



Central Bank of Trinidad and Tobago

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December 17, 2020

CIRCULAR LETTER TO ALL GENERAL INSURANCE COMPANIES AND ATTIC SECRETARIAT

REF: CB-OIFI-2545/2020

Reinsurance Arrangements – 2021

The Central Bank of Trinidad and Tobago (the Central Bank), as part of the ongoing monitoring of the insurance sector, requires insurance companies to submit information on their reinsurance arrangements on an annual basis.

Accordingly, a hard copy summary of **all** reinsurance arrangements (including facultative) **existing** as at January 1, 2021 should be submitted to the undersigned by **February 1, 2021**. Soft copies of this information should also be submitted to massing@central-bank.org.tt

A. The summary should include for each treaty and facility:

- a) treaty/facility number;
- b) effective date;
- c) expiry date;
- d) the nature and limits of cover;
- e) the classes of business and territories covered;
- f) the number and cost of reinstatements available;
- g) the estimated reinsurance premiums and exchange/ceding commission (if relevant);
- h) the names and shares of reinsurers and their most current credit ratings by a credit rating agency;
- i) governing law;
- j) a description of the circumstances in which facultative reinsurance is used; and
- k) a summary of any material changes to the structure or terms based on the insurer's prior submission(s).

B. The insurer must also:

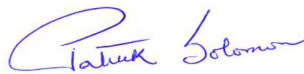
- a) provide details of any reinstatement premium protection policy arrangements;
- b) state and explain classes of business, territories and products which are not reinsured;

- c) state whether any captive insurers are used; and
 - d) state whether any fronting arrangements are undertaken.
- C. A confirmation letter(s) from the reinsurer(s) or broker(s) should be provided, indicating whether:
- a) the summary of the reinsurance arrangements is accurate and complete;
 - b) all new, continuing or amended reinsurance arrangements have been placed or the current status of these arrangements;
 - c) for each treaty and facility, all reinsurance premiums due from the insurer to reinsurers have been paid (or the status of any overdue payments); and
 - d) there are any disputes with the reinsurers about recovery on particular claims or the coverage provided, including in respect of reinsurance for previous years.

Please be reminded that in accordance with Section 23 of the Insurance Act Chap 84:01, for arrangements effective subsequent to January 1, 2021 or any changes to reinsurance arrangements, particulars must be submitted within thirty days.

We anticipate your usual cooperation.

Yours sincerely



Patrick Solomon

INSPECTOR OF FINANCIAL INSTITUTIONS