

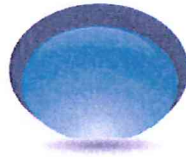
Memorandum of Understanding

between the



**Cayman Islands Monetary Authority
(CIMA)**

and the



**Insurance Commission of
The Bahamas
(ICB)**

**CONCERNING INFORMATION SHARING
AND CONFIDENTIALITY**

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1. RECITALS

WHEREAS:

The Cayman Islands Monetary Authority (“CIMA”) regulates the business of insurance in the Cayman Islands, and serves as the primary regulator for all insurance entities domiciled in the Cayman Islands and CIMA’s responsibilities include licensing, ongoing-monitoring, supervision and enforcement in its oversight of insurers, managers, agents, brokers, underwriters and external insurers operating within and through the insurance sector of the Cayman Islands;

AND:

The Insurance Commission of The Bahamas (“ICB”) is responsible for the prudential regulation of all insurance business in or from within The Bahamas and is concerned with the ongoing regulation and supervision of domestic and external insurers and insurance intermediaries;

AND WHEREAS:

The CIMA and the ICB (collectively, the “Authorities”) may from time to time require confidential information relevant to fulfilling of its regulatory role, which is in the possession or subject to the control of the other and, conversely, to provide to the other confidential information in its possession or subject to its control for the same purpose;

IT IS AGREED THAT:

The CIMA and the ICB hereby enter into this Memorandum of Understanding as outlined below to provide a formal basis for the exchange, handling, protection and return of confidential information, pursuant to section 50 of the Monetary Authority Law (2013 Revision) of the Statute Laws of the Cayman Islands and sections 8 and 74 of the Insurance Act, Chapter 347, Statute Laws of The Commonwealth of The Bahamas.

2. DEFINITIONS

“*Confidential information*” means any document, material or information that is protected from disclosure by the applicable laws of the jurisdiction that is the source of the document, material or information;

“*Insurance Institution*” means the institutions and persons regulated and supervised by either of the Authorities;

“*Jurisdiction*” means the country, state or other territory in which either of the Authorities has legal authority, power or jurisdiction by law;

“Memorandum of Understanding” means the formal arrangements for both mutual co-operation and exchange of information between the CIMA and the ICB;

“Person” means a natural person, body corporate, partnership, unincorporated association, agency or instrumentality of government or similar entities;

“Requesting Authority” means either of the Authorities seeking confidential information;

“Responding Authority” means either of the Authorities responding to a request for confidential information.

3. PURPOSE

- 3.1 This Memorandum of Understanding is intended to facilitate the sharing of confidential information and outline a framework for the handling, disclosure and return of such information between the Authorities;
- 3.2 The sharing of confidential information is intended to secure or enforce compliance by insurance institutions with any laws, regulations or rules relating to the functions or duties of the Authorities in their respective jurisdictions, especially in emergency situations where urgent action may be required in the supervision of an insurance institution;
- 3.3 This Memorandum of Understanding is not intended to create any legally binding obligations, exceed, or otherwise amend or modify the statutory authority, obligations or duties of the Authorities;
- 3.4 The provisions of this Memorandum of Understanding do not lead to the right of any person, directly or indirectly, to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this Memorandum of Understanding.

4. REQUESTS FOR AND USE OF CONFIDENTIAL INFORMATION

- 4.1 The Authorities hereby designate the contact persons set out in the Schedule to this Memorandum of Understanding for communication in relation to any request;
- 4.2 Requests for confidential information shall be in writing and shall include the following:
 - (a) the Requesting Authority shall provide a specific description of the subject matter, the confidential information desired, the purpose for which the Requesting Authority seeks such confidential information and the timelines involved;

- (b) the legal provisions concerning the subject matter of the request and the relevance of the request to the regulation or supervision of insurance entities;
 - (c) the specific description as to time period and entities included to facilitate effective document retrieval.
 - (d) any information in the possession of the Requesting Authority that might assist the Responding Authority in identifying the persons, bodies or entities believed by the Requesting Authority to possess the information sought, or the places where the Responding Authority may obtain such information;
- 4.3 The Responding Authority shall reply to the Requesting Authority as soon as practicable upon receipt of the request;
- 4.4 A separate request is not required for each document requested by the Requesting Authority;
- 4.4 The Authorities may exchange confidential information relating to insurance institutions, their parent holding companies, and any branches, affiliates or subsidiaries thereof, in order to ensure general awareness of the respective positions taken by the Authorities;
- 4.5 The Requesting Authority undertakes to use the confidential information it receives under this Memorandum of Understanding only in relation to the exercise of its supervisory authority, including the conduct of civil or administrative investigations and proceedings, and to enforce the laws, regulations or rules of the Requesting Authority as specified in the request or in later communications to the Responding Authority;
- 4.6 The Responding Authority may deny a request in whole or part if it determines, in its sole discretion, that the requested confidential information is not necessary to functions related to the appropriate supervisory authority of the Requesting Authority, or for any other reason consistent with its supervisory interests and obligations. The Responding Authority shall communicate the denial of a request in writing. Upon receipt of the written denial, the Requesting Authority will be deemed to have withdrawn its request for the confidential information;
- 4.7 The Requesting Authority will obtain the written consent of the Responding Authority where the confidential information obtained is to be used by other regulatory or law enforcement agencies in the jurisdiction of the Requesting Authority;
- 4.8 The Responding Authority agrees that its consent will not be unreasonably withheld under Clause 4.7 where the use of the confidential information is specifically for the purposes set out in this Memorandum of Understanding;
- 4.9 Where the Responding Authority denies a request for confidential information, the Responding Authority will state the reasons why it is not providing the confidential information;

- 4.10 Where it appears that the Responding Authority will incur substantial costs in responding to a request for information under this Memorandum, the Responding Authority may, as a condition precedent to executing the request, require the Requesting Authority to contribute to its cost in an amount agreed upon by the Authorities.

5. CONFIDENTIALITY

- 5.1 The Authorities agree that all requests for information provided under this Memorandum of Understanding will be treated as confidential whether or not it is marked as "Confidential".
- 5.2 The Requesting Authority shall take all necessary measures to maintain the confidentiality of information provided by the Responding Authority under this Memorandum of Understanding.
- 5.3 Where the Requesting Authority:
- (a) receives a request from a third party for confidential information furnished by the Responding Authority, or;
 - (b) is served with a subpoena, order, or other process of law requiring production of the confidential information or testimony related thereto,

the Requesting Authority shall:

- (i) notify the Responding Authority immediately that production of the confidential information is being sought;
- (ii) afford the Responding Authority the opportunity to take whatever action it deems appropriate to protect the confidentiality and / or privileged nature of the information;
- (iii) notify the party seeking production of the confidential information that it belongs to the Responding Authority;
- (iv) use its best efforts to resist production of the confidential information where the Responding Authority has not consented to such disclosure, and;
- (v) consent to any application by the Responding Authority to intervene in any action for the purpose of asserting and preserving any right, privilege and / or claims of confidentiality with respect to the information.

- 5.4 Where a Court of competent jurisdiction issues an order to compel the Requesting Authority to produce confidential information provided under this Memorandum of Understanding, the Requesting Authority may comply with such Order. Before complying with such Order, however, the Requesting Authority will notify the Responding Authority of the Order to compel and allow the Responding Authority to file a timely appeal from such Order.
- 5.5 The Responding Authority expressly consents to the disclosure of confidential information provided to the Requesting Authority to:
- (a) the employees of the Requesting Authority who are subject to the disclosure and confidentiality requirements of the Requesting Authority under law;
 - (b) the agents, examiners and independent contractors of the Requesting Authority, if necessary, provided that each agent, examiner and independent contractor agrees in writing to be bound by the confidentiality and disclosure provisions of the Requesting Authority under law;
- 5.6 The Requesting Authority agrees that where the confidential information obtained under Clause 4 above is to be used by other regulatory or law enforcement agencies in the jurisdiction of the Requesting Authority, it will ensure that:
- (a) the other agencies agree in writing to be bound by the confidentiality and disclosure provisions of the Requesting Authority or;
 - (b) that such agencies are subject to confidentiality and disclosure provisions under laws of the jurisdiction of the Requesting Authority;
- 5.7 Compulsory disclosure to third parties of confidential information exchanged under this Memorandum of Understanding shall not be deemed a waiver of any privilege or claim of confidentiality except as expressly found by a Court of competent jurisdiction;

6. ONSITE INSPECTIONS

- 6.1 Onsite inspections may be undertaken in compliance with the laws of the Responding Authority, as is reasonably practical;
- 6.2 The Requesting Authority may seek permission from the Responding Authority to be a part of the onsite inspection.
- 6.3 In requesting that an onsite inspection be undertaken, the Requesting Authority shall provide:
- (a) written explanation of the specific purpose and the aspects of the operations of the licensee to be inspected, and;

- (b) the names and positions those persons who the Requesting Authority would like to be included on the inspection team;
- 6.4 The decision for the onsite inspection to be undertaken or to be a joint operation shall be within the sole purview of the Responding Authority;
- 6.5 Where permission is not granted for an inspection to be undertaken, whether joint or singular, the Responding Authority shall state its reasons for its decision in writing;
- 6.6 The Responding Authority shall determine the procedure for a joint onsite inspection;
- 6.7 The Responding Authority shall at a reasonable time but no longer than three (3) months from the end of the inspection, unless otherwise mutually agreed, produce and submit to the Requesting Authority a final report on the inspection;
- 6.8 Where it appears that the Responding Authority will incur substantial costs in undertaking an onsite inspection under this Memorandum of Understanding, the Responding Authority may, as a condition precedent to executing the onsite inspection, require the Requesting Authority to contribute to its cost in an amount agreed upon by the Authorities.

7. EMERGENCY SITUATIONS

- 7.1 Where the supervision of an insurance institution shall require the initiation of appropriate supervisory and enforcement measures, and measures taken may be relevant for both Authorities, each of the Authorities undertake, to the greatest extent possible, to inform each other beforehand or at the latest on a timely basis;
- 7.2 Where necessary, an emergency meeting of the Authorities may be arranged in order to provide any confidential information which may assist both of the Authorities;
- 7.3 Whenever necessary, and in compliance with their national laws, regulations and requirements, the Authorities shall endeavour to cooperate closely with the other relevant persons (central banks and/or finance ministries) involved in the crisis management process of its jurisdiction. Notification of the involvement of any such person must be given by both Authorities in a timely manner.

8. RETURN OF INFORMATION

- 8.1 The Responding Authority may, in its sole discretion, require the return of all confidential information previously supplied with respect to an insurance institution, its parent holding company, or any affiliates or subsidiaries thereof;

- 8.2 The return of the confidential information by the Requesting Authority does not, without more, terminate this Memorandum of Understanding;
- 8.3 To the extent that there is any conflict with existing law, which would affect the Requesting Authority's ability to comply with this provision, the Requesting Authority will advise the Responding Authority of this situation as promptly as possible.

9. MISCELLANEOUS

9.1 Authority to Enter Memorandum:

Each of the Authorities hereto gives express assurance that;

- (a) under all applicable laws and regulations, it has the authority to comply fully with the use and disclosure limitations and conditions of the Memorandum of Understanding;
- (b) that it will provide written notification within ten (10) working days of any material change to this authority or any violation of this Memorandum of Understanding, and;
- (c) and that any such material change or violation shall automatically terminate this Memorandum unless the other Authority waives termination in writing within thirty (30) days of learning of the event constituting the material change or violation.

9.2 Preservation of Existing Statutory Authority and Obligations:

- (a) Each Authority retains all rights and obligations under existing statutes and regulations, and this Memorandum of Understanding will not restrict the supervisory prerogatives of the Authorities.
- (b) Nothing in this Memorandum of Understanding restricts, enlarges, or otherwise modifies the respective jurisdictions of the Authorities.
- (c) Neither this Memorandum of Understanding, nor its termination, shall affect the rights and obligations of the Authorities under applicable laws or regulations, or be deemed an interpretation of such laws or regulations.

10. TERMINATION

- 10.1 This Memorandum of Understanding will continue in effect until the expiration of thirty (30) days after either Authority gives written notice to the other Authority of its intention to terminate the Memorandum of Understanding.
- 10.2 Termination shall not in any way affect the rights or obligations of the Authorities with

respect to confidential information previously provided under this Memorandum of Understanding or any privileges associated with such information.

11. EFFECTIVE DATE

This Memorandum shall become effective on the date upon which it is fully executed by the representatives of both Authorities.

EXECUTED at George Town, Grand Cayman this 6th day of November, 2014

**FOR AND ON BEHALF OF
THE CAYMAN ISLANDS MONETARY AUTHORITY ("CIMA")**

BY: Scotland
**CINDY SCOTLAND
MANAGING DIRECTOR**

**FOR AND ON BEHALF OF
THE INSURANCE COMMISSION OF THE BAHAMAS ("ICB")**

BY: Michele Fields
**MICHELE FIELDS
SUPERINTENDENT OF INSURANCE**

SCHEDULE

CONTACT PERSONS

- (1) **Cayman Islands Monetary Authority**
P.O. Box 10052
Grand Cayman KY1-1010
Telephone: (345) 949-7089
Fax: (345) 946-5611
E mail: ContactInsurance@cimoney.com.ky
Website: www.cimoney.com.ky

Copy requests to:
Name – Cindy Scotland, Managing Director
Email Address: c.scotland@cimoney.com.ky

Name - Head of Insurance Division
Email Address: ContactInsurance@cimoney.com.ky

- (2) **The Insurance Commission of The Bahamas**
P.O. Box N-4844
Charlotte House, 3rd Floor
Charlotte and Shirley Streets
Nassau, Bahamas
Telephone: (242) 328-1068
Fax: (242) 328-1070
E mail: info@icb.gov.bs
Website: www.icb.gov.bs

Copy requests to:
Michele Fields – Superintendent of Insurance
michelefields@icb.gov.bs

Arvind Baghel – Head of Supervision
arvindbaghel@icb.gov.bs