



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

17th July, 2013

CIRCULAR LETTER TO: ALL DOMESTIC INSURANCE BROKERS LICENSED UNDER THE INSURANCE ORDINANCE

Applications for Special Dispensation in accordance with Section 6(11) of the Insurance Ordinance

The Commission wishes to advise all licenced Insurance Brokers of the Special Dispensation process and requirements of the Insurance Ordinance (IO) to ensure clarity and compliance going forward.

Pursuant to Section 6(11) of the IO "...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."*

Special Dispensation must be applied for and approved for each individual policy or contract of domestic insurance business to be placed with un-licensed insurers. These applications, if approved, are generally granted for **maximum** period of **one (1)** year from the date of approval unless otherwise specifically stated in the approval letter.

The Commission issues an Annual Special Dispensation Arrangement for Lloyd's of London (Lloyd's). A copy of the 2012/2013 Lloyd's Arrangement is attached. It must be noted that the Lloyd's Special Dispensation Arrangement does not apply to any property coverage. However, if it is necessary for property coverage to be placed with Lloyd's due to inability to place domestically, an application for Special Dispensation must be made.

The following should be noted:

1. FIRST TIME APPLICATIONS

All first time applications, regardless of the un-licensed insurer, must be submitted for approval **before** the business is placed. The Special Dispensation Application Form outlines the specific requirements and documents to be submitted. The Application form can be found on our website using the following link:

<http://www.tcifsc.tc/phocadownload/insurance-forms/special-dispensation/APPLICATION%20FOR%20SPECIAL%20DISPENSATION.pdf>

The policy expiration date will be expressly confirmed in the Commission's approval.

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2. RENEWAL APPLICATIONS

(A) LLOYD'S OF LONDON:

For Lloyd's placements that have been **previously approved by the Commission**, the Broker must confirm in writing when the renewal is completed and submit a copy of the cover of the business placed. This must be done no later than **one (1) week** after the insurance is placed with Lloyd's. **If there have been any changes in the proposed renewal placement from previous years, then a new application must be submitted.**

(B) ALL OTHER UN-LICENCED INSURERS:

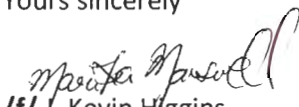
The licenced insurance Broker should submit the renewal application at **least three (3) weeks** prior to the renewal date.

Kindly be advised, other than circumstances outlined in paragraph 2(a) above, **business cannot be placed with the un-licenced insurer until approval has been received from the Commission.** Failure to comply with these requirements is an offence and the Commission may take disciplinary action in accordance with the Financial Services Commission Ordinance.

All Applications for Special Dispensation must be submitted to the Insurance Department in the Providenciales Offices.

Please be guided accordingly.

Yours sincerely


/s/ J. Kevin Higgins
Managing Director

cc. Mr. Matthew Chandler, Head of Business Development-Lloyd's of London



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

MEMO

To: All Insurance Brokers
From: Derek A.C. St. Rose, Head of Insurance
Date: 23 October 2012
Re: Lloyd's Special Dispensation Arrangements - 2012/2013

We wish to advise that the Licensing Committee of the Turks & Caicos Islands Financial Services Commission has approved of the renewal of the Special Dispensation granted to TCI-Licensed Insurance Brokers to place Insurance business with the Lloyd's Insurance Market.

The Special Dispensation is restricted to the classes of Insurance Business listed and to the conditions set out below.

List of Classes of Insurance Business to which Special Dispensation applies:

1. Aviation and Aircraft;
2. Professional Indemnity/Errors & Omissions;
3. Directors & Officers Liability;
4. Commercial Marine;
5. Jewelers Block; and
6. Energy Liability.



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Re: Lloyd's Special Dispensation Arrangements - 2011/2012

Conditions of the Special Dispensation:

1. Period of Special Dispensation – 01 October 2012 to 30 September 2013;
2. The provisions of Sections 6(11) and 11(2) Of the Insurance Ordinance apply;
3. The Broker must ensure that each entity with which such business is placed has never had an application for the grant of a TCI Insurance Licence refused (Section 6(11));and
4. The Broker must ensure that each entity with which such business is placed is an entity concerning which there is nothing adverse known which would affect the Licensing Committee considering that entity as being of sound reputation.

The Dispensation was **not** granted for property insurance. For any large property insurance cases for which the assistance of unlicensed insurers may be necessary a request for Special Dispensation must be made. See the appended list of brokers.

Derek A.C. St. Rose

Attch:



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

23 October 2012

Mr. Matthew Chandler
Head of Business Development
International Markets
Lloyd's
One Lime Street
London EC3M 7HA
U.K.

Via email: Matthew.Chandler@lloyds.com

Dear Mr. Chandler

Re: Lloyd's Special Dispensation Arrangements - 2012/2013

We are pleased to advise that the Licensing Committee of the Turks & Caicos Financial Services Commission has approved an extension for one year of the Special Dispensation granted to TCI Licensed Insurance Brokers to place Insurance Business with the Lloyd's Insurance Market.

The Special Dispensation is restricted to the classes of Insurance Business listed and to the conditions set out below.

List of Classes of Insurance Business to which Special Dispensation applies:

1. Aviation and Aircraft;
2. Professional Indemnity/Errors & Omissions;
3. Directors & Officers Liability;
4. Commercial Marine;
5. Jewelers Block; and
6. Energy Liability.

Conditions of the Special Dispensation:

1. Period of Special Dispensation – 01 October 2012 to 30 September 2013;
2. The provisions of Sections 6(11) and 11(2) of the Insurance Ordinance apply;
3. The Broker must ensure that each entity with which such business is placed has never had an application for the grant of a TCI Insurance Licence refused (Section 6(11)); and

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Re: Lloyd's Special Dispensation Arrangements - 2012/2013

4. The Broker must ensure that each entity with which such business is placed is an entity concerning which there is nothing adverse known which would affect the Licensing Committee considering that entity as being of sound reputation.

The Dispensation was not granted for property insurance. For any large property insurance cases for which the assistance of unlicensed insurers may be necessary a special approach to the Licensing Committee must be made.

Sincerely

DEREK A.C. ST. ROSE
Head of Insurance