



Central Bank of Trinidad and Tobago

Eric Williams Plaza, Independence Square, Port-of-Spain, Trinidad, Trinidad and Tobago
Postal Address: P.O. Box 1250
Telephone: (868) 621-CBTT (2288), 235-CBTT (2288); Fax: (868) 612-6396
E-Mail Address: info@central-bank.org.tt
Website: www.central-bank.org.tt

March 22, 2021

**Circular Letter to
Insurance Companies Registered under Insurance Act, 1980 as at December 31, 2020
The Institute of Chartered Accountants of Trinidad and Tobago
Association of Trinidad & Tobago Insurance Companies Secretariat
Caribbean Actuarial Association**

REF: CB-OIFI: 609/2021

Revisions to Regulatory Returns for Insurance Companies registered in Trinidad and Tobago

The Central Bank of Trinidad and Tobago ("Central Bank") refers to the Circular Letters issued dated December 22, 2020, titled "Regulatory Reporting Requirements for Insurance Companies registered in Trinidad and Tobago" and "Insurance (Capital Adequacy) Regulations, 2020".

Due to industry feedback and the Central Bank's own further checks, revisions to the following Returns were required:

1. Annual Returns of General Insurers;
2. Annual Returns of Long-term Insurers; and
3. Capital Adequacy Returns.

Consequently, all of these Returns were updated from their respective Version 1.0 to Version 1.1, and the revisions made are detailed in the attached Change Log. In accordance with sections 11(1) and 145 of the Insurance Act, 2018 (IA 2018) and the Insurance (Capital Adequacy) Regulations, 2020, insurers are now required to submit Version 1.1 of these Returns.

Insurers are reminded that the latest version of all forms specified by the Inspector of Financial Institutions for all of the regulatory reports and returns required under the IA 2018, can only be accessed at <https://www.central-bank.org.tt/publications/regulatory-returns/insurance-sector-regulatory-return>.

Please be guided accordingly.

Yours sincerely

Patrick Solomon

Inspector of Financial Institutions

Att.

APPENDIX I

Change Log of Amendments to Version 1.0 - Annual Returns and Capital Adequacy Returns

IA Annual Returns of General Insurers (AR-Gen)

Form #	Form Name (AR-Gen)	Issue	Action
35.12	Summary of Assets - Outside Trinidad & Tobago (T&T) by Territory	Row 10 - St Lucia and British Virgin Islands twice in dropdown list	Drop down list corrected.
40.10	Summary Page	Rows 22 and 30 The descriptions for the long-term and general insurance items do not fully match the Capital Adequacy Regulations and did not reflect the risk category type	Changed description in: <ul style="list-style-type: none"> Row 22 from “Long Term Business Liability Items “to "Long Term Insurance Business Items" Row 30 from “General Business Liability Items“ to "General Insurance Business Items"
40.20	Asset Default Risk	Cell G108-G112 Incorrect formula for deducting mortgage assets backing investment linked business	<ul style="list-style-type: none"> Fixed formulas in cells G108-G112 to correctly deduct mortgage assets backing the investment linked business
40.20	Asset Default Risk	Unclear as to the difference between “Agent or broker debit balances” and “Outstanding Premiums”	<ul style="list-style-type: none"> Added footnote to clarify that amounts due from agents or brokers includes any policyholders' premiums that were paid to the agents or brokers and which have not yet been remitted to the insurer.
40.23	Foreign Currency Mismatch Risk	Row 16, columns B, C, G and H - Column Title does not reflect definition in Capital Adequacy Regulation which only speaks to assets and liabilities	<ul style="list-style-type: none"> Changed column title from “Asset, Cash and Futures” to “Assets” Changed column title from “Liabilities, Cash and Futures” to “Liabilities”
40.42	Catastrophe Risk	Row 13 Description is misleading given capital adequacy concept	Changed description to remove reference to and the phrase “(Trinidad and Tobago only)”
50.10	Analysis of Underwriting Income – by class of Business – T&T	Cells K36 to N36 – locked;	Unlocked cells

Form #	Form Name (AR-Gen)	Issue	Action
50.11	Analysis of Underwriting Income – by class of Business - Outside T&T	Formula missing on: - Cells J15 & J18	Inserted Formula
50.11	Analysis of Underwriting Income – by class of Business - Outside T&T	Cell A36 - Description to be updated to be in line with A36 on Form 50.10	Updated description to match form 50.10
50.12	Analysis of Underwriting Income/(Loss) – by territory	i.) Formula in Row Q31 is incorrect and not totalling all columns. ii.) Item 8.5 is missing in row 57	i.) Formula Corrected ii.) Inserted row to state ‘Other (Specify) and amended formulae on Q57 & Q58
50.12	Analysis of Underwriting Income/(Loss) – by territory	Cell R18 not totalling	Formula inserted.
50.12	Analysis of Underwriting Income/Loss - By Territory	Row C10 to P10 is locked and user will not be able to select a country from the drop down box	Correction to the form.

IA Annual Return of Long-Term Insurers (AR-LT)

Form #	Form Name (AR-LT)	Issue	Action
45.010	Non-consolidated Statement of Income (Statement of Earnings)	Row 69 Cell A69 - Ampersand included in error in title of cell as – “Income Before & Taxes”	Removed ampersand.
40.010	Summary Page	Rows 22 and 30 - The descriptions for the long-term and general insurance items do not fully match the Capital Adequacy Regulations and did not reflect the risk category type	<p>Changed description in:</p> <ul style="list-style-type: none"> Row 22 from “Long Term Business Liability Items “to "Long Term Insurance Business Items" Row 30 from “General Business Liability Items“ to "General Insurance Business Items"
40.020	Asset Default Risk	Cell G108-G112 - Incorrect formula for deducting mortgage assets backing investment linked business	Fixed formulas in cells G108-G112 to correctly deduct mortgage assets backing the investment linked business
40.020	Asset Default Risk	Unclear as to the difference between “Agent or broker debit balances” and “Outstanding Premiums”	Added footnote to clarify that amounts due from agents or brokers includes any policyholders' premiums that were paid to the agents or brokers and which have not yet been remitted to the insurer.
40.023	Foreign Currency Mismatch Risk	Row 16, columns B,C, G and H - Column Title does not reflect definition in Capital Adequacy Regulation which only speaks to assets and liabilities	<ul style="list-style-type: none"> Changed column title from “Asset, Cash and Futures” to “Assets” Changed column title from “Liabilities, Cash and Futures” to “Liabilities”
40.042	Catastrophe Risk	Row 13 - Description is misleading given capital adequacy concept	Changed description to remove reference to and the phrase “(Trinidad and Tobago only)”
45.020	Analysis of Premiums & Commissions	Cells A50 & 51 - Items 6.1 and 6.2 – row is too narrow	Row widened.
60.020	Interest Expense & Finance Cost	Rows C20 and D20 locked	Unlocked cells.
60.020	Interest Expense & Finance Cost	Subtotal formula in rows C18 & D18 not pulling all cells 19 to 22	Formulae amended.

Capital Adequacy Returns (Standalone version) (CA-STD)

Form #	Form Name (CA-STD)	Issue	Recommendation
40.010	Summary Page	Rows 22 and 30 - The descriptions for the long-term and general insurance items do not fully match the Capital Adequacy Regulations and did not reflect the risk category type	<p>Changed description in:</p> <ul style="list-style-type: none"> • Row 22 from “Long Term Business Liability Items “to "Long Term Insurance Business Items" • Row 30 from “General Business Liability Items“ to "General Insurance Business Items"
40.020	Asset Default Risk	Cell G108-G112 Incorrect formula for deducting mortgage assets backing investment linked business	Fixed formulas in cells G108-G112 to correctly deduct mortgage assets backing the investment linked business
40.020	Asset Default Risk	Unclear as to the difference between “Agent or broker debit balances” and “Outstanding Premiums”	Added footnote to clarify that amounts due from agents or brokers includes any policyholders' premiums that were paid to the agents or brokers and which have not yet been remitted to the insurer.
40.023	Foreign Currency Mismatch Risk	Row 16, columns B,C, G and H - Column Title does not reflect definition in Capital Adequacy Regulation which only speaks to assets and liabilities	<ul style="list-style-type: none"> • Changed column title from “Asset, Cash and Futures” to “Assets • Change column title from “Liabilities, Cash and Futures” to “Liabilities”
40.042	Catastrophe Risk	Row 13 - Description is misleading given capital adequacy concept	Changed description to remove reference to the phrase “(Trinidad and Tobago only)”
NOTES	Notes to the Capital Adequacy Returns	Returns do not have a built-in notes page	Added the NOTES page