



THE INSURANCE COMMISSION
OF THE BAHAMAS

Guidance Note for Regulation of Adjusters
June 2014

I. STATEMENT OF OBJECTIVE

The objective of this document is to outline the principles upon which the Insurance Commission of The Bahamas, (the Commission), will base its supervisory framework for Adjusters.

II. INTRODUCTION

Independent Adjusters, including Foreign Adjusters are used by insurance companies to assist with the assessment of specific claims. Public Adjusters and public assessors are engaged by the policyholders to assist with the claims process.

The Insurance Act, Chapter 347, requires that all Adjusters register with the Commission. These principles are intended to outline the registration requirements and supervisory approach for all categories of Adjusters.

III. INDIVIDUAL ADJUSTERS

1. All Individual Adjusters (Registered Adjusters) are required to be registered with the Commission and are subject to ongoing supervision.
2. Individual Adjusters are to work through Registered Adjusting Firms (Public or Independent) or Registered Insurers.
3. Individual Adjusters must be able to demonstrate that they are suitably qualified. The Commission will consider the Adjuster's professional qualifications and experience.
4. Individual Adjusters are required to renew their registration with the Commission on an annual basis.

IV. INDEPENDENT ADJUSTING FIRMS

1. Independent Adjusting Firms (Independent Adjusters) must be incorporated under the Companies Act (Ch. 308).
2. Independent Adjusters are required to register with the Commission and are subject to ongoing supervision.
3. Independent Adjusters must employ at least one Registered Adjuster. Further, the firm must be able to demonstrate that it is financially sound and well-managed.
4. Independent Adjusters are not required to maintain a statutory deposit and there is no minimum capital requirement. However, the Independent Adjuster must maintain a positive net asset position at all times.
5. Independent Adjusters must maintain adequate books and records. These should be retained for a period of no less than 5 years. These records must be accessible to the Commission. The Commission may inspect the records of the Adjuster, as necessary.

6. Independent Adjusters must obtain Professional Indemnity Insurance with a minimum limit of indemnity of \$500,000 for any one claim.
7. Independent Adjusters are required to file annual audited financial statements and renew their registration with the Commission on an annual basis.

V. PUBLIC ADJUSTERS

1. Public Adjusting Firms (Public Adjusters) must be incorporated under the Companies Act (Ch. 308).
2. All Public Adjusting Firms are required to register with the Commission, and are subject to ongoing supervision. Registration and supervision of these entities are intended to provide an acceptable level of protection for consumers and policyholders.
3. Public Adjusters must employ at least one Registered Adjuster. Further, the firm must be able to demonstrate that it is financially sound and well-managed.
4. Public Adjusters are not required to maintain a statutory deposit. However, a Public Adjusting firm must maintain a minimum capital of not less than \$50,000.
5. Public Adjusters must maintain adequate books and records. These should be retained for a period of no less than 5 years. These records must be accessible to the Commission. The Commission may inspect the records of the Adjuster, as necessary.
6. A Public Adjusting firm must obtain professional indemnity insurance with a minimum limit of indemnity of \$2 million for any one claim.
7. Public Adjusters are required to file audited annual financial statements and renew their registration with the Commission on an annual basis.
8. A Public Adjusting firm must have an internal complaints handling process.

VI. FOREIGN ADJUSTERS

1. Foreign Adjusters like other Foreign Intermediaries may not provide services directly to the local market. Foreign Adjusters must provide services through a local Insurance Company or Registered Adjusting Firm.
2. Where an Insurance Company or locally Registered Adjusting Firm plans to utilize the services of Foreign Adjusters in the event of a catastrophe, it is required to submit a list of those adjusters to the Commission annually. Further, the Insurance Company or locally licensed Adjusting Firm is required to take responsibility for the performance of the Foreign Adjuster.
3. The Commission will rely on the locally licensed Insurance Company or locally Registered Adjusting Firm to ensure that the Foreign Adjuster working on their behalf is adequately qualified and supervised.

VII. REGISTRATION REQUIREMENTS

In order to process and approve the registration of Adjusters, the following documents are required.

Application Requirements	Individual Adjusters	Independent Adjusters	Public Adjusters
o New Application - First Schedule			

Application Requirements	Individual Adjusters	Independent Adjusters	Public Adjusters
<ul style="list-style-type: none"> - Form 3 (a) for Individual - Form 3 (b) for Company 			
<ul style="list-style-type: none"> o Application fee - \$300 			
<ul style="list-style-type: none"> o Registration Fee – <ul style="list-style-type: none"> - Individual Adjuster - \$500 - Independent & Public Adjusting Firm - \$1,000.00 			
<ul style="list-style-type: none"> o Notarised Bio Affidavit for Individual Adjuster each beneficial owner and director 			
<ul style="list-style-type: none"> o Business Plan – including 3 year financial projection 			
<ul style="list-style-type: none"> o Certified Copies Adjuster Qualifications 			
<ul style="list-style-type: none"> o Proof of Professional Indemnity Insurance <ul style="list-style-type: none"> - \$500,000 for Independent Adjusting Firm - \$2,000,000 for Public Adjusting Firm 			
<ul style="list-style-type: none"> o Letter of Good Standing from Register General Department 			
<ul style="list-style-type: none"> o Proof of Minimum Capital (\$50,000) 			
<ul style="list-style-type: none"> o Confirmation of the appointment of an external auditor 			

VIII. RENEWAL / ANNUAL FILINGS FOR INDIVIDUAL, INDEPENDENT AND PUBLIC ADJUSTERS

Individual, Independent and Public Adjusters must renew their registration annually; at least 30 days prior to the registration expiry date.

Renewal Requirements	Individual Adjuster	Independent Adjusters	Public Adjusters
<ul style="list-style-type: none"> o Renewal application – <ul style="list-style-type: none"> - Second Schedule Form 3 (a) for Individual - Second Schedule Form 3 (b) for Company 			
<ul style="list-style-type: none"> o Renewal fee – <ul style="list-style-type: none"> - Individual Adjuster - \$500 - Adjusting Firm - \$1,000 			
<ul style="list-style-type: none"> o Audited Financial Statements 			
<ul style="list-style-type: none"> o Proof of Professional Indemnity Insurance <ul style="list-style-type: none"> - \$500,000 for Independent Adjusting Firm - \$2,000,000 for Public Adjusting Firm 			