



**FINANCIAL SERVICES
COMMISSION**

Consultation on Captive Insurance

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Preface

Barbados is an ideal choice for the captive insurance business and ranks amongst the top ten captive insurance domiciles globally. A well-extended double taxation agreements (DTA) network, favourable costs of doing business and flexible solvency requirements already make Barbados an attractive destination for captives today.

The Financial Services Commission (the Commission) is seeking to further foster a regulatory environment that is modern, competitive, and responsive to market needs.

This consultation reflects Barbados' ongoing effort to enhance its attractiveness as a leading captive insurance domicile. It is part of a wider initiative to improve service delivery, streamline procedures, and align with international best practices, while supporting sustainable economic growth through financial sector development.

Introduction and Purpose

Barbados is a prominent and well-regarded captive insurance domicile, ranking among the top ten globally. The jurisdiction has long been recognised for the simplicity of its regulatory framework, its stable legal environment, and its competitive tax regime.

The captive insurance sector is a fast-growing market. In 2021, around 7,000 captives were established globally with premiums approximating US\$69 billion. Worldwide, premiums are projected to grow to \$161 billion by 2030. As businesses look for tailored structures to manage emerging and complex risks, the strength and flexibility of a jurisdiction's regulatory and tax framework become key factors in choosing where to establish a captive.

In its commitment to maintaining Barbados' status as a forward-looking and business-friendly jurisdiction, the Financial Services Commission (the Commission) is launching a consultation to invite industry stakeholders, both local and international, to share their views and experiences. This includes perspectives from existing captive owners and managers, prospective market entrants, insurance professionals, legal and financial advisors, and other relevant actors from the insurance and financial industries who operate within the captive insurance ecosystem.

This consultation aims to:

- Assess current market perceptions of Barbados as a captive domicile.
- Identify opportunities for improving Barbados' regulatory and administrative frameworks.
- Contribute to efforts aimed at enhancing the overall attractiveness of Barbados as a leading global captive insurance domicile.

The Commission sees this consultation as an important step in shaping Barbados' future as a leading domicile for captive insurance. By engaging directly with the industry, the regulator aims to support long-term growth and strengthen Barbados' competitive position internationally.

Who Should Respond?

The FSC encourages responses from:

- Captive insurance companies currently domiciled in Barbados.
- Prospective captive insurance owners considering Barbados.
- Captive management firms.
- Financial and insurance service providers.
- Industry associations and business representatives.

Consultation Questions

Legal and Structural Framework

The Commission has received representations that captives should also be permitted to operate as registered limited partnerships. Similarly, many jurisdictions are moving towards allowing for the operation of Protected Cell Companies (PCCs), as they could provide a more attractive alternative for smaller companies who would not be required to create and capitalise a full captive insurance entity.

1. Should Barbados expand its legal framework to explicitly permit captive structures as limited partnerships? Why would this significantly enhance Barbados' competitiveness?
2. Should Barbados expand its legal framework to explicitly permit captive structures as protected cell companies? Why would this significantly enhance Barbados' competitiveness?

Financial and Capital Requirements

3. In light of the minimum capital requirements applied in other leading and emerging captive domiciles, do you consider Barbados' current capital thresholds to be appropriate, or could they represent a barrier to new captive formations or expansions?

Administrative Procedures and Licensing Timelines

4. How do you perceive the current licensing timeline in Barbados when establishing a captive? Does it affect the jurisdiction's attractiveness, and what would, in your view, be an appropriate or competitive timeframe?
5. How could the application process and other regulatory procedures in Barbados be improved to facilitate the establishment and operation of captives?
6. Is the requirement to maintain a local principal office an obstacle to establishing or operating a captive in Barbados?
7. Would the option to obtain a same-day Conditional Certificate of Authority (subject to key requirements such as proof of minimum capital) make Barbados a more appealing jurisdiction for captives? If so, what conditions would you consider appropriate for such a process?

Cost Competitiveness and Regulatory Clarity

8. How could current licensing fees be improved?
9. What additional guidance, documentation, or resources from the Commission would facilitate smoother captive formation and compliance?

General Questions

10. Do you consider the current regulatory framework under the Insurance Act (Cap. 310) to be sufficiently clear and adapted to captive insurance, or would introducing dedicated legislation specific to captives provide greater clarity?
11. How could the regulatory framework be clearer or simpler to access and understand?
12. What other regulatory or policy adjustments not mentioned above would significantly increase Barbados' competitiveness as a captive insurance domicile?

Broader Economic Impacts

13. Beyond direct captive insurance activities, what additional economic benefits could Barbados realistically anticipate by enhancing its captive insurance regulatory framework?
14. Could enhancements to Barbados' captive insurance sector attract further investments or related financial services activities?

Consultation Period and How to Respond

The consultation period begins with the publication of this document and will last until midnight (AST) on 30th September 2025. Please submit responses to the aforementioned questions by email to fscaptiveconsultation@fsc.gov.bb.

Following the consultation period, the Commission will review all feedback received and consider any adjustments needed to its regulatory framework based on the views and needs expressed by stakeholders.