

CHAPTER 318

EXTERNAL INSURANCE ACT

THE EXTERNAL INSURANCE REGULATIONS

(SECTION 24)

[Commencement 7th December, 1984.]

- Citation.** 1. These Regulations may be cited as the External Insurance Regulations.
- Interpretation.** 2. In these Regulations-
“annual premium income” means net amount of the premiums written by the insurer in the financial year after deductions of any premiums ceded by the insurer for re-insurance;
“application” means an application for registration or for a renewal of an existing registration;
“registration” means registration under the Act as an external insurer or underwriting manager.
- Application for registration.** 3.—(1) Every application shall be in writing addressed to the Minister and specifying the capacity in which the applicant is seeking to be registered.
(2) Subject to paragraph (4) the application shall set out information in separately numbered paragraphs in accordance with the paragraphs of the appropriate Part of the First Schedule and be accompanied with the prescribed application and registration fees.
(3) At the end of the application there shall be appended a certificate in the following form--

“We certify that to the best of our knowledge and belief all the information given in this application is true and correct.”

Such a certificate shall be signed by a director and the secretary of the company seeking registration or two other officers of like status in the company.
(4) In the case of an application for renewal the applicant shall in lieu of submitting an application form in accordance with paragraph (2) submit the appropriate form in Part C of the First Schedule.
- Amendment of applications.** 4. —(1) If any material change occurs in the circumstances affecting any application after the submission of the application but before the decision to grant

or refuse registration is communicated to the applicant, and such change has the effect of falsifying any information contained in the application, it shall be the duty of the applicant forthwith to inform the Minister of such particulars of the change of circumstances as will enable the application to be suitably amended.

(2) If the applicant fails or neglects to inform the Minister in accordance with this regulation the relevant particulars of the application shall be deemed to be false.

Certificate of registration.

5. Upon the approval by the Minister of an application for registration a certificate of registration in the form specified in the Second Schedule shall be issued by the Registrar to the applicant. Where there is no approval the applicant shall be informed and the registration fee that accompanied the application shall be returned.

Auditor's confirmatory certificate.

6. The statement to be submitted for the purposes of section 11(4) (a) of the Act shall be signed by the independent auditor responsible for confirming the preparation of the annual financial statement of the registered external insurer for the purposes of paragraph (b) of that section and shall be in the form specified in the Third Schedule.

Updating of particulars of business plan and submission of copy of representational letter.

7. At the time of compliance with section 11(4) (b) of the Act there shall be submitted on behalf of registered external insurer—

- (a) a statement updating the business plan of that insurer and particulars of which have been previously submitted to the Minister; and
- (b) a statement by two directors of the registered insurer in the Form set out in the Fourth Schedule containing representations as to the completeness of the records produced and information supplied to the auditors by the insurer.

Statement by underwriting manager confirming compliance by external insurers.

8. An underwriting manager shall at the time of furnishing the list of external insurers in compliance with section 16(1) of the Act submit to the Minister in relation to those insurers a written statement in the Form set out in the 'Fifth Schedule signed by the underwriting manager and by two directors of such insurer in relation to each such insurer.

Substantial amount.

9. For the purposes of the definition of the expression "external insurance business" in the Act, "substantial amount" in relation to the value of the risks underwritten means such underwriting whereby five hundred thousand dollars annual premium accrues.

FIRST SCHEDULE.

PART A.

APPLICATION FOR REGISTRATION AS EXTERNAL INSURER.

1. Name of applicant.
2. Place established and number of years established under present name.
3. Any other name or names, under which external insurance business may have been carried out, giving place and date of inception and expiration of such business.
4. Address of head or registered office.
5. If either the head or registered office is outside The Bahamas:
 - (a) address of principal office in The Bahamas;
 - (b) name of the manager who is to be the company's principal representative in The Bahamas;
 - (c) name of the assistant or other manager who in the absence or inability of the manager named under (b) above to act, is to be the company's principal representative in The Bahamas;
 - (d) the name of the bank or other financial institution which can supply a reference for the applicant;
 - (e) where an external insurer has more than one underwriting manager in The Bahamas, the chief or principal underwriting manager representing it is to be named.
6.
 - (a) the amount of the paid-up capital of the company at present or the proposed amount when the company has been registered. If the paid-up capital will be increased before the company intends to start undertaking the business for which authorization is being requested, give details of proposed increase;
 - (b) the amount by which the assets of the company exceed the liabilities (including all contingent or prospective liabilities, but not liabilities in respect of share capital) at the present time and what the amount is likely to be when the company intends to start its undertaking of external insurance business;
 - (c) for existing companies, attach copies of last revenue and profit and loss accounts and balance sheets prepared.
7. Name and address of local attorney or legal advisor for the company.
8. Names, addresses and professional qualifications of Auditor and Actuary, if applicable.
9. Full names with addresses and nationalities of all persons who are directors, partners, managers or officers, together with the name of a bank which can supply a banker's reference and the names of two persons of standing who can supply personal references for each person.

10. Names with addresses of all persons who are beneficial shareholders and the number of shares held by each person for each shareholder holding more than 10% of the shares, together with the name of a bank which can supply a personal reference for each such person (except in the case of a Mutual Insurance Company).

11. Names of all local subsidiary companies of the applicant with addresses of their registered offices, also details of the business which is being or is to be carried out by each subsidiary Company.

12. Particulars of business plan which shall include—

- (a) a summary of the main objects or proposed main objects of the company;
- (b) the class of insurance business which the company—
 - (i) carries on in or from within The Bahamas; or
 - (ii) proposes to carry on in or from within The Bahamas;
- (c) a statement whether, at the time application for re2istration is made authorization is being sought for doing long term insurance;
- (d) if the company intends to limit its activities to insuring only some of the risks of the class or classes of business for which authorization is being sought, particulars of the risk to be insured;
- (e) for each and every class of external insurance underwriting business to be carried on by the company during the next year, the method or methods by which policies will be marketed;
- (f) particulars of any business other than external insurance business which the company carries on at present or proposes to carry on in The Bahamas;
- (g) particulars of the nature and extent of the existing or proposed re-insurance arrangements in respect of each class of business indicating clearly the amount of retention in each case;
- (h) a five-year general financial projection with details in respect of each class of business.

13. (a) if doing insurance business in another country, a copy of the certificate of compliance by the authority governing insurance in that country, together with a copy of a certificate of deposit showing the amount of approved securities held by the said authority and with the seal of that department properly affixed; and

(b) a copy of the certificate of compliance and a copy of a certificate of deposit from the 'authority of the country of incorporation.

14. Whether application has been made, and if so, whether granted or refused by any other insurance supervisory authority outside The Bahamas together with a list of all countries where application has been so granted.

15. Proof of compliance, where applicable, with Bahamas Immigration and Exchange Control Regulations.

16. Names of any underwriting managers providing or that will provide management services in The Bahamas to the company.

PART B.

**APPLICATION FOR REGISTRATION AS AN
UNDERWRITING MANAGER.**

Please complete all sections as fully as possible, giving reasons for non-compliance if any, and attaching appendices where appropriate.

1. Name of applicant

2. Date on which applicant commenced or proposes to commence carrying on business in or from within The Bahamas and with which Principal Company

3. Address of main or registered office in The Bahamas

.....

4. (a) Attach evidence of proper incorporation pursuant to the Companies Act and a copy of the memorandum of association and articles of association or other instrument of constitution of the applicant as may be appropriate; or if not yet incorporated, the proposed documentation.

(b) List of all names (including any previous names), addresses and nationalities of all shareholders. In those instances where shares are held by a corporate body or bodies the chain of connection to the ultimate owner must be shown.

(c) Attach curricula vitae of all directors, managers and officers.

5. Attach four references (character, professional and financial) including two from insurers and one from a bank pertaining to the principal officers of the applicant including a banker's reference in respect of the applicant.

6. Attach a list of all insurers for whom the applicant is, or will be engaged to act as manager or consultant.

7. Attach a business plan containing like particulars to those required of an external insurer by Part A of this Schedule.

8. Have any of the parties connected with this application ever applied, either individually or in conjunction with others, for authority to transact insurance business in any other jurisdiction?

Dated this.....day of 19....

.....

(Name of Applicant)

.....

Signature of Director/Secretary or other person duly authorised

WITNESS: Name:
Occupation:
Address:

PART C.

**APPLICATION FOR RENEWAL OF REGISTRATION AS
EXTERNAL INSURER/UNDER WRITING MANAGER.**

Name of Applicant:

Address of Applicant:

Date of first application for registration:

Date of last application for renewal of registration*

The above-named applicant is presently registered under the External Insurance Act asand application is hereby made for a renewal of that registration for the period ending 31st December, 19....

The particulars set out in our first application for registration *as amended by our last application for renewal* need no amendments* to be amended as set out in the attached sheet initialled by Us the undersigned (attach sheet showing by reference to numbered paragraphs necessary amendments) *

Dated:.....

.....
Secretary/Director

.....
Director

*Delete where not applicable.

SECOND SCHEDULE.

(Regulation 5.)

Certificate of Registration.

THE EXTERNAL INSURANCE ACT.
(Chapter 318.)

THE EXTERNAL INSURANCE REGULATIONS.

No

.....
is hereby registered under the External Insurance Act, to carry on business in or from within The Bahamas as
under sectionof the Act, subject to the provisions of the said Act and, in particular, to the condition that the registrant shall forthwith notify the Minister of any change in the information supplied in the application for its registration.

Given this day of19.....at Nassau, The Bahamas.

.....
Registrar of Insurance

THIRD SCHEDULE.

(Regulation 6.)

THE EXTERNAL INSURANCE ACT.
(Chapter 318.)

THE EXTERNAL INSURANCE REGULATIONS.
AUDITOR'S STATEMENT OF CONFIRMATION.
(Section 11(4) (a) and (b) and Section 72.)

I/We
(Name)

of.....
(Full Business Address)

DO HEREBY confirm as follows—

1. That I/We am/are the duly appointed independent auditor(s) of
(Name of Registered External Insurer)
which is currently registered under the above-mentioned Act; and

2. That, to the best of our knowledge and belief and subject to the exceptions or qualifications, if any, mentioned below, the said registered external insurer has during the period to carried on its insurance business in accordance with the information provided in its registration application/renewal registration application subject to exemptions approved by the Minister as are mentioned hereunder. This certificate relates only to the following of such information—

- (a) the classes of insurance business conducted by the registered external insurer;
- (b) the business plan;
- (c) the particulars in paragraphs 5 to 11 of the application by the external insurer for registration.

.....
(Exceptions if any)

3. I/We confirm that financial statements of the said registered external insurer for the year endedhave been prepared as required under section 11(1) and our report dated.....on such financial statements is unqualified/qualified. (In this Schedule the expression “auditors unqualified report” shall be taken to be the form of auditors unqualified report recommended in International Auditing Guidelines promulgated by the International Federation of Accountants.)

.....
(Exceptions if any)

Dated at.....this.....day of.....19....

.....
(Signature of person(s) furnishing this certificate)

.....
Name and position of individual signing above confirmation.

FOURTH SCHEDULE.

(Regulation 7.)

DIRECTORS STATEMENT OF CONFIRMATION.

Name of external insurer.....

We hereby confirm the following for the year ended

- 1. Proper financial records have been maintained throughout the year recording all transactions in accordance with generally accepted accounting principles. All such records have been made available to the auditors.
- 2. There have been no irregularities involving any member of management or employees which could have a significant effect on the financial statements.
- 3. Adequate provision has been made for all losses excepted.
- 4. We further confirm for the purposes of compliance with section 8, that premium income for the year ended amounted to B\$

.....
(Exceptions if any)

Dated atthisday of 19....

.....
Director.

.....
Director.

FIFTH SCHEDULE.

(Regulation 8.)

CONFIRMATORY STATEMENT OF DIRECTORS AND UNDERWRITING MANAGER.

We do hereby confirm that, to the best of our knowledge and belief and subject to the exceptions or qualifications, if any, mentioned below, the said registered external insurer has during the periodto.....carried on its insurance business in accordance with the information provided in its registration application/renewal registration application subject to exceptions approved by the Minister as are mentioned hereunder. This certificate relates only to the following of such information—

- (a) the classes of insurance business conducted by the registered external insurer:
- (b) the business plan:
- (c) the particulars in paragraphs 5 to 11 of the application by the external insurer for registration.

.....
(Exceptions if any)

Dated at.....this.....day of.....19....

.....Director

.....Director

.....Underwriting Manager