



THE INSURANCE COMMISSION
OF THE BAHAMAS

Administrative Fines Schedule - Insurance Act

Section (Insurance Act)	Offences Insurance Companies	Penalty		Classification (Minor, Serious, Very Serious)	Fines	
		Specific Penalty	General Penalty		(By Individual)	(By Company)
22	Persons other than body corporate carrying on insurance business	23 (2)				
24 (1)	Distribution of products other than through a registered intermediary	24(2)				
30 (1)	Failure to notify Commission of writing of: - change in particulars - change in information, or - change in documents within 30 days of the change	30(6),33,34				
30(2)	Altering of Memorandum or Association of Articles of company without prior written consent of the Commission	30(6),33, 34				
30(3)	Failure to notify the Commission in writing of a meeting to alter Memorandum or Association of Articles of company and to provide the Commission with a proposed resolution at least 14 days prior to meeting	30(6),33,34				
30(4)	Change of beneficial ownership without prior approval of the Commission	30(6),33, 34				
30(5)	Opening or establishing; - a branch office - a subsidiary in another jurisdiction without the prior written approval of the Commission	30(6),33, 34				
31(a)	Reinsurance of risks of a registered insurer by an un registered affiliate of the insurer without prior written approval of the Commission		236, 237, 238	Serious		Serious: \$3,001 - 7,500
31(b)	Reinsurance of risks of a registered foreign insurer by an un registered affiliate of the insurer without prior written approval of the Commission		236, 237, 238	Serious		Serious: \$3,001 - 7,500
34(2)(a)	Procurement of registration of a company by: - Misleading or false representation, or - incorrect information whether willful or otherwise	33, 34				
34(2)(b)	Company is insolvent in accordance with terms of section 78	33, 34				
34(2)(c)	Company is not conducting insurance business or any class of such business in accordance with sound insurance principles and practice	33, 34				
34(2)(d)	Company's reinsurance arrangements are not satisfactory	33, 34				
34(2)(e)	Company had been guilty of unreasonable delay in payment or settlement of claim under a policy	33, 34				
34(2)(f)	Company has a final judgement against it in a Bahamian Court which unsatisfied for more than one month	33, 34				

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34(2)(f)	Company has failed to: <ul style="list-style-type: none"> - remedy a breach of the Act, or - comply with a condition, direction or requirement imposed under the Act by the Commission 	33, 34				
36(a)	Company is being wound up	34				
36(b)	Company has not commenced business within 2 years of registration	34				
36(c)	Company has ceased to carry on business for over 1 year	34				
37(1)(a)	Company does not: <ul style="list-style-type: none"> - continue to carry on business relating to policies issued before notification date of cancellation of registration, or - make suitable arrangements for the obligations under policies to be met, to the satisfaction of the Commission 		37(3)(a), 236, 237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
37(1)(b)	<ul style="list-style-type: none"> - Issuance of new policy or renewal of policies after notification date of cancellation or registration - Entering into new contracts for which registration under the Act is required, after notification of cancellation of registration 	37(3)(b), 23(2)				
39(1)	Failure to display registration certificate: <ul style="list-style-type: none"> - at the principle place of business in The Bahamas, and - A copy of the certificate, certified by the Commission, at each branch in The Bahamas, in an area to which the public has access 	39(3)				
39(2)	Failure to surrender the certificate, and every copy thereof, to the Commission upon notification of the cancellation of registration	39(3)				
41(1)	Placement of insurance with an unregistered company, without prior permission of the Commission, in respect of: <ul style="list-style-type: none"> - property situated in The Bahamas, or - liabilities arising in The Bahamas 		236, 237, 238	Minor		Minor: \$1 - \$3,000
42(1)	Issuance or use of the following documents without 2 months' notice and prior approval of the Commission: <ul style="list-style-type: none"> - a new form of policy, - a new form of application for a policy, or - a new standard form of endorsement 		236,237, 238	Serious		Serious: \$3,001 - 7,500
42(2)	Issuance or use of the following documents which is prohibited by the Commission as fraudulent, unjust or not in the public interest: <ul style="list-style-type: none"> - a new form of policy, - a new form of application for a policy, or - a new standard form of endorsement 	42(3)	236, 237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
45(4)	Failure of a foreign long-term insurance company to place assets in trust		236, 237, 238	Serious		Serious: \$3,001 - 7,500
45(5)	Failure of a foreign general insurance company to place assets in trust in The Bahamas		236, 237, 238	Serious		Serious: \$3,001 - 7,500
45(6)	Failure to place assets required by sections 45(4) and 45(5) in trust within The Bahamas		236, 237, 238	Minor		Minor: \$1 - \$3,000
46(1)	Application of the assets of a statutory fund, directly or indirectly, to any other purpose		236, 237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
46(6)	Declaration of a dividend where the value of the assets of a statutory fund is less than the value of the liabilities		236, 237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
48	Failure to submit the list to the Commission of the assets held in trust		236, 237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
49(a)	Failure to submit to the Commission a statement of insurer's liabilities relating to the statutory fund: <ul style="list-style-type: none"> - within 3 months of establishment, and thereafter - within 4 months of the expiration of the insurer's financial year 	50(1)(a), 50(2)				

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		Specific Penalty	General Penalty		(By Individual)	(By Company)
49(b)	Failure to submit to the Commission a statement of the assets comprising the statutory fund: - within 3 months after the establishment, and thereafter - within 4 months of the expiration of the insurer's financial year	50(1)(a), 50(2)				
50(1)(a)	Submission of particulars under section 49, which are unsatisfactory, incomplete, inaccurate or misleading	50(1), 50(2)				
50(1)(b)	Submission of a statement of assets under section 49, where: - the value of the assets is insufficient or excessive, or - the value of the assets of a particular class is insufficient or excessive	50(1) 50(2)				
52(1)	Investments of assets of a statutory fund other in accordance with regulations		236,237,	Very Serious		Very Serious: \$7,501 - \$10,000
53	Investments of insurer's funds; - in a name other than the company's name, or - in a manner other than in accordance with the regulations		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
54(1)(a)	A local insurer acquiring or dealing in an insurer's own shares or lending money or making advances on the security of shares, directly or indirectly, without prior approval of the Commission		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
54(1)(b)	A local insurer lending its funds to a related party, directly or indirectly, without prior approval of the Commission	54(4) Director penalty	236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
54(1)(c)	A local insurer lending its funds to: - a director or officer of the company, or - a spouse or child of a director or an officer of the company, directly or indirectly, without prior approval of the Commission (except on the security of the insurer's own policies or other adequate security)		236,237, 238	Serious		Serious: \$3,001 - 7,5000
54(1)(e)	A local insurer granting unsecured credit facilities to any person, except: - for temporary cover for general insurance for 180 days or less, or - to agents or full-time employees against commissions/salaries to be earned, directly or indirectly, without prior approval of the Commission		236,237, 238	Serious		Serious: \$3,001 - 7,5000
54(1)(f)	A local insurer entering into any guarantee or providing security in connection with a loan by: - a director or officer of the insurer, or - a wife or child of a director or an officer of the insurer, or - any combination of these persons, or - to a company as set out in 54(1)(d), or - any other person directly or indirectly, without prior approval of the Commission		236,237, 238	Serious		Serious: \$3,001 - 7,500
54(3)	A foreign insurer granting unsecured credit facilities to any person in The Bahamas, except: - for the temporary cover for general insurance for 180 days or less, or - to agents or full-time employees against commissions/salaries to be earned, directly or indirectly, without prior approval of the Commission		236,237, 238	Serious		Serious: \$3,001 - 7,500

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		Specific Penalty	General Penalty	(Minor, Serious, Very Serious)	(By Individual)	(By Company)
55	<ul style="list-style-type: none"> - Payment of dividend/return of capital by an insurer, without prior written consent of the Commission, where the assets are less than the amount required for solvency by section 78, or - Payment of dividend by an insurer, without prior written consent of the Commission, where the dividend would reduce the assets to less than the amount required by solvency section 78, or - Payment of dividend by an insurer, without prior written consent of the Commission, where the dividend would impair its capital 		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
56(1)	Appointment of principle representative without the consent of the Commission		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
56(2)	Failure to notify the Commission in writing of address, name and qualifications of principle representative		236,237, 238	Serious		Serious: \$3,001 - 7,500
56(3)	Failure to notify the Commission in writing of change of principle representative within 21 days		236,237, 238	Serious		Serious: \$3,001 - 7,500
57(1)	Failure of an insurer to enter the receipts and expenditure of the company (with the exception of investments) into separate account and form a separate fund with an appropriate name		236,237, 238	Serious		Serious: \$3,001 - 7,500
57(3)(c)	Applying a fund, directly or indirectly for purposes other than the class of business for which it is established		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(a)	Failure of an insurer to prepare a general balance sheet showing financial position of all insurance business at the end of each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(b)	Failure of a mutual company to prepare a profit and loss account of all insurance business at the end of each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(c)	Failure of an insurer to show separate revenue accounts for all classes of insurance business at the end or each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(d)	Failure of an insurer to prepare an analysis of all in-force long-term policies at the end of each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(e)	Failure of insurer to prepare a certificate stating that the assets of its insurance business in the aggregate at least of the value shown in the balance sheet, at the end of each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(f)(i)	Failure of an insurer carrying on life insurance business to prepare a certificate at the end of each financial year, stating that the value of the assets of the life insurance fund exceeds the liabilities		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(f)(ii)	Failure of an insurer carrying on general insurance business to prepare a certificate at the end of each financial year, stating that the value of its assets exceeds the liabilities by an amount determined by the Commission		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(1)(g)	Failure of an insurer to prepare any document and information relating to the accounts and balance sheet (as prescribed) at the end of each financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(2)	Failure of an insurer to publish its balance sheet and other statements in a manner as prescribed		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(3)	Failure of an insurer to provide the Commission with its balance sheet, every account, statement, or other document required under section 58(1) within 4 months of the close of the financial year		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(4)	<ul style="list-style-type: none"> - Failure to have documents required under section 58(1) certified by an independent auditor, and by an actuary (for long-term business), and - Failure to relate documents to the worldwide business of the company 		236,237, 238	Serious		Serious: \$3,001 - 7,500
58(5)	Failure of a foreign company to submit a copy of returns required to be filled in country of its head office on an annual basis, within 30 days of such filing		236,237, 238	Serious		Serious: \$3,001 - 7,500

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58(6)	Submission of incomplete or incorrect documents required under section 58	58(6), 58(7), 58(8), 58(9)		Serious		Serious: \$3,001 - 7,500
58(10)	Failure to provide a policyholder of a local life insurance policy with the latest revenue account, profit and loss account and balance sheet upon request		236,237, 238	Serious		Serious: \$3,001 - 7,500
60(1)	Failure of an insurer to be audited annually by an independent auditor		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
61(1)	Failure to keep the following records within The Bahamas and make them available to the Commission upon request: - All local policies issued by the company and showing company's right and obligations, - The aggregate amount of the premiums received on all locally issued policies, - An accurate record of all premiums paid on reinsurance and, - Any other books, records, receipts and vouchers which would allow the company to prepare a statement of its insurance business in The Bahamas for the Commission		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
61(2)	- Failure to make available any books and records of- the company for examination by the Commission - Failure to facilitate any examination by the Commission		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
62(1)	Failure of a long term insurer to cause an actuarial review, including a valuation of its liabilities, to be annually		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
62(2)	Failure of a long term insurer to submit to the Commission: - a copy of the actuarial review in the prescribed form, and - a statement of its insurance business, within 4 months of the financial year		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
63(1)	Failure of a director, manager, principal representative, auditor or actuary to provide information requested by the Commission for determining the ability of the company to meet its policy obligations		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
64	Failure to an insurer to obtain prior written approval of the Commission to transfer, acquire, amalgamate the whole or any part of its insurance business with another company		236,237, 238	Very Serious		Very Serious: \$7,501 - \$10,000
70(1)	Failure of an insurer to provide information requested by the Commission in relation to its insurance business		236,237, 238	Serious		Serious: \$3,001 - 7,500
72(1), 72(2)	Failure of an insurer to provide information demanded on an investigation		236,237, 238	Serious		Serious: \$3,001 - 7,500
72(3)	(i) Refusal of: - a company director, auditor, officer, agent, servant or shareholder, or - policyholder or representative of the policyholder, to be sworn or given information on oath when demanded on an investigation (ii) The giving of false information by any of the above persons		236,237, 238	Serious		Serious: \$3,001 - 7,500
109(1)	Failure to register as an association of underwriters		236,237, 238			
109(2)	Carrying on of long-term business by an association of underwriters [See s. 117]		236,237, 238			

