



FINANCIAL SERVICES COMMISSION

INFORMATION CIRCULAR

REQUIREMENTS FOR INCORPORATED CELL COMPANIES IN THE INSURANCE SECTOR

March 3, 2016

1. The Financial Services Commission (“the Commission”) refers to recent legislation regarding Incorporated Cell Companies (ICCs). The Commission intends through this Circular to provide information to insurers regarding the fees, application and registration, licensing, capital and solvency requirements and financial reporting for ICCs.

2. Fees:

(a) The annual registration fee for the core company is BDS \$20,000; and

(b) The fee for conversion from an Exempt Insurance Company (EIC), a Qualifying Insurance Company (QIC) or a Segregated Cell Company (SCC) to an Incorporated Cell Company (ICC) is BDS \$500.

3. Application and Registration:

The requirements for application and registration for the core and individual cells are the same as for existing legislation.

4. Licensing

A licence or certificate of registration, as applicable, will be issued for both the core and the cell(s).

5. Capital and Solvency Requirements:

The capital and solvency requirements for ICCs:

- I. The minimum paid up capital for both the core and cell shall be BDS \$250,000.
- II. For both the core and the cell(s), the solvency margin for general and long-term insurance business should be as follows:

General insurance business:- A licensee carrying on general insurance business is unable to pay its debts if:

- (a) assets during the first year should exceed liabilities by at least the minimum capital of BDS \$250,000 and thereafter;
- (b) by 20% of the premium income for the preceding financial year, where the premium income exceeded BDS\$1,500,000 but did not exceed BDS \$10,000,000;
- (c) by the aggregate of BDS\$2,000,000 and 10% of the amount by which the premium income in the preceding financial year exceeded BDS \$10,000,000, where the premium income for that year exceeded BDS \$10,000,000.

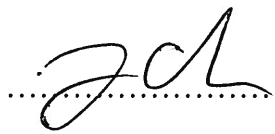
Long-term insurance business:-

- (a) a licensee carrying on long-term insurance business is unable to pay its debts if the value of its assets does not exceed its liabilities. Additionally, the reserves must be approved by an actuary who is a fellow in good standing with an association of actuaries approved by the Commission.

6. Financial Reporting

- (a) The core and each cell shall be separately audited and an audit report shall be attached to the core and each cell. One copy of its financial statements in a form that complies with Generally Accepted Accounting Principles, together with such other related information as may be prescribed.
- (b) The core and each individual cell shall submit one copy of the audited financial statements not later than six (6) months after the close of the core and cell's financial year.
- (c) The core and each individual cell are required to file Quarterly reporting forms under the Financial Services Commission Act Section 10. Quarterly filings are based on a **calendar** year and are due thirty (30) days after the end of the quarter.

The Financial Services Commission will be evaluating the fee structure and will consult the industry in due course.

A handwritten signature in black ink, appearing to read 'R. H. Graham', is positioned above a horizontal dotted line.

Mr. Randy H. Graham
Chief Executive Officer
Financial Services Commission