

2016-01-25

OBJECTS AND REASONS

This Bill would make provision for the Government of Barbados, with the approval of Parliament, to facilitate the preservation of the investments of the policyholders of British American Insurance Company (Barbados) Ltd.

Arrangement of Sections

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BARBADOS

A Bill entitled

An Act to make provision for the Government of Barbados, with the approval of Parliament, to facilitate the preservation of the investments of the policyholders of British American Insurance Company (Barbados) Ltd.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *British American Insurance Company (Barbados) Ltd. (Preservation of Investments) Act, 2016*.

Interpretation

2. In this Act,

“life insurance business” has the meaning assigned to it by the *Insurance Act*, Cap. 310; and

“statutory fund” has the meaning assigned to it by the *Insurance Act*, Cap. 310.

Purpose

3.(1) The purpose of this Act is to enable the Government of Barbados, with the approval of Parliament, to facilitate the preservation of the investments of the policyholders of British American Insurance Company (Barbados) Ltd., a company incorporated under the *Companies Act*, Cap. 308, which has not been able to continue its life insurance business since 2009.

(2) Pursuant to the purpose set out in subsection (1), the Government of Barbados shall

(a) issue bonds, not exceeding in aggregate the sum of \$84.6 million, to Sagicor Life Inc., a company incorporated under the *Companies Act*, Cap. 308, to facilitate the transfer of the life insurance business of British American Insurance Company (Barbados) Ltd. to Sagicor Life Inc.; and

(b) provide financial assistance to Sagicor Life Inc. in order to facilitate the preservation of the pension plans of 72 employees of the British American Insurance Company (Barbados) Ltd.

Issue of bonds

- 4.(1) The Government of Barbados may, under the authority of a resolution of Parliament, issue bonds, not exceeding in aggregate the sum of \$84.6 million, to Sagicor Life Inc. in order to facilitate the transfer of the life insurance business of British American Insurance Company (Barbados) Ltd. to Sagicor Life Inc.
- (2) The bonds issued under subsection (1) shall be drawn in 4 tranches over a period of 25 years.
- (3) The bonds issued under subsection (1) shall be signed by the Accountant-General and by such public officer as the Minister approves.
- (4) All principal monies and interest thereon payable in respect of bonds issued under this section are a charge on the Consolidated Fund.

Transfer of property assets

5. The Government of Barbados, pursuant to facilitating the transfer of the life insurance business of British American Insurance Company (Barbados) Ltd. to Sagicor Life Inc. under section 4, shall become the owner of the property assets from the statutory fund of British American Insurance Company (Barbados) Ltd.

Preservation of pension plans

- 6.(1) The Government of Barbados shall, by a resolution of both Houses of Parliament,
- (a) make a payment of \$2.5 million to Sagicor Life Inc.; and
 - (b) issue 6 promissory notes of varying maturities from 5 to 30 years, not exceeding in aggregate the sum of \$5.6 million, to Sagicor Life Inc.,
- to assist Sagicor Life Inc. with the preservation of the pension plans of 72 employees of the British American Insurance Company (Barbados) Ltd.

(2) All principal monies and interest thereon payable in respect of the payment of monies and the issue of promissory notes authorised under subsection (1) are a charge on the Consolidated Fund.

Read three times and passed the House of Assembly this
day of _____, 2016.

Speaker

Read three times and passed the Senate this _____ day of
_____, 2016.

President