



## **TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION**

### **Producer Affiliated Reinsurance Companies: Classes of Business**

*This guideline will come into effect on the 1<sup>st</sup> January 2022 and will apply to applications received by the Commission on or after that date.*

This Guideline applies specifically to producer affiliated reinsurance companies (“PARC’s”), licensed to conduct insurance business in or from the Turks and Caicos Islands. It is issued by the Financial Services Commission (“the Commission”) in accordance with regulation 2A(1) of the Insurance (Amendment) Regulations, which shall come into operation on 1<sup>st</sup> January 2022 pursuant to L.N. 103 of 2021, and authorises the Commission to issue guidelines listing approved classes of business for PARCs.

PARC are approved to underwrite risk associated with:

- 1) Finance and Insurance (F & I) products sold by or on behalf of a producer in conjunction with the purchase, lease or ongoing ownership or control of a vehicle or other property, which includes:
  - i) Credit Life;
  - ii) Credit Accident & Health;
  - iii) Credit Property;
  - iv) Debt Cancellation;
  - v) Collateral Protection;
  - vi) Involuntary Unemployment;
  - vii) Vendor Single Interest (VSI);
  - viii) Loss Damage Waiver;
  - ix) Guaranteed Auto Protection Insurance (GAP);
  - x) Trade in Protection;
  - xi) Extended Warranty Insurance, including Limited and Lifetime Warranty of any kind;

- xii) Service Contract Insurance, including Vehicle Service Contract (VSC), Extended Service Contract (ESC), Extended Service Contract-Supplement (ESC-S);
  - xiii) Excessive Wear & Tear (“EW&T”), Excessive Wear & Use (“EWU”);
  - xiv) Collision Deductible;
  - xv) Functional use insurance, including Road Hazard, Tire & Wheel, Key & Windshield Replacement/Repair, Trip Interruption, Roadside Assistance, Travel Reimbursement, Etch/Theft Deterrent; and
  - xvi) Appearance Protection, including Dent & Ding, Paint & Fabric Repair, Window Tint.
- 2) Such other products sold by a producer in conjunction with the sale or lease of an underlying product, as may be approved by the Commission.

There will be no change to the application fee, however, the annual fee for all PARC licences will be \$300.00.

PARCs approved to underwrite F & I risk are automatically approved to underwrite all the risk listed under F & I; accordingly, no changes in the business plan, and individual application and approval will be required to underwrite additional risk within the F & I risk category. The PARC will be required to list any new F & I risk being underwritten on its Annual Compliance Statement.

PARCs wishing to underwrite new risk not listed as F & I risk will require regulatory approval based on a revised business plan. The applicable application fee remains at 50% of the application fee. The new risk must be listed in the PARCs Annual Compliance Statement.

**Financial Services Commission**  
**5<sup>th</sup> November 2021**