



Central Bank of Trinidad and Tobago

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CIRCULAR LETTER TO ALL LIFE INSURANCE COMPANIES AND ATTIC SECRETARIAT

REF: CB-OIFI-2546/2020

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 to the Central Bank 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) reinsurer;
- c) reinsurers' most current credit ratings by a credit rating agency;
- d) effective date;
- e) renewal and cancellation terms;
- f) classes of business, products and territories covered;
- g) type of reinsurance, the basis of reinsurance and the reinsurer's share;
- h) retention limits;
- i) automatic and facultative limits;
- j) recapture terms;
- k) summary of any profit sharing;
- l) details of any non-standard exclusions;
- m) details of any non-guarantee of rates;
- n) volume statistics – new business;
- o) volume statistics – in-force business;
- p) governing Law
- q) 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) state and explain classes of business, territories and products not reinsured;
- b) state whether any captive insurers are used; and
- c) 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) reinsurance premiums due are settled on a timely basis for each treaty; and
- d) there are any material disputes about recovery on particular claims, the coverage provided, underwriting of risks or the administration of the treaties, 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