



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Licensing Guidelines for Non-US Direct Writers

1.0 Introduction

- 1.1 This guideline applies to Non-domestic¹ insurance companies acting as or proposing to act as a Non-US Direct Writer. It aims to provide guidance for all Non-US Direct Writers.
- 1.2 The Commission is committed to maintaining high standards for the effective licensing, regulation and supervision of the Turks and Caicos Islands ("TCI") financial sector.
- 1.3 The Commission will apply this guideline, and the requirements of the Insurance Ordinance and its Amendments in assessing non-domestic insurance companies serving as or seeking to serve as a Non-US Direct Writer.

2.0 Categories of Licensing

- 2.1 Non-domestic insurance companies are formed under the Companies Ordinance as an exempt company and licensed under Section 4 of the Insurance Ordinance
- 2.2 Non-domestic insurance companies acting as Non-US Direct Writers will be endorsed as such.

3.0 Criteria for Licensing

- 3.1 The Commission is committed to maintaining and promoting the safety and stability of the insurance sector in the TCI and to that end, each application will be considered on its own merit and the information submitted will be subjected to rigorous scrutiny.
- 3.2 The minimum requirements set out in the "Fit and Proper Guidelines"² issued by the Commission will be applied in determining the fitness and probity of Directors, Shareholders and Senior Officers. Applicants must demonstrate that the board of directors or governing body and management who control its affairs are competent, providing evidence of relevant ability, integrity and experience in the field of insurance.
- 3.3 Applicants must demonstrate that members of staff have the necessary range of skills and experience to manage the applicant's affairs in a sound and prudent manner.

¹ Non-Domestic refers to exempt companies licensed as insurance companies, carrying on business other than domestic business in or from within the Turks and Caicos Islands

² Available on the Commission's website at following link <http://www.tcifsc.tc/policies-guidelines?start=20>

- 3.4 The Commission has the discretion to grant or refuse applications for reasons not set out in the guidelines, where these reasons preserve the interests of the TCI and its people.

4.0 Application Documentation

- 4.1 An applicant seeking to conduct non-domestic insurance business as a Non-US Direct Writer from within the TCI will generally be required to do so utilizing the approved forms which are available on the Commission's website. These forms are to be fully and accurately completed prior to submitting to the Commission.

The following documents are required:

- i. A checklist³ detailing all documents which form part of the application.
- ii. An application form⁴ together with the appropriate fee payable
- iii. Evidence of incorporation or registration under the Companies Ordinance or if incorporated outside the TCI, evidence of incorporation and/or registration in the place of incorporation.
- iv. A detailed Business Plan containing a 5 year financial projection. This should also include a statement explaining the rationale for the application.
- v. Where applicable, evidence in writing from the home regulator or authority responsible for the supervision of insurance of the applicant or its parent company confirming that such authority is aware of the intended application.
- vi. Where applicable, confirmation of compliance from the home regulator.
- vii. Letter of undertaking from third party service providers (actuary⁵, auditor, legal resident representative etc.) as appropriate.
- viii. Auditors for Non-US Direct Writers must be TCI based, approved by the Commission and be a member of the TCI Society of Accountants.
- ix. Copies of relevant service contracts such as reinsurance contracts, custodian agreements, etc.
- x. Details of the applicants shareholders, directors and key management personnel. This includes a copy of a valid identification card, biographical affidavit, resume, three references (one of which must be financial, from a bank or trust company) and a police certificate.
- xi. A listing of shareholders and their ownership interest (the percentage of shares held) in the Company.

³ Form provided on our website <http://www.tcifsc.tc/departments/insurance/insurance-forms/category/51-international-insurance>

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⁵ For Direct Writers proposing to conduct long term business

- xii. A detailed organisation chart identifying the ultimate holding/parent company and any other information that is relevant in understanding the control ownership of the applicant or as may be requested by the Commission.
- xiii. Where applicable, audited financial statements of the applicant, the holding company, the parent company, and associated companies for the last two years preceding the application.
- xiv. Applicant must meet the minimum capital adequacy requirement as stipulated by the Commission.
- xv. There will also be a requirement for a Restricted Deposit to be held to the order of the Commission, with an approved bank located in the TCI.
- xvi. Evidence of the Restricted Deposit should be submitted directly to the Commission by the bank. The bank confirmation should state the amount of the Restricted Deposit, that it is being held to the order of the Commission and cannot be released or reduced without the prior written approval from the Commission.
- xvi. Evidence of undertaking from applicant to maintain the minimum net worth requirement.
- xvii. Copy of specimen policies to be offered in the TCI.

5.0 Other Considerations

- 5.1 All documents should be dated, signed and stamped as or where appropriate. An application is not considered complete until all relevant documentation has been submitted to the Commission.

The Commission is committed to reviewing and providing a decision on all applications within a timely manner on receipt of the completed application package and relevant application fee.

Accordingly, the license fee will become payable after approval has been granted for the issuance of a licence.

6.0 Annual Compliance Requirements

- 6.1 In accordance with Section 23 of the Financial Services Commission Ordinance, the Commission may require licensees to provide documents of a specified description for the discharge of its functions.

All non-domestic insurance companies endorsed as Non-US Direct Writers are required to submit to the Commission the following compliance documents, along with the applicable annual license fee three months after the insurer's financial year end. These forms are available on the Commission's website at <http://www.tcifsc.tc/departments/insurance/insurance-forms/category/49-international-insurance>.

1. Audited Financial Statements:

All Non-US Direct Writers are required to prepare their Audited Financial Statements in accordance with Generally Accepted Accounting Principles or such other accounting

standards as may be approved by the Commission.

2. International Insurer's Annual Compliance Statement
3. Independent Auditors Solvency Certificate (Form ASS 2/99)
4. Solvency Assessment Schedule (Form SAS 2/99)
5. Statutory Books and Records (Form ASBRC 2/99)

All Direct Writers books and records must be accessible to the Commission.

6. List of insurers or reinsurers for whom the Company serves as a Direct Writer.
7. Confirmation from financial institution holding Restricted Deposit
8. Actuarial valuation - This is required every 3 years from Direct Writers conducting long term business.

Once licensed, licensees must comply with all relevant ordinances and regulations and is subject to the Commission's ongoing oversight. The Commission expects that all licensees will comply with all legal and prudential requirements from the moment of licensing.

The Financial Services Commission
18th May 2015