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INSURANCE (AMENDMENT) ACT, 2013

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No. 36 of 2013

INSURANCE (AMENDMENT) ACT, 2013

AN ACT TO AMEND THE INSURANCE ACT TO PROVIDE FOR THE INDEMNIFICATION BY THE COMMISSION OF A LIQUIDATOR

[Date of Assent - 25th September, 2013]

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Insurance Act¹, may be cited as the Insurance (Amendment) Act, 2013.
- (2) This Act shall come into force on such date as the Minister may appoint by notice published in the *Gazette*.

2. Insertion of new section 77A into the principal Act.

The principal Act is amended by the insertion immediately after section 77 of a new section as follows—

“77A Indemnification by Commission.

- (1) The Commission may—
 - (a) where the Commission has appointed a Statutory Administrator in respect of a company pursuant to section 75A, indemnify such Administrator for reasonable costs incurred in conducting or participating in the statutory administration of such company;
 - (b) where the court has made an order in respect of a company pursuant to an application by the Statutory Administrator under section 75B or a petition by the Commission under section 77, indemnify a liquidator

¹Chapter 347

- for reasonable costs incurred in conducting or participating in the liquidation of such company;
 - (c) pursuant to an order or direction of the court pursuant to section 79, indemnify a judicial manager for reasonable costs incurred in conducting or participating in the judicial management proceedings of a company.
- (2) The Commission shall not indemnify a liquidator, judicial manager or Statutory Administrator under this section unless —
- (a) the assets of the company are insufficient for the remuneration of the liquidator, judicial manager or Statutory Administrator, as the case may be; and
 - (b) the conduct of, or participation in, the liquidation, judicial management or administration of the company by the liquidator, judicial manager or Administrator, as the case may be, has been conducted in an economical, expeditious and proper manner and in accordance with this Act.”.

3. Amendment of section 79 of the principal Act.

Section 79 of the principal Act is amended by the insertion immediately after subsection (8) of the following new subsections—

- “(9) The Commission may, in an application to the court made pursuant to subsection (8), request an order directing the Commission to indemnify a judicial manager for reasonable costs incurred in conducting or participating in the judicial management proceedings of the company.
- (10) The court shall not give a direction pursuant to subsection (3), or make an order pursuant to subsection (9), for the Commission to indemnify a judicial manager unless—
 - (a) the assets of the company under judicial management are insufficient for the remuneration of the judicial manager; and
 - (b) the judicial manager's conduct of, or participation in, the judicial management of the company has been conducted in an economical, expeditious and proper manner and in accordance with this Act.”