

**Inspector's Directions for 2009 under Regulations 2, 51, 52 and 54
of the Draft Insurance (Caribbean Policy Premium Method) Regulations.**

Definitions – Draft Insurance (Caribbean Policy Premium Method) Regulations

Standards

The actuarial standards under which policy benefit liabilities are to be determined for the statutory submissions as required under the Draft Insurance Bill in 2010, are APS-2 The Prudential Supervision of Long Term Insurance Business (adopted December 2005) by the Caribbean Actuarial Association as supplemented and amended by the Draft Insurance (Caribbean Policy Premium Method) Regulations.

Investment return – Draft Insurance (Caribbean Policy Premium Method) Regulations

Ultimate new money investment rate


The ultimate new money investment rate for the determination of policy benefit liabilities for the statutory submissions as required under the Draft Insurance Bill shall not exceed 5% after twenty years.

Expected return on income producing real estate

The expected return from income producing real estate, including capital growth and maturity proceeds used in the determination of policy benefit liabilities for the statutory submissions as required under the Draft Insurance Bill shall not exceed the return on government debt instruments for a consistent term plus 1%.

Expected return on equities

The expected return on equities from the combination of dividend, capital growth and maturity proceeds, used in the determination of policy benefit liabilities for the statutory submissions as required under the Draft Insurance Bill shall not exceed the return on government debt instruments for a consistent term plus 1%.



Inspector of Financial Institutions

22/03/2010
Dated