



# Central Bank of Trinidad and Tobago

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August 16, 2021

**CIRCULAR LETTER TO:**

INSURERS REGISTERED UNDER THE INSURANCE ACT, 2018  
CARIBBEAN ASSOCIATION OF ACTUARIES  
INSTITUTE OF CHARTERED ACCOUNTANTS OF TRINIDAD AND TOBAGO  
ASSOCIATION OF TRINIDAD & TOBAGO INSURANCE COMPANIES SECRETARIAT

**REF: CB-OIFI-1908/2021**

**REINSURANCE RISK GOVERNANCE GUIDELINE FOR INSURERS**

On November 26, 2020, the Central Bank of Trinidad and Tobago (“Central Bank”) issued a draft Reinsurance Risk Governance Guideline for Insurers (“Guideline”) to the industry for comment. The Central Bank has considered all feedback received and is pleased to issue the finalized Reinsurance Risk Governance Guideline for Insurers for your information.

The Central Bank recognizes the importance of reinsurance as a risk management tool used by insurers. Reinsurance, however, exposes an insurer to other risks including operational, legal, counterparty and liquidity risk. Given that inadequate reinsurance risk management practices and procedures can materially affect an insurer’s financial condition and reputation, jeopardizing policyholder security, this Guideline sets out the Central Bank’s expectations regarding effective reinsurance policies and procedures. In addition to making the Central Bank’s expectations more transparent to its stakeholders, the Guideline also seeks to facilitate increased application of safe and sound practices, and protect the interest of policyholders.

Please note that the Guideline can be accessed on the Central Bank’s website at <https://www.central-bank.org.tt/publications/legislations-and-guidelines/insurance-sector-legislation-and-guidelines>.

The matrix of comments received during the consultation period and the Central Bank’s responses can be accessed at <https://www.central-bank.org.tt/core-functions/supervision/insurance-sector/draft-and-consultation-papers>.

The Central Bank takes this opportunity to thank you for your feedback. Should you have any queries, kindly contact the Actuarial Unit of the Financial Institutions Supervision Department at [FISDActuarial@central-bank.org.tt](mailto:FISDActuarial@central-bank.org.tt).

Please be guided accordingly.

Yours sincerely

A handwritten signature in blue ink that reads "Patrick Solomon".

Patrick Solomon  
INSPECTOR OF FINANCIAL INSTITUTIONS