

# THE INSURANCE COMMISSION OF THE BAHAMAS



## NOTICE

**To: All Registered Insurers and Intermediaries**

**Date: November 1, 2019**

**Re: Industry Consultation on Draft Guideline on Trust Accounts for Premiums collected by Intermediaries**

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The Insurance Commission of The Bahamas is seeking feedback, through consultation with the insurance industry, on the draft Guideline on Premium Trust Accounts. Feedback on this consultative document is invited by December 31, 2019.

The Insurance Core Principle 18: Intermediaries, specifically standard 18.6, mandates that a regulatory authority requires insurance intermediaries who handles policyholder funds to have sufficient safeguards in place to protect these funds. To adhere with the core principles, the Commission continues to develop general and specific policy guidelines, guidance notes, rules and procedures that effectively observe and promote international best practices.

The draft guideline outlines the minimum standards for intermediaries entrusted with policyholder funds. It formalizes the Commission's expectations on the use and maintenance of premium funds held in trust, hereafter referred to as the "Premium Trust Account." The guideline:

- Defines the parameters of policyholder funds;
- Outlines an Intermediaries' fiduciary obligations;
- Requires the maintenance of separate accounts for premium funds and operational expenditures; and
- Sets the reporting requirements of such accounts.

The Commission strongly encourages all insurers and intermediaries, in particular agents, sub-agents and brokers to review the draft Guideline and assess how its implementation may impact overall operations. The Commission proposes that this guideline take effect within the first quarter of 2020. As such, constructive feedback will assist the Commission to appropriately address any material areas of concern that may impact the date to which the guideline will take effect.

The draft guideline can be found on the Commission's website ([www.icb.gov.bs](http://www.icb.gov.bs)) under the tab Policies and Practices – Consultation.

All comments and questions regarding the draft guidelines may be directed to:

Policies and Practices Unit  
Insurance Commission of The Bahamas  
Poinciana House, 31 East Bay Street  
Nassau, Bahamas

Via email: [policies@icb.gov.bs](mailto:policies@icb.gov.bs)