

TURKS AND CAICOS ISLANDS

**INSURANCE ORDINANCE (TRANSITIONAL PROVISIONS)
ORDINANCE 2022**

(Ordinance 13 of 2022)

ARRANGEMENT OF SECTION

SECTION

1. Short title and commencement
2. Transitional provisions relating to amendments made by the Insurance (Amendment) Ordinance 2020 and Insurance (Amendment) Regulations 2020



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Assent.....28th July 2022

Publication in Gazette.....29th July 2022

Commencement..... in accordance with section 1

AN ORDINANCE TO PROVIDE TRANSITIONAL PROVISIONS RELATING TO THE INSURANCE (AMENDMENT) ORDINANCE 2020; AND FOR CONNECTED PURPOSES.

ENACTED by the Legislature of the Turks and Caicos Islands.

Short title and commencement

1. This Ordinance may be cited as the Insurance Ordinance (Transitional Provisions) Ordinance 2022 and shall be deemed to have come into operation on 1 January 2022.

Transitional provisions relating to amendments made by the Insurance (Amendment) Ordinance 2020 and Insurance (Amendment) Regulations 2020

2. (1) An entity that held a producer owned reinsurance company licence in good standing on 31 December 2021 shall have its licence automatically continue as a producer affiliated reinsurance company with effect from 1 January 2022.

(2) A producer affiliated reinsurance company whose licence was continued under this Ordinance shall, on or before 31 October 2022, directly or through its authorised agent, provide the Commission with confirmation, via the approved annual compliance statement or otherwise, that it has satisfied the requirements for a producer affiliated reinsurance company licence as defined in the Insurance (Amendment) Ordinance 2020 and Insurance (Amendment) Regulations 2020.

(3) Where a former producer owned reinsurance company licence is automatically continued but it is unwilling or unable to confirm its eligibility for a producer affiliated reinsurance company licence, it shall on or before 31 October 2022—

- (a) make an application to the Commission seeking approval to amend its business plan and operating structure (ownership or risk underwritten) to comply with the licensing requirements for a producer affiliated reinsurance company;
- (b) make an application to the Commission for an appropriate alternative licence under the various classes of licences available under the Insurance Ordinance; or
- (c) obtain the approval of the Commission for a plan to run-off its business and surrender its licence.

(4) An entity that makes an application under subsection (3) shall not be in contravention of the Insurance Ordinance during the processing of its application or the time granted by the Commission to give effect to its decision on the application.

(5) With effect from 1 November 2022, any entity operating as a producer affiliated reinsurance company that does not fully comply with the eligibility requirements in the Insurance (Amendment) Ordinance 2020 and Insurance (Amendment) Regulations 2020 shall be in contravention of the Insurance Ordinance, except—

- (a) an entity that makes an application to the Commission seeking approval to amend its business plan and operating structure (ownership or risk underwritten) to comply with the licensing requirements for a producer affiliated reinsurance company or is acting on instructions from the Commission with respect to such application, until the application is determined or the expiry of the instructions received from the Commission;
- (b) an entity that has an application pending with the Commission or is acting on instructions from the Commission with respect to such application for an alternative licence, until the application is determined or the expiry of the instructions received from the Commission; or
- (c) an entity that has obtained approval from the Commission to facilitate an orderly run off and surrender of its existing licence, until the expiry of the time allowed for the run-off and surrender of licence and on application by the entity, the Commission may at its discretion, approve more than one extension of time to facilitate run-off.

(6) Every producer affiliated reinsurance company, including a company that has made an application for an alternative licence and a company that has obtained approval from the Commission to run off its business and surrender its licence, shall be liable to pay the annual

licence fees for a producer affiliated reinsurance company in accordance with the Insurance Ordinance and Insurance Regulations until either a new licence is granted, or its existing licence is cancelled and the Commission shall not refund, reimburse or prorate any licence fees paid.

(7) A producer affiliated reinsurance company shall be required, on an annual basis or as required by the Commission, in a form approved by the Commission, to demonstrate or declare compliance with the requirements of the Insurance Ordinance in respect of its ownership structure and type of business undertaking.
