



TURKS AND CAICOS ISLANDS

CHAPTER 16.06
INSURANCE ORDINANCE
and Subsidiary Legislation

showing the law as at 31 December 2014

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Ordinance.

This edition contains a consolidation of the following laws—

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**GUIDELINES ON THE ISSUE OF INSURANCE LICENCES – Regulation 6,
Insurance Regulations**

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Gazette Notice 223/1995

Amended by Ordinances: 6 of 2001 .. in force 22 May 2001 (L.N. 12/2001)

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CHAPTER 16.06
INSURANCE ORDINANCE
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CHAPTER 16.06

INSURANCE ORDINANCE

*(Ordinances 12 of 1989, 5 of 1990, 6 of 1992,
28 of 1994, 9 of 1995, 9 of 1998, 6 of 2001, 3 of 2002,
24 of 2004, 16 of 2007, 24 of 2011 and Legal Notice 24/1993)*

AN ORDINANCE TO MAKE PROVISION FOR THE LICENSING AND CONTROL OF THE BUSINESS OF INSURANCE AND FOR MATTERS INCIDENTAL OR RELATED THERETO.

Commencement

[31 December 1989]

PART I

PRELIMINARY

Short title

1. This Ordinance may be cited as the Insurance Ordinance.

Interpretation

2. In this Ordinance, unless the context otherwise requires—

“actuary” means—

- (a) a person who has qualified as an actuary by examination of the Institute of Actuaries in England or the Faculty of Actuaries in Scotland or the Society of Actuaries in the United States of America or Canada, and who is a current member of good standing of one of the aforementioned professional associations; or
- (b) a person of good standing with some other actuarial qualifications who is recognised by the Commission, as an actuary for the purpose of this Ordinance; *(Amended by Ord. 6 of 2001)*

“auditor” means a person holding a currently valid certificate from the Commission certifying that in its opinion such person is of good standing and qualified to undertake the audit of an insurer; *(Amended by Ords.6 of 2001 and 3 of 2002)*

“Commission” means the Turks and Caicos Financial Services Commission established under the Financial Services Commission Ordinance, 2001 and preserved and continued under the Financial Services Commission Ordinance; *(Inserted by Ord. 16 of 2007)*

“contract” includes policy;

“controller”, in relation to a licensee which is a body corporate means a director, any person in accordance with whose decisions the directors are

accustomed to act or any person entitled to exercise not less than thirty *per centum* of the votes at a general meeting. In determining for purposes of this definition the voting rights which a body corporate may be entitled to exercise it shall be deemed to be entitled to exercise, in addition to any voting rights it has solely on its own account, those of any company of which it is a subsidiary and those of its subsidiary company or companies. In determining for purposes of this definition the voting rights which a natural person may be entitled to exercise he shall be deemed to be entitled to exercise, in addition to any voting rights he has solely on his own account, those of any partner, parent, brother, sister, spouse, minor child or minor step-child;

“domestic business” means insurance business where the contract is in respect of the life, safety, fidelity, or insurable interest (other than in respect of property) of a person who at the time of effecting the contract is ordinarily resident in the Islands, or property that at the time of effecting the contract is in the Islands or, in the case of a vehicle, vessel or aircraft, or other movable property is ordinarily based in the Islands (but does not include re-insurance business);

“external insurer” means an insurer having its principal or registered office in a place outside the Islands which the Commission has approved as a jurisdiction in which the regulation and supervision of insurers is, in its opinion, satisfactory; (*Inserted by Ord. 28 of 1994, and Amended by Ords. 6 of 2001 and 3 of 2002*)

“financial year” in relation to a licensee means the period not exceeding fifty-three weeks at the end of which the balance of the licensee’s accounts is struck or, if no such balance is struck or if a period in excess of fifty-three weeks is employed, then a calendar year;

“general business” means insurance business other than long term business;

“Governor” means the Governor in Cabinet;

“insurance agent” means a person (not being an insurer) who solicits directly, or through representatives, advertising or other means, domestic business on behalf of not more than one insurer;

“insurance broker” means a person (not being an insurer)—

(a) who negotiates directly or through representatives or other means, contracts of insurance or of re-insurance on behalf of more than one insurer; or

(b) who places or arranges insurance business with insurance companies’ agents or sub-agents on behalf of prospective policy holders, who advises policy holders on the business of insurance or who assists policy holders in the settlement of claims;

(*Amended by Ord. 3 of 2002*)

“insurance business” means the business of effecting and carrying out contracts—

- (a) protecting persons against loss or liability to loss in respect of risks to which such persons may be exposed; or
- (b) to pay a sum of money or other thing of value upon the happening of an event, and includes re-insurance business and running-off business including the settlement of claims;

“insurance manager” means a company operating in or from within the Islands which provides insurance expertise to or for insurers and which has in its employment a person who—

- (i) is qualified by examination as a fellow or associate of the Chartered Insurance Institute of London, or who is a member of either the Society of Chartered Property and Casualty Underwriters or the American Society of Chartered Life Underwriters both of the United States of America and who is either a current member of good standing of the applicable professional body or of some other professional insurance association recognised by the Commission for the purpose of this Ordinance; or
- (ii) is a person of good standing as has been approved by the Commission;

(Amended by Ord. 6 of 2001)

“insurance sub-agent” means a person (not being an insurance broker) who solicits directly or through advertising or other means, domestic business on behalf of an insurance agent, or on behalf of an insurance broker;

“insurer” means a person carrying on insurance business and includes an association of individual underwriters including Lloyd’s and other associations of underwriters recognised by the Commission, and which comply with such laws as are enacted in their principal place of residence for their regulation and supervision; *(Amended by Ord. 6 of 2001)*

“the Islands” means the Turks and Caicos Islands; *(Inserted by Ord. 28 of 1994)*

“licence” and its cognates means a licence granted under this Ordinance;

“long term business” means insurance business involving the making of contracts of insurance—

- (a) on human life or contracts to pay annuities on human life but excluding contracts for credit life insurance and term life insurance for a period of five years or less other than convertible and renewable term life contracts;
- (b) against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class, or dying as the result of an accident or of an accident of a specified class, or becoming incapacitated in consequence of disease or diseases of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and

either not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof, or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned;

- (c) whether by bonds, endowment certificates or otherwise whereby in return for one or more premiums paid to the insurer a sum or series of sums is to become payable to the person insured in the future, not being contracts falling within paragraphs (a) or (b);

“net worth” means excess of assets (including any contingent or reserve fund secured to the satisfaction of the Commission) over liabilities other than liabilities to partners or shareholders; (*Amended by Ord. 6 of 2001*)

“policy holder” means the person with whom an insurer has effected a contract of insurance;

“principal insurance representative” means a person operating in or from within the Islands who, on his own account and not as the employee of any other person, maintains for an insurer full and proper records of the business activities of that insurer.

PART II

LICENCES

Offence to conduct insurance business without a licence

3. (1) Any person who not being licensed in that behalf, carries on insurance business commits an offence.

(2) Any person who not being licensed in that behalf acts as—

- (a) an insurance manager;
- (b) an insurance broker;
- (c) an insurance agent;
- (d) an insurance sub-agent; or
- (e) a principal insurance representative,

commits an offence.

Licences

4. (1) Any person wishing to carry on insurance business in or from within the Islands may make application to the Commission for the grant of one or more of the following licences—

- (a) an Insurer’s Licence;
- (b) an Insurance Agent’s Licence;
- (c) an Insurance Broker’s Licence;

- (d) an Insurance Manager's Licence;
- (e) a Principal Insurance Representative's Licence;
- (f) an Insurance Sub-agent's Licence.

(Amended by Ord. 6 of 2001)

(2) An application under this section shall be made in the prescribed form accompanied by the prescribed fee and such other information and documents as may be prescribed. The fee shall not be refunded in the event of the refusal, withdrawal or failure to pursue the application. *(Amended by Ords. 28 of 1994 and 3 of 2002)*

(3) Upon receiving, and before deciding upon, any application, the Commission may call upon the applicant to supply such further information as the Commission, may specify. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

(4) The Commission may refuse an application made under this section or may grant it unconditionally or subject to such conditions as the Commission may see fit to impose. A decision under this section is final and not subject to appeal to, or review by, any court or other authority. *(Amended by Ords. 6 of 2001, 3 of 2002 and 16 of 2007)*

(5) The Commission shall cause notice of the granting of a licence under this section to be published in the *Gazette*. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

(6) Every licensee holding a current licence shall on or before March in each year and every year during the subsistence of that licence pay to the Commission for the benefit of the general revenues of the Islands the annual fee prescribed in respect of such licence. *(Amended by Ord. 6 of 2001)*

Prohibition on dealing with unlicensed insurers

5. (1) No person shall, without first obtaining a dispensation under section 6, enter into an insurance contract to insure a risk located in the Islands with an insurer, insurance broker, insurance agent or insurance sub-agent not licensed under this Ordinance.

(2) For the purposes of this section a risk is located in the Islands if it is a risk in relation to—

- (a) a person who, at the time of effecting the contract, is ordinarily resident in the Islands; or
- (b) property that, at the time of effecting the contract, is in the Islands or, in the case of a vehicle, vessel or aircraft, or other movable property is ordinarily based in the Islands.

(3) A person who contravenes subsection (1) commits an offence.

Dispensation

6. (1) A person may obtain a special dispensation from the Permanent Secretary, Finance to enter into an insurance contract with an insurer, insurance broker, insurance agent or insurance sub-agent not licensed under this Ordinance

to insure a risk located in the Islands where that person demonstrates to the satisfaction of the Permanent Secretary, Finance an evident need that the contract be so placed.

(2) In considering a request for dispensation under subsection (1), the Permanent Secretary, Finance shall consult the Financial Services Commission on the soundness of granting such dispensation.

(3) In addition to any specific conditions imposed by the Permanent Secretary, Finance, a dispensation, if granted, shall be subject to the condition that the person shall pay to the Permanent Secretary, Finance the insurance premium sales tax that would have been payable under the Insurance Premium Sales Tax Ordinance if the policy or contract of insurance had been placed in the Islands. (*Inserted by Ord. 24 of 2011*)

Offence to use certain words in title

7. (1) Any person commits an offence who without the approval in writing of the Commission, in any description or title under which he carries on business in or from within the Islands uses (whether in English or in any other language) any of the following words—

“assurance”
“casualty”
“guarantee”
“indemnity”
“insurance”
“re-insurance”
“surety”
“underwriting”,

or any other word, derivative thereof, which in the opinion of the Commission connotes insurance business.

(*Amended by Ords. 6 of 2001 and 16 of 2007*)

(2) Before giving its approval under subsection (1) the Commission may require of any person such references and such information and particulars as may be prescribed. (*Amended by Ords. 6 of 2001, 3 of 2002 and 16 of 2007*)

PART III

LICENSED INSURERS

Scope of insurer’s licences, conditions applicable, etc

8. (1) An Insurer’s Licence licenses an insurer to carry on business in or from within the Islands.

(2) Every Insurer’s Licence shall be subject to the conditions that the licensee—

- (a) notifies the Commission of any change, or proposed change, in the information (including any business plan) contained in, or supplied in connection with, the application for the licence;
- (b) carries on business only in accordance with the information referred to in paragraph (a) and such changes as the Commission has approved;
- (c) furnishes annually to the Commission a certificate, in the prescribed form, of compliance with the provisions of this subsection. Such form shall be signed by an independent auditor or such other person as the Commission approves.
(Amended by Ords. 6 of 2001 and 16 of 2007)

(3) In respect of a licensed insurer's domestic business, such insurer shall maintain within the Islands in cash, short term securities or other realisable investments approved by the Commission, sufficient funds to match current liabilities, life insurance funds and annuity funds. *(Amended by Ords. 28 of 1994 and 6 of 2001)*

(4) Every contract of domestic business effected by a licensed insurer shall be subject to the jurisdiction of the courts in the Islands, notwithstanding any provision to the contrary contained in such contract or in any agreement related to such contract.

(5) Every licensed insurer shall appoint at least one person resident in the Islands (consent to which appointment shall be signified by the person in writing) who is approved by the Commission, for the purpose of accepting service of process in any legal proceedings to which the insurer is a party. *(Substituted by Ord. 28 of 1994 and Amended by Ord. 6 of 2001)*

(6) Every licensed insurer shall prepare annual accounts in accordance with generally accepted accounting principles acceptable to the Commission and audited by an independent auditor. *(Amended by Ord. 6 of 2001)*

(7) Every licensed insurer who is carrying on general business shall, in addition to the requirement in subsection (6), prepare annually a financial statement in the prescribed form, certified by an independent auditor, to enable the Commission to be satisfied as to its solvency. *(Amended by Ord. 6 of 2001)*

(8) The auditor referred to in subsections (6) and (7) shall report to the Commission breaches of this Ordinance and failure by the licensed insurer to conduct business in accordance with its business plan or its internal controls. *(Inserted by Ord. 3 of 2002)*

(9) Every licensed insurer who is carrying on long term business shall, in addition to complying with subsection (6), prepare at least once in every three year period an actuarial valuation of its assets and liabilities, certified by an actuary, so as to enable the Commission to be satisfied as to its solvency. Furthermore—

- (a) every such insurer carrying on both long term business and general business shall keep separate accounts in respect of its long term business;

- (b) (i) all receipts by any such insurer of funds in respect of its long term business shall be placed in a separate long term business fund;
- (ii) payments from the said long term business fund shall not be made directly or indirectly for any purpose other than those of the insurer's long term business, except insofar as such payments can be made out of any surplus disclosed on an actuarial valuation and certified by an actuary to be distributable otherwise than to policyholders;
- (c) every such insurer carrying on long term business may establish any number of separate accounts in respect of respective premiums paid to it to provide—
 - (i) annuities on human life; and
 - (ii) contracts of insurance on human life,
 and such respective premiums shall be kept segregated one from the other and independent of all funds of the insurer and notwithstanding the provisions of any other law to the contrary are not chargeable with any liability arising from any other business of the insurer.

(Amended by Ords. 28 of 1994 and 6 of 2001)

(10) In respect of any insurer other than an approved external insurer or an insurer who, with the approval of the Commission, permanently maintains in the Islands a principal office and staff—

- (a) each such insurer shall appoint an insurance manager resident in the Islands and maintain permanently at a designated principal office in the Islands (unless some other location is approved by the Commission) full and proper records of its business activities;
(Amended by Ord. 16 of 2007)
- (b) each such insurer carrying on besides insurance any other business shall keep separate accounts in respect of its insurance business and shall segregate the assets and liabilities of its insurance business from those of its other business;
- (c) the Commission may direct that any such insurer shall not without the specific approval of the Commission make investments of a specified class and may in that case require such insurer to realise investments of that class within such period as may be prescribed;
(Amended by Ord. 16 of 2007)
- (d) no such insurer shall without the sanction of the Commission—
 - (i) amalgamate with any one or more insurers;
 - (ii) other than in the normal course of insurance business, transfer its insurance operations or a part thereof or accept transfer of the insurance operations or a part thereof from another insurer. *(Amended by Ord. 6 of 2001)*

(11) A licensed insurance broker may obtain a special dispensation from the Commission to place a policy or contract of domestic business with one or more unlicensed insurers where—

- (i) the said insurers have not been refused a licence under this Ordinance;
- (ii) the said insurers are approved by the Commission as being of sound reputation;
- (iii) the Commission is satisfied that the proposed volume of domestic business to be placed with such unlicensed insurers is inadequate to support the payment of the fees of an Insurer's Licence or that some other good and sufficient reason exists; and
- (iv) the said insurance broker can demonstrate to the satisfaction of the Commission an evident need (in terms of additional capacity, or policy coverage, or otherwise) that the business be so placed.

(12) A dispensation referred to in subsection (11), if granted, shall be subject to review at such intervals, if any, as the Commission may specify when granting the dispensation and there shall be no appeal against the refusal of any such dispensation or renewal thereof.

(13) Subsection (4) shall apply to a policy placed under subsection (11).
(Amended by Ord. 6 of 2001)

Producer owned reinsurance company

9. (1) For the purpose of this section “a producer owned reinsurance company” is a company—

- (a) which carries on the business of reinsurance
- (b) whose affairs are under control of a direct writer; and
- (c) which is beneficially owned by the producers of the business reinsured.

(2) A producer owned reinsurance company shall—

- (a) submit annual financial statements to the Commission in such form as may be prescribed; and
- (b) deposit with the Commission an undertaking satisfactory to the Commission that the company shall not engage in business other than the reinsurance of risks covered by an insurer acceptable to the Commission.

(3) The insurer referred to in subsection (2)(b) shall meet such requirements as may be prescribed.

(4) Agreements between the producer owned reinsurance company and the insurer referred to in subsection (2)(b) shall have the prior approval of the Commission.

(5) Section 8(3), (6), (7), (9) and (10)(a) and section 12 shall not apply to a producer owned reinsurance company.

(Inserted by Ord. 3 of 2002)

Prohibition on cancellation of contract

10. A licensed insurer shall not cancel a contract of insurance if and only if a claimant under the contract of insurance has not paid the premium under the contract. *(Inserted by Ord. 3 of 2002)*

PART IV

LICENSEES OTHER THAN LICENSED INSURERS

Licensees other than licensed insurers

11. (1) An insurance agent who acts on behalf of more than one insurer is deemed for the purpose of this Ordinance to be acting as an insurance broker.

(2) A licensed insurance broker shall maintain in force professional indemnity insurance in respect of his insurance broking activities, placed with an insurer licensed to carry on domestic business and for an indemnity of not less than \$100,000 for any one loss, or such other figure as may be prescribed by the Commission. Such professional indemnity shall extend to include the activities on behalf of the broker and his sub-agents, if any. In the event that such professional indemnity insurance be withdrawn, or cancelled, or the said insurance be not renewed, the said broker shall immediately notify the Commission and shall forthwith cease to solicit further insurance business until such professional indemnity insurance has been reinstated or replaced. *(Amended by Ord. 6 of 2001)*

(3) A licensed insurance broker shall maintain separate books of accounts in respect of—

- (a) premiums collected on behalf of insurers; and
- (b) its other business.

(Inserted Ord. 3 of 2002)

(4) (a) A licensed insurance agent shall provide evidence satisfactory to the Commission of a power of attorney, agency agreement or guarantee between the agent and the insurer for whom such agent acts. Such power of attorney, agency agreement or guarantee shall extend to include the activities on behalf of the insurer and the agent or his sub-agents, if any. In the event that such power of attorney, agency agreement or guarantee is withdrawn or such agreement is determined the said agent shall immediately notify the Commission and shall forthwith cease to solicit further insurance business until such power of attorney or guarantee has been reinstated. *(Amended by Ord. 6 of 2001)*

(b) A licensed insurance agent may, as an alternative to meeting the requirement laid down in paragraph (a), maintain in force professional indemnity insurance in like manner and for a like amount as if he had been a licensed insurance broker as in subsection (2).

(5) A licensed insurance sub-agent may not solicit or carry on business on behalf of more than one insurance broker. If the professional indemnity insurance or power of attorney, agency agreement or guarantee, as the case may be, referred to in subsections (2) and (4), is for any reason withdrawn from the said sub-agent, then the licence of the said sub-agent is *ipso facto* suspended until such time as such professional indemnity insurance, power of attorney, agency agreement or guarantee, as the case may be, is reinstated.

(6) A licensed insurance manager or a licensed principal insurance representative shall use his best endeavours to carry on insurance and re-insurance business only with insurers of sound reputation. In the event that such insurance manager or licensed principal insurance representative has reason to doubt the honesty or solvency of any insurer or re-insurer for or with whom he is carrying on business, he shall report his doubt forthwith to the Commission. In the event that either party to an agreement relating to representation between an insurer and an insurance manager or principal insurance representative intends to terminate the same, sixty days written notice of such proposed termination shall be given to the Commission by such insurance manager or principal insurance representative. (*Amended by Ord. 6 of 2001*)

(7) A licensed insurance manager in respect of his insurance and reinsurance business, shall maintain in force professional indemnity insurance, placed with an insurer and for an indemnity of not less than \$100,000 for any one loss, or such other figure as may be specified by the Commission. (*Inserted by Ord. 3 of 2002*)

(8) If the professional indemnity insurance maintained under subsection (7) is withdrawn, cancelled, or not renewed, the licensed insurance manager shall immediately—

(a) notify the Commission; and

(b) cease to solicit further insurance business until such professional indemnity insurance has been reinstated or replaced.

(*Inserted by Ord. 3 of 2002*)

(9) A licensed insurance manager or principal insurance representative who also carries on business as an insurance agent is required to be licensed in respect of each such activity.

(10) Every licence to which this Part applies shall be subject to the conditions that the licensee—

(a) notifies the Commission of any change, or proposed change, in the information (including any business plan) contained in, or supplied in connection with, the application for the licence;

(b) carries on business only in accordance with the information referred to in paragraph (a) and such changes as the Commission has approved;

- (c) furnishes annually to the Commission a certificate in the prescribed form of compliance with the provisions of this subsection. Such form shall be signed by an independent auditor or such other person as the Commission approves.

(Amended by Ords. 6 of 2001 and 16 of 2007)

PART V

ANNUAL RETURNS

Annual returns by licensed insurers

12. (1) Every licensed insurer shall furnish to the Commission within three months of the end of its financial year or such longer period not exceeding a further three months as the Commission, may in writing allow in response to a written request, the following annual returns—

- (a) written confirmation from an independent auditor that annual accounts have been prepared as required under section 8(6) and whether or not the auditor's certificate for such accounts is unqualified;
- (b) a certificate of compliance as required by section 8(2)(c);
- (c) if the said insurer is carrying on, or has carried on, general business, a financial statement in the prescribed form, certified by an independent auditor, in accordance with section 8(7);
- (d) if the said insurer is carrying on, or has carried on, long term business, an actuarial valuation of its assets and liabilities, certified by an actuary, in accordance with section 8(9);
- (e) if the said insurer has a branch or other subsidiary activity in the Islands which is constituted as a separate legal entity, written confirmation that the said insurer accepts responsibility for all contracts issued by such branch or subsidiary activity and also for all acts, omissions and liabilities of such branch or subsidiary activity;
- (f) if the said insurer is carrying on, or has carried on, general business, such information as the Commission may require concerning the availability of funds for prompt settlement of claims under general domestic business;
- (g) if the said insurer is carrying on, or has carried on, long term business such information as the Commission may require concerning the investment of premium income received from such domestic long term business in prescribed investments within the Islands;
- (h) a list of insurance agents and insurance brokers who have the said insurer's authority to effect business on its behalf.

(Amended by Ords. 28 of 1994, 6 of 2001 and 16 of 2007)

(2) The Governor may prescribe additions, deletions or modifications to the returns required to be made by licensees under this section.

(3) A licensed insurer which does not make the returns referred to in subsection (1)—

(a) within the period which may be allowed under that subsection, shall be liable to a penalty of \$5,000; and

(b) within such further period as may be allowed by the Commission, shall not accept business which it did not have at the end of the period allowed under this paragraph.

(Inserted by Ord. 3 of 2002 and amended by Ord. 16 of 2007)

(4) The Commission where it is satisfied that failure to comply with the periods allowed under subsection (3) is because of circumstances outside the control of the licensed insurer or its auditors, may extend an allowed period for such length of time as it considers appropriate in the circumstances. *(Inserted by Ord. 3 of 2002)*

Annual returns by other licensees

13. (1) Every licensed insurance agent shall furnish to the Commission within three months of the end of each calendar year the following returns in respect of his domestic business—

(a) confirmation in writing that the said agent is acting for one insurer only and the name of that insurer;

(b) evidence of the existence of a power of attorney, agency agreement or guarantee or professional indemnity insurance as referred to under section 11(4);

(c) a list of the sub-agents, if any, authorised by the said agent to solicit domestic business on his behalf and on behalf of the insurer whom he represents;

(d) confirmation in writing that the information set out in the application for the said agent's licence, as modified by subsequent notifications of changes in accordance with section 11(10), (a) and (b) remains correct and gives a full and fair picture of his business.

(Amended by Ord. 6 of 2001)

(2) Every licensed insurance broker shall furnish to the Commission within three months of the end of his financial year the following information in respect of his domestic business—

(a) a list of all insurers for whom the said sub-agent broker has acted during that year, and the premium income to each such insurer during the last financial year; *(Amended by Ord. 28 of 1994)*

(b) evidence of the existence of professional indemnity insurance in respect of his activities as an insurance broker, as required under section 11(2);

- (c) a list of the sub-agents, if any, authorised by the said insurance broker to solicit domestic business on his behalf and on behalf of the insurers whom he represents;
- (d) confirmation in writing that the information set out in the application for the said insurance broker's licence, as modified by subsequent notifications of changes in accordance with section 11(10), remains correct and gives a full and fair picture of his business.
(Amended by Ord. 6 of 2001)

(3) Every licensed insurance sub-agent shall furnish to the Commission before the renewal of his licence—

- (a) confirmation in writing that the said sub-agent is acting for one insurance agent only, or for one insurance broker, and the name of such insurance agent or insurance broker;
- (b) confirmation in writing that the information set out in the application for the said sub-agent's licence, as modified by subsequent notifications of changes in accordance with section 11(10), remains correct and gives a full and fair picture of his activities.
(Amended by Ords. 6 of 2001 and 16 of 2007)

(4) Every licensed insurance manager and principal insurance representative shall furnish to the Commission by 31 March each year the following information—

- (a) a list of all licensed insurers for which he has acted during that year, indicating any additions or deletions;
- (b) a report by an auditor that the statutory books and records of the insurers have been kept properly, accurately, up to date and in accordance with applicable law;
- (c) a certificate by the insurance manager or principal insurance representative that those insurers have to the best of his knowledge and belief complied with the requirements of the Ordinance and with any regulations made thereunder and with any terms or conditions attached to their licenses by virtue of the powers granted under this Ordinance;
- (d) a certificate signed by the insurance manager or principal insurance representative that to the best of his knowledge and belief those insurers continue to be of sound reputation and probity.
(Amended by Ords. 28 of 1994 and 6 of 2001)

(5) The Governor may prescribe additions, deletions or modifications to the returns required to be made by licensees under this section.

PART VI

GENERAL

Replacement of Director, Officer or Auditor

14. Where the Commission is of the opinion that a director or officer or auditor of a licensee is no longer a fit and proper person to be a director or officer or auditor of the licensee the Commission may request the licensee to replace the director or officer or auditor with a person approved by the Commission as a fit and proper person. (*Inserted by Ord.3 of 2002*)

Winding up

15. (1) In this section, “insurance company” means an insurance company which carries on domestic business, and includes a company which has ceased to be licensed as an insurer but remains under any liabilities in respect of its domestic business.

(2) The Supreme Court may order the winding up of an insurance company in accordance with the winding up provisions of the Companies Ordinance, subject, however, to the modification that the insurance company may be ordered to be wound up —

- (a) on the petition, presented by leave of the Court, of one or more policyholders owning policies of an aggregate value of not less than \$25,000, which leave shall not be granted until a *prima facie* case of insolvency has been established to the satisfaction of the Court, and security for costs for such amount as the Court may think reasonable has been given; or
- (b) on application made by the Commission showing that, from a consideration of the documents deposited with it under this Ordinance and any information coming to its attention, it appears to the Commission that the insurance company is insolvent.

(*Inserted by Ord. 28 of 1994 and Amended by Ord. 6 of 2001*)

Regulations

16. The Governor may make regulations for carrying out the purposes of this Ordinance and, without derogating from the generality of the foregoing, may make regulations—

- (a) prescribing anything by this Ordinance required to be prescribed;
- (b) exempting any person or class of persons or business or class of business from any provision of this Ordinance;
- (c) prescribing forms to be used;
- (d) prescribing the format for any returns to be made under this Ordinance;
- (e) prescribing capital and liquidity margins and ratios to be maintained by licensees under this Ordinance;

- (f) amending the fees payable under this Ordinance; and
- (g) prescribing such other things as are required to be prescribed by this Ordinance or may be incidental to, or conducive of, its purposes.

Penal

17. (1) Any person who in compliance or purported compliance with this Ordinance makes any representation in the truth of which he does not believe (the onus of proof of his belief being upon him) commits an offence and is liable on conviction to a fine of \$100,000 or to a term of imprisonment of two years. *(Amended by Ord. 28 of 1994)*

(2) Any person who by any act or omission contravenes any requirement of this Ordinance for which no specific penalty is provided, whether such contravention is or is not specifically stated to be an offence, commits an offence and is liable on conviction to a fine of \$100,000 or a term of imprisonment of two years. *(Amended by Ords. 5 of 1990 and 28 of 1994)*

INSURANCE REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATION

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INSURANCE REGULATIONS – SECTION 16

*(Legal Notices 8/1990, 15/1991, 25/1993, 69/1994, 16/2009, 45/2013 and
Ordinances 6 of 2001 and 16 of 2007)*

Commencement

[14 February 1990]

Short title

1. These Regulations may be cited as the Insurance Regulations.

Interpretation

2. (1) In these Regulations, unless the context otherwise requires, the following expressions have the following meanings—

“applicant” means a person or company applying for a licence;

“capital” means the paid-up capital of a company;

“credit life reinsurer” means a licensed insurer who reinsures any policy of insurance securing the obligations of a debtor under a credit contract in the event of the debtor’s death, illness or injury, and includes such an insurer who provides extended warranty insurance cover; *(Inserted by L.N. 69/1994)*

“external insurer” means an insurer having its principal or registered office in a place outside the Islands which the Commission has approved as a jurisdiction in which the regulation and supervision of insurers is, in its opinion, satisfactory;

“licensee” means a person or company to whom or to which a licence has been granted;

“net useable worth” means the net asset value of a company excluding assets which are not readily realisable or which are not readily useable to meet insurance claims;

“Ordinance” means the Insurance Ordinance;

“prescribed” means prescribed under the Ordinance or under these Regulations;

“Schedule” means one of the schedules to these Regulations;

“section” means a section of the Ordinance;

“solvency ratio” means the ratio of net premium income written to net useable worth.

(2) The expressions defined in section 2 shall, insofar as the same appear in these Regulations and unless the context otherwise requires, have the same meanings as those expressions have for the purposes of the Ordinance.

Procedure on application for a licence

3. Every person or company applying for a licence shall at the time of application furnish to the Commission the following—

(a) an application in writing in such form as may be prescribed or if none has been prescribed then in such form as shall be acceptable to the Commission in its discretion;

(b) a remittance for the prescribed fee;

- (c) the name of the applicant and, if a natural person, his address and, if a company, its principal or registered office;
- (d) if the applicant is a company, evidence in writing satisfactory to the Commission of the incorporation and registration of the applicant under the Companies Ordinance or, if the applicant was incorporated outside the Islands, then such evidence as aforesaid of its proper incorporation and registration in the place where it was incorporated together with a certificate of good standing;
- (e) if the application is for an insurer's licence and the Commission considers it appropriate, a statement in writing in a form acceptable to it from the authority responsible for the supervision of insurance in the place in which the applicant or its parent company was incorporated, that such authority is aware of the intended application;
- (f) if the application is for an insurer's licence and the Commission considers it appropriate, evidence in writing satisfactory to the Commission that the board of directors or governing body of the applicant, and the persons responsible for the management of the applicant, is or are sufficiently experienced and knowledgeable in the business of insurance;
- (g) if the application is for an insurer's licence and the Commission considers it appropriate, the annual accounts of the applicant and (if appropriate) the annual accounts of the applicant's holding, parent and associated companies for the two years immediately preceding the application, such accounts to be duly audited and certified to the satisfaction of the Commission;
- (h) if the application is for an insurer's licence and the Commission considers it appropriate, a statement of the assets and liabilities of the applicant at the end of the month prior to the lodging of the application, such statement to be certified by a director or senior officer of the applicant and, if such assets include a shareholding in another company, a statement of the capital of such company;
- (i) if the application is for an insurer's licence and the Commission considers it appropriate, the name, address and professional qualifications of the proposed auditor of the applicant, and also the written consent of such auditor to act;
- (j) unless the Commission determines that it is not appropriate, three references, one of which shall be financial in nature, from a bank or trust company in respect of all the applicants who are natural persons, and all the persons who are the directors (not to be less than two), managers or senior officers of any applicant which is a company;
- (k) if the application is for an insurer's licence and the Commission, considers it appropriate, a list of all persons, with their addresses and nationalities, who are registered shareholders of the applicant, distinguishing the shareholdings of each, and a list of all persons, with their addresses and nationalities, who are beneficial owners of shares in the applicant but not registered shareholders, distinguishing the shares

of which each is such beneficial owner, and two or more references verifying the financial good standing of each such shareholder or beneficial owner or person who is a natural person:

Provided that no applicant shall have issued any bearer shares nor shall it have power to issue such shares:

And provided further that no company which is, directly or indirectly, the registered or beneficial owner of any share or shares in the applicant shall have issued, nor have power to issue, any bearer shares;

- (l) if the applicant is a company, a certified copy of the charter, statutes or memorandum and articles of the applicant or other instrument constituting or defining the constitution of the applicant, and if the instrument is not written in the English language, a certified translation thereof, and in every case a certified copy of the certificate of incorporation:

Provided that—

- (i) in the case of a company incorporated in the Islands, certification shall be under seal by the Registrar of Companies; and
- (ii) in the case of a company incorporated outside the Islands, certification shall be under the public seal of the place under the law of which the company has been incorporated or under the public seal of the Registrar or other responsible officer holding office under such law:

And provided further that every such copy, instrument, translation or certificate shall be verified by a statutory declaration made by a director or the secretary of the applicant;

- (m) unless the Commission determines that it is not appropriate, a list of all companies in which the applicant holds shares, distinguishing the number of shares held and stating the registered office of each company;
- (n) if the application is for an insurer's licence, an insurance broker's licence or an insurance manager's licence, a business plan which shall, where appropriate, contain a five years projection (with effect from the grant of the licence), and shall, where appropriate, set out details of the following—
- (i) the type of business to be undertaken and, if appropriate, the categories thereof;
 - (ii) the principal sources of business;
 - (iii) the anticipated premium income from the business expected to be written and, if appropriate, the categories thereof;
 - (iv) the reasons for and the advantages in the applicant operating in or from within the Islands;
 - (v) the overall assessment of the risk factors with, if appropriate, an analysis of proposed reinsurances;

- (vi) the projected risk exposure and asset base at the end of each year in the five years period following the grant of the licence;
- (vii) the assessment of the expected ratio of claims to premiums for each category of business and a statement of the rationale for the ratio applied.

External insurers: Commission's power to exempt

4. If the applicant is an external insurer, the Commission may, at its discretion and subject to such conditions as it may impose, exempt the applicant from any of the requirements of regulation 3, and the Commission shall publish in the *Gazette* notice of any exemption so granted.

Provisions as to valuation of an applicant's assets

5. (1) Insofar as the Commission may require to assess the value of the assets of a company applying for an insurer's licence, he shall, subject as provided in this regulation, have discretion in determining which assets or categories of assets may be taken into account:

Provided that in making such determination the Commission shall have regard to the following—

- (a) the type or class of business being or intended to be written; and
- (b) the matching of the maturity of assets with the maturity of liabilities.

(2) The following assets shall, however, be taken into account in making such assessment as aforesaid—

- (a) fixed deposits with acceptable banks and financial institutions;
- (b) acceptable government bond issues and bond issues guaranteed by an acceptable government;
- (c) land, whether freehold or leasehold and whether or not developed;
- (d) quoted bonds and commercial paper.

(3) The Commission shall have discretion in determining, for the purpose of assessing an applicant's net useable worth, whether or not any particular asset is readily realisable or readily useable.

Commission's power to issue certain guidelines

6. Subject to any regulation that may be made from time to time under section 14(e), the Commission may issue guidelines as to minimum capital requirements, capital and liquidity margins and ratios, as well as solvency ratios in relation to net useable worth and any such guidelines so issued shall be taken into account by the Commission, upon considering any application for an insurer's licence.

Fees

- 7. The fees to be paid under the Ordinance shall be as set forth in Schedule 1.

Form of licence

8. The licences to be granted under the Ordinance shall be in the form set forth in Schedule 2.

Duty to display licence

9. Every licensee shall display in a conspicuous position at each of its offices in the Islands any licence, or a copy thereof, issued to it or him which is still in force.

Duty to report detrimental conduct

10. If at any time a licensee has cause to believe that a client of the licensee is conducting his business affairs, or is likely to do so, either contrary to any law of the Islands or in a manner which is, or may become, detrimental to the reputation or standing of the licensee or of the Islands, it or he shall forthwith notify the Commission and furnish full particulars thereof.

Prohibition of bearer shares

11. (1) No licensee shall at any time issue bearer shares nor shall it at any time be authorised to do so by its memorandum or articles, or the charter, statutes or other instruments defining its constitution.

(2) No company which is, or shall become, directly or indirectly, the registered or beneficial owner of any share or shares in any licensee shall have issued or shall issue at any time, or have power to issue, any bearer shares.

Prior approval of appointment of directors, senior officers or auditors and duty to notify changes

12. (1) Unless expressly exempted from so doing by the Commission, a licensed insurer shall obtain the approval in writing of the Commission prior to making the appointment of any director, senior officer or auditor of the licensed insurer.

(2) Without prejudice to the foregoing, any change in the directors, senior officers or auditor of a licensed insurer shall be notified to the Commission within fourteen days of such change and details of the newly appointed directors, senior officers or auditor, with, in the case of an auditor, the auditor's written consent to act, shall be given with such notification.

(3) In the case of a change of the auditor of a licensed insurer, the Commission may at its discretion require that the former auditor disclose the circumstances responsible for the change.

Prior approval of issue or disposal of shares and duty to notify changes

13. (1) No shares in a licensed insurer shall be issued and no issued shares shall be transferred, charged or disposed of in any manner without the prior approval of the Commission:

Provided that the Commission, may exempt any licensed insurer from the provisions of this regulation subject to such terms and conditions, if any, as it may deem necessary.

(2) Without prejudice to the foregoing, any change in the shareholdings in a licensed insurer, or in the members of a licensed insurer, or in the persons who are beneficial but not registered owners of the shares in a licensed insurer, shall be notified to the Commission within thirty days of such change and details of the new shareholdings, members or persons (as the case may be) shall be given with such notification.

Licensed insurers to file annual accounts

14. Unless expressly exempted from so doing by the Commission, every licensed insurer required to furnish returns under section 10 shall at the time of furnishing such returns to the Commission furnish to the Commission its annual accounts and (if appropriate) the annual accounts of the licensed insurer's holding, parent and associated companies, such accounts to be duly audited and certified to the satisfaction of the Commission.

Duty to notify change in information supplied at the time of application

15. If any change shall occur in the information given by a licensee at the time of its (or his) application, whether the information was supplied pursuant to section 4(3) or otherwise, particulars of such change shall be notified by the licensee within fourteen days of its occurrence, or within fourteen days from its first becoming known to the licensee, whichever be the later, to the Commission.

Directions

16. Whenever anything is required or allowed to be done under the Ordinance or these Regulations and no form or procedure is prescribed for so doing, application may be made in writing to the Commission for directions as to doing the same and anything done in accordance with such directions shall be deemed to have been properly done in compliance with the Ordinance or these Regulations, as the case may be.

SCHEDULE 1

(Regulation 7)

FEES

A. Fees on Application for a Licence (Section 4(2))

1.	Insurer's Licence —	
	(a) where insurer is carrying on domestic business	\$1,000
	(b) where insurer is carrying on business other than domestic business in or from within the Islands	\$500
2.	Insurer's Licence accompanied by an undertaking given under section 9(2) of the Ordinance —	
	(a) where such undertaking is given by a credit life reinsurer	\$150
	(b) where such undertaking is given by an applicant other than a credit life reinsurer	\$500
3.	Insurance Agent's Licence	\$500
4.	Insurance Broker's Licence	\$750
5.	Insurance Manager's Licence	\$1,000
6.	Principal Insurance Representative's Licence	\$450
7.	Insurance Sub-agent's Licence	\$150

B. Annual Fees (Section 4(6))

Annually on or before 31 March during the subsistence of the licence, for each category of licence as follows—

(a)	Insurer's Licence where insurer is carrying on domestic business	\$5,000
(b)	Insurer's Licence where insurer is carrying on business other than domestic business in or from within the Islands, other than as mentioned below	\$2,000
(c)	Insurer's Licence accompanied by an undertaking given under section 9(2) of the Ordinance—	
	(i) where such undertaking is given by a credit life reinsurer	\$100
	(ii) where such undertaking is given by an insurer other than a credit life reinsurer	\$500
(d)	Insurance Agent's Licence	\$500
(e)	Insurance Broker's Licence	\$1,500
(f)	Insurance Manager's Licence	\$3,500
(g)	Principal Insurance Representative's Licence	\$1,500
(h)	Insurance Sub-Agent's Licence	\$100

Provided that when a licence is first granted, the annual fee payable for the initial year of the company's operations shall be the relevant annual fee indicated above, pro-rated from the month in which the licence is granted to the following 31 March.

C. Miscellaneous Fees

- | | | |
|-----|---|------------------------|
| 1. | Whenever there is a change of directors or officers | \$25 |
| 2. | Whenever there is a change of shareholder..... | \$25 |
| 3. | Due diligence checks, per individual | \$75 |
| 4. | Change of reinsurer..... | \$50 |
| 5. | Removal of business to be underwritten..... 50% of the fee on application for a licence for the type of business in question | |
| 6. | Inclusion of new business to be underwritten.....50% of the fee on application for a licence for the type of business in question | |
| 7. | On merger of companies.....50% of the fee on application for a licence for the type of business in question | |
| 8. | Sale of portfolio to another company.....50% of the fee on application for a licence for the type of business in question | |
| 9. | Purchase of portfolio from another company.....50% of the fee on application for a licence for the type of business in question | |
| 10. | Conversion from 7. (A) Exempt to ordinary Company..... 50% of the fee on application for a licence for the type of business in question | |
| 11. | On application for the grant of a special dispensation | \$150 |
| 12. | Change of name of company | \$50 |
| 13. | Search fee | \$25 |
| 14. | Certified copies of documents..... | \$20 plus \$1 per page |
| 15. | Certified and sealed copies of documents | \$30 plus \$1 per page |
| 16. | Where a document is supplied for certification..... | \$100 |
| 17. | Certificates of good standing..... | \$.50 |

(Substituted by L.N. 16/ 2009 and Amended by L.N. 8/2012 and L. N. 45/2013)

SCHEDULE 2

(Regulation 8)

LICENCE

No.

.....
is hereby licensed under the Insurance Ordinance to carry on business in or from within the Turks and Caicos Islands as under Section of the Ordinance subject to the provisions of the said Ordinance and of any Regulations made thereunder and, in particular, to the condition that the Licensee shall forthwith notify the Commission, of any change in the information supplied in or in connection with the application for this Licence.

Given this day of 20..... at Cockburn Town on the Island of Grand Turk.

.....
COMMISSION

(Amended by Ords.6 of 2001 and 16 of 2007)

INSURANCE REGULATIONS

GUIDELINES ON THE ISSUE OF INSURANCE LICENCES IN THE TURKS AND CAICOS ISLANDS – REGULATION 6

(Gazette Notice 223/1995, Ordinances 6 of 2001 and 16 of 2007)

An insurance company wishing to be licensed in the Turks and Caicos Islands must show that those persons who control its affairs are competent, with evidence of relevant ability, integrity and experience in the field of insurance. The Insurance Regulations in force have been designed to accommodate a wide variety of insurance business. The Commission seeks to adopt a flexible approach in applying the Regulations. The Commission of Insurance may recommend that certain companies with particular characteristics be allowed, in appropriate circumstances, to operate under modified regulatory requirements after it has assessed the nature of the risk and, in particular, the risk that policyholders, wherever they reside, may have if their legitimate claims are not met in full. (Amended by Ords. 6 of 2001 and 16 of 2007)

Business Plan

Fundamental to an application for an insurer's, broker's or manager's licence is the submission of a Business Plan which will—

- (a) be a major factor in determining whether or not a licence is issued; and
- (b) if so, define and thereby control the *modus operandi* of the licensee.

This Business Plan must include, where appropriate—

- (1) The reasons for choosing the Turks and Caicos Islands as a base for operations.
- (2) A five year projection including anticipated risk exposure and asset base at the end of each year during the period.
- (3) The type and source of business contemplated, specifically categorized.
- (4) Anticipated premium income, properly categorized.
- (5) An overall assessment of the risk factors and, if appropriate, an analysis of proposed reinsurances. Details of reinsurance and net risk retained must be provided. The prime concern is to ensure that, where reinsurances are used to reduce substantially the potential liabilities outstanding, the policies should be taken out with only reputable, well-reserved and financially sound reinsurance writing companies.
- (6) An assessment of the expected ratio of claims to premiums for each category of business written—with a statement explaining the rationale applied.

Company Name

The name of the insurance company should reflect the type of insurance being written. It is now unlawful for a company to use in its name the word “insurance” or any other word which connotes insurance business unless the Commission's consent has been obtained.

Capital Requirements

Capital requirements for insurers will vary, but those companies engaged in reinsurance, and general (domestic or international) business should expect to have minimum paid-up capital of U.S. \$100,000. For life companies, this minimum paid-up capital figure will

be U.S. \$180,000. Capital levels will be determined on the following criteria (projected or actual):

1. The size of the company as measured by its assets, capital and/or surplus, reserves, premium writings and insurance in force.
2. The kinds of business written, the company's net exposure and the degree of diversification of lines of insurance.
3. The past and anticipated trend in the size of the company's capital and consideration of premium growth, operating history, loss and expense ratios.

Solvency Ratios

Solvency ratios will be established on the basis of risk assessment in each particular case. As a guideline, the minimum net worth requirement will be calculated as follows:

Business	Net Annual Premium Income	Net Worth
A. General only	Up to U.S. \$5M	20% of Net Annual premiums
	Over U.S. \$5M	U.S. \$1M <i>plus</i> 10% of Net Annual premiums in excess of U.S.\$5M
B. Long term only		U.S. \$180,000
C. Long term & General	Up to U.S. \$5M	20% of Net Annual premiums <i>plus</i> U.S. \$180,000
	Over U.S. \$5M	U.S. \$1M <i>plus</i> U.S. \$180,000 <i>plus</i> 10% of annual premiums in excess of U.S.\$5M

“Net worth” is defined as the excess of assets (including any contingent or reserve fund) over liabilities other than liabilities to partners or shareholders. The assets readily available must be sufficient to meet liabilities at all times and therefore the net worth must comprise assets which are acceptable to the Commission. The range of permitted assets will be as broad as possible but will depend upon the type of business to be written. Companies must satisfy the Commission that the maturity dates of relevant assets are planned to correspond with maturing liabilities. (*Amended by Ords. 6 of 2001 and 16 of 2007*)

Permitted Assets

Permitted assets will include:

1. Cash and time deposits with acceptable financial institutions.
2. Fixed interest securities and blue-chip equities traded on recognized stock exchanges.
3. Eurobonds rated at BBB or above by Standard and Poor.
4. Premiums receivable—but excluding premiums more than 6 months outstanding.
5. Irrevocable Letters of Credit issued by acceptable financial institutions.

All assets should be valued at *market value* and no amounts receivable from related parties may be included without prior written approval from the Commission.
(Amended by Ords. 6 of 2001 and 16 of 2007)

Prohibited Assets

Prohibited assets will include:

1. Yachts, aeroplanes, motor vehicles and livestock.
2. Loans to group or connected companies and individuals.
3. Investments in options, futures or forward contracts.
4. Premiums more than 6 months outstanding from due date.

Categories of Licence

There are, at present, six categories of insurance licence covering:

1. Insurers
2. Agents
3. Brokers
4. Managers
5. Principal Representatives
6. Sub-Agents

Further categories of licence may be added when circumstances dictate.

Branches/subsidiaries of leading international insurance companies will receive every assistance when applying for a licence; parent companies, however, may be required to provide a suitable guarantee covering the liabilities of any *subsidiary* applying for a licence. Approval from the insurance supervisor in the company's country of domicile and copies, periodically, of statutory filings made in the home jurisdiction, may be requested.

Application Fee

The non-refundable licence application fees applicable are as follows—

- for an Insurer's, Insurance Manager's or Insurance Brokers's licence \$ 500
- for a Credit Life Reinsurer's Licence or a Sub Agent's licence \$ 100
- for an Agent's or Principal Insurance Representative's licence \$ 300

Application Forms

Partially completed or undated or unsigned applications without adequate supporting required documentation should not be submitted. Application forms are available from FSC's office.

Annual Fees

Annual fees for insurance licences are as follows (renewable by 31st March each year)

1. Insurers
 - (a) Domestic \$2,500
 - (b) Non-domestic (e.g. captives) \$2,000
 - (c) Credit Life Reinsurers Nil
 - (d) Other \$500

2.	Agents	\$100
3.	Brokers	\$1,000
4.	Managers	\$3,500
5.	Principal Representatives	\$1,000
6.	Sub-agents	\$50

When a licence is first granted, the annual fee payable for the initial year of the company's operations shall be the relevant annual fee indicated above pro-rated from the month in which the licence is granted to the following 31 March.

The Regulations require every Licensee to conspicuously display at each of its offices in the Islands the current licence or a copy thereof.

Insurance Managers (See Definition in Section 2 of Insurance Ordinance)

The Commission is particularly anxious to encourage the licensing of Insurance Managers i.e. Companies with insurance experience and expertise capable of managing the affairs of insurers. Insurance companies wishing to be licensed in the Islands must demonstrate that the necessary Insurance Management expertise is readily available at all times. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

Statements And Balance Sheets

Profit and loss statements and balance sheets must be prepared and audited. Such accounts may be required annually or every six months, at the discretion of the Commission, and subject to the type of business written. In any event, a full set of accounts will be required annually. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

Auditors

The auditors of insurance companies must be approved in terms of the Insurance Ordinance ("the Ordinance"). Copies of their signed acceptance of their appointments must also be submitted with the advice of their appointment. In addition to being suitably professionally qualified, auditors must satisfy the Commission that they have adequate knowledge of the insurance industry to be relied upon to conduct a proper audit. The auditor is required to provide the necessary annual confirmations (accounts/business plan compliance) to the Commission. Residence on the Islands is not a prerequisite to obtaining approved auditor status. The Commission will seek agreement from insurers that an open dialogue between his department and the auditors is maintained. This practice should be extended to Insurance Managers as well. For new applications the intended auditor must report on the opening balance sheet and, for existing Insurers, on the Annual Accounts for the previous 3 years. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

Actuaries

Actuarial valuations will be required of Life Insurers. The Commission may also, in his discretion, require a General Insurer to submit an actuarial valuation in relation to its general business. The actuary must hold appropriate professional qualifications and, unless otherwise specified, all valuations prepared must be sent direct to the Commission. *(Amended by Ords. 6 of 2001 and 16 of 2007)*

Annual Compliance Requirements

Apart from the payment by all licensees (except Credit Life Licensees) of an annual licence fee, Insurers, Managers, Principal Insurance Representatives, Brokers and Sub-agent licensees are required under the Ordinance to submit as well, within three months of the end of their financial years, certain specified documents and/or undertakings so as to ensure that acceptable business standards and practices are not only in place but are also maintained while the company/licensee is carrying on Insurance Business. It is important for all such documents to be appropriately signed and dated and to clearly indicate the period to which they relate. Any changes made should also be appropriately initialed.

Penalties

The conduct of insurance business in or from within the Islands will be closely monitored and the Ordinance provides for the suspension or revocation of licences where such action is justified. Additionally, fines and imprisonment can be imposed where a person contravened the provisions of the Ordinance. The intention of the law and the Regulations is to attract quality insurance operations in the Turks and Caicos Islands.
