

# INSURANCE (AMENDMENT AND VALIDATION) BILL, 2023

## Arrangement of Sections

---

### Section

1.	Short title and commencement.....	2
2.	Amendment of section 2 of the principal Act. ....	2
3.	Amendment of section 4 of the principal Act.....	2
4.	Amendment of section 5 of the principal Act.....	2
5.	Amendment of section 10 of the principal Act. ....	2
6.	Insertion of new section 16A into the principal Act. ....	3
7.	Amendment to First Schedule of the principal Act.....	3
8.	Validation of collection of premium tax.....	4



# **INSURANCE (AMENDMENT AND VALIDATION) BILL, 2023**

## **A BILL FOR AN ACT TO AMEND THE INSURANCE ACT AND TO VALIDATE THE COLLECTION OF PREMIUM TAXES**

### **Enacted by the Parliament of The Bahamas**

#### **1. Short title and commencement.**

- (1) This Act may be cited as the Insurance (Amendment and Validation) Bill, 2023.
- (2) This Act shall come into force on the 1<sup>st</sup> day of July, 2023.

#### **2. Amendment of section 2 of the principal Act.**

Section 2 of the principal Act is amended in subsection (1), by the insertion in the appropriate alphabetical order of the following —

“ **“Secretary”** has the same meaning assigned to it in section 2 of the Business Licence Act, 2023;”.

#### **3. Amendment of section 4 of the principal Act.**

Subsection (3) of section 4 of the principal Act is amended by the deletion of the word “Superintendent” and the substitution of the word “Chairman”.

#### **4. Amendment of section 5 of the principal Act.**

Section 5 of the principal Act is amended by the deletion of the word “Superintendent” wherever it appears and the substitution of the word “Chairman”.

#### **5. Amendment of section 10 of the principal Act.**

Section 10 of the principal Act is amended by the deletion of paragraph (b) and the substitution as follows —

“(b) any moneys as from time to time may accrue to the Commission from its operations, including fees, fines and levies collected by the Commission from registered insurers, associations and intermediaries;”.

## **6. Insertion of new section 16A into the principal Act.**

The principal Act is amended by the insertion immediately after section 16 of the following new section —

### **“16A. Payment to Secretary.**

Notwithstanding anything to contrary in this Act, the Commission shall pay to the Secretary as tax under the Business Licence Act, 2023, a percentage, as prescribed in regulations, of any levy charged on gross premiums collected by a registered insurer or association.”.

## **7. Amendment to First Schedule of the principal Act.**

The First Schedule to the principal Act is amended —

(a) in paragraph 1, by the insertion immediately after subparagraph (1) of the following new subparagraph —

“(1A) The Governor-General shall appoint a Chairman and a Deputy Chairman from among the Commissioners.”;

(b) by the deletion of paragraph 8, and the substitution of the following —

“8. The Chairman, or in his absence the Deputy Chairman, or in the absence of both of them, such other person as authorized by the Chairman, shall preside at all meetings of the Commission.”;

(c) in paragraph 9 —

(i) in subparagraph (2)(a), by the deletion of the word “Superintendent” wherever it appears and the substitution of the word “Chairman”; and

(ii) by the deletion of subparagraph (3) and the substitution of the following —

“(3) A quorum at a meeting shall be formed —

(a) generally, by three Commissioners, of whom one shall be either the Chairman or the Deputy Chairman); and

(b) in respect of any meeting on operational matters, by three Commissioners, of whom one shall be either the Superintendent or Deputy Superintendent.”.

- (d) in paragraph 11, by the deletion of the words “and operation of the office” of the words “, operation of the office and be responsible to the Commission for the execution of its policies”.

## **8. Validation of collection of premium tax.**

The imposition, recovery and application of fees in respect of the levy of three percent on gross premiums collected by a registered insurer or association since the 1 July, 2019, is validated and is deemed to have been lawfully, imposed, recovered and applied.

## **OBJECTS AND REASONS**

This Bill seeks to amend the principal Act and in particular by clauses, 3, 4 and 7, to remove the duties of chairman of the Commission from the Superintendent whilst the Superintendent remains a Commissioner.

Clause 5 of the Bill seeks to provide that funds and resources of the Insurance Commission, includes money accrued to the Commission from its operations including fees, fines and levies collected from associations and insurers.

Clause 6 of the Bill seeks to provide for the Commission to pay a portion of the levy charged on gross premiums collected by registered insurers and associations to the Secretary under the Business Licence Act, 2023. Accordingly, clause 2 of the Bill introduces the term “Secretary” into the principal Act.

Clause 8 of the Bill seeks to validate the imposition, recovery and collection by the Commission of a levy of three per centum on gross premiums collected by a registered insurer.