



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty, Integrity and Transparency

18th May 2022

REGULATORY ADVISORY NO. 3 OF 2022

DECLARATION BY A PRODUCER (*Regulation 2A, Insurance (Amendment) Regulation 2020*)

A Producer Affiliated Reinsurance Company (“PARC”) is to be beneficially owned by one or more affiliates of the producer; accordingly, and the producer is required to make a declaration that the affiliate is qualified and connected with the producer. However, regulation 2A exempts the following affiliates from submitting a declaration:

- i) The entity producing the business being reinsured.
- ii) A person owning an entity producing the business being reinsured.

In assessing a PARC application, the Commission must ensure that the proposed owner(s) of the PARC satisfies the eligibility requirements in the legislation. The Commission notes that several applications submitted during the period January to April 2022 included insufficient evidence to determine whether the proposed owners of the PARC were eligible to own a PARC. This omission or incomplete submission slowed the application review process by requiring extensive exchanges with the local agent to determine the eligibility of the proposed owners. The Commission is finding it difficult to determine how the persons for which declarations are not provided are eligible for the exemption.

To address the above concern and expedite the application review process, as discussed at the 18th February 2022 PARC Sector Meeting, the Commission is seeking the industry’s kind assistance in providing declarations from all producers on how the proposed owner(s) of the PARC is affiliated with the producer, i.e. this will include persons exempted in the legislation. As advised above, the absence of this declaration will slow the application review and approval process.

The Commission is very grateful to the agents who already automatically and pre-emptively provide this declaration by the producer for all of the proposed owners of their PARC applicants.

Niguel Streete
Managing Director