

## SUPERVISION PROFILE

### CENTRAL BANK OF TRINIDAD AND TOBAGO

#### 1. NAME OF SUPERVISORY AGENCY

Central Bank of Trinidad & Tobago (CBTT)

#### 1(a) CATEGORIES OF FINANCIAL INSTITUTIONS FOR WHICH IT HAS REGULATORY OVERSIGHT: -

With effect from May 25, 2004, the responsibility for the supervision and regulation of insurance companies, insurance intermediaries and private registered pension plans was transferred from the Supervisor of Insurance (Ministry of Finance) to the Central Bank of Trinidad and Tobago.

#### 2. NUMBER OF ENTITIES SUPERVISED IN EACH CATEGORY

Categories	No. of Entities
1) Insurance Companies	41
2) Pension Plans	
i. Self Administered Plans	92
ii. Insured Plans	105
iii. Plans in the process of winding up	59
3) Insurance Brokers	85
4) Insurance Agents	414
5) Insurance Salesmen	1617
6) Insurance Adjusters	24

#### 2(a) NAMES OF INSURANCE COMPANIES SUPERVISED

FINANCIAL INSTITUTIONS		
Type	Number	Names
<b>Active Life Insurance Companies</b>	8	1) Bancassurance Caribbean Limited 2) Colonial Life Insurance Company (Trinidad) Limited * 3) Cuna Caribbean Insurance Society Limited * 4) Guardian Life of the Caribbean Limited * 5) Maritime Life (Caribbean) Limited 6) Sagicor Life Inc. * 7) ScotiaLife Trinidad and Tobago Limited 8) Tatil Life Assurance Limited
		* Are also registered to do non-life insurance business.

**FINANCIAL INSTITUTIONS**

<b>Type</b>	<b>Number</b>	<b>Names</b>
<b>Active General Insurance Companies</b>	18	<ol style="list-style-type: none"> <li>1) Bankers' Insurance Company of Trinidad and Tobago Limited</li> <li>2) Capital Insurance Limited</li> <li>3) Colonial Fire &amp; General Insurance Company Limited</li> <li>4) Export-Import Bank of Trinidad and Tobago (Eximbank) Limited</li> <li>5) Furness Anchorage General Insurance Limited</li> <li>6) GTM Insurance Company Limited</li> <li>7) Guardian General Insurance Company Limited</li> <li>8) Gulf Insurance Limited</li> <li>9) Maritime General Insurance Company Limited</li> <li>10) Motor and General Insurance Company Limited</li> <li>11) Motor One Insurance Company Limited</li> <li>12) NEM (West Indies) Insurance Limited</li> <li>13) Sagicor General Insurance Inc.</li> <li>14) The Great Northern Insurance Company Limited</li> <li>15) The New India Assurance Company (Trinidad and Tobago) Limited</li> <li>16) The Presidential Insurance Company Limited</li> <li>17) Trinidad and Tobago Insurance Limited</li> <li>18) United Insurance Company Limited</li> </ol>
<b>Active Composite (Life &amp; General) Insurance Companies</b>	5	<ol style="list-style-type: none"> <li>1) American Life &amp; General Insurance Company (Trinidad and Tobago) Limited</li> <li>2) British American Insurance Company (Trinidad) Limited</li> <li>3) Mega Insurance Company Limited</li> <li>4) Reinsurance Company of Trinidad and Tobago Limited</li> <li>5) The Beacon Insurance Company Limited</li> </ol>

**FINANCIAL INSTITUTIONS**

<b>Type</b>	<b>Number</b>	<b>Names</b>
<b>Inactive Life Insurance Companies (Not writing new business)</b>	6	<ol style="list-style-type: none"> <li>1) Caribbean Atlantic Life Insurance Company Limited</li> <li>2) Cuna Mutual Insurance Society</li> <li>3) Nationwide Insurance Company Limited</li> <li>4) Sun Life Assurance Company of Canada</li> <li>5) United Security Life Insurance Co. Limited</li> <li>6) The Demerara Life Assurance Company of Trinidad and Tobago Limited</li> </ol>
<b>Inactive General Insurance Companies</b>	3	<ol style="list-style-type: none"> <li>1) Mountain General Insurance Company Limited</li> <li>2) Nationwide Insurance (Casualty and General) Company Limited</li> <li>3) Royal Caribbean Insurance Limited</li> </ol>
<b>Inactive Composite (Life &amp; General) Insurance Companies</b>	1	<ol style="list-style-type: none"> <li>1) Caribbean Insurance Company Limited</li> </ol>

**3(a) PRUDENTIAL INFORMATION/DATA REQUIRED OF INSURANCE COMPANIES AND REPORTING INTERVAL**

<b>Prudential Information/Data</b>	<b>Source/Report</b>	<b>Reporting Frequency</b>
1a. Balance Sheet -Unaudited	Condition (CB20)	Quarterly
1b. Income Statement - Unaudited	Income & Expenses (CB 40)	
2. Financial Condition of Company carrying on long-term Insurance Business	Actuarial Report and Abstract of the report of the Actuary	Triennially
3. Detailed Audited Balance Sheet, Revenue Account and P&L Account	Annual Returns	Annually
4. Certification from actuary on the long-term liabilities of the company	Certificate from actuary	Annually

**3(b) PRUDENTIAL INFORMATION/DATA REQUIRED OF INSURANCE AGENTS AND BROKERS AND REPORTING INTERVAL**

<b>Prudential Information/Data</b>	<b>Source/Report</b>	<b>Reporting Frequency</b>
1. Audited Balance Sheet and Income Statement	Annual Audited Accounts	Annually
2. Confirmation by an auditor of Compliance with Regulations 11, 12 and 14 of the Insurance Act 84:01	Audit Certificate	Annually
3. Evidence of Professional Indemnity Insurance of at least TT \$5 million (brokers only)	Renewal Notice of Insurance cover	Annually

**3(c) PRUDENTIAL INFORMATION/DATA REQUIRED OF PRIVATE REGISTERED PENSION PLANS AND REPORTING INTERVAL**

<b>Prudential Information/Data</b>	<b>Source/Report</b>	<b>Reporting Frequency</b>
<b>Insured Plans</b>		
1. Revenue Statements	Audited Accounts	Annually
<b>Self Administered Plans</b>		
1. Balance Sheet and Revenue Statements	Audited Accounts	Annually
2. Funding and Solvency Position	Actuarial Valuations	Triennially

**4. PRUDENTIAL INFORMATION/DATA PUBLISHED BY SUPERVISORY AUTHORITY AND PUBLICATION INTERVALS**

<b>Publications</b>	<b>Prudential Information/ Data</b>	<b>Reporting Frequency</b>
Insurance and Pensions Report	Report on the working of the Insurance Act Chap. 84:01	Annually

**5. GOVERNING LEGISLATION**

**Key legislation governing registrants:-**

- Insurance Act Chapter 84:01

**Other legislation:-**

- Securities Industry Act, 1995
- Companies Act, 1995
- Proceeds of Crime Act, 2000
- Electronic Transfer of Funds Crime Act 2000
- Computer Misuse Act 2000
- Foreign Investment Act, 1990
- Anti -Terrorism Act, 2005

## **6. AREAS IDENTIFIED FOR FURTHER LEGISLATIVE CHANGE AND DETAILS/STATUS OF ANY NOW IN PROGRESS:-**

The Central Bank of Trinidad and Tobago has proposed amendments to the Insurance Act 84:01. The proposed amendments are intended to close gaps in the legislative/ supervisory framework to discourage regulatory arbitrage and/or enhance the powers of the supervisory authority.

**The Proposed amendments to the Insurance Act 84:01 in summary are as follows:**

Proposals related to **the supervisory system** would:

- More clearly establish the Central Bank's supervisory objectives and mandate;
- Strengthen the ability of the Inspector to operate without inappropriate interference;
- Facilitate the timely enactment of regulations and adoption of guidelines;
- Enable the Central Bank to share supervisory information with other supervisory agencies and law enforcement authorities; and
- Protect it against lawsuits for actions taken in good faith.

Proposals related to **the supervised entity** would:

- Enhance the Central Bank's ability to deal with unauthorized activities;
- Increase the minimum share capital required of an insurer to a level commensurate with that needed to establish a viable operation;
- Enable foreign insurers to establish representative offices;
- Provide for more effective oversight of the establishment, acquisition and operation of subsidiaries, foreign branches and representative offices by insurers;
- Lower the threshold for defining a "controller" (*from 33⅓% of the voting power to 20%*);
- Require registrants to provide the Central Bank with list of persons with holdings of five percent or more of issued share capital, on a quarterly basis
- More effectively protect insurers from group risk by requiring separation of the financial and non-financial activities of a group, through the use of financial holding companies;
- Strengthen the ability to ensure that key functionaries are fit and proper; and
- Promote better corporate governance by requiring audit committees and annual reporting by directors and senior management, and prescribing additional responsibilities for directors and auditors.

Proposals related to **on-going supervision** would:

- Broaden the scope and enhance the quality of financial information regularly provided to the Central Bank and disclosed to the public;
- Enhance the Central Bank's ability to obtain additional information from insurers, affiliates and controlling shareholders;
- Enable the Central Bank to conduct consolidated supervision, for example by broadening its powers to inspect subsidiaries and offshore operations of insurers;

- Provide the tools to restrict or limit connected party transactions;
- Extend the range of preventive and corrective measures available to the Central Bank and make it easier to apply such measures when necessary;
- Establish an independent Appeals Tribunal to which insurers could appeal certain decisions of the Central Bank; and
- Provide for fairer and more orderly exit from the market, for example by clearly establishing a high priority for policyholders to the assets of an insurer that is winding-up.

Proposals related to **prudential requirements** would:

- Enable the Central Bank to impose risk-based capital adequacy requirements;
- Enable the Central Bank to establish prudential requirements on a group basis;
- Provide the Central Bank with more effective oversight of significant investments;
- Comprehensively define credit exposure and provide for more effective control and reporting of large exposures;
- Modify the definition of a connected party and restrict an insurer's exposures to such parties; and
- Under certain conditions, enable insurers to enter into credit exposures where the counterparty will be using the funds to acquire shares of the insurer.

Proposals related to **markets and consumers** would:

- Enhance the protection of consumers with respect to funds handled by intermediaries;
- Establish the category of "surplus lines broker", to facilitate the placement of insurance that is not available locally;
- Explicitly require insurers to follow fair claims settlement practices;
- Establish rules to govern the designation of beneficiaries and clearly define their rights; and
- Reinforce the ability of insurers to combat insurance fraud, money laundering and terrorist financing, for example, through exchanges of information.

**Other legislative proposals: -**

*Pensions* – The government has mandated that the existing legislation governing pension plans be reformed. As such existing provisions in the current Insurance Act relating to privately registered pension plans will be repealed and revised in the new Occupational Pensions Act (OPA).

**7. FORMAL DIRECTIVES, POLICIES, GUIDELINES/GUIDANCE NOTES ISSUED BY SUPERVISORY AUTHORITY TO LICENSEES:-**

- Guideline on *Corporate Governance*
- Guideline on *Combating Money Laundering and Terrorist Financing* (updated December 2005)
- Guideline on *Prudent Person Approach to Investment and Lending* (May 2005)
- *Fit and Proper* Guideline (May 2005)
- Guideline on *Security Systems for Safeguarding Customer Information* (May 2005)