



CENTRAL BANK OF TRINIDAD & TOBAGO

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August 23, 2012

CIRCULAR LETTER TO ALL GENERAL INSURANCE COMPANIES AND ATTIC SECRETARIAT

REF: CB-OIFI-1922/2012

Dear Sir/Madam

Request for information under Sections 51(1) of the Insurance Act, Chapter 84:01 (Act) on adequate reserving required by Section 172 of the Act

The Central Bank of Trinidad and Tobago (the Central Bank), wishes to remind all general insurance companies that pursuant to Section 172 of the Act:

- “(1) Every company shall, in addition to the reserves required to be included pursuant to section 168, provide reserves for meeting outstanding claims.*
- (2) Every company shall furnish to the Central Bank details of the methods used in calculating the reserves to be provided under subsection (1).*
- (3) The Central Bank may disallow any method used in calculating the reserves referred to in subsection (2) where it is satisfied that the method does not result in the provision of adequate reserves.”*

In accordance with Section 51(1) of the Act, the Inspector requires that all general insurance companies provide completed and accurate Form B4 Schedules. This is necessary for the Central Bank to determine whether there is adequate reserving as required by Section 172.

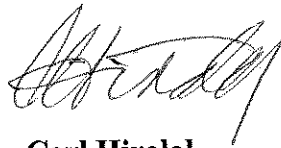
Each general insurer is required to provide Form B4 Schedules for at least the last three financial year ends by September 14, 2012. However, if you submitted Form B4 Schedules in the last quantitative impact study conducted on financial year end 2010 information and these were reviewed by the Central Bank, you are only required to complete a Schedule for the financial year end 2011. These Schedules should be prepared according to the instructions issued by the Central Bank which can be found using the following link: <http://www.central-bank.org.tt/content/statutory-valuation-working-committee>.

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and ATTIC Secretariat

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The Central Bank appreciates the co-operation of those general insurers who have voluntarily completed the Form B4 Schedules and already submitted them for review. It is now required that all other general insurers complete these forms in order to achieve consistency in the assessment and for establishing appropriate benchmarks.

Yours sincerely



Carl Hiralal
Inspector of Financial Institutions