

Barbados Jurisdiction & Financial Services Sector Overview

1. About Barbados – Territory, Government & Economy

Territory:

Barbados is an independent island nation located in the Eastern Caribbean, renowned for its political stability, legal transparency, and long-standing commitment to international business. The island enjoys a strategic location with frequent direct air access to the United Kingdom, United States, Canada, and Europe. It benefits from modern infrastructure, a highly educated workforce, and excellent telecommunications—making it an efficient hub for international clients and business operations.

Government & Legal System:

Barbados operates under a stable parliamentary democracy modelled on the British Westminster system. The country became independent from the UK in 1966 and remains a member of the British Commonwealth. Its legal system is based on **English Common Law**, supplemented by local statutes, with a well-established and independent judiciary. English is the official language, and the rule of law is firmly upheld, offering confidence and legal clarity to foreign investors and policyholders.

Economy:

The Barbadian economy is broad-based, with key sectors including tourism, international business and financial services, manufacturing, agriculture, and ICT. Tourism remains the largest foreign exchange earner, but financial services have become a vital economic pillar—supported by pro-business government policy, international regulatory compliance, and a high degree of professionalism in the legal and financial industries.

Barbados has maintained a **fixed exchange rate** since 1975 (BBD 2.00 = USD 1.00), backed by strong foreign reserves and prudent fiscal management. The island is a member of the **International Monetary Fund (IMF)** and other key global institutions, reinforcing its credibility and macroeconomic stability.

2. Financial Services Sector – A Strategic Hub for Global Wealth Planning

Barbados has developed into a respected international financial centre, offering a well-regulated and sophisticated environment for investment, insurance, and cross-border wealth structuring. The jurisdiction is particularly attractive to professional intermediaries and high-net-worth clients due to its:

- Political and legal stability
- Robust legislative framework
- Skilled local professionals
- Strong treaty network
- High regulatory standards

Regulators:

- Financial Services Commission (FSC) – Oversees insurance, pensions, mutual funds, securities, and corporate services
- Central Bank of Barbados – Manages monetary policy and the domestic banking system

Legislation:

Barbados has implemented a progressive legal framework, including the **Insurance Act**, **Mutual Funds Act**, and **Companies (Economic Substance) Act**, which underpin the delivery of compliant and tax-efficient international structures.

The jurisdiction aligns with international standards under **FATCA**, **CRS**, **OECD BEPS**, and **AML/CFT** frameworks, ensuring transparency, accountability, and global interoperability.

Barbados' extensive network of **over 40 double taxation treaties (DTAs)** enhances its position as a preferred jurisdiction for cross-border planning—enabling benefits such as reduced withholding taxes, treaty access, and global credibility.

3. Barbados Insurance Sector – Structure, Regulation & Benefits

Barbados is widely regarded as a leading global domicile for **international and captive insurance companies**, supported by a strong regulatory environment and flexible business structures.

Licensing Options:

International insurers can be established under either:

- **The Exempt Insurance Act (Cap. 308A)** – For insurers writing non-Barbadian risks and owned outside CARICOM
- **The Insurance Act (Cap. 310)** – For **Qualifying Insurance Companies (QICs)**, subject to limited taxation but offering access to treaty benefits

Strategic Benefits for International Clients:

- **United States:** With appropriate structuring, US-based corporations may gain tax and economic efficiencies by reinsuring foreign or domestic risks through a Barbados-licensed insurer
- **Canada:** Under the Canada–Barbados tax treaty, qualifying dividends paid by an active Barbados insurance affiliate to Canadian shareholders may be exempt from Canadian tax

Regulatory Bodies & Oversight:

Barbados insurance regulations were formed by regional and international best practice, with engagement from:

- Financial Services Commission (FSC)
- Caribbean Association of Insurance Regulators (CAIR)
- International Association of Insurance Supervisors (IAIS)
- Insurance Association of the Caribbean (IAC)

These bodies ensure that the Barbados insurance sector maintains strong solvency standards, corporate governance, and supervisory frameworks in line with global norms.

4. Solid Oak Insurance (Barbados) Limited (SOIB)

Incorporation & Licensing:

Solid Oak Insurance (Barbados) Limited was incorporated on **13 January 2023** (Company No. 51173) with its registered office at Chancery Corporate Services Limited, Chancery House, High Street, Bridgetown, Barbados BB11128.

SOIB holds a **Class 2 Insurance Licence (No. 709)** issued by the **Financial Services Commission of Barbados**. This license authorizes the firm to conduct **long-term life insurance business**, including the issuance of **Private Placement Life Insurance (PPLI)** policies under the **Insurance Act** and **FSC Act**. The licence was granted on **29 June 2023**, with permission to commence operations from **17 July 2023**.

5. PPLI Framework & Asset Segregation

As a licensed life insurer, SOIB is authorised to issue **Private Placement Life Insurance (PPLI)** policies designed to support wealth preservation, estate planning, and cross-border tax efficiency for HNW clients.

The **Memorandum & Articles of Association** of SOIB explicitly allow for the creation of **Separate Accounts** pursuant to **Section 365.15 of the Companies Act**. These provide:

- Full segregation of assets and liabilities linked to specific policies
- Protection from corporate or unrelated policyholder claims
- Legal ring-fencing to ensure policyholders have recourse only to the assets of their designated separate account
- Institutional-grade asset protection comparable to Protected Cell Company structures

This model supports robust client security, transparency, and flexibility—core requirements for long-term wealth and estate planning through life insurance.

6. Summary

In summary, Barbados provides an internationally respected platform for compliant, efficient, and secure insurance-based wealth planning. Its sound governance, legal certainty, and well-regulated financial services infrastructure make it an ideal jurisdiction for professional intermediaries and HNW clients alike.

Solid Oak Insurance (Barbados) Limited delivers bespoke PPLI solutions within this best-in-class framework—supported by regulatory clarity, tax treaty access, and asset protection measures designed for today's global wealth holders.

The Solid Oak team welcome any questions and look forward to supporting your objectives.



Solid Oak Barbados – Frequently Asked Questions (FAQ)

Insurance Solutions for the Global Wealth Management Industry

1. About Solid Oak Barbados

Q Who is Solid Oak?

A Solid Oak is a specialist provider of bespoke life insurance solutions for professional intermediaries and their high-net-worth clients. We partner exclusively with regulated wealth managers, private banks, family and multi-family offices to deliver tailored structures that support wealth preservation, estate planning, and cross-border tax efficiency.

Q What is Solid Oak's legal structure?

A Solid Oak Insurance PCC Limited was incorporated on 16 May 2016 in the Republic of Seychelles as a Protected Cell Company (PCC) (Registration No. 8417764-4). It is licensed as a Non-Domestic Long-Term Insurer under the Companies Ordinance 1972, the Insurance Act 2008, and the PCC Act (License No. NDI011). Solid Oak Insurance PCC (Seychelles) Limited is the holding company of Solid-Oak Barbados Limited with 100% ownership.

Q What is Solid Oak's presence in Barbados?

A Solid Oak Insurance (Barbados) Limited ("SOIB") was incorporated on 13 January 2023 (Company Reg. No. 51173) and is licensed under License No. 709 as a Class 2 Long-Term Insurance Company by the Financial Services Commission (FSC) of Barbados.

Q What is SOIB's legal structure?

A SOIB operates as a standard company limited by shares, authorized to create separate accounts in accordance with Section 365.15 of the Companies Act. These separate accounts segregate assets and liabilities related to specific policies from the general assets of the company.

Q Who are Solid Oak's clients?

A We work with wealth managers, trustees, family offices, and private banks acting on behalf of high-net-worth and ultra-high-net-worth individuals and families.

Q Is Solid Oak part of a group?

A Yes. Solid Oak operates licensed entities in both Barbados and the Seychelles, enabling global structuring capabilities.

2. Services and Solutions

Q What services does Solid Oak provide?

A We implement and administer life insurance-based solutions such as Private Placement Life Insurance (PPLI), tailored for international wealth structuring.

Q How do you support intermediaries?

A Solid Oak acts as a technical structuring partner, supporting product design, underwriting, policy administration, and providing dedicated relationship management.

Q What are the typical fees involved?

A Fees include set-up, annual administration, and any custodian or investment platform charges. A comprehensive fee schedule is provided at the structuring stage.

3. Structuring and Implementation

Q What is the process from case submission to policy issuance?

A The process includes:

- Pre-case assessment with intermediary
- Underwriting and KYC
- Policy issuance and implementation
- Ongoing administration and reporting

Q How are policies funded?

A Policies can be funded by cash, investment portfolios, or a combination. Funding rules vary by jurisdiction and asset type.

Q Can policies be funded with in-specie assets?

A Yes, subject to valuation and compliance with regulatory requirements. Custodians must be approved as part of the structuring process.

Q Who holds custody of the policy assets?

A Assets are held with regulated third-party custodians chosen by the client and approved as part of the structure. Solid Oak does not act as custodian.

Q Can a policy be surrendered or transferred?

A Subject to the policy terms, surrenders may be permitted. Policies can be transferred to another appropriately licensed insurer, particularly in winding-up scenarios.

4. Legal and Regulatory Framework

Q Why is Barbados an attractive jurisdiction?

A Barbados offers:

- A stable political and legal system based on English Common Law
- Strong regulatory oversight by the FSC
- Access to numerous tax treaties, including with the UK, Canada, USA, and Switzerland
- A highly developed financial services infrastructure

Q What is a Separate Account under Barbados law?

A A separate account is a legally segregated account under Section 365.15 of the Companies Act. Assets and liabilities tied to a specific policy are ring-fenced from the general company assets and other accounts.

Q How does this protect the policyholder?

A The policyholder's liability is limited to the net value of the separate account. The assets are shielded from general company creditors and the creditors of other separate accounts.

Q Is Solid Oak regulated in Barbados?

A Yes. SOIB is licensed by the Financial Services Commission (FSC) under the Insurance Act and Financial Services Commission Act, and adheres to the standards of the IAIS, CAIR, and IAC.

5. Compliance and Reporting

Q What due diligence is required for onboarding?

A Intermediaries must submit certified identification, proof of address, and source of wealth/funds documentation. Solid Oak applies robust KYC and AML procedures.

Q What reporting is provided?

A Clients and intermediaries receive documentation and reports tailored to the policy structure, including annual valuation reports where applicable.

6. Supporting Your Clients

Q How do we engage with Solid Oak?

A Contact your Solid Oak relationship manager to initiate a case or request structuring assistance.

Q What is required to begin a case?

A A brief client profile and structuring objective is sufficient to begin a preliminary review. Our team will then guide the intermediary through next steps.

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