



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Annual Return Guidelines for Domestic Insurers¹ and Licensees other than Licensed Insurers

Introduction

This Guideline applies specifically to all domestic insurers and licensees other than insurers, licensed to transact insurance business in or from within the Turks and Caicos Islands ("TCI"). It is issued by the Financial Services Commission ("the Commission") pursuant to Section 43 of the Financial Services Commission Ordinance ("FSCO").

The Annual Returns submitted by domestic insurers and licensees other than insurers must comply with the requirements outlined in Part V of the Insurance Ordinance and Regulation 14 of the Insurance Regulations. Additionally, Section 23 of the FSCO gives the Commission the power to require information and the production of documents that will allow the discharge of its functions under the FSCO or any other Ordinances.

The Forms to be submitted with the audited financial statements are dependent on the nature and type of insurance entity registered. In order to fully comply with the requirements outlined, the following must be submitted:

1. Licensed Domestic Insurers

All **Domestic insurers** are required to submit the following documents annually within three months of the end of the financial year²:

- a) **Consolidated Audited Financial Statements:** This is the Audited Financial Statements which includes domestic (TCI) and non-domestic insurance business.
- b) **Audited Financial Statements** for domestic TCI business only.

¹ Domestic Insurer: An insurer, licensed under section 4 (1) (a) of the Insurance Ordinance, whose principal objective is to insure risks 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.

² The Commission may allow an extension, of a period not exceeding a further three months, for the filing of the Annual Returns in response to a written request from the Company.



- c) A copy of the Auditors' **Management Letter**: This should also include the company's response to the issues raised by the external auditor.
- d) **Audited General Revenue Account (by lines of business)** for domestic TCI business only.
- e) **Insurance Supervisory Returns** – Annual Returns based on the figures reported in the Audited Financial Statements for TCI business only.
- f) **Form AS 7/04**: CEO Annual Certificate.
- g) **Form ASS 2/99**: Independent Auditor's Assessment as to Solvency for **both** domestic (TCI) business and consolidated if applicable.
- h) **Form SAS 2/99**: Solvency Assessment Schedule for **both** domestic (TCI) business and consolidated if applicable. *Insurers are required to complete the Applicable Schedule for general only, long term only or composite business³ respectively.*
- i) **ASBRC Form 2/99**: Statutory Books and Records.
- j) **Direct Confirmation from the financial institution holding the restricted deposit** of the amount of the deposit as at the financial year end, and, that the funds are held to the order of the Commission.
- k) Summary of the current reinsurance arrangements for the classes of business underwritten in respect of domestic (TCI) business.
- l) Copies of all current **Reinsurance Treaties** in respect of domestic (TCI) business.
- m) **Annual Compliance Report Form**: To be completed in respect of domestic (TCI) business only.
- n) Where an insurer has a branch or a subsidiary in the Turks and Caicos Island, **written confirmation** that it accepts responsibility for all contracts issued, all acts, omission, liabilities of such branch or subsidiary.

In accordance with Section 6(9) of the Insurance Ordinance Insurance companies carrying out long term insurance are required to prepare and submit, **at least once in every three years**, an Actuarial Valuation of its assets and liabilities certified by its actuary.

³ For Insurers carrying on both general and long term business



2 Licensees other than licensed insurers:

I. Licensed Insurance Agent

All licensed insurance agents are required to submit the following documents annually within three months of the end of each calendar year:

- a) **Form IA/1: Agent Annual Certificate**
- b) **Evidence of the existence of power of attorney, agency agreement or guarantee or professional indemnity insurance.**
- c) **Annual Compliance Report Form**

II. Licensed Insurance Broker

All licensed insurance brokers are required to submit the following documents annually within three months of the end of its financial year:

- a) **Audited Financial Statements**
- b) **Form IBKR/1: Broker Annual Certificate**
- c) **Copy of current Professional Indemnity Insurance**
- d) **Schedule SPD/1/98: Special Dispensation Declaration Form**; Brokers are required to provide a list of all the placements made with unlicensed (TCI) insurers during the year.
- e) **Annual Compliance Report Form**

III. Licensed Insurance Sub-agent

All licensed insurance sub-agents are required to submit the following documents annually before the renewal of his license:

- a) **Confirmation in writing that the sub-agent is acting for only one insurance agent or insurance broker.**
- b) **Name of insurance agent or insurance broker that the sub-agent is acting for**



- c) If the sub-agent is a company - Confirmation that the TCIFSC was notified of all changes or proposed changes in the information (including those in its Business Plan) contained in or supplied in connection with the Company's application for its TCI Insurance License.
- d) **Annual Compliance Report Form**

IV. Licensed Principal Insurance Representatives

All licensed principal representative are required to submit the following documents by the 31st March each year:

- a) **Annual Compliance Statement:** A copy of which is available on the TCIFSC website
- b) **Form ASBRC 2/99:** Statutory Books and Records
- c) Copy of current **Professional Indemnity Insurance**
- d) **Annual Compliance Report Form**

Any contravention to the guidelines may lead to disciplinary action as outlined in the
Financial Services Commission Ordinance