may act thereunder in the name of the company.
- (3) A certificate of registration of a company or of any officer of that company may be suspended or cancelled.

**122. Application of agents etc to be certified.**

- (1) Every application for registration of an agent or sub-agent shall be certified by the insurer or agent on behalf of whom the agent or sub-agent may act.
- (2) Every application for registration or renewal of a salesperson shall be certified by the insurer with whom the salesperson is employed or contracted at the time of his application.
- (3) Where a broker, agent, sub-agent, adjuster, risk manager or consultant carried on insurance business in The Bahamas immediately before the effective date of the Act, applies for a certificate of registration, the application shall be accompanied by a letter from the insurance companies to which services were provided indicating that the companies were satisfied with the competence and method of conduct of business of the applicant, and the ethical standards maintained by the applicant in the performance of its work.

**123. Application to renew certificate.**

An application to renew a certificate of registration shall be —

- (a) made in the manner set out in Forms 1, 2 and 3 of the Second Schedule;
- (b) accompanied by the receipt obtained from the Commission upon payment of the fees specified in the Third Schedule; and
- (c) made to the Commission not later than thirty days before the anniversary date of the issuance of the certificate.

**124. Use of sales force.**

With regard to the utilization of salespersons —

- (a) life and health insurance companies shall continue to utilize their own “Tied” or “Commissioned” sales forces, of which each member must be registered by the Commission;
- (b) property and casualty insurance companies may only sell their products through registered agents, sub-agents, and brokers;
- (c) registered agents, sub-agents, and brokers selling property and casualty insurance products may utilize “Tied”, “Employed” or “Commissioned” salespersons, and such salespersons must be registered by the Commission.

**125. Listing of salesperson or technical representatives.**

Every registered insurance company, sub-agency, agency, and broker, shall submit to the Commission annually, in the manner set out in Form 4 of the Second Schedule, a list of all salespersons or technical representatives employed or commissioned by the insurance company, sub-agency, agency, or broker.

**126. Salespersons registered to one insurer etc.**

No salesperson shall be registered under the Act to solicit or sell products for more than one insurer (long-term), broker, agent or sub-agent at any one time.

**127. Category 1 registration.**

No Category 1 salesperson or sub-agent shall be registered to act for an employer engaged in any non-insurance (or related) activity except as approved by the Commission.

**128. Disclosure rules.**

All categories of salespersons, brokers, agents and sub-agents shall be subject to disclosure rules where they are obligated to advise potential customers about who they represent and for which classes of business they are permitted to sell.

**129. Product of employer.**

No salesperson or sub-agent shall solicit business from any customer other than in respect of the products of his employer or principal.

**130. Salesperson and sub-agent not an insurer etc.**

No salesperson shall act as or purport to be an insurer, broker, agent or sub-agent, and no sub-agent shall act as or purport to be an insurer, broker, or agent.

**131. Salespersons etc to reveal certificate of registration.**

Salespersons, brokers, agents and sub-agents shall reveal their certificate of registration to a customer or potential customer, if requested.

**132. Agents and sub-agents.**

No Category 1 sub-agent shall be registered under the Act to solicit or sell products for more than one long-term and one general insurer, broker or agent at any one time, in accordance with section 123(3) of the Act.

**133. Category 1 sub-agent not to incorporate for registration.**

No category 1 sub-agent shall be required to incorporate as a prerequisite for a certificate of registration.

**134. Category 2 sub-agent to incorporate for registration.**

Category 2 sub-agents shall be required to incorporate as a prerequisite for a certificate of registration.

**135. Consultant to incorporate for registration.**

Pursuant to section 119(1) of the Act, a consultant shall be required to incorporate as a prerequisite for a certificate of registration.

**136. Rebating prohibited.**

Section 137 of the Act which prohibits rebating shall apply to all categories of sub-agents.

**137. Monthly accounts of brokers.**

Every registered broker shall keep, in relation to insurance placed with him relating to each class or classes of insurance business for which he is registered, monthly accounts showing all receipts and expenses relating to such insurance business, and such accounts shall be completed not later than twenty-one days after the end of the month in respect of which they are prepared.



**138. Monthly records of agents.**

All registered agents and sub-agents shall keep, with respect to policies issued or renewed by them, such monthly records as will enable the amount due to them by their principals or due by them to their principals to be determined, and such records shall be completed not later than twenty-one days after the end of the month in respect of which they are prepared.

**139. Annual audited accounts submitted to the Commission.**

Within four months of the close of each financial year, the broker, agent or sub-agent shall submit to the Commission a copy of the audited accounts, balance sheet and profit and loss account of the brokerage with a business or agency for that financial year.

**140. Audit of accounts of brokers and agents etc.**

- (1) Pursuant to section 58(1) of the Act, the accounts required under regulation 139 shall be audited by an auditor.
- (2) The auditor conducting the audit shall state, in a certificate to the accounts, whether or not —
  - (a) the books of accounts have been properly kept;
  - (b) the balance sheet and profit and loss account present fairly the state of the broker's or agent's affairs at the end of the financial period to which they relate;
  - (c) the agent or broker has satisfied the requirements under regulations 137 and 138 and has presently paid over all moneys received for an insurer or an insured during the period to which the accounts relate.

**PART VII – INSURANCE ADVISORY COMMITTEE  
– SECTION 239 OF THE ACT**

**141. Constitution of Committee.**

- (1) The Committee established pursuant to section 239 of the Act, shall consist of at least twelve persons, provided always that the membership shall be made up of representatives of insurance, trade and professional associations, and other persons appearing to the Commission to be knowledgeable about insurance business in The Bahamas.
- (2) Appointments to the Committee shall be made in writing by the Commission and shall be for such period or periods of up to three years as the Commission may, from time to time determine.

- (3) The Commission may, at any time, revoke the appointments made under paragraph (2).
- (4) The Superintendent of Insurance or in his absence, the Deputy Superintendent of Insurance shall be an *ex officio* member of the Committee.
- (5) The chairperson of the Committee shall be elected by, and from among, the members appointed under paragraph (2).
- (6) The Committee shall meet as often as the chairperson of the Committee deems necessary to fulfil its mandate, and shall determine its own rules of procedures.

**142. Function of Committee.**

The Committee shall advise the Commission on matters relating to the carrying on of insurance business in and from The Bahamas.

**PART VIII – INSURANCE FEES AND FORMS**

**143. Fees.**

There shall be paid to the Commission in respect of the matters mentioned in the Third Schedule, the fees specified in that Schedule.

**144. Re-registration.**

The re-registration fees specified in the Third Schedule become due and payable on the last day of the twelfth month following the initial or previous registration.

**145. Penalty for late payment of fees.**

Any person or company who is required to pay any annual registration fee, and fails to pay such fee within a period of thirty days after the date on which such fee becomes due and payable shall, in respect of his registration for that year, pay to the Commission in addition to the appropriate annual registration fee, a late fee as specified in paragraph 11 of the Third Schedule.

**146. Penalty for non-payment of registration fees.**

Notwithstanding regulation 145, any person who carries on, in The Bahamas, any insurance business after the date on which the appropriate annual registration fee becomes payable without having paid such fee, is guilty of an offence and is liable on summary conviction —

- (a) in the case of a company, to a fine not exceeding five hundred dollars and to a further fine not exceeding fifty dollars for every day or part thereof on which the offence continues after conviction;
- (b) in the case of an individual, to a fine not exceeding two hundred and fifty dollars and to a further fine not exceeding twenty-five dollars for every day or part thereof on which the offence continues after conviction.

**147. Recovery of registration fees.**

Without prejudice to regulations 145 and 146, any registration fee that remains unpaid after thirty days from the date on which such fee becomes payable may be recovered as a debt due in civil proceedings.

**148. Suspension of registration.**

The Commission may suspend the certificate of registration of an individual or company where the registration fee remains unpaid for more than ninety days from the date on which such fee becomes payable.

**149. Register.**

The Commission shall keep a register in which shall be entered the names of all companies and individuals by whom the appropriate annual registration fee has been paid for each year.

**150. Forms.**

The forms set out in the First Schedule, with such variations as the circumstances of each case may require, shall be used in the matters to which they relate.

**151. Revocation of Insurance Regulations.**

The following insurance regulations are revoked —

- (a) the Insurance (Exemption) Regulations, 1970<sup>1</sup>;
- (b) the Non-Resident Insurer (Exemption) Regulations, 1978<sup>2</sup>;
- (c) the Insurance (Registration) Regulations, 1970<sup>3</sup>; and
- (d) the Insurance (Annual Return) Regulations, 1972<sup>4</sup>.

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<sup>1</sup>Sub. Leg., Vol. V, Ch. 347-3

<sup>2</sup>ibid-3

<sup>3</sup>ibid-4

<sup>4</sup>ibid-12

**FIRST SCHEDULE**

(regulation 150)

**FORM 1**

**APPLICATION FOR REGISTRATION OF AN INSURANCE COMPANY**

(section 27 of the Insurance Act, 2005)

**NO. ....**

**DATE RECEIVED .....**

Application by an insurance company for registration under Part III of the Insurance Act, 2005 to carry on insurance business in The Bahamas of a relevant class or classes.

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

1. Name of company.
2. Full address of the principal office of the company in The Bahamas where service of notice may be effected.
3. Date and place of incorporation.
4. Summary of main objects of company. (Attach statement where necessary)
5. The authorized and paid-up capital. If paid-up capital will be increased before registration under the Act, give details.
6. The amount by which the assets of the company exceed liabilities at the present time (including all contingent or prospective liabilities but not liabilities in respect of share capital); and the amount this excess is likely to be when the company is ready to undertake insurance underwriting business.
7. The relevant class or classes of insurance business which the company carries on —
  - (a) in The Bahamas; and
  - (b) elsewhere at the present time and the amount of business undertaken outside The Bahamas.

8. Particulars of any business other than insurance business which the company carries on at present or proposes to carry on anywhere, indicating how such other business will be separated from the insurance business.
9. The class or classes of insurance business for which registration is sought. Has the company been refused permission to carry on such class (if any, and if so, which, of such classes) of insurance business in any other country?
10. If the company intends to limit its activities to insuring only some of the risks of the class or classes of business for which registration is being sought, give particulars of the risks to be insured.
11. Does the company carry on any class of long-term insurance business with any class of general insurance business in —
  - (a) The Bahamas;
  - (b) elsewhere? State classes involved. If, in addition to long-term insurance business the company at present carries on in The Bahamas any class of general insurance business other than personal accident insurance business, state the transitional period required before cessation of long-term classes or general classes can be effected. (Attach statement where necessary)
12. Is the company carrying on business in The Bahamas as a broker or agent? State whether or not the company's directors have or propose to hold any beneficial ownership in any insurance brokerage or agency business in The Bahamas: full details should be given.

**B. BUSINESS PLAN**

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

Years	Gross			Net of Reinsurance		
	1	2	3	1	2	3
	\$	\$	\$	\$	\$	\$
(a) from direct insurance in The Bahamas						
(b) from direct insurance elsewhere						
(c) from reinsurance accepted in The Bahamas						

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shareholding in the company, or any other person on whose directions the directors of the company or any of them act or will act.

23. The name of the principal officer of the company in The Bahamas.
24. The name or names of the company's agent, agents or sub-agents in The Bahamas, their address or addresses and the classes of insurance business for which they will be responsible.
25. In respect of each class of business for which registration is being sought, give —
  - (a) the proposed premium rates before deduction of commission;
  - (b) the percentage of premiums (net of reinsurance) which claims are expected to form and any other relevant information on which premium rates are based;
  - (c) the percentage of premium (net of reinsurance) which management expenses are expected to form;
  - (d) the proposed selection of risks; and
  - (e) attached copies of the standard forms of policies. Where applications for registration to carry on industrial insurance business or ordinary long-term insurance business are being made, the information requested at (b) and (c) need not be given but the company should provide a statement of the actuarial bases of the premium rates and, in the case of equity-linked business, the proportion of premiums to be invested in or related to the fund. Applicants should also submit a certificate by an actuary stating that he considers that premium rates are satisfactory in the light of the information disclosed in the application and that the proposed amount of capital is adequate to support the amount of business.

**C. REINSURANCE CEDED**

26. The nature and extent of the existing or proposed reinsurance arrangements for each class of business indicating clearly the amount of the applicant company's retention in each case. (Attach supporting statement, reinsurance treaties, etc.)
27. Names of the insurance companies or associations of underwriters which will reinsure each class of the company's business and the amount which will be reinsured by each. (Attach supporting statement, if necessary)

**D. CONTROL OF COMPANY**

28. In respect of —
  - (a) each of the promoters of the company\*;
  - (b) each of the present directors of the company;
  - (c) any director the company proposes to appoint;

- (d) any other person in accordance with whose directions the directors of the company or any of them act or will act; and
- (e) any person who at the present time, either has an interest in or it is proposed at present will have an interest in, shares of the company having a nominal value of 10% or more of the company's total share capital and which carry voting rights,

give the particulars listed at (i) to (xi) below —

- (i) Full names (including any previous name or names by which known);
- (ii) Address;
- (iii) Nationality (indicating whether by birth or acquired by registration or naturalization);
- (iv) Date of birth;
- (v) Place of birth;
- (vi) Present occupation and previous occupations during last five years;
- (vii) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in The Bahamas or elsewhere;
- (viii) Whether the person has been adjudicated bankrupt during the last ten years and particulars of any company with which the person was associated during the last ten years and which was compulsorily wound up whilst he was associated with it;
- (ix) Percentage of the share capital of the company in which the person has an interest at present or will have an interest;
- (x) other directorships (if any) held at present and former directorships held during the last five years;
- (xi) names of any other companies in which the person is entitled to exercise or control the exercise of one third or more of the voting power at a general meeting.

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

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

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



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

**E. INVESTMENTS AND BANKERS**

- 30. A list of the investments (under suitable headings) at present held by the company, the value of each investment at the end of the last financial year, and the method of valuation.
- 31. The categories of investments in which the insurance funds in respect of the business for which registration is being sought will be held and the approximate proportions in each category. If it is intended that any of the insurance funds will be invested in currencies other than Bahamian currency, the approximate percentage of each fund which will be invested in each currency should be given.
- 32. Details of —
  - (a) any unpaid loans which the company has made; and
  - (b) any loans which the company proposes to make to any officer of the company and any proposed loans to or investments in an associate company or any company in which any officer of or other person controlling the applicant company is entitled to exercise, or control the exercise of one-third or more of the voting power at any general meeting of the company.
- 33. The place or places at which the documents of title in respect of the company's present investments are held, the place or places at which it is proposed to hold the documents of title in respect of the company's present and future investments, and particulars of any of the documents which are or will be held outside The Bahamas.
- 34. The names and addresses of all banks in which the company has accounts at present or intends to have accounts.

**F. FINANCIAL YEAR AND AUDITORS**

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

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

**G. DOCUMENTATION**

37. The above application is required to be accompanied by the following —
- (a) certified copies of the Memorandum of Association and Articles of Association or any other instrument constituting the company;
  - (b) certified copies of the latest audited Balance Sheet, Profit and Loss Accounts and Revenue Accounts and the aforementioned Financial Statements over the previous three financial years of the company;
  - (c) certified copies of the latest annual report;
  - (d) specimens of all categories of insurance policies issuable by the applicant in respect of all classes of insurance business to be undertaken in The Bahamas;
  - (e) latest actuarial report of the company where it proposes to undertake or has undertaken any class of long-term insurance business in The Bahamas;
  - (f) official receipt from the Registrar-General evidencing payment of registration fee;
  - (g) a certificate signed by the Chairman, a Director and Chief Financial Officer of the company stating that the company has fulfilled the capital and solvency requirements indicated under section 25 and 78 of the Act. (Where the company undertakes any class of long-term insurance business the certificate should also be signed by an actuary);
  - (h) a detailed memorandum indicating the organization of the company and/or its agency, agencies or sub-agencies in The Bahamas. The memorandum should be signed by the Chairman of the Board of Directors, a Director and the Secretary of the company and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in The Bahamas whether of the applicant company, its agency, agencies or sub-agencies.

**APPLICATION AND CERTIFICATE OF TRUTH AND CORRECTNESS**

We hereby apply on behalf of (insurance company) for registration under Part III of the Insurance Act, 2005 to carry on in The Bahamas insurance business of the class or classes indicated at 9 above. We certify that to the best of our knowledge and belief all the information given in this application and contained in supporting statements and documentation submitted is true and correct.

.....  
Director

.....  
Director

.....  
General Manager or Secretary

.....  
Principal Officer in The Bahamas

.....  
Date

**NOTE TO APPLICANTS**

1. The Commission must be notified of any change in the information supplied on the application form after the date of its submission. Also, if any company changes the situation in The Bahamas of its principal office or appoints a new principal representative, that company must within 21 days of the change in appointment give written notice thereof to the Commission. If after registration there is any change in the particulars specified in the application or other information supplied, the company must notify the Commission within 30 days of each change.
2. An application for registration must be accompanied by evidence of the payment of the appropriate fee, and the appropriate deposit must be made with the Commission.
3. The Commission may upon receipt of an application, request the applicant to furnish such additional information as it may consider to be relevant to the application, and may also restrict an authorisation if it appears that the applicant has furnished misleading or inaccurate information when seeking the registration.
4. Any person who for the purposes of obtaining registration gives any information which he knows to be false in a material particular or recklessly gives any information which is false shall be guilty of an offence under the Insurance Act, 2005.

**FORM 2**

**APPLICATION FOR REGISTRATION BY ASSOCIATION OF  
UNDERWRITERS**

(section 110 of the Insurance Act, 2005)

**NO. ....**

**DATE RECEIVED .....**

Application by an Association of Underwriters for registration under Part IV of the Insurance Act, 2005 to carry on in The Bahamas insurance business of a relevant class or relevant classes.

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

1. Name of the association.
2. Full address of the principal office of the association in The Bahamas where service of notice may be effected.
3. Date and place of commencement of the association.
4. Summary of main objects of association. (Attach statement where necessary)
5. The authorized and paid-up capital. If paid-up capital will be increased before registration under the Act, give details.
6. The amount by which the assets of the association exceed liabilities (including all contingent or prospective liabilities but not liabilities in respect of share capital).
7. The relevant class or classes of insurance business which the association carries on —
  - (a) in The Bahamas; and
  - (b) elsewhere at the present time and the amount of business undertaken outside The Bahamas.
8. Particulars of any business other than insurance business which the association carries on at present or proposes to carry on anywhere, indicating how such other business will be separated from the insurance business.

9. The class or classes of insurance business for which registration is sought. Has the association been refused permission to carry on such class (if any, and if so, which, of such classes) of insurance business in any other country?
10. If the association intends to limit its activities to insuring only some of the risks of the class or classes of business for which registration is being sought, give particulars of the risks to be insured.
11. Does the association carry on any class of long-term insurance business with any class of general insurance business in —
- (a) The Bahamas;
  - (b) elsewhere? State classes involved. If, in addition to long-term insurance business the association at present carries on in The Bahamas any class of general insurance business, other than personal accident insurance business, state the transitional period required before cessation of long-term classes or general classes can be effected. (Attach statement where necessary)
12. Is the association carrying on business in The Bahamas as a broker? State whether or not the association's directors have or propose to hold any beneficial ownership in any insurance brokerage business in The Bahamas: full details should be given.

**B. BUSINESS PLAN**

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

Years	Gross			Net of Reinsurance		
	1	2	3	1	2	3
	\$	\$	\$	\$	\$	\$
(a) from direct insurance in The Bahamas						
(b) from direct insurance elsewhere						
(c) from reinsurance accepted in The Bahamas						
(d) from reinsurance accepted elsewhere						
(e) Total (a) to (d)	-----			-----		
	-----			-----		

14. The amount (if any) by which it is intended to increase the paid-up capital of the association during the next three years.
15. The sum expected to be spent during each of the next three years on new premises, office equipment, motor vehicles, etc.
16. The sum expected to be spent during each of the next three years on advertising or other methods of promoting business.
17. For each class of insurance business to be carried on by the association in The Bahamas during the next three years:
  - (a) the method or methods by which the policies will be marketed (e.g. by the association's own organization, by brokers, salespersons, agents, sub-agents or by all methods);
  - (b) if more than one method is proposed under (a) the expected proportions to be marketed by each method;
  - (c) the rates of commission which will be paid to the organization, brokers, salespersons, agents and sub-agents; and
  - (d) the extent to which and the conditions under which the organization, brokers, salespersons, agents and sub-agents will have binding authority to commit the association.
18. Where an overseas association operates or proposes to operate in The Bahamas through the medium of a local agent or agents, a summary of the main arrangements pertaining to the agency agreement(s) and the extent and system of supervision and control to be exercised by, the principal representative. (Attach statement if necessary)
19. Where the association proposes to operate in The Bahamas on a Branch basis, details of the organization and structure of the Branch arrangements. (Attach statement if necessary)
20. The way in which the settlement of claims will be handled (e.g., by the association, by outside loss adjusters or assessors or by other persons with authority to settle claims).
21. The association's policy and practice or proposed policy and proposed practice. (Where necessary)
22. Particulars of any association which exists between any of the brokers, agents, loss adjusters or assessors and any director of the association, any director it is proposed at present to appoint, any person having a majority shareholding in the association, or any other person on whose directions the directors of the association or any of them act or will act.
23. The name of the principal officer of the association in The Bahamas.

24. The name or names of the association's agent, agents or sub-agents in The Bahamas, their address or addresses and the classes of insurance business for which they will be responsible.
25. In respect of each class of business for which registration is being sought, give —
  - (a) the proposed premium rates before deduction of commission;
  - (b) the percentage of premiums (net of reinsurance) which claims are expected to form and any other relevant information on which premium rates are based;
  - (c) the percentage of premium (net of reinsurance) which management expenses are expected to form;
  - (d) the proposed selection of risks; and
  - (e) attach copies of the standard forms of policies.
26. Where applications for registration to carry on industrial life insurance business or ordinary long-term insurance business are being made, the information requested in paragraph 25(b) and (c) need not be given but the association should provide a statement of the actuarial bases of the premium rates and, in the case of equity-linked business, the proportion of premiums to be invested in or related to the fund. Applicants should also supply a certificate by an actuary stating that he considers that premium rates are satisfactory in the light of the information disclosed in the application and that the proposed amount of capital is adequate to support the amount of business.

**C. REINSURANCE CEDED**

26. The nature and extent of the existing or proposed reinsurance arrangements for each class of business indicating clearly the amount of the applicant association's retention in each case. (Attach supporting statement, reinsurance treaties, etc.)
27. Names of the insurance companies or associations of underwriters which will reinsure each class of the association's business and the amount which will be reinsured by each. (Attach supporting statement, if necessary)

**D. SYNDICATES OF AN EXCHANGE**

28. Particulars of syndicates —
  - (a) Full name (including any previous name or names by which known);
  - (b) Address;
  - (c) Nationality;
  - (d) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in The Bahamas or elsewhere;

- (e) Whether the syndicate has been adjudicated bankrupt during the last ten years and particulars of any company or association with which the person was associated during the last ten years and which was compulsorily wound up whilst he was associated with it:
  - (f) Percentage of interest at present:
  - (g) Other associations held at present and former associations held during the last ten years:
  - (h) Names of any other associations or companies in which the person is entitled to exercise one third or more of the voting power at a general meeting.
29. In respect of the association's actuary and each of the persons who will be in charge of one or more of the following departments of the association, viz., fire, accident, life, claims, agency, investment, accounting and underwriting, by whatever title he may be known:
- (a) Full names (including any previous name or names by which known):
  - (b) Address:
  - (c) Date of birth:
  - (d) Place of birth:
  - (e) Position held in applicant association:
  - (f) Qualifications and experience:
  - (g) Companies/associations by which employed during the last ten years and position held:
  - (h) Particulars (including date and place) of any convictions for offences involving fraud or dishonesty in The Bahamas and elsewhere (If the association's actuary is a consulting actuary the name of the partnership to which he belongs, together with any directorships he holds at present and any former directorships held during the last ten years must be stated).

**E. INVESTMENTS AND BROKERS**

30. A list of the investments (under suitable headings) at present held by the association, the value of each investment at the end of the last financial year and the method of valuation.
31. The categories of investments in which the insurance funds in respect of the business for which registration is being sought will be held and the approximate proportions in each category. If it is intended that any of the insurance funds will be invested in currencies other than Bahamian currency, the approximate percentage of each fund which will be invested in each currency should be given.



32. Details of:
- (a) any unpaid loans which the association has made;
  - (b) any loans which the association proposes to make to any officer of the association; and
  - (c) any proposed loans to or investments in an associate company or any company in which any officer of or other person controlling the applicant association is entitled to exercise, or control the exercise of one-third or more of the voting power at any general meeting of the association.
33. The place or places at which the documents of title in respect of the association's present investments are held, the place or places at which it is proposed to hold the documents of title in respect of the association's present and future investments and particulars of any of the documents which are or will be held outside The Bahamas.
34. The names and addresses of all banks in which the association has accounts at present or intends to have accounts.

**F. FINANCIAL YEAR AND AUDITORS**

35. The date on which the association's financial year will end.
36. The name, address and qualifications of each of the association's auditors, both in The Bahamas and elsewhere.

**G. DOCUMENTATION**

37. The above application is hereby accompanied by the following —
- (a) certified copies of the deeds and agreements or any other instrument constituting the association;
  - (b) certified copies of the latest audited Balance Sheet, Profit and Loss Accounts and Revenue Accounts and the aforementioned Financial Statements over the previous three financial years of the association;
  - (c) certified copies of the latest annual report;
  - (d) specimens of all categories of insurance policies issuable by the applicant in respect of all classes of insurance business to be undertaken in The Bahamas;
  - (e) latest actuarial report of the association where it proposes to undertake or has undertaken any class of long-term insurance business in The Bahamas;
  - (f) official receipt from the Commission evidencing payment of registration fee;
  - (g) a certificate signed by the executive officers of the association stating that the association has fulfilled the capital and solvency requirements indicated under sections 43 and 45 of the Act (Where

the association undertakes any class of long-term insurance business the certificate should also be signed by an actuary);

- (h) a detailed memorandum indicating the organization of the association and its agency, agencies or sub-agencies in The Bahamas. The memorandum should be signed by the individual syndicate and should include therein statements pertaining to the experience and qualifications of existing staff or proposed staff in The Bahamas whether of the applicant association, its agency, agencies or sub-agencies.

**APPLICATION AND CERTIFICATE OF TRUTH AND CORRECTNESS**

We hereby apply on behalf of (association of underwriters) for registration under Part IV of the Insurance Act, 2005 to carry on in The Bahamas insurance business of the class or classes indicated at 9 above. We certify that to the best of our knowledge and belief all the information given in this application and contained in supporting statements and documentation submitted is true and correct.

.....  
General Manager or Secretary

.....  
Principal Officer in The Bahamas

.....  
Date

**FORM 3**

**APPLICATION FOR REGISTRATION BY INSURANCE BROKERS, AGENTS,  
SALESPERSONS AND OTHER INSURANCE INTERMEDIARIES**

(section 120 of the Insurance Act, 2005)

**NO.** .....

**DATE RECEIVED** .....

**PART A. APPLICABLE TO INDIVIDUALS ONLY**

1. Name of applicant .....
2. Business address .....
3. Date of birth .....  
Place of birth .....
4. Relevant classes of business for which it is hoped to carry on business as a broker\* in The Bahamas ..... (as defined under section 3 of the Insurance Act, 2005).
5. Are you an undischarged bankrupt? .....
6. If so, have you received leave of the Supreme Court, by which you were adjudged bankrupt, to be an insurance broker\*?.....
7. Are you registered or have you applied for registration as a salesperson, agent or sub-agent under Part V of the Insurance Act, 2005? .....
8. Were you carrying on business as a broker\* within the last 12 months? .....  
.....
9. If so, for which class or classes of business?.....
10. Give details of all training and qualifications held (including copies of certificates, diplomas, etc.).....  
.....
11. Give full details of all experience and employment in insurance business as a broker\* or in any other category (from date of entry to present date) .....  
.....
12. Will you be a full time or part-time broker\*?.....
13. Have you ever been convicted of any offence involving fraud or dishonesty?.....  
.....

14. Have you ever been dismissed by an employer for fraud or dishonesty?  
.....
15. Do you own shares in any insurance company or in any company which  
acts as an agent of an insurance company?.....
16. If you are a member of a brokers' association or other professional body,  
state its name.....
17. If you are not such a member, give reasons.....
18. If you, or your wife/husband or children or parents hold shares in any  
insurance company or any company acting as agent of an insurance  
company, state the name of each company, the name of the holder and the  
number of shares held .....

**DECLARATION:**

I declare that the replies given in this application form are to the best of my knowledge and belief true and correct. I further declare that no agreement relating to the preferential offer of insurance has been made between me and any person carrying on insurance business as might impair my impartiality in placing insurance business.

Signed.....  
Witnessed by.....

Date.....  
Date.....

Testimonial (to be signed by Notary Public)

I.....certify that.....  
is known to me. He/she is a person of good character and is otherwise a fit and proper person to be a broker\* registered under the Insurance Act, 2005.

Signed.....  
Qualification.....  
Date.....

**Note: \*change where applicable**

**PART B. APPLICABLE TO COMPANIES OR PARTNERSHIPS**

(Application for registration as a broker\* of a company or partnership or other body of persons)

1. Name of company or other body.....
2. Principal address in The Bahamas.....
3. Date and place of incorporation or formation.....
4. Give registration number of the company under the Companies Act (Ch.308), if any .....
5. Summary of main or proposed main objects of the company. (Attach statement where necessary).....
6. Amount of authorized and paid-up capital. (Attach latest audited Profit and Loss Account and Balance Sheet).....
7. Give name, place and date of birth of each director, manager or partner and senior officer.....
8. Class/Classes of insurance business for which the company or partnership will carry on business as a broker\* in The Bahamas (classes as defined under section 3 of the Insurance Act, 2005).....
9. Is any director, manager or partner an undischarged bankrupt? .....
10. If so, has he (they) received leave of the Supreme Court, by which he (they) were adjudged bankrupt, to carry on business as an insurance broker\* in The Bahamas?.....
11. Does any director, partner, manager or senior officer of the organization hold shares in an insurance company or a company which is an agent for an insurance company?.....
12. Give details.....
13. Was the company carrying on business within the last 12 months as insurance brokers\* in The Bahamas?.....
14. If so, for which relevant classes of insurance business? .....
15. Give details of all training and qualifications held by each director, manager or partner (including copies of certificates, diplomas, etc.) .....
16. Has any director, partner, manager, or other senior officer ever been convicted of any offence involving fraud or dishonesty? .....
17. Has any director, partner, manager, or other senior officer ever been dismissed by an employer for fraud or dishonesty?.....

**DECLARATION: (to be signed by each director, manager, or partner as the case may be)**

We the undersigned, being directors, managers or partners of ..... declare that the replies given in this application form are to the best of our knowledge and belief true and correct.

We further declare that no agreement relating to the preferential offer of insurance has been made between .....  
(names of company, partnership, etc.) and any person carrying on insurance business as might impair our impartiality in placing insurance business.

Signed .....	Date .....
.....	Date .....
.....	Date.....
.....	Date.....

**Note: \*change where applicable**

**PART C: APPLICABLE TO AGENT**

1. Name and date of birth of manager, controlling director, partner, etc., as the case may be:.....
2. Principal address (addresses) in The Bahamas .....
3. Name(s) of insurance company (or companies) for which applicant is to be a registered agent.....
4. Principal office (offices) in The Bahamas of company (companies) named in 3 above .....
5. Is/are the company/companies registered under the Insurance Act, 2005 to carry on insurance in The Bahamas?.....
6. Relevant classes for which the insurance company/companies at above is/are registered (Note “classes of insurance business” mean the relevant classes of business as identified and defined under section 3 of the Insurance Act, 2005).....
7. Submit certified copy of power of attorney from each insurance company you propose to represent.

8. Is the applicant or any director, manager or partner or senior officer of the applicant body an undischarged bankrupt? .....
9. If so, has he received leave of the Supreme Court, by which he was adjudged bankrupt, to be an insurance agent.....
10. Give documentary proof of leave received from the Supreme Court.
11. Is applicant registered as a broker or has he (or the body of persons) applied for registration as a broker under Part V of the Insurance Act, 2005? .....
12. Did the applicant carry on business as an agent within the last 12 months? .....
13. If so, state for which company or companies and for which class or classes of business.....
14. Submit certified copy of agency agreement with insurance company or principal agent. Give summary of each such agreement and state commissions payable or other method of remuneration.....
15. Give details of shareholding or interest in any insurance brokerage business or undertaking of each member of staff, including directors and partners and their immediate families .....
16. Give details of all training and qualifications held (including copies of certificates, diplomas, etc.) by applicant or each director, manager or partner or senior officer of the applicant body.....  
.....
17. Give details of experience as an insurance agent or sub-agent, e.g., number of years, class of business, name of companies, etc. In the case of a partnership or company applying for registration give details of experience and employment of senior staff attached to organization .....
18. Has any director, partner, manager, senior officer or individual applicant been convicted of an offence involving fraud or dishonesty? If so, give details  
.....  
.....
19. Submit latest agency returns made to the insurance company or principal agent and also latest audited Profit and Loss Account and Balance Sheet of the applicant organizations.
20. Give detailed list of all assets and liabilities held (and places where held) for the relevant insurance company (or companies) or principal agent in respect of which your agency registration application pertains. This list

should be certified by an auditor and should be for a period not earlier than three months before the date of application.

21. The names and addresses of all the banks in which the applicant has accounts. All bank accounts in which the funds are beneficially owned by the insurance company (companies) or principal agents to which your agency registration application pertains should be stated separately. The nature of the applicants use or control of all assets and bank accounts of his principals existing in The Bahamas should be indicated in detail
- .....
- .....

**DECLARATION:**

I/We the undersigned declare that the replies given in this application form are to the best of my/our knowledge and belief true and correct.

Signed.....	Date.....
.....	Date.....
.....	Date.....

**Testimonial (to be signed by Notary Public)**

I..... certify that .....  
 is known to me. He/She is a person of good character and is otherwise a fit and proper person to carry on business as an agent or to occupy the position of.....(specify the position held, e.g. manager, controlling director, partner, etc.) with .....  
 (name of agency or a body of persons).

Signed .....

(capacity of individual signing testimonial  
 should be indicated i.e. Notary Public)

Date.....



**PART D. APPLICABLE TO INSURANCE SALESPERSONS OR  
TECHNICAL REPRESENTATIVES**

1. Name of applicant:.....
2. Date of birth:.....
3. Present occupation:.....
4. Address:.....
5. Name of company, insurance agent for which applicant is/will be a salesperson:.....
6. Address of principal office in The Bahamas of company or agent for which applicant is/will be a salesperson: .....
7. Class/Classes of insurance business that applicant will sell (Note "classes of insurance business" mean the relevant classes of business as identified and defined under section 3 of the Insurance Act, 2005):.....  
.....
8. Places of employment during last 10 years.....  
.....
9. Are you a member of any association of insurance salespersons?.....  
(Name of association if any).....
10. Were you such a member and ceased being one?.....
11. Have you applied for membership in such an association?.....
12. If you hold any shares in any insurance company or any company carrying on business as an insurance broker, agent or sub-agent, State:
  - (a) name of company:.....
  - (b) number of shares held by you.....
  - (c) Class/Classes of business which company is registered under the Insurance Act, 2005 to carry on in The Bahamas:.....  
.....
13. Are you an undischarged bankrupt?.....
14. If so, have you received leave of the Supreme Court, by which you were adjudged bankrupt, to be an insurance salesperson?.....
15. Are you registered as a broker (or have you applied for registration as a broker) under Part V of the Insurance Act, 2005? .....
16. Were you an insurance salesperson within the last 12 months?  
.....
17. If so, with what company and for which class or classes of business?  
.....

18. Give details of all training and qualifications held. (Attach copies of certificates, diplomas, etc.):.....  
.....
19. Give details of experience as insurance salesperson, such as, number of years, classes of business, name of companies and years during which employed by each company, etc., and whether or not dismissed from any of the named companies and reasons for such dismissal  
.....  
.....
20. Will you be a full time or part-time salesperson? .....
21. Have you ever been convicted for an offence involving fraud or dishonesty? if so, give details .....
22. Have you ever been dismissed by an employer for fraud or dishonesty?  
.....

**DECLARATION:**

I declare that the replies given in this application form are to the best of my knowledge and belief true and correct.

Signed:..... Date:.....  
Signature witnessed by:..... Date:.....

**Testimonial (to be signed by Notary Public)**

I.....certify that.....is known to me. He/She is a person of good character and is otherwise a fit and proper person to be a salesperson under the Insurance Act, 2005.

Signed:.....  
(To be signed by Notary Public)

Date:.....

Note: This application should be accompanied by a signed statement by the principal officer in The Bahamas of the company for which the applicant works/ will work that the applicant is or will be a salesperson for that company.

**FORM 4**

(section 19 of the Insurance Act, 2005)

[illegible]

**FORM 5**

**REGISTER OF ASSOCIATIONS OF UNDERWRITERS**

(section 19 of the Insurance Act, 2005)

NO. ....

NAME OF ASSOCIATION:				
ADDRESS:				
NO. OF APPLICATION	DATE OF APPLICATION	CLASS OR CLASSES OF BUSINESS AUTHORIZED	DATE REGISTERED	REMARKS

**FORM 6**

## REGISTER OF BROKERS

(section 19 of the Insurance Act, 2005)

[illegible]

# FORM 7

## REGISTER OF AGENTS OR SUB-AGENTS

(section 19 of the Insurance Act, 2005)

[illegible]

\* Replace Agent with Sub-Agent or Managing General Agent as required

**FORM 8**

## REGISTER OF SALESPERSONS, ADJUSTERS, CONSULTANTS, CHIEF EXECUTIVE AND TECHNICAL REPRESENTATIVE

(section 19 of the Insurance Act, 2005)

[illegible]

**FORM 9**

**CERTIFICATE OF REGISTRATION OF AN INSURANCE COMPANY**

(section 29 of the Insurance Act, 2005)

**Registration No.....**

This is to certify that.....whose principal office

(Name of company)

in The Bahamas is situated at ..... has been

(Address of principal office)

registered to carry on the following classes of insurance business in The Bahamas:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

The registration of the company is subject to the following conditions:

- 1.
- 2.
- 3.
- 4.

(See attachment where above space is inadequate)

Dated this..... day of.....20.....

.....

Superintendent of Insurance



**FORM 10**

**CERTIFICATE OF REGISTRATION OF INSURANCE AGENT  
AND SUB-AGENT**

(section 124 of the Insurance Act, 2005)

**Registration No.....**

**Effective date of certificate.....**

This is to certify that.....whose address in The Bahamas  
(Name)

is.....has been registered to carry on insurance business  
(Address)

in The Bahamas as .....for and on behalf of  
..... in respect to  
(Name and Address of Insurance Company or Principal Agency)

the following class or classes of insurance business:

- 1.
- 2.
- 3.

The registration specified herein is subject to the following conditions:

- 1.
- 2.
- 3.

(See attachment where above space is inadequate)

Dated this..... day of.....20.....

.....

Superintendent of Insurance

**FORM 11**

**CERTIFICATE OF REGISTRATION OF INSURANCE INTERMEDIARY**

(section 124 of the Insurance Act, 2005)

(Applicable to Brokers, Salespersons, Adjusters, Risk Managers, Consultants,  
Chief Executive and Technical Representative)

**Registration No.....**

**Effective date of certificate.....**

This is to certify that.....whose address in The  
(Name of broker, salesperson, adjuster,  
risk manager, consultant, chief executive  
or technical representative)

Bahamas is.....has been registered to carry on insurance  
(Address)

business in The Bahamas as.....

(Indicate whether broker, salesperson,  
adjuster, risk manager, consultant, chief  
executive or technical representative)

in respect of the following class or classes of insurance business:

- 1.
- 2.
- 3.

The registration specified herein is subject to the following conditions:

- 1.
- 2.

(See attachment where above space is inadequate)

Dated this.....day of.....20.....

.....  
Superintendent of Insurance

**FORM 12**

**TERMINATION OF AGENTS, CHIEF EXECUTIVE, TECHNICAL  
REPRESENTATIVE AND SALESPERSONS**

(section 129(2) of the Insurance Act, 2005)

**PART A**

**Notice of Termination of Employment  
(To be given by person terminated)**

1. Name and registration number.....
2. Name of insurance company, broker or agency whose employment has  
been vacated and registration number of same.....  
.....period of the employment  
which is now terminated - from..... to .....
3. Date of and reason for termination of employment.
4. Classes of insurance for which individual has been registered.
5. Have all commissions or other forms of remuneration due to you been  
received from the insurance company, broker or agency whose  
employment you have just left? If not, how much remains unpaid?
6. Have any funds or moneys collected by you been fully remitted to and  
accounted for to the insurance company, broker or agency whose  
employment you have just left? If not, how much remains outstanding?
7. State any other material facts not covered by the above items.
8. The above is a true and correct statement of the facts pertaining to the  
termination of my employment with .....  
(Name of insurance company  
or name of agency)

.....  
Signature

.....  
Date

**PART B**

**Notice of Termination of Employment**

**(To be given by insurance company, broker or agency)**

1. Name and registration number of insurance company, broker or agency.
2. Name and registration number of insurance salesperson whose employment has just been terminated.
3. State reason for termination of employment of salesperson named at 2 above.  
Indicate period of time during which salesperson has been employed with you - from:..... to .....
4. Have all commissions or other remuneration due to salesperson been paid? If not, indicate action being taken to effect settlement.
5. Have all moneys and funds collected by salesperson and due to you been handed over? If not, indicate action being taken to pay the outstanding amount.
6. State classes of insurance business undertaken by insurance company, broker or agency. Also state class or classes of insurance which salesperson was selling on your behalf.
7. Would you re-employ the salesperson named at 2 above? Give reasons for your answer.
8. State any other material facts not covered by above items.

The above is a true and correct statement of the facts pertaining to the termination of employment of .....

(Name of Salesperson)

All pertinent and material facts have been given.

.....  
Signature of Director of Insurance  
Company, Broker, or Agency and date

.....  
Signature of Director of Insurance  
Company, Broker, or Agency and date

.....  
Signature of Secretary of Insurance  
Company, Broker or Agency and date

**FORM 13**

**NOTIFICATION OF THE NEW EMPLOYMENT OF A TECHNICAL  
REPRESENTATIVE OR SALESPERSON**

(section 129(2) of the Insurance Act, 2005)

**TO: THE INSURANCE COMMISSION**

This is to inform you that \*I/We \*has/have been engaged by  
.....to conduct the business of a \*Technical  
Representative/Salesperson with effect from .....

.....  
Signature

.....  
Position held

\*Delete whichever is not applicable.

## FORM 14

## QUARTERLY RETURN BY LIFE AND HEALTH INSURERS

(section 206 of the Insurance Act, 2005)

## Revenue and Premium Tax Report

As at..... (Quarter ending)

Quarterly Returns of registered insurers shall be submitted to the Commission within four (4) weeks of the end of each calendar quarter (i.e. March, June, September and December).

**Note that Annuities and Pensions are exempt from the 3% Premium Tax.**

Name of Insurer:..... Address:.....

Insurer's National Insurance No:..... Telephone No:..... Fax No:.....

	NO. OF POLICIES	TOTAL \$ VALUE	FIRST YEAR GROSS PREMIUM	RENEWAL GROSS PREMIUM	TOTAL GROSS PREMIUM	3% PREMIUM TAX
I. ORDINARY LIFE						
Annuities						
Hospitalization						
Accident & Sickness						
AD & D						
II. GROUP LIFE						
Health						
III. PENSION						
IV. DENTAL						
V. OPTICAL						
VI. INDUSTRIAL LIFE						
Accident & Sickness						
Hospitalization						
AD & D						
Other						
TOTAL(S)						

Name &amp; Title of Reporting Officer:.....

Date:.....

*Note: Categories exempted from 3% Premium Taxes: Annuities & Pension*

**FORM 15****QUARTERLY RETURN BY LIFE AND HEALTH INSURERS**

(section 206 of the Insurance Act, 2005)

## Claims Settled Report

As at..... (Quarter ending)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No:..... Telephone No:..... Fax No:.....

CLASSES OF INSURANCE BUSINESS	MATURITIES		SURRENDERS		DEATHS		LAPSES		OTHERS	
	Total \$Amt.	No.	Total \$Amt.	No.	Total \$Amt.	No.	Total \$Amt.	No.	Total \$Amt.	No.
CLAIMS SETTLED										
(A) ORDINARY LIFE										
Annuities										
Accident & Sickness										
Hospitalization										
A D & D										
(B) GROUP										
Life										
Health										
(C) PENSION LIFE										
(D) INDUSTRIAL LIFE										
Accident & Sickness										
Health										
Hospitalization										
(E) DENTAL										

(F) OPTICAL										
Hospitalization										
Group Life										
Group Health										
TOTAL(S)										

Name & Title of Reporting Officer:.....

Date:.....



## FORM 16

## QUARTERLY RETURN BY LIFE AND HEALTH INSURERS

(section 206 of the Insurance Act, 2005)

## Claims Outstanding Report

As at.....(Quarter ending)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No..... Telephone No.:..... Fax No.:.....

CLASSES OF INSURANCE BUSINESS	MATURITIES		SURRENDERS		DEATHS		LAPSES		OTHERS	
	Total \$ Amt.	No.	Total \$ Amt.	No.	Total \$ Amt.	No.	Total \$ Amt.	No.	Total \$ Amt.	No.
CLAIMS OUTSTANDING										
(A) ORDINARY LIFE										
Annuities										
Accident & Sickness										
Hospitalization										
A D & D										
(B) GROUP										
Life										
Health										
(C) PENSION LIFE										
(D) INDUSTRIAL LIFE										
Accident & Sickness										
Health										
Hospitalization										
(E) DENTAL										
(F) OPTICAL										

INSURANCE (GENERAL) REGULATIONS, 2010

Hospitalization										
Group Life										
Group Health										
TOTAL(S)										

Name & Title of Reporting Officer:.....

Date:.....

## FORM 17

## QUARTERLY RETURN BY PROPERTY &amp; CASUALTY INSURERS

(section 206 of the Insurance Act, 2005)

## Revenue &amp; Premium Report

As at..... (Quarter ending)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No.:..... Telephone No.:..... Fax No.:.....

CLASSES OF INSURANCE BUSINESS	NO. OF POLICIES	TOTAL \$ VALUE	FIRST YEAR GROSS PREMIUM	TOTAL \$ GROSS PREMIUM	3% PREMIUM TAX
ACCIDENT					
AVIATION					
CONTINGENCY					
LIABILITY					
MARINE, AVIATION & TRANSPORT					
MOTOR					
PROPERTY					
OTHER					
TOTAL(S)					

*N.B. The classes of insurance business are to be further categorised in accordance with section 3 of the Insurance Act, 2005.*

Name &amp; Title of Reporting Officer:.....

Date:.....

**FORM 18****QUARTERLY RETURN BY PROPERTY & CASUALTY INSURERS**

(section 206 of the Insurance Act, 2005)

Claims Settled/Outstanding Report

As at.....(Quarter ending)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No.:..... Telephone No.:..... Fax No.:.....

CLASSES OF INSURANCE BUSINESS	NO. OF NEW CLAIMS REPORTED IN QUARTER	TOTAL \$ VALUE OF CLAIMS *	TOTAL \$ AMOUNT SETTLED +	TOTAL \$ AMOUNT OUTSTANDING +	TOTAL \$ AMOUNT OUTSTANDING MORE THAN 2 QUARTERS
ACCIDENT					
AVIATION					
CONTINGENCY					
LIABILITY					
MARINE, AVIATION & TRANSPORT					
MOTOR					
PROPERTY					
OTHER					
TOTAL(S)					

*N.B. \* Includes outstanding from previous Quarter.**+ Figure for all claims whenever reported.**Classes of insurance business are to be further categorised in accordance with section 3 of the Insurance Act, 2005.**Name & Title of Reporting Officer:.....**Date:.....*

**FORM 19**

**ANNUAL RETURN BY AGENT OR BROKER**

(section 139 of the Insurance Act, 2005)

ANNUAL RETURN FOR YEAR ENDED:.....

Return being completed as (tick appropriate space):

Insurance Agents ( )

Insurance Broker ( )

Insurance Sub-Agent ( )

Name of Company:.....

Address:.....

Telephone No: ..... Fax No: .....

**1. Commissions/Fees Earned  
(Profit/Underwriting Commission)  
Name of Insurers Class of Business  
(or Intermediary)**

**Total \$**

**(1) Gross Premiums Written**

Entity 1 .....

Entity 2 etc .....

**(2) Claims Experience**

Entity 1 .....

Entity 2 etc .....

**(3) Claims Paid**

Entity 1 .....

Entity 2 etc .....

**(4) Commissions/Fees Earned**

Entity 1 .....

Entity 2 etc .....

**(5) Gross Commission/Fees**

Entity 1 .....

Entity 2 etc .....

**2. Declaration (Brokers)**

- (1) We confirm that the companies at paragraph 1(1) above represent all the insurers with whom we placed business during the past year.
- (2) We confirm that our professional indemnity insurance in respect of our activities is current and in the amount of \$....., and we enclose evidence of the same.
- (3) We confirm that the information set out in the application for our Broker's certificate of registration, as modified by subsequent notifications of changes in accordance with section 120 of the Insurance Act, 2005, remains correct and gives full disclosure as to the nature and practice of our business.
- (4) We confirm that the information in paragraph 1 above is the true details of the premium income, by lines of business, placed with the insurers listed under paragraph 1(1) above, and the details of commissions paid.

**3. Declaration (Agents)**

- (1) We confirm that we are currently acting for the following companies:
  - (a) .....
  - (b) .....
  - (c) .....
  - (d) .....
  - (e) .....
- (2) We confirm that relevant agency agreements, guarantees, and professional indemnity insurance as required under section 120 of the Insurance Act, 2005, are current.
- (3) We confirm that the information set out in the application for our agency certificate of registration, as modified by subsequent notifications of changes in accordance with section 120 of the Insurance Act, 2005, remains correct and gives full disclosure as to the nature and practice of our business.
- (4) We enclose a list of sub-agents authorized to solicit business on our behalf.
- (5) We confirm that we have carried out due diligence checks on the listed insureds as required by the relevant anti-money laundering laws.

Signed:.....

Name (in capitals):.....

Position held:.....

Date:.....

**FORM 20**

**ANNUAL INDUSTRY DATA REPORT – LIFE AND HEALTH INSURER**

(section 58 of the Insurance Act, 2005)

The Annual Industry Data Report of a registered insurer shall be completed by the Company's Financial Controller or Accountant and submitted to the Commission within eight (8) weeks at the end of each calendar year. Information provided relate to the relevant year.

Annual Industry Data Report is being completed as (tick appropriate space):

Subsidiary ☐

Branch ☐

As at.....(Year end)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No:..... Telephone No:..... Fax No:.....

**CLASSIFICATION**

**\$**

- A. Total Assets
- B. Total Admitted Assets
- C. Total Investment Assets
- D. Composition of Investment Assets
  - 1. Statutory Deposit
  - 2. Call Accounts
  - 3. Fixed & Certificate of Deposit
  - 4. Mortgage Loans
  - 5. Policy Loans
  - 6. Government T'Bills
  - 7. Government Registered Stock
  - 8. Other Investments
- E. Total Liabilities
- F. Unpaid Claims & Claims Expenses
- G. Unearned Premiums
- H. Policyholders' Reserves

List class (e.g.)

1. Life
  2. Health
  3. Dental
  4. Annuities
  5. Accident & Health
  6. Pensions
- I. Shareholders' Equity & Surplus Accounts
1. Authorized Capital
  2. Issued & Fully-paid Capital
  3. Additional Paid-in Capital
  4. Retained Earnings
  5. Other Reserves
  6. Unrealized Appreciation (Revaluation)
- J. Adjusted Shareholders' Equity & Surplus Accounts
- K. Gross Premiums
1. Individuals
    - (a) Life
    - (b) Annuities
    - (c) Pensions
    - (d) Sickness & Accident
    - (e) Hospitalization
    - (f) A D & D
    - (g) Dental
    - (h) Optical
    - (i) Other
  2. Groups
    - (a) Life
    - (b) Health
    - (c) Other
  3. Total Gross Premiums
- L. 1. Reinsurance
- (a) Ceded
  - (b) Recovered



- 2. Due to Reinsurers
- M. Commissions
  - 1. Commission Paid
  - 2. Commission Received
- N. Net Premiums
- O. Total Investment Income
- P. Gross Income
- Q. Net Income
- R. Dividend Income
  - 1. Declared
  - 2. Paid-Out
- S. Funds Repatriated
  - 1. First Quarter
  - 2. Second Quarter
  - 3. Third Quarter
  - 4. Fourth Quarter

Name & Title of Reporting Officer:.....

Date:.....

**FORM 21**

**ANNUAL INDUSTRY DATA REPORT – PROPERTY & CASUALTY  
INSURERS**

(section 58 of the Insurance Act, 2005)

Annual Industry Data Report is being completed as (tick appropriate space):

Subsidiary ☐

Branch ☐

As at.....(Year end)

Name of Insurer:.....

Address:.....

Insurer's National Insurance No:..... Telephone No:..... Fax No:.....

**CLASSIFICATION**

**\$**

- A. Total Assets
- B. Total Admitted Assets
- C. Total Investment Assets
- D. Composition of Investment Assets
  - 1. Statutory Deposit
  - 2. Call Accounts
  - 3. Fixed & Certificate of Deposit
  - 4. Mortgage Loans
  - 5. Policy Loans
  - 6. Government T'Bills
  - 7. Government Registered Stock
  - 8. Other Investments
- E. Total Liabilities
- F. Unpaid Claims & Claims Expenses
- G. Unearned Premiums
- H. Policyholders' Reserves (List type)
- I. Shareholders' Equity & Surplus Accounts
  - 1. Authorized Capital
  - 2. Issued & Fully-paid Capital
  - 3. Additional Paid-in Capital
  - 4. Retained Earnings

- 5. Reserves
- 6. Unrealized Appreciation (Revaluation)
- J. Adjusted Shareholders' Equity & Surplus Accounts
- K. Gross Premiums
  - 1. Accident
  - 2. Aviation
  - 3. Contingency
  - 4. Liability
  - 5. Marine
  - 6. Motor
  - 7. Property
  - 8. Other
- L.
  - 1. Reinsurance
    - (a) Ceded
    - (b) Recovered
  - 2. Due to Reinsurers
- M. Commissions
  - 1. Commission paid
  - 2. Commission received
- N. Net Premiums
- O. Total Investment Income
- P. Gross Income
- Q. Net Income
- R. Dividends
  - 1. declared
  - 2. paid-out
- S. Funds Repatriated
  - 1. First Quarter
  - 2. Second Quarter
  - 3. Third Quarter
  - 4. Fourth Quarter

Name & Title of Reporting Officer:.....

Date:.....

**FORM 22****ANNUAL ECONOMIC CONTRIBUTION REPORT**

(section 58 of the Insurance Act, 2005)

This report shall be completed by each entity registered with the Insurance Commission and shall be submitted to the Insurance Commission within eight weeks at the end of each calendar year.

Information provided shall relate to the relevant year.

1. Document being completed as (tick appropriate space):
 

Life & Health Insurer	( )
Property & Casualty Insurer	( )
Insurance Agent	( )
Insurance Broker	( )
Loss Adjuster/Assessor	( )
Insurance Surveyor	( )
Third Party Administrator	( )
Sub-Agent	( )
Sub-Broker	( )
Other	( )
2. Name:.....  
 (Name of company or individual making the report)
3. Address:.....
4. National Insurance No:.....
5. Telephone No:..... Fax No:.....
6. Number of Persons Employed:
  - (a) Bahamian
  - (b) Non-Bahamian
7. Operational Costs
 

	Bahamian	Non-Bahamian
(a) Remuneration		
(i) Direct Salary		
(ii) Commissions		

- (iii) Bonus
  - (b) Total National Insurance Contributions
  - (c) Government Fees
    - (i) Licence
    - (ii) Company Registration
    - (iii) Work Permits
    - (iv) Premium Taxes
    - (v) Other (specify)
  - (d) Staff Training & Development
  - (e) Computerization
  - (f) Other Administration Costs
  - (g) Technical Support/Management Fees
  - (h) Professional Fees Paid To Bahamian Entities (accounting, legal, etc.)
8. Capital Expenditure
- (a) Real Estate
    - (i) Building
    - (ii) Property/Land
  - (b) Renovation Expenses
  - (c) Construction
  - (d) Equipment
  - (e) Other Fixed Assets

Name & Title of Reporting Officer:.....

Date:.....

**FORM 23**

**AUDITED FINANCIAL STATEMENTS**

(sections 60 and 70 of the Insurance Act, 2005)

**REGISTERED INSURERS**

1. Registered insurers shall submit to the Insurance Commission audited financial statements, prepared in accordance with international accounting standards or with such other accounting principles acceptable to the Insurance Commission, not later than four months after its fiscal/financial year end.
2. Every audited financial statement shall relate to the relevant year and should include —
  - (a) such statements as:
    - (i) Balance Sheet,
    - (ii) Income (full expense & earnings), and
    - (iii) Cash Flow;
  - (b) Notes to the Financial Statements; and
  - (c) Auditor's Report.
3. The Annual Report shall include the following documents —
  - (a) a cover sheet comprising —
    - (i) the name of the insurer;
    - (ii) the period covered therein; and
    - (iii) the nature of the insurance business carried on by the insurer;
  - (b) the auditor's report pursuant to section 60 of the Insurance Act, 2005;
  - (c) a statement signed by two directors and the appointed auditor declaring the solvency of the insurer in accordance with the Act and these regulations;
  - (d) where the insurer carried on life and health business, the actuary's report pursuant to section 62 of the Insurance Act, 2005;
  - (e) the Anti-Money Laundering Compliance Report in accordance with section 207 of the Insurance Act, 2005;
  - (f) audited unconsolidated financial statements reconciled to the audited consolidated financial statements.

4. The audited financial statements are to be prepared in accordance with International Financial Reporting Standards and should include inter alia, such information and accounts as follows:
- (a) those outlined in the Annual Industry Data Report (which reconciles the information contained in the report and in the audited financial statements);
  - (b) use of bank overdraft facilities by the insurer (if applicable);
  - (c) details of the investment portfolio a sectorial analysis (commercial/residential) of the mortgage account(s) with such sections' ageing schedule;
  - (d) an analysis of fixed asset items and their individual net values for the year;
  - (e) an ageing schedule for all account receivable asset items and information on collateral, if any;
  - (f) the amount of unearned premiums;
  - (g) the amount of unpaid claims;
  - (h) reinsurance ceded;
  - (i) reinsurance recovered;
  - (j) reinsurance balance receivable and/or payable;
  - (k) Commissions paid (analyzed between agents, salespersons, adjusters, etc.) and commissions received (including profits/underwriting commissions);
  - (l) segmented information by country and class of insurance business;
  - (m) Policyholders Reserve giving increase (decrease) in Policy Reserves (Actuarial Liabilities):

Reserve at beginning of year	Current Year	Previous Year:
(i) Life & Health,		
(ii) Annuities,		
(iii) Accident & Health,		
(iv) Dental,		
(v) Optical.		
Total Increase (Decrease) in Policy Reserves		
Policyholders Reserves-end of year;		
  - (n) Capital & Surplus i.e. Current Year                      Previous Year
    - (i) Capital Account:

Capital Stocks	
Authorized.....	shares of \$ ..... each
Issued and fully paid.....	shares of \$. ..... each

- (aa) contributed surplus
- (bb) any other fixed capital
- (cc) total primary capital
- (ii) Surplus:
  - Surplus - Beginning of Year \$
  - Add: Income for the year
  - Less: Dividends paid and payable
  - Add (Deduct) change in unrealized appreciation (depreciation) of investments
  - Add (Deduct) change in not admitted assets
  - Add (Deduct) change in appraisal of real estate
  - Add (Deduct) change in any other surplus
  - Surplus - End of Year \$
- (iii) Total Capital and Surplus
- (o) The currency in which the financial statements are prepared.



**FORM 24**

**CERTIFICATE FOR ACTUARY**

(section 62 of the Insurance Act, 2005)

This Certificate is prepared in accordance with the provisions of the Insurance Act, 2005 in respect of the life and health insurance business of .....

(Company's name)

I have examined the financial position, and valued the policy liabilities for its balance sheet as at.....(date), and the corresponding change in the policy liabilities in the income statement for the year then ended.

In my opinion:

1. The methods and procedures used in the verification of the valuation data are sufficient and reliable, and fulfil the required standards of care.
2. The methods and assumptions used to calculate the actuarial and the other policy liabilities are appropriate to the circumstances of the company and of the said policies and claims.
3. The valuation of actuarial and other policy liabilities has been made in accordance with generally accepted actuarial practice (with such changes as determined and any directions made by the Commission).
4. The valuation is appropriate under the circumstances of the company and the financial statements fairly reflect its results.
5. Having regard for the results of the investigation performed pursuant to section 62 of the Insurance Act, 2005 the value of actuarial and other policy liabilities, when taken together with the total capital available makes good and sufficient provisions for all unmatured obligations under the terms of the policies in force.

ACTUARY.....

NAME.....

QUALIFICATIONS.....

DATE.....

**SECOND SCHEDULE**

(regulation 123)

**FORM 1**

**APPLICATION FOR RENEWAL OF CERTIFICATE OF REGISTRATION AS  
AGENT/SUB-AGENT**

**TO: THE INSURANCE COMMISSION**

I, hereby, apply for the renewal of Insurance Agent/Sub-Agent

Certificate of Registration No: ..... Issued on: .....

I enclose:

- (a) official receipt No: ..... dated ..... as  
evidence of payment of the prescribed fee; and
- (b) evidence that the required insurance/bond is in place.

Signature of Applicant .....

Date .....

**PARTICULARS**

- 1. Full Name of Applicant (Individual /Firm/Company) .....  
Address.....
- 2. Name of company for which the applicant is registered as agent or sub-  
agent.....Address.....
- 3. Endorsement of Company

I certify that the information in item 2 above is true and correct.

Signature .....

Title .....

(Affix Official Stamp)

- 4. Name of officers who will act in the name of and on behalf of the applicant  
company.....

I certify that to the best of my knowledge and belief all of the information given in  
this application is true and correct.

Signature .....

Position in Firm/Company .....

**Note: To be signed by the Chief Executive of the Company.**

**FORM 2**

**APPLICATION FOR RENEWAL OF CERTIFICATE OF REGISTRATION AS SALESPERSON**

**TO: THE INSURANCE COMMISSION**

I, hereby, apply for the renewal of Salesperson

Certificate of Registration No: ..... Issued on: .....

I enclose official receipt No: ..... dated .....  
as evidence of payment of the prescribed fee.

Signature of Applicant .....

Date .....

*PARTICULARS*

1. Full Name of Applicant (Mr./Mrs./Miss) .....  
Address.....
2. Name of Insurance Company or the Agent for which/with whom the  
Applicant is registered as Salesperson .....  
Address.....
3. Endorsement of Insurance Company or Agent:

I certify that the information in item 2 above is true and correct.

Signature .....

Title .....

(Affix Official Stamp)

I certify that to the best of my knowledge and belief all of the information given  
in this application is true and correct.

Signature .....

Date .....

**Note: To be signed by the Chief Executive of the Company or the Agent.**

**FORM 3**

**APPLICATION FOR RENEWAL OF CERTIFICATE OF REGISTRATION AS  
BROKER OR ADJUSTER**

**TO: THE INSURANCE COMMISSION**

I, hereby, apply for the renewal of Insurance Broker/Adjuster

Certificate of Registration No: ..... Issued on: .....

I enclose:

- (a) official receipt No: .....dated.....  
as evidence of payment of the prescribed fee; and
- (b) evidence that the required insurance/bond is in place.

Signature of Applicant .....

Date .....

*PARTICULARS*

- 1. Full Name of Applicant (Firm/Company).....  
Address .....
- 2. If a Broker, give details of Professional Indemnity Insurance as follows:
  - (a) Underwriter .....
  - (b) Policy No .....
  - (c) Renewal date .....
  - (d) Limit of Indemnity .....
  - (e) Excess .....(Written evidence that the insurance is in force must be submitted)
- 3. Name of officers who will act in the name of and on behalf of the applicant  
company .....

I certify that to the best of my knowledge and belief all of the information given  
in this application is true and correct.

Signature .....

Position in Firm/Company .....

**FORM 4**

(regulation 125)

**“TIED” AND “COMMISSIONED” SALESPERSONS AND TECHNICAL  
REPRESENTATIVES LIST**

List of “Tied” and “Commissioned” Salespersons and Technical Representatives  
working for (Name of Firm).....

1. Full Name (Last name first).....
2. Registration No: .....
3. Is Registration Current? (Yes/No)

“TIED”

“COMMISSIONED”

I certify that to the best of my knowledge and belief all the information given above is  
true and correct.

Signature .....

Position in Firm/Company .....

**THIRD SCHEDULE**

(regulation 143)

**FEES**

The fees to be paid in respect of the various provisions under the Insurance Act, 2005 are as follows:

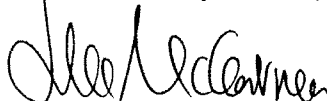
<b>Amount of Fee</b>	<b>\$</b>
1. For the filing of an application for new registration of —	
(a) an insurance company	500
(b) an association of underwriters	500
(c) a medical/health service organization	500
(d) a firm/company of brokers	300
(e) an individual sub-agent	75
(f) a firm/company of agents or sub-agents	300
(g) an individual, partnership or firm/company of adjusters (independent or public), risk managers or consultants	300
(h) a salesperson	75
2. For the initial registration of a new insurance company where the authorized capital is —	
(a) \$1,000,000 or more but less than \$3,000,000	5,000
(b) \$3,000,000 or more but less than \$5,000,000	10,000
(c) \$5,000,000 or more but less than \$10,000,000	15,000
(d) \$10,000,000 or more	20,000
3. For the subsequent annual registration of an insurance company carrying on life and health insurance business \$1.00 per \$1,000 worth of all such local policy	

	premiums, subject to a minimum of \$500 and maximum of \$5,000.	
4.	For the subsequent annual registration of an insurance company carrying on property and casualty business \$1.00 per \$1,000 worth of all such local policy premiums, subject to a minimum of \$500 and maximum of \$5,000.	
5.	For the re-registration under the Act of an insurance company, agency or brokerage that was doing business under the repealed Act	100
6.	For the initial registration and subsequent annual renewal of the registration of —	
	(a) an association of underwriters	5,000
	(b) a firm/company of brokers	1,000
	(c) a medical/health service organization	1,000
	(d) a firm/company of agents	1,000
	(e) a firm/company of sub-agents	300
	(f) an individual sub-agent	100
	(g) an individual insurance adjuster (independent or public), risk manager or consultant	1,000
	(h) a partnership or firm of insurance adjusters (independent or public), risk managers or consultants	3,000
	(i) salespersons —	
	Life & Health —	
	(i) Ordinary Life	100
	(ii) Industrial Life	50
	Property & Casualty	100
	Combination Registration	
	(i) Ordinary Life plus Property & Casualty	200
	(ii) Industrial Life plus Property & Casualty	150
7.	For the processing of applications or requests	

- by a registered entity to —
- |     |  |       |
|-----|--|-------|
| (a) | amalgamate/merge                         | 5,000 |
| (b) | acquire/increase significant interest    | 2,000 |
| (c) | transfer business/assets                 | 3,000 |
| (d) | acquire/increase substantial investments | 2,000 |
8. For taking a record of any fact required by the Act or authorized to be recorded by the Commission 10\*
9. For obtaining a duplicate of a certificate or identification card 20\*
10. For the inspection of a document held by the Commission 5\*
11. For Late Payments —
- (a) Registered insurers, medical/health service organizations and insurance intermediaries delinquent in the timely payment of registration fees will be subject to an additional charge of 10%, 15%, 20% or 25% on amount due according to the quarterly ageing of the overdue amount.
- (b) Registered insurance salespersons and other intermediaries late registration renewal, i.e. after the end of the month in which the anniversary occurs —
- |       |                           |     |
|-------|---------------------------|-----|
| (i)   | within the first quarter  | 10% |
| (ii)  | within the second quarter | 15% |
| (iii) | within the third quarter  | 20% |
| (iv)  | within the fourth quarter | 25% |
- (c) The late payment by insurers of the tax on gross premiums shall be subjected to a late fee of 1% of the tax payable per month if the tax is not paid.
- (d) The Commission may decide not to charge a late fee when prior approval for the late submission has been obtained from the Commission.

**Note: \*per request, per institution**

**Made this 8<sup>th</sup> day of June, 2010.**

  
**Superintendent of Insurance**