



PUBLIC ADVISORY

EQUITY INSURANCE COMPANY LIMITED

The Financial Services Commission (the "Commission") is advising policyholders of Equity Insurance Company Limited ("Equity") and the general public of new developments arising from regulatory action taken by the Commission.

BACKGROUND

The Commission is the statutory body charged with the regulation and supervision of the financial services sector in Barbados, including the insurance industry, under the Financial Services Commission Act, Cap. 324A (the "FSCA") and the Insurance Act, Cap. 310 (the "Insurance Act").

Over the course of its supervision of Equity, the Commission identified serious and persistent deficiencies in Equity's financial position and compliance with the requirements of the Insurance Act. These deficiencies included a significant deficit in Equity's statutory fund, the fund maintained by an insurer to secure the payment of claims to policyholders, as well as a state of insolvency, meaning Equity was unable to meet its financial obligations as they became due.

The Commission issued a series of formal directives to Equity requiring it to remedy those breaches and restore its financial position to the minimum standards required by law. The Commission afforded Equity every reasonable opportunity to comply with those directives.

When it became evident that all efforts to secure Equity's compliance had failed and that the company remained unable to meet its statutory obligations, the Commission revoked

Equity's licence to operate as an insurance business in Barbados pursuant to section 25 of the FSCA.

Following the revocation of Equity's licence, the Commission learned that Equity's reinsurers had cancelled their reinsurance policies. Reinsurance is the mechanism by which an insurer covers its own exposure to large or catastrophic claims; without it, policyholders face the risk that valid claims may not be paid. The cancellation of Equity's reinsurance coverage therefore left Equity's policyholders in a materially more vulnerable position. In light of this development, and in order to protect the interests of policyholders and the public, the Commission determined that it was necessary to apply to the High Court of Justice for leave to present a petition for the winding up of Equity

DECISION OF THE HIGH COURT

On 10 April 2026, High Court Judge Mr. Justice Wells ruled on the Commission's application for permission to proceed with winding-up action against Equity (Claim No. CIV0154/2026). The Court dismissed the application, saying it would be premature to grant permission while other proceedings are pending and undetermined, particularly Equity's appeal to the Tribunal against the revocation of its licence. Mr. Justice Wells considered that allowing the winding-up process to proceed at this time would prejudice Equity's ability to pursue its pending Tribunal appeal and that it would be appropriate for those matters to be resolved first.

THE COMMISSION'S POSITION

The Commission wishes to emphasise that the Court's decision is a procedural ruling on the preliminary question of leave and it does not constitute a final determination on the merits of the Commission's regulatory case against Equity or on the financial position of the company. The Commission remains seriously concerned about Equity's statutory fund deficit, insolvency, and the cancellation of its reinsurance cover. It notes that the revocation of Equity's licence remains in effect unless and until it is set aside by the appropriate tribunal or court.

The Commission has been advised by its legal counsel that there are substantial grounds to appeal the decision of the High Court, and the Commission is presently considering its options, including the pursuit of an appeal to the Court of Appeal.

The Commission remains fully committed to the protection of policyholders and the insurance-consuming public. It will continue to monitor developments closely and to take all steps within its legal powers to safeguard the interests of those affected.

Further public notices will be issued as developments warrant. Policyholders with questions or concerns regarding their policies with Equity Insurance Company Limited are encouraged to contact Mr. Craig Waterman, the Manager appointed by the Commission under the FSCA. He can be reached via phone at 1-246-429-2920 or by email at claims@equity.com.bb.

April 10, 2026