

**INDUSTRY REVIEW OF THE JULY 2022 DRAFT MARKET CONDUCT GUIDELINE
FOR REGISTRANTS UNDER THE INSURANCE ACT, 2018**

SECTION	EXCERPT	INDUSTRY COMMENTS	INDUSTRY'S SUGGESTED WORDING	SUGGESTED AMENDED	CENTRAL BANK OF TRINIDAD AND TOBAGO'S RESPONSE
Definitions					
4.2	Other terms used in this Guideline have the meaning as follows	Definitions for "advice", "policy servicing" and "proposal" do not appear to be applicable to general insurance. If they only apply to long term insurance, then this should be clearly stated as was done for the definition of "replacement".			Definitions for "advice", "policy servicing" and "proposal" apply to all classes of insurance business. No change.
Fair Treatment of Consumers					
5.1.1 (A)	<u>Organizational Culture of Fair Treatment</u> (a) The Board of Directors ("Board") and Senior Management should set the "tone at the top" by establishing a culture of fair treatment throughout the business. Business strategy, product design, product distribution and performance measures should be guided by the need to ensure the fair treatment of consumers. The Board and Senior Management should ensure that the registrant: (i) provides information to consumers (pre-, during, and post-sale) that is accurate clear and not misleading; (ii) minimizes the risk of sales that are inappropriate for consumers' needs and objectives; (iii) offers advice that is commensurate with the needs of the consumer; (iv) addresses claims, complaints and disputes promptly; and (v) protects and safeguards consumers' information.	These sections do not seem particularly relevant to general insurance			The organizational culture of fair treatment also applies to general insurance business. No change.

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5.1.1. (B)	The Board should ensure that the registrant has an approved market conduct strategy or policy and Senior Management should identify SMART objectives and targets against which the registrant's and staff's performance on good market conduct and fair treatment will be tracked. Registrants should assess the effectiveness and progress of its fair treatment strategy or policy by including it in the internal audit's scope of work and its internal audit's plan.	(1) The structure suggested is rigid and impractical for small and medium Brokerage Houses where the day to day activity of the firm is NOT removed from the "Senior Management". (2) This is also redundant as these "good market practices" are engrained in the Associations Member Code of Conduct to which each Broker subscribes. (3) Furthermore, this section is bordering on usurping the responsibilities of the CBTT as the market regulator. History has taught us that there are limits to "self-regulation" and that this "market conduct" inspection is better in the domain of the Associations/regulator.	If not already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters), The Board should ensure that the registrant has an approved market conduct strategy or policy and Senior Management should identify SMART3 objectives and targets against which the registrant's and staff's performance on good market conduct and fair treatment will be tracked. Registrants should assess the effectiveness and progress of its fair treatment strategy or policy by including it in the internal audit's scope of work and its internal audit's plan.	The regulator's guidelines allow for all registrants to have a common standard of operation. It may be the case that the professional associations may also need to update their code of ethics to ensure congruence with the Guideline. Please note that members of other professional associations also have a code of ethics/conduct but are also required to adhere to the Central Bank's Market Conduct Guideline. This section has been reworded to state: Registrants should "periodically" assess the effectiveness and progress of its fair treatment strategy or policy by including it in the internal audit's scope of work and its internal audit's plan.
5.1.1(C)	The management of registrants where applicable should communicate to all stakeholders that fair treatment of consumers is a priority. Senior Management should implement the required policies, procedures, controls and systems that ensure the fair treatment of consumers. The systems and controls implemented should facilitate monitoring of, and reporting on, compliance with approved market conduct policies and consumer redress mechanisms.	Same comment as in 5.1.1. (B) above. Recommend that rather than implementing this at a "Board level" there is room for this to be an institution/association "system and control" through the code of conduct.	The management of registrants where applicable should communicate to all stakeholders that fair treatment of consumers is a priority. If not already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters), Senior Management should encourage the required policies, procedures, controls and systems that ensure the fair treatment of consumers. The systems and controls implemented should facilitate monitoring of, and reporting on, compliance with approved	A general comment has been inserted in the Guideline to state that where the registrants have adopted these codes, there should be a review to ensure alignment with the requirements of the Guideline. Where gaps are identified, the registrant should take the necessary steps to ensure compliance with the Guideline. This section has been reworded to state: Senior Management should "ensure that" the required policies, procedures, controls and systems that ensure the fair treatment of

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			market conduct policies and consumer redress mechanisms. If already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters) Senior Management of registrants should promote within their firms awareness of the Code of Ethics and redress mechanisms available as a result of said membership.	consumers "are implemented" . The systems and controls implemented should facilitate monitoring of, and reporting on, compliance with approved market conduct policies and consumer redress mechanisms.
5.1.1(D)	All decisions impacting consumers should undergo adequate scrutiny to ensure that the goal of fair treatment is achieved.	ALL - Vague and therefore unhelpful. Would not recommend that this process is formalized...this speaks to the "Ethics" training that Intermediaries are required to undertake....unless this "fair treatment" is a culture within the sector, it is pointless to codify it.	Decisions impacting consumers should undergo scrutiny to ensure that the goal of fair treatment is achieved.	This section has been reworded to state: "Decisions impacting consumers should undergo adequate scrutiny to ensure that the goal of fair treatment is achieved."
5.1.1(G)	Registrants should ensure that all Board approved policies and relevant procedures for the fair treatment of consumers are available to all employees in a central and easily accessible location.	See comments in 5.1.1. (B) and (C): (1) The structure suggested is rigid and impractical for small and medium Brokerage Houses where the day to day activity of the firm is NOT removed from the "Senior Management". (2) This is also redundant as these "good market practices" are engrained in the Associations Member Code of Conduct to which each Broker subscribes. (3) Furthermore, this section is bordering on usurping the responsibilities of the CBTT as	If not already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters), Registrants should ensure that all Board approved policies and relevant procedures for the fair treatment of consumers are available to all employees in a central and easily accessible location.	The regulator's guidelines allow for all registrants to have a common standard of operation. It may be the case that the professional associations may also need to update their code of ethics to ensure congruence with the Guideline. Please note that members of other professional associations also have a code of ethics/conduct but are also required to adhere to the Central Bank's Market Conduct Guideline.

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		<p>the market regulator. History has taught us that there are limits to "self-regulation" and that this "market conduct" inspection is better in the domain of the Associations/regulator.</p> <p>Recommend that rather than implementing this at a "Board level" there is room for this to be an institution/association "system and control" through the code of conduct.</p>		
5.1.1. (H)	Registrants should have a board approved remuneration policy. Remuneration packages should restrict incentives and inducements to effectively negate and neutralize any possible self-interest. Reward and remuneration structures should incorporate quality driven performance, such as consumer satisfaction indices and not be predominantly dependent on the volume of sales.	<p>(1) This wording/section belies any knowledge of how the Brokerage and Insurance industry (Worldwide) remunerates Brokerage intermediaries (entirely on commission). By extension, since our income is commission driven, it is completely impractical to remove commission based incomes.</p> <p>(2) Impractical for most Brokerage Houses where the staff total is very small.</p>	Registrants with over 25 registered intermediaries should have a board approved remuneration policy. Remuneration packages should restrict incentives and inducements to effectively negate and neutralize any possible self-interest. Reward and remuneration structures where possible should incorporate quality driven performance, such as consumer satisfaction indices.	The Central Bank's expectation is that all registrants, whether small or large, focus on operating with ethics, achieving customer satisfaction and being transparent in its approach. No change,
5.1.2 (a)	<u>Monitoring of Fair Treatment</u> (a) Management of corporate/incorporated registrants should utilize different tools to monitor the fair treatment such as performance surveys, complaints analysis and even mystery shopping. Feedback from consumer surveys (post service, annual	<p>Comment (A): This is more appropriately only addressed to Insurers only given that much of what is references is not in the Broker's or Adjuster's control.</p> <p>Comment (B): While various methods were identified to monitor fair treatment, the</p>	(A)Monitoring of Fair Treatment (a) Management of corporate/incorporated Insurer registrants should utilize different tools to monitor the insurer's fair treatment such as performance surveys, complaints analysis and	Response to (A): This is only applicable to insurers if the consumer deals solely with insurers. As the brokerage is the interface, this requirement also applies. In this regard we have removed the word " insurer's " so that the requirement will be applicable to all registrants.

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	<p>surveys, and product specific surveys), social media ratings and market intelligence activities can be used to gauge consumer satisfaction. Other activities such as training and awareness initiatives, repeat consumers' recommendations, complaints and other feedback portals can be the source to identify the level of perception of fair treatment and the need for corrective action.</p>	<p>suggestions are broad. Is there a suggested minimum measurement, standard or consistent application suggested for the industry (number of methods/measurements, frequency of surveys)? If insurers are to determine this, what is considered reasonable given resources by insurers are not infinite?</p>	<p>even mystery shopping. Feedback from consumer surveys (post service, annual surveys, and product specific surveys), social media ratings and market intelligence activities can be used to gauge consumer satisfaction. Other activities such as training and awareness initiatives, repeat consumers' recommendations, complaints and other feedback portals can be the source to identify the level of perception of fair treatment and the need for corrective action.</p>	<p>The Section now states: “(a) Management of corporate/incorporated registrants should utilize different tools to monitor the fair treatment of consumers such as, performance surveys, complaints analysis and even mystery shopping.”</p> <p>Response to (B): No minimum criteria or timeframe is established, the organisation should decide what is reasonable. Conduct of consumer and performance surveys are important tools to gauge customer satisfaction. Consequently, senior management of the institutions should determine the desired nature and frequency of the surveys to be undertaken based on knowledge of its business.</p>
5.1.2 (b)	<p>Management reports should monitor the progress of changing the “fair treatment culture” in the establishment both as perceived by consumers and actual evidence. These reports should include corrective actions, activities and initiatives undertaken by the entity that will support the fair treatment culture e.g. retreats, training and even social activities that entrench its core principles and objectives.</p>	<p>Comment (A): Same comment as in 5.1.2 (a) above</p> <p>Comment (B): Management reports should monitor the progress of changing the "fair treatment culture". "Changing" may imply fair treatment is non-existent or adverse in this context and should be reworded to better describe the state or intent regarding fair treatment. Possibly consider enhancing or improving.</p>	<p>(A) Insurer's Management reports should monitor the progress of changing the “fair treatment culture” in the establishment both as perceived by consumers and actual evidence. These reports should include corrective actions, activities and initiatives undertaken by the entity that will support the fair treatment culture e.g. retreats, training and even social activities that entrench its core principles and objectives.</p>	<p>Response to (A): See comment to 5.1.2(a) above.</p> <p>Response to (B): Agreed. Suggested amendment “Management should monitor and report on the progress of the “fair treatment culture” in the establishment both as perceived by consumers and actual evidence.”</p> <p>“These reports should include corrective actions, activities and initiatives undertaken by the entity that will support the fair</p>

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				treatment culture, where applicable, e.g. retreats, training and even social activities that entrench its core principles and objectives.”
5.1.2 (c)	Registrants, where applicable, should have board-approved procedures in place to assess the product risks and identify targeted consumers based on appetite, need and objective. Assessments of compliance with procedures and market conduct principles should be conducted and documented at the end of the developmental stages of a product.	Same comment as in 5.1.2 (a) above	Insurer Registrants, where applicable, should have board-approved procedures in place to assess the product risks and identify targeted consumers based on appetite, need and objective. Assessments of compliance with procedures and market conduct principles should be conducted and documented at the end of the developmental stages of a product.	This is only applicable to insurers if the consumer deals solely with insurers. As the brokerage is the interface, this requirement also applies. In this regard we have removed the word "insurer's" so that the requirement will be applicable to all registrants.
5.1.2 (d)	The Board shall, ensure that effective controls are put in place to ensure that they can attest to the fair treatment and suitability of advice in order to mitigate the risk of mis-selling. All proposals and sales should be monitored by Management to ensure suitability of the advice and the product.	This does not seem applicable to general insurance. Also, why is attestation (fair treatment and suitability of advice) required at Board level as opposed to management providing attestation to the Board? To whom would the Board be making this attestation?		The Board is ultimately responsible for ensuring effective controls, policies and procedures are in place. We have removed the words “that they can attest to”. The section now states: “The Board shall, ensure that effective controls are put in place to ensure the fair treatment and suitability of advice in order to mitigate the risk of mis-selling. All proposals and sales should be monitored by Management to ensure suitability of the advice and the product.”
Product Suitability and Inclusiveness				
	Registrants should recommend and sell products and services that are suitable for the	(1) It is oft CBTT's AML/CFT/PF Controls that currently prohibit Insurers/Brokers from	Registrants should recommend and sell products and services that are suitable for the	The Central Bank disagrees that AML/CFT/PF controls prohibit

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	<p>consumer's requirements and risk profile. The sale of products and services should be based on what is best suited for the consumer, given their needs, financial capability, risk profile and specific circumstances. Registrants should ensure access to insurance products and services by vulnerable groups in the society, e.g. the elderly and persons with disabilities. Registrants may consider the development of a formal financial inclusion policy.</p>	<p>ensuring "<i>access to insurance products and services by vulnerable groups in the society, e.g. the elderly and the person with disabilities.</i>"</p> <p>(2) Brokers/Adjusters have no control/influence over the products and ergo the second half of this should apply to Insurers only.</p>	<p>consumer's requirements and risk profile. The sale of products and services should be based on what is best suited for the consumer, given their needs, financial capability, risk profile and specific circumstances. Insurer Registrants should ensure access to insurance products and services by vulnerable groups in the society, e.g. the elderly and the person with disabilities. Registrants may consider the development of a formal financial inclusion policy.</p>	<p>Insurers/Brokers from ensuring access to insurance products and services by vulnerable groups. Regulation 14(1) (d) of the FOR allows simplified KYC measures in instances where the annual premium is less than \$6,000 or a single premium of \$15,000 or less. In line with the FATF Standards, the Central Bank's AML/CFT Guidelines promotes a risk based approach to know your customer/ customer due diligence including simplified measures in lower risk instances.</p> <p>It often comes to our attention that financial institutions insist on two forms of ID and address verification for on-boarding customers or for the renewal of policies; however, this is not a requirement of the law or the Central Bank guidelines under a risk based approach. Please revisit the Central Bank's Guidelines for more information on this matter.</p> <p>We have amended the section to state: Registrants should recommend and sell products and services that are suitable for the consumer's requirements and risk profile. The sale of products and services should be based on what is best suited for the consumer, given their needs, financial capability, risk profile and specific circumstances. "Insurers should develop</p>

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				<p>products and services that are appropriate for economically vulnerable and lower income groups in the society, and should consider the development of a formal financial inclusion policy.”</p>
5.2.1 (a)	<p><u>Know Your Consumer</u> (a) An integral part of assessing the suitability of a product or service for a particular consumer is the assessment of “right fit”. Registrants should gather and record sufficient information from their consumers to assist with assessing their insurance needs before offering, recommending, arranging or providing a product or service.</p>	<p>Comment (A): (1) This wording is better suited to long Term Insurance which is not the main subject of this Market Conduct Guideline (Ref 2.1.2). (2) In General Insurance the Proposal form/ quotation sheet usually provides more than enough information to "assess the suitability of a product" in so much as it proves ownership of the risk e.g. If you own a vehicle, you have need of Motor Insurance. "Formalizing" this quotation process further than the current industry norm (proposal form or Brokerage quotation sheet) is not recommended at this time as it will further reduce the meaningful advisory time that each registered intermediary has to spend with each client interaction (face to face quality time in which coverage questions can be asked and answered in an informal way to ensure understanding).</p> <p>Comment (B): This appears to be more applicable to long term insurance than</p>	<p>(A) Know Your Consumer (a) An integral part of assessing the suitability of a product or service for a particular consumer is the assessment of “right fit”. Registrants should gather sufficient information from their consumers to assist with assessing their insurance needs before offering, recommending, arranging or providing a product or service.</p>	<p>Response to (A): Proposed amendment was accepted.</p> <p>Response to (B): Ensuring product suitability applies to all classes of business.</p>

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		general insurance which usually covers specific asset or loss event.		
5.2.1 (c)	The assessment of suitability of products and services should incorporate consumer details such as their: (i) needs , priorities and objectives as it relates to the duration for which the consumer wishes to hold the product; (ii) financial literacy; (iii) current and projected financial capacity, taking into consideration the consumer's personal circumstances such as age, health, habits, debts, goals, dependents and future changes; and risk profile	<p>Comment (A): (1) This wording is better suited to long Term/Pension Insurance which is not the main subject of this Market Conduct Guideline</p> <p>(2) 'Financial Literacy' should be entirely removed...it implies that because someone is not financially savvy they should somehow not benefit from ("assessment of suitability of products") the best product for them (period). Someone's Financial Literacy should inform one's approach to explaining the Insurance product to them, but not alter the "assessment of suitability of products" process.</p> <p>Comment (B): This does not appear to be applicable to general insurance or group business but appears to be more suited to individual life insurance, pensions and other annuity/investment type products.</p>	(A)The assessment of suitability of products and services should incorporate consumer details such as their: (i) needs, priorities and objectives as it relates to the duration for which the consumer wishes to hold the product; (ii) current and projected financial capacity, taking into consideration (iii) the consumer's personal circumstances such as age, health, habits, debts, goals, dependents and future changes; and risk profile.	<p>Response to (A): Agreed. Wording accepted with minor tweaks.</p> <p>Response to (B): The organizational culture of fair treatment also applies to general insurance business.</p>
5.2.1 (e)	Registrants should develop/design products that could be directed to vulnerable persons or groups. Focus group meetings for the different categories of vulnerable consumers in the profile (e.g. the elderly, lower income	This is not communism/socialism. We work in a free-market society, and "vulnerable persons or groups" are oft at high risk for failing to pay premiums (premiums which incidentally Brokerages are then responsible	Insurer Registrants in the event that they opt to develop/design products that could be directed to vulnerable persons or groups. Focus group meetings for the different categories of vulnerable consumers in the	Amended. The word “Registrants” has been replaced with “Insurers”, The intention of this requirement is that all persons should have access to insurance, even the most vulnerable. Consequently, insurers ought to

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	<p>earners, persons with disabilities etc.) should be held to determine whether the target group understands the products that are being marketed to them.</p>	<p>for under the new Act). If what you want to say is if a product is being <u>targeted</u> to a vulnerable sub-sector, ensure that the vulnerable group understands the products that are being marketed to them, then say so...this does NOT say that. It implies we all have to start to go out and develop products for the aged/infirm.</p>	<p>profile (e.g. the elderly, lower income earners, persons with disabilities etc.) should be held to determine whether the target group understands the products that are being marketed to them.</p>	<p>consider all segments of the market when designing / developing insurance products for financial inclusion purposes.</p>
5.2.2. (b)	<p>The rationale given to a consumer for the recommendation to purchase a particular product should be documented and the consumer should attest to understanding his or her rights and obligations in relation to the service or product. In cases where the consumer opts not to take the recommended advice, an appropriately worded disclaimer should be signed by the consumer.</p>	<p>(1) The rationale is self-evident <i>vis a vis</i> type of product ie. you can't sell HOC cover to someone who only owns a car. As it relates to Broker Intermediaries perhaps the CBTT rather means 'purchase from a particular insurer'? Even still, at times Brokers will leave the choice up to their clients - e.g. if two or three premium/terms are awfully close and no specific recommendation will be made (the Broker advises 'all are strong') (2) <i>'and the consumer should attest to understanding his or her rights and obligations in relation to the service or product.'</i> This section is pointless- The consumer attesting to understanding, is no guarantee that the consumer understands. It's like asking someone who is purchasing an avocado to attest that the avocado is a fruit. Whether it is a fruit is immaterial to the person who has already purchased it, what is material is if the fruit is edible. IF this type of pointless legalese MUST be included, it should just be included in all of the Proposal</p>	<p><i>(Leave full section out)</i></p>	<p>This section has been removed.</p>

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		<p>forms (which are under the instruction/approval of the CBTT) and should not be subject of the "Market Conduct Guidelines" for all intermediaries.</p> <p>(3) <i>"In cases where the consumer opts not to take the recommended advice, an appropriately worded disclaimer should be signed by the consumer."</i> This would be woefully cumbersome to insist on. We might recommend a motor Policy with Company A because its \$250.00 cheaper, but the client says "you know my mum is insured with Company B, let's go with them". In such an instance, a 'disclaimer' would not be appropriate. A disclaimer would be appropriate if the client opts for an insurer that the Broker does not recommend at all or alternatively, choses an aspect of cover that the Broker advises against (such as an exceptionally high deductible). Brokers will automatically request disclaimers in this instance as a matter of protecting their Professional Indemnity Insurance. Our opinion is that there is no need for CBTT to regulate this aspect of conduct.</p>		
5.2.2 (D) New 5.2.2 (c)	A summary of the key facts related to the advice communicated verbally to a consumer should be retained by the registrant in print, electronic or other format that would facilitate easy retrieval.	The 'mischief' being prevented in this section is not completely clear & what you don't want to encourage with this section is those dreadful (pages long) disclaimers that British Brokers/Insurers have to send each	Any written advise communicated to a consumer should be retained by the registrant in print, electronic or other format that would facilitate easy retrieval.	Amended to state: “Any advice given to a customer should be in writing., Where the advice is communicated verbally initially, it should be followed up with written communication to the consumer, and

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		consumer (that they never bother to read and never understand).		recorded and retained in the customer's files."
5.2.2 (E)	Senior Management should institute appropriate checks and balances and should ensure that periodic reviews (e.g. at least every 3 years) of consumer files are conducted by Internal Audit for example, to confirm that the advice given meets requirements.	<p>Comment (A): The structure suggested is rigid and impractical for small and medium Brokerage Houses where the day to day activity of the firm is NOT removed from the "Senior Management" (ergo a thrice yearly Audit is redundant).</p> <p>Comment (B): Section 5.2.2 does not seem practical for general insurance or for group/term business.</p> <p>For general insurance, the product sold is directly tied to the asset or loss/event to be covered. There are no real/major pre, during and post-sale discussions per se beyond the policy coverage and terms and conditions of the policy contract, which uses standard wording and features.</p>	(A) For Registrants with over 25 registered intermediaries - Senior Management should institute appropriate checks and balances and should ensure that periodic reviews (e.g. at least every 3 years) of consumer files are conducted by Internal Audit for example, to confirm that the advice given meets requirements.	The requirement is applicable to all insurers. No change.
5.2.2 (F) New 5.2.2 (e)	The findings of the periodic reviews as well as recommendations to resolve issues observed, should be reported to the Board by Senior Management.	If Internal Audit is being tasked in 5.2.2(e) with conducting the periodic review of policy files to ensure that advice given meets requirements, shouldn't the findings be reported to the Audit Committee as per the usual internal audit reporting structure?		Section amended to state: "The findings of the periodic reviews and recommendations to resolve issues, should be reported by Senior Management to the Audit Committee or Board as appropriate."
Responsible Business Conduct				
5.3	Registrants must act with integrity and avoid situations that present actual or potential	Seems to be duplicating the role of the Association's Code of Conduct/Practice.	Registrants must act with integrity and avoid situations that present actual or potential	No change. The regulator's guidelines allow for all registrants to have a common standard

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	conflict of interest. Registrants must implement policies, procedures and systems for responsible business conduct to facilitate the fair treatment of consumers.		conflict of interest. If not already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters) , Registrants must implement policies, procedures and systems for responsible business conduct to facilitate the fair treatment of consumers.	of operation. The Guideline is reaffirming this requirement. To the extent that members' Code already has this requirement with which registrants' comply, nothing additional needs to be done.
5.3.1 (a)	<u>Integrity in Business Conduct</u> (a) Appropriate attention should be paid to the recruitment of staff to maintain high standards of ethics and integrity and to deliver appropriate outcomes in terms of fair treatment of customers.	This should be a standard part of recruitment given the nature of the industry (financial services).		The Guideline is reaffirming this. No change
5.3.1 (b)	Registrants should implement systems and controls to improve safety and security of payment transactions that will deter the misappropriation of funds. For example, funds' access policies, introduction of electronic payment options, on-line banking, certified cheques and standing orders.	This should be a standard part of recruitment given the nature of the industry (financial services).		The Guideline is reaffirming this. No change.
5.3.1 (c)	All reimbursements, whether for over-payment or for a denied facility, must be documented along with the rationale for the reimbursements. Consumers should be requested to acknowledge receipt of all payments in accordance with the registrant's procedures and records of the transaction shall be retained by the registrant.	Comment (A): Is deposit of the cheque/payment sufficient evidence of receipt (ie the returned endorsed check)? "Required to acknowledge" implies an <u>active</u> acknowledgement process that consumers will likely get exasperated by, and not want to engage in. Certainly, asking consumers for a receipt for every claim reimbursement will be tedious and seems unnecessary.	(A) All reimbursements, whether for over-payment or for a denied facility, must be documented along with the rationale for the reimbursements.	Response to (A): Noted. However, this section addresses the receipt of payments by the consumer from the registrant and requires consumers to acknowledge receipt of the said payment. Amended to : Reimbursements, for example, over-payment or for a denied facility, must

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		Comment (B): This should be a standard part of collection and deposit controls/procedures.			be documented along with the rationale for the reimbursements. Response to (B): . See amended 5.3.1 (c) above.
5.3.1 (e)	Registrants should have a board approved Conflict of Interest policy, to guide their behaviour. This policy should include guidance on the acceptance of gifts, including thresholds for their acceptance based on frequency and dollar value. Senior Management should monitor compliance with these thresholds and consequences should be established for breaches of the policy. Disclosure to Senior Management should be required for gifts received beyond the stated internal threshold(s).	Do agencies need to have their own COI Policy or can they just be required to adhere to the insurer's COI Policy?			Agencies and sales representatives may adhere to the COI policies of their insurer. However, the insurers' COI policy should also treat with potential conflicts of interest by agents and sales representatives
5.3.1 (g) New 5.3.1 (f)	Insurers should have mechanisms in place which would permit consumers to lodge complaints against intermediaries that act on the insurer's behalf, and which facilitate the insurer's monitoring of the resolution of complaints in a timely fashion. [See section 5.7 for details.]				Amendment. Rephrased to consider conduct issues as opposed to complaints. Amended to state: "Insurers should implement effective systems to monitor the conduct of their intermediaries and ensure that persons acting on their behalf comply with the insurer's policies and procedures and the provisions of the IA and regulations, including resolving issues in a timely manner."

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5.3.1 (h) New 5.3.1 (g)	Registrants should identify, measure and assess all possible threats to responsible business conduct and fair treatment within the business environment and the organization and seek to mitigate its impact within the organization.	It would be helpful if the CBTT could develop a measurement template for the industry to use.			Since this is a self-assessment to be done by the registrant, the Central Bank does not want to be overly prescriptive, at this time. Amended to state: Registrants should identify, record and assess all “ material ” threats to responsible business conduct and fair treatment within the business environment and the organization and seek to mitigate its impact within the organization.
Brokerages, Brokers and Conflicts of Interest					
5.3.2. (a)	Brokerages and brokers, where applicable, must not enter into any transaction which may conflict with the duty of care owed to the consumer unless such conflict is disclosed to the client and there is confirmation that the consumer consents to the transaction.	(1) We perceive a potential conflict with this wording arising with the "data protection act" (DPA). How can we disclose a conflict if we are not allowed to share any client's information? Eg. Client A is a contractor; Client B of same Brokerage is an Architect. The Broker is Broker to both A and B. Client A requires client B to have Professional Indemnity Insurance in place, and the Broker wrote a certification letter on behalf of client (B) that the Insurances had been purchased by client (B) and were in place. Client (B) subsequently cancels his policy/is canceled for non-payment. The Broker is in the situation where due to the DPA/Client confidentiality they cannot reveal the cancelation to client (A), but client (A) might			(1) Disagree. The requirement in section 5.2.3(a) aligns with law. In particular: (a) There is no conflict between the provisions of section 5.2.3(a) and the DPA. Section 6(c) of the DPA allows the disclosure of a client's personal information by the brokerage, once the client is informed of the disclosure and consents to it (b) This is consistent with the position in sections 259(1)(b) and (2) of the Insurance Act, 2018 which permits a registrant (including a brokerage) to disclose information relating to the business or other affairs of a policyholder, consumer or other person, once the policyholder, consumer or other person gives expressed consent.

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		<p>well be able to argue that they were owed a duty of care by the Broker.</p> <p>(2) There is no need for a separate Conflict of Interest Policy if the Broker Intermediary is a member of an Association in so much as the Association's Code of Practice already extends/addresses Conflicts of Interests.</p>		<p>As such, any potential conflict of interest should be disclosed prior to execution of the transaction.</p> <p>(2) The regulator's guidelines allow for all registrants to have a common standard of operation. The Guideline is reaffirming this requirement. To the extent that members' Code already has this requirement with which registrants' comply, nothing additional needs to be done.</p>
5.3.2 (b)	<p>The policy on conflict of interest should be appropriate to the nature, scale and complexity of the regulated activities. The conflicts of interest policy should: (i) identify the circumstances which constitute or may give rise to a conflict of interest or which may create a risk of damage to the interests of the brokerage's consumers and itself; and (ii) specify the procedures to be followed, and measures to be adopted, in order to mitigate and manage such conflicts.</p>	<p>There is no need for a separate Conflict of Interest Policy if the Broker Intermediary is a member an Association in so much as the Association's Code of Practice already extends/addresses Conflicts of Interests. This is unnecessary duplication.</p>	<p>If not already a member of, and ergo governed by, the code of Ethics of their Professional Association (ATTIC, IBATT and the Association of Adjusters) which already have a conflict of interest policy, the policy on conflict of interest should be appropriate to the nature, scale and complexity of the regulated activities. The conflicts of interest policy should: (i) identify the circumstances which constitute or may give rise to a conflict of interest or which may create a risk of damage to the interests of the brokerage's consumers and itself; and (ii) specify the procedures to be followed, and measures to be adopted, in order to mitigate and manage such conflicts.</p>	<p>Disagree. The regulator's guidelines allow for all registrants to have a common standard of operation. To the extent that members' Code already has this requirement with which registrants' comply, nothing additional needs to be done.</p> <p>Members of an Association would need to do a gap analysis against the CBTT guideline to ensure that their COI adheres to regulatory expectations. If the professional COI is more robust than the Guidelines - there will be no need to do anything further. However, if less robust, it will need to be updated in line with the Guideline.</p>
5.3.2.(D)	<p>Brokerages and brokers should take reasonable steps to ensure that neither they nor any of their officers or employees offer,</p>	<p>It is usually understood that small corporate tokens of insignificant financial value (e.g. a customer appreciation cake from an insurer</p>		<p>Insurer's and brokerages are to be guided by their own internal policies regarding the acceptance of any gifts or rewards. The issue</p>

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	give, solicit or accept any gifts or rewards, whether monetary or otherwise, that are likely to conflict with any duties of the recipient.	or attending an insurers Christmas party) tend to be excluded from COI policies, yet this guideline does not allow for same. It should be made entirely clear (whichever is the approach – it is OK or not at all).		is whether the substance and/or materiality can cause a conflict of interest. In general, COI policies tend to include thresholds for gift acceptance and/or declarations. No change.
5.3.3.(b)	Intermediaries must document and implement systems and controls that ensure consumers are fairly treated. For example, to demonstrate fair treatment, complaints should be logged; roles and responsibilities should be clearly identified; and trends analyzed and discussed with insurers.	See comments in 5.1.1.(B)	Insurer Intermediaries must document and implement systems and controls that ensure consumers are fairly treated. For example, to demonstrate fair treatment, complaints should be logged; roles and responsibilities should be clearly identified; and trends analyzed and discussed with insurers.	Each entity that interfaces with the consumer is responsible and accountable for their own behaviour/conduct with the consumer. No change.
Due Care, Skill and Diligence				
5.4.1. (a)	Duty to Consumers (a) Registrants must: (i) behave responsibly, comply with applicable laws and standards and conduct its business competently and fairly. (ii) be fit and proper and have the necessary skills, knowledge and ability to conduct the business. (iii) provide consumers with products and services which perform in accordance with the terms and conditions of the policy and as advertised. (iv) take all reasonable actions to prevent the consumer from being overly indebted or financially burdened. (v) be able to demonstrate to the Central Bank	Comment (A): 5.4.1. (a)(iv) - We wish to request further clarification or examples of the types of actions a Registrant is expected to take to prevent the consumer from being "overly indebted" or "financially burdened" Comment (B): (iv) and (v) do not appear to be applicable to/practical for general insurance.		Response to Comment (A): Noted. Implementation of a robust Know Your Customer framework as per Schedule 11 of the Insurance Act 2018 and as per 5.2.1 of this Guideline. 5.4.1 (a) (iv) has been reworded to " take all reasonable actions or measures to ensure that the product or service is suitable to the consumer's needs and financial position. " Response to Comment (B): Disagree. Please note that 5.4.1 (a) (iv) has been amended as shown above. The duty of care to all consumers as outlined in Section 5.4.1

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	that consumers have received the requisite information to understand the product and their obligations as a consumer, before and at the point of sale.			(a) (iv) and (v) applies to all classes of insurance business and forms part of the registrant's requirement to know their consumers.
5.4.1. (b)	Registrants should ensure that all persons employed to solicit and negotiate insurance business are fit and proper persons and registered with the Central Bank	Since the definition of "Registrant" includes an insurer, does this obligation then require insurers to have their underwriting/frontline staff comply with this, in particular part (b)		Yes, the Central Bank expects that good market conduct practices should commence from inception of product design to policy servicing. This includes the front line staff and underwriters who may be soliciting and negotiating insurance business.
Policy Servicing				
5.4.2.(a)	Policies shall be submitted to policy holders within twenty (20) business days of completing the contract.	Some Insurers don't currently issue a Policy for any contract shorter than 12 months in duration. What is being done in that instance? Brokers receive policy documents from insurers and cannot control the time frame for policy delivery to policyholders. Upon receipt of policy a Broker should deliver to the insured within 20 days.		This is a legislative requirement. Refer to Sections 268(1) and (2) of the Insurance Act, 2018 which requires insurers, upon acceptance of risk, to issue a policy within 20 business days.
5.4.2.(b)	Registrants, where applicable, should have clear, detailed service standard timelines to deliver information, complete contracts, pay/collect premiums, process claims, and handle complaints. Service standards should also be implemented for intermediaries and insurance consultants. Information on the registrant's service standards ought to be readily available to consumers in an easily understandable format.	Would be preferable for institutions/associations to have a "service standard expectation" that is applicable to all members than have each Brokerage have to develop a separate standard.		Institutions/associations can develop a service standard policy as necessary. However, each brokerage must incorporate this policy into their own internal processes. This has been included in the Guideline.

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5.4.2.(h)	Registrants, where applicable, should conduct spontaneous internal audits to ensure that employees are adhering to internal policy requirements.	(1) The "spontaneous internal audits" structure suggested is rigid and impractical for small and medium Brokerage Houses where the day to day activity of the firm is NOT removed from the "Senior Management".	Registrants with over 25 registered intermediaries , where applicable, should conduct spontaneous internal audits to ensure that employees are adhering to internal policy requirements.	By its very nature the word "spontaneous" does not connote "rigidity". It is the Bank's expectation that the registrant will determine the frequency of such internal audits. It is anticipated that each brokerage will document in its policies and procedures the rationale for when an internal audit will be required to be conducted. In addition, this section was reworded to state: "Registrants, should conduct periodic internal audits or reviews...."
5.4.2.(i)	Registrants should conduct reviews of consumer profiles and products, as they become due for renewal. Findings and recommendations derived from such assessments should be documented and maintained by the registrant.	(1) The formalized structure " <i>Findings and recommendations derived from such assessments should be documented</i> " suggested is rigid and impractical for the pace at which these reviews have to take place. The reality is the review (often verbal with the client or insurer as the renewal terms are being reviewed in preparation for the Brokers renewal notice being prepared) is reflected in the renewal notice itself (sometimes alternative quote being suggested/advisory on a change in policy/advisory on a change in ownership of the insurer). We are not objecting to the requirement for the review, just the requirement for formalized "documentation". The reality is that any Broker who does not conduct this review, increases the likelihood of a Professional Indemnity claim being lodged against	Registrants should conduct reviews of consumer profiles and products, as they become due for renewal.	Disagree. Registrants have the duty to keep evidence of the review of consumer profiles and products so that the Central Bank will be able to verify these records during its on-site examination. Furthermore, it is expected that during the review of a consumer profile, updated information and its supports are collected. During a product review, the consumer is made aware of any key changes in the product and that these changes are documented. This section has been reworded to state: Registrants should conduct reviews of consumer profiles and products, as they become due for renewal. "Any material issues identified should be documented along with the proposed remedial action."

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		him/her, so this already automatically part of our process.		
Post Sale Communication				
5.4.3. (a)	Post-sale information updates should be provided to consumers at regular intervals to keep them informed of the performance of the product and any approved changes in the terms and conditions over the life of the product, such as, changes to rates offered or charges applied to a product.	<p>Comment (A): This Market Conduct Guideline does not speak to Pensions (2.1.1.) but "performance of the product" really seems to suggest ONLY Long Term Insurance (?) rather than General Insurance.</p> <p>Comment (B): This does not appear to be applicable to general insurance.</p>		This Guideline, inclusive of Post Sales Communication is relevant for all classes of insurance business. Further, refer to Section 266 and Schedule 11, "E. Post Sales Communication" of the Insurance Act, 2018.
5.4.3. (c)	Insurers should have post sales documents that are clear, fair and not misleading. The information in these documents should be accurate, up to date and clearly written. The method of presentation of the information should not disguise, diminish or obscure important information.			Amendment. Section 5.4.3(c) has been deleted as this its contents can be found in the Post Sales Communication Guideline and Schedule 11, "E. Post Sales Communication" of the Insurance Act, 2018.
5.4.3. (d)	Central Bank's Post Sales Communication - Policy Discontinuance - Guideline addresses the expected business conduct during the replacement of an existing long-term insurance policy from another provider.			Amendment. Section 5.4.3(d) has been deleted.
5.4.4 (a)	Employee Training (a) All persons providing advice and /or soliciting or negotiating insurance business must pass statutory registration examinations and undertake ongoing training throughout their	Kindly confirm whether the obligations listed in this part are all requirements for underwriting staff of insurers to comply with.		The current legislation requires any person conducting insurance business to be registered.

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	career, in accordance with continuous professional development (CPD) requirements.	There is a concern that CPD requirements and monitoring of these for all underwriters and agents by the insurer may be onerous.		The Central Bank confirms that all persons providing advice and/or soliciting or negotiating insurance business is considered to be a person which is conducting insurance business.
5.4.4 (c)	Registrants should maintain copies of the training programs for their employees and intermediaries. Details of the training including the participants, date, content and the illustrative material used in support must be logged and made available to the Central Bank upon request.	Besides CPD and formal training, a large percentage of the most effective training among Brokers and their client Representatives is usually informal. CBTT is making training inappropriately bureaucratic by overlaying on top of the new CPD requirement yet another requirement of open ending training documentation. Suggest the elimination of 5.4.4 entirely. Give the CPD requirement time to work. Leave in 5.4.4 (b) & (d) - they are sufficient.	Recommend removal of entire of 5.4.4. (c)	Section 5.4.4 pertains to formal training which must be evidenced. Registrants have the duty to provide evidence of formal training programs that have been conducted for the purpose of CPD in particular. This section was reworded to state: "...made available to the Central Bank upon request." This information must be maintained for at least six (6) years."
5.4.4 (e)	A log of all training conducted and the participants must be maintained by Management. Evidence of such training must be maintained for at least six (6) years and may be reviewed upon request from the Central Bank.	Same comments as in 5.4.4. (c). The CPD Training needs to be logged. There really is no need to have the other logged unless the Broker opts to do so themselves.	<i>Recommend removal of entire of 5.4.4. (e)</i>	Section 5.4.4(e) has been merged with Section 5.4.4(c).
5.4.5 (c)	Where internal controls' testing reveal that a consumer's policy/account is misstated, whether due to fraud or an error, the registrants should take such action(s) as may be required to correct the misstatement of the consumer's policy/account	This does not appear to be applicable to general or term insurance.		The Central Bank is of the view that misstatements, whether it is due to fraud or an error, may occur in any business transaction which includes a general or term insurance policy transaction. No change.

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Disclosure and Transparency				
5.5.1. (a)(i)	Registrants should: (i) provide consumers with fair and non-misleading information via the appropriate channels indicated by the consumer, keeping them informed of all relevant information relating to the product or service before, during and after the point of sale.	<p>Comment (A): Insurers should standardize and label policy wordings (with identification numbers), conditions, extensions and clauses so that all policyholders can easily compare and contrast coverages.</p> <p>Comment (B): With the exception of the references to sales and marketing materials, this section does not appear to be applicable to general insurance.</p>	<p>(A) Registrants should: (i) provide consumers with fair and non-misleading information via the appropriate channels indicated by the consumer, keeping them informed of all relevant information relating to the product or service before, during and after the point of sale. Insurers should standardize and label policy wordings (with identification numbers), conditions, extensions and clauses so that all policyholders can easily compare and contrast coverages.</p>	<p>Response to Comment (A): Noted. This section has been amended to state: Registrants should: (i) provide consumers with fair and non-misleading information via appropriate channels to keep them informed of all relevant information relating to the product or service before, during and after the point of sale. "Insurers should also standardize and label policy wordings (with identification numbers), conditions, extensions and clauses so that all policyholders can easily compare and contrast coverages. "</p> <p>Response to Comment (B): The Central Bank views the interaction/communication between general insurers and consumers to be similar to that between long term insurers and consumers and should apply as relevant.</p>
5.5.1. (a)(ii)	(ii) provide information to consumers, including modal premiums, fees and charges, cash and surrender values, prohibitions/exclusions, and value of insurance cover. This should be in written format on paper or an accessible electronic format	(a) "cash and surrender values" is a term from LONG term Insurance (Pension) to which this Guideline is not meant to apply? (b) This is already done "in a written format" with the issuance of the Policy Document and Endorsements. But this is issued by INSURERS only. The wording herein seems to again suggest a FURTHER formalization of the verbal advisory Brokerage process. NO BROKER would ever have the time to put in writing all of the	(ii) Insurers should provide information to consumers, including modal premiums, fees and charges, prohibitions/exclusions, and value of insurance cover. This should be in written format on paper or an accessible electronic format	Noted. Reworded to state: Registrants should: (ii) provide " written information (paper or electronically) " to consumers, " on, inter alia ", modal premiums, fees and charges, cash and surrender values, prohibitions/exclusions, and value of insurance cover " where relevant within the product's life cycle. "

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		verbal warnings and advisories that they give their client...it would be bureaucratically impossible. To get around this they would no doubt just develop impossibly large legal disclaimers and summaries of terms and conditions that they would e-mail each client (and which the client will again ignore...as they oft ignore the already cumbersome Policy Document). There is already avenue in the law for Brokers to be held to account for the advice that they give (Professional Indemnity insurance). This process does not need to be made more cumbersome with further formalization. The Policy is sufficient.		
5.5.1.(iv)	place emphasis on the quality of the disclosures, which should be clear, simple and easy to understand, especially when information on costs, risks involved and performance, is being provided to the consumer;	"performance" again seems to imply "Pension" which is NOT the subject of this Guideline?	Place emphasis on the quality of the disclosure, which should be clear, simple and easy to understand, especially when information on costs and risks are being provided to the consumer;	Noted. Section 5.5.1.(iv) has been reworded to state: Registrants should: (iv) "ensure that disclosures, are clear, simple and easy to understand, especially when information on costs, risks and performance is being provided to the consumer;"
Advertisements & Marketing Materials				
5.5.3 (f)	Intermediaries must not do business with, or advertise in any way insurance business from an insurance company which is not registered under the Act.	This contradicts the Insurance Act, would represent a restriction on trade and is a MAJOR CONCERN for Brokers: "Intermediaries must not do business with... an insurance company which is not	5.5.3.(f) to be removed	Amended as follows: Intermediaries should not do business with, or advertise in any way insurance business from an insurance company which is not registered under the Act. " However, in

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	<p>For example, advertisements must not contain any reference to products which can only be obtained on a facultative placement basis from an unregistered insurer.</p>	<p>registered under the Act." All facultative placement would have to stop. This is completely unpractical as there are many risks that can NOT be placed with local insurers because of unavailability in the local market. What is the mischief that CBTT is trying to prevent? This is already addressed in the Insurance Act.</p>		<p>accordance with Section 115(2) of the Insurance Act, 2018, where business is placed with a foreign insurance company, the consumer must authorize disclosure of information and placement on the form approved by the Central Bank.”.”</p> <p>In addition: 1) Insurance business conducted with domestically unregistered entities is prohibited; 2) Insurance business as seen in this section does not mean 'reinsurance'. Please refer to the definition of reinsurance in Section 4 of the Insurance Act, 2018 (Act); and 3) This section has been reworded to allow for insurance business with unregistered foreign insurance companies as outlined under Section 115(2) of the Act.</p>
Quotations and Proposals				
5.5.5.(b)	<p>When proposing/offering a policy to a consumer, registrants must provide information about the basis of claim settlement according to the insurer's policies. The registrant must also clearly set out the basis on which the value of the asset /insured product will be calculated for the purposes of settling a claim, where the said asset/insured product is deemed to be beyond economic repair.</p>	<p>Why are we duplicating what is already in the Policy Document? While a broker will ordinarily discuss this with their client, the "written element" does not need duplication...that is the role of the Policy Document. Again - this will just encourage a large e-mail disclaimer/book going to each and every client that no one reads. This section seems to trying to address the mischief in the "Equipment All Risks</p>	<p>Policies must provide information about the basis of claim settlement. Insurers must also clearly set out the basis on which the value of the asset /insured product will be calculated for the purposes of settling a claim, where the said asset/insured product is deemed to be beyond economic repair. Insurers cannot elect to settle on one basis (say replacement cost) in once claim instance and on another basis (say market cost) in</p>	<p>Noted. The intent is to provide general guidance to registrants in the conduct of their business. The level of detail that an insurer includes in its policy document is left to their discretion.</p> <p>Consequently, if the information that is being referred to in this section is already contained in the policy document, the registrant just needs to indicate the same to</p>

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		<p>Policies" where Policies state that total loss claims will result in market value settlement whilst partial loss claims will result in replacement value settlements? Admittedly, this is an absurd practice by Insurers as the client must declare the value of their item at inception of a policy on either a replacement value basis or a market value basis (but cannot do both). If we encourage clients to insure for Replacement Value (which tends to be our recommendation) we would find it hard to justify why they would merely receive market value at a time of loss (in a total loss claim or any claim for that matter!). This "mischief" can better be prevented from occurring (and the resultant and justifiable loss of client's confidence) that Insurers must sell either (A) Equipment All Risks Policies that solely offer Replacement Settlement at new (excluding betterment) in the event of a total loss or partial loss claim and for which Sum Insured figures are fixed at Replacement Value at new or (B) Equipment All Risks Policies that solely offer Market Value Settlements/ settlements subject to depreciation in the event of a total loss or partial loss claim and for which Sum Insured figures are fixed at Market Value. A prudent insurer might opt to offer both policy types to the market.</p>	<p>another under the same policy. The policy must express a consistency in how claim are to be settled that Insured's know how to appropriately set their Sum Insureds. Eg. Insurers must sell either (A) Equipment All Risks Policies that solely offer Replacement Settlement at new (excluding betterment) in the event of a total loss or partial loss claim and for which Sum Insured figures are fixed at Replacement Value at new or (B) Equipment All Risks Policies that solely offer Market Value Settlements/ settlements subject to depreciation in the event of a total loss or partial loss claim and for which Sum Insured figures are fixed at Market Value. The overarching objective is making it easy for clients to understand how to set their Sum Insured.</p>	<p>the consumer. If it is not in the policy document, then the registrant will be required to provide the information.</p>

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SECTION	EXCERPT	INDUSTRY COMMENTS	INDUSTRY'S SUGGESTED AMENDED WORDING	CENTRAL BANK OF TRINIDAD AND TOBAGO'S RESPONSE
5.5.5 (c)	When offering a property or motor insurance policy to a consumer, a registrant should must , where relevant, explain to the consumer that, in the event of a claim, the registrant may appoint an adjuster/assessor or other expert to undertake an assessment of damages to the property or motor vehicle.	It is sufficient that this information is included in the Policy Document. Again - you do NOT want to weigh down the consumer with info bombardment...as it is they are <u>very</u> selective readers.	When offering a property or motor insurance policy to a consumer, an Insurer must note in their Policy Document , where relevant, and explain to the consumer that, in the event of a claim, the registrant may appoint an adjuster/assessor or other expert to undertake an assessment of damages to the property or motor vehicle.	Amended as follows: "When offering a property or motor insurance policy to a consumer, an Insurer must note in their Policy Document and where relevant, a registrant should explain to the consumer that, in the event of a claim, the registrant may appoint an adjuster/assessor or other expert to undertake an assessment of damages to the property or motor vehicle."
5.5.5 (d)	Where a registrant refuses to provide a quotation to a consumer, it should provide the consumer with the rationale for its refusal.	<p>Comment (A): (i) What if the refusal is due to being on the terrorist list? This would be "tipping off" - illegal. (ii) this could potentially expose the Intermediary to suits for liable Eg. "We decline to quote because historically you have been a bad-pay/ don't settle your bills". There are times when we might verbally tell this to the client, but all suggestion that this should be a formal communication should be resisted because of the potential liability exposures.</p> <p>Comment (B): Might the requirement to provide the consumer with rationale for refusing to quote conflict with AML regulations in instances where the information gathered during the quotation phase gives rise to suspicions that may warrant filing of a Suspicious Activity Report?</p>	(A) Where a registrant refuses to provide a quotation to a consumer, it should provide the consumer with the rationale for its refusal where able to do so.	This section has been deleted.

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Confidentiality and Security of Consumer Information					
5.6.1.	Registrants should ensure that information received in the course of business, or any of the consumer's affairs, is not disclosed unless mandated by law or the consumer expressly consented to the disclosure.	This can only be controlled within the insurance industry. Other financial institutions (eg. Mortgagees) have sight of customers' policies as do other parties such as policyholders clients and principals. Consider: KYC docs are not required under law to be shared by Brokers with Insurers. Ergo once the Data Protection Act goes into force we will have to stop sharing them and the clients will have to potentially do two sets of KYC (sigh). There could potentially be some 'carve out' and/or authorization that they sign on the proposal form that allows the Broker to share the KYC information with the Insurer of record? And Mortgagee?			<p>Reference is made to Regulation 11 (1D) of the Financial Obligations Regulations, 2010 (as amended) which requires financial institutions (eg insurer) relying on a third party (eg broker) to perform element of customer due diligence, to obtain immediately the necessary information concerning identification of the customer. Financial institutions are also required to take steps to ensure that the identification data and other relevant due diligence data will be made available from the third party financial institution upon request without delay.</p> <p>Reference is also made to Regulation 25(3) of the Financial Obligations Regulations, 2010 (as amended) which requires both the insurer and the insurance intermediary to maintain KYC information.</p> <p>The AML/POCA considerations which allow the sharing of KYC information in certain circumstances as explained above, does not offend or cause conflict with the DPA. The DPA is intended to protect consumers from unauthorized or illegal use of their private data and information, i.e. the sharing of private information for purposes unintended by the consumer in having provided such information to a third party.</p>

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				Clear disclosures on the use of consumers' private information are therefore required to safeguard against unauthorized use, including seeking explicit consent to share information for stated purposes.
Outsourcing				
5.6.5 (a)	<p>Outsourcing (a) Where a registrant outsources data processing or other functions which result in the sharing of consumer information with a third party, they must ensure that adequate policies, procedures and systems are in place for the protection and confidentiality of consumer information by the third party. In addition, the registrant must:- (i) get consent from consumers before their personal information is disclosed or shared; and (ii) adhere to relevant data protection legislation in any jurisdiction in which they operate.</p>	<p>How does this work with Outsourcing our data file for our Quarterly terrorist reports to be run? How are we do get the client's consent before we do that? What if they say no? There should be a carve out for the quarterly terrorist reporting function to ensure we can still comply with the law.</p>	<p>Outsourcing (a) Where a registrant outsources data processing or other functions which result in the sharing of consumer information with a third party, they must ensure that adequate policies, procedures and systems are in place for the protection and confidentiality of consumer information by the third party. In addition, the registrant must: (i) get consent from consumers before their personal information is disclosed or shared; and (ii) adhere to relevant data protection legislation in any jurisdiction in which they operate. The above having been said, one exception to having to get consumer consent is data processing for the purpose of conducting quarterly Terrorist reporting.</p>	<p>The Central Bank expects that the consent from the consumer for the sharing of their information with third parties should be obtained at the on boarding stage and not at the point in time when a registrant is preparing its Quarterly Terrorist Report.</p> <p>Further, Section 259 of the Insurance Act, 2018, 'Information not to be disclosed', allows information on policyholders to be disclosed <i>if it is required under the compulsion of law</i> or if the policyholder consents to the disclosure.</p> <p>This section does not apply to information disclosed in good faith in the course of the performance of duties or <i>responsibilities imposed by this Act or in the implementation of measures countering money laundering and terrorist financing.</i></p> <p>This section also does not apply to information which at the time of disclosure is, or has already been made available to the public from other sources.</p>

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				Also for purpose of filing Terrorist Reports and Suspicious Activity/Transaction Reports, the customer's consent is not needed as this would be seen as 'tipping off' the customer.
Claims, Complaints Handling and Redress				
5.7.1 new 5.7.1 (a)	Claims Handling maintain documented claims handling procedures, and institute a rigorous process for the timely and fair settlement of all claims. In addition, the registrant must -	Comment (A): Brokers ordinarily don't pay claims and ergo can't. Comment (B): The introductory sentence in this section seems incomplete.	(A): Claims Handling maintain documented claims handling procedures, and institute a rigorous process for the timely and fair settlement of all claims. In addition, the insurer must -	Response to Comment (A): This also applies to registrants who may pay claims to consumers on behalf of the insurer. Response to Comment (B): Agreed. This was amended to state " must maintain documented claims handling procedures, and institute a rigorous process for the timely and fair settlement of all claims. In addition, the registrant must - "
5.7.1 (a) New 5.7.1. (a) (i)	inform consumers about processes, procedures and established timeframes for claims settlement as detailed in its Claim Policy;	Brokers ordinarily don't pay claims and ergo can't speak to time frames. Better specified as a responsibility of Insurers ONLY.		This also applies to registrants who may pay claims to consumer on behalf of the insurer. Wording amended to state "As appropriate, registrants must maintain documented claims handling procedures, and institute a rigorous process for the verification of and timely and fair settlement of all claims. In addition, the registrant must -..."
5.7.1 (d)	verify the validity of a claim received from a consumer prior to making a decision on its outcome	Brokers cannot - this would interfere in the Adjusters role and be a conflict of the duties owed to the client. Ergo, this must be removed as a task of all "registrants" and it		Deleted.

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		must be specified as the responsibility of the Insurer/Adjuster only.		
5.7.1(f) New 5.7.1 (a) (v)	inform the consumer in writing of the identity of the adjuster or appraiser and their scope of works where the insurer engages the services of a registered adjuster or expert appraiser to assist in the processing of the claim. Queries and concerns of the policyholder/claimant in respect of the scope and/nature of cover should be directed through the insurer and not to the adjuster;	<p>Comment (A): What exactly do you mean the "<i>scope of works where the insurer engages...an adjuster</i>"??? You are likely thinking that the Insurer will tailor their advisory for each claim. They will not have the time to do so, and will default to sending an electronic booklet (pages long) to all claimants that the Insured's will never read explaining all tasks that they 'might and have the right to assign' to the Adjuster. Again - what is the mischief that you are trying to prevent? The identity of the adjuster would likely be sufficient.</p> <p>Comment (B): Both items are addressed by the CBTT Claims Guidelines for Insurers in detail and do not currently restrict an insurer's option for the method of informing the consumer of the adjuster or settlement. It may prove burdensome to inform in writing for every instance and this should be amended to match the issued claims guideline, for example, "The insurer should inform the policyholder or claimant when it decides to appoint an independent expert..."</p> <p>Comment (C): We can foresee practical issues arising in connection with the investigation of a loss event, if all queries</p>	<p>(C): We therefore recommend for your consideration, the following amendment to the last sentence:</p> <p>"Queries and concerns of the policyholder/claimant in respect of the scope and/or nature of cover should be directed through the insurer and not to the adjuster".</p>	<p>Response to Comment (A): Sharing the adjuster's scope of work allows the consumer to be informed of the adjuster's role in the processing of the claim.</p> <p>Response to Comment (B): The requirement to disclose information to the consumer in writing ensures proper record keeping practices. Further, the information provided to the consumer is not limited to hard copy correspondence, it can also be disseminated electronically.</p> <p>Response to Comment (C):</p> <p>Amended as follows: "inform the consumer in writing of the identity of the adjuster or appraiser and their scope of works where the insurer engages the services of a registered adjuster or expert appraiser to assist in the processing of the claim. Queries and concerns of the policyholder/claimant in respect of the scope and/or nature of cover should be directed through the insurer and not to the adjuster";</p>

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		<p>should be directed through the insurer. By narrowing the path "through the insurer", we could anticipate delays in claims investigations by the adjuster as Insurers would often have to be briefed - by the adjuster - on the details of on-field practical issues before responding to the Insured. Not to mention it can be onerous to claims personnel to have to become engaged with activities they have appointed specialists to deal with.</p>		
<p>5.7.1 (g) New 5.7.1 (a) (vi)</p>	<p>be prepared to discuss all aspects of the claim with the consumer including the assessment of liability and damages during normal office hours, or outside of these hours if agreed by the consumer;</p>	<p>"...during normal office hours, or outside of these hours if agreed by the consumer". That may imply that only consumer consent is needed for interaction outside of normal hours of operation.</p>	<p>Recommend changing to "agreed by the consumer and registrant"</p>	<p>Agreed.</p> <p>Reworded to state:</p> <p>be prepared to discuss all aspects of the claim with the consumer including the assessment of liability and damages ";</p>
<p>5.7.1 (i) New 5.7.1 (a) (viii)</p>	<p>inform the claimant in writing of the decision made on the claim, the outcome of the investigation, and explain the terms of any offer of settlement, within the approved timeframes;</p>	<p>Both items are addressed by the CBTT Claims Guidelines for Insurers in detail and do not currently restrict an insurer's option for the method of informing the consumer of the adjuster or settlement. It may prove burdensome to inform in writing for every instance and this should be amended to match the issued claims guideline, for example, "The insurer should inform the policyholder or claimant when it decides to appoint an independent expert..."</p>		<p>The registrant has a duty to keep the consumer informed and up to date on the decisions made in respect of their claim, as part of the registrant's service delivery. In addition, the requirement to disclose information to the consumer in writing ensures proper record keeping practices. Furthermore, the information provided to the consumer is not limited to hard copy correspondence.</p>

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5.7.1 (k) New 5.7.1 (a) (x)	settle and discharge the claim promptly where the claimant agrees to accept the offer;	Brokers ordinarily don't pay claims and ergo can't. Section again is better specified as an "Insurer" responsibility			This also applies to registrants who may pay claims to consumer on behalf of the insurer.
5.7.1 (l) New 5.7.1 (a) (xi)	provide reasons in writing to the claimant for denying a claim within a reasonable time;	Brokers ordinarily don't pay claims and ergo can't. Section again is better specified as an "Insurer" responsibility only			This also applies to registrants who may pay claims to consumer on behalf of the insurer.
5.7.1 (m) New 5.7.1 (a)(xii)	have an internal independent review process for declined claims to ensure policies are consistently applied, decisions are objective and consumers are treated fairly;	<p>Comment (A): Brokers ordinarily don't pay claims and ergo can't. Section again is better specified as an "Insurer" responsibility only</p> <p>Comment (B): Would the requirement of 5.7.1(m) be satisfied by the Claims Manager reviewing the claim file for the declined claim before signing the letter to the client?</p>			<p>Response to Comment (A): This also applies to registrants who may pay claims to consumer on behalf of the insurer.</p> <p>Response to Comment (B): The Central Bank considers that the Claims Manager is not sufficiently independent of the claims process to review a declined claim. The Internal auditor or compliance officer should do this review.</p>
5.7.1 (o) New 5.7.1 (a) (xiv)	have mechanisms in place to review claims disputes to ensure objectivity in decisions and consistency in approach.	Brokers ordinarily don't pay claims and ergo can't. Section again is better specified as an "Insurer" responsibility only			This also applies to registrants who may pay claims to consumer on behalf of the insurer.
5.7.2 (a)	<p>Complaints and Material Errors</p> <p>Complaints are indicators or expressions of consumer's dissatisfaction with a service or product and these should be handled promptly.</p>	Maintaining a log of errors and steps taken to resolve them does not seem practical.			Material errors relocated to 5.7.2(g)

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5.7.2 (b)	Registrants must establish written policies and procedures to deal with all complaints in a fair manner. The policy should detail the expected timeframes and should make such information on their policies available to consumers	This suggested process seems to at least in the main duplicate the complaint process available through an institution's/Association's Code of Practice/Conduct. It also seems woefully bureaucratic for the majority of small intermediaries (e.g. A one-man adjuster having a complaint log? And written complaint procures?)	If NOT a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct, Registrants must establish written policies and procedures to deal with all complaints in a fair manner. The policy should detail the expected timeframes and should make such information on their policies available to consumers. If a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct, Registrants must advise all complainants of same membership, and provide information as to how complaints can be directed to said Professional Insurance Associations if requested.	The guidelines allow for all registrants to have a common standard of operation. Registrants should review their policies and procedures to ensure that it complies with the minimum standards.
5.7.2. (c)	Registrants must provide the complainant with the name of the individual appointed to be the point of contact as it relates to the complaint until it is resolved or duly advise the consumer if the complaint cannot be progressed.	This suggested process seems to at least in the main duplicate the complaint process available through an institution's/Association's Code of Practice/Conduct. It also seems woefully bureaucratic for the majority of small intermediaries.	If NOT a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct, Registrants must establish written policies and procedures to deal with all complaints in a fair manner. The policy should detail the expected timeframes and should make such information on their policies available to consumers. If a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct,	The Guideline allows for all registrants to have a common standard of operation. Registrants should review their policies and procedures to ensure that it complies with the minimum standards.

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			<p>Registrants must advise all complainants of same membership, and provide information as to how complaints can be directed to said Professional Insurance Associations if requested.</p>	
5.7.2. (d)	<p>Regular updates should be provided in writing on the progress of the review of the complaint. The assessment of each complaint should be properly documented and periodic reports should be submitted to Board and Senior Management for information and review.</p>	<p>Comment (A): This suggested process seems to at least in the main duplicate the complaint process available through an institution's/Association's Code of Practice/Conduct. It also seems woefully bureaucratic for the majority of small intermediaries.</p> <p>There is the opportunity to add members of Associations..."<i>periodic reports of any complains made of said Registrant to said Association should be submitted to Board and Senior Management for information and review.</i>" perhaps as this would prevent a Board denying knowledge of a complaint.</p> <p>Comment (B): To whom should regular updates on the progress of the review of the complaint should be provided?</p>	<p>(A): If NOT a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct, Registrants must establish written policies and procedures to deal with all complaints in a fair manner. The policy should detail the expected timeframes and should make such information on their policies available to consumers. If a member of a Professional Insurance Association (IBATT/ATTIC/Association of Adjusters) with a Code of Practice/Code of Conduct, Registrants must advise all complainants of same membership, and provide information as to how complaints can be directed to said Professional Insurance Associations if requested.</p>	<p>Response to Comment (A): The Guideline allows for all registrants to have a common standard of operation. Registrants should review their policies and procedures to ensure that it complies with the minimum standards.</p> <p>Response to Comment (B): Noted. Reworded to state:</p> <p>"Regular updates should be provided in writing on the progress of the review of the complaint. The assessment of each complaint should be properly documented and periodic reports should be submitted by Senior Management to the Board. In this regard, the registrant should have adequate mechanisms in place to report to the Board at any time on its complaint portfolio i.e. the number, type and status of complaints."</p>
5.7.2. (e)	<p>Registrants should log and analyze the complaints received to identify recurring risk trends and root causes.</p>	<p>This suggested process seems to at least in the main duplicate the complaint process available through an institution's/Association's Code of</p>		<p>The Guideline allows for all registrants to have a common standard of operation. Registrants should review their policies and</p>

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		Practice/Conduct. It also seems woefully bureaucratic for the majority of small intermediaries.		procedures to ensure that it complies with the minimum standards.
5.7.2 (g)	Material errors may impact consumers' satisfaction, without a complaint being lodged. Therefore, registrants should:- (i) have written procedures for the effective handling of errors which affect consumers; (ii) maintain a log of errors and indicate the steps taken to resolve errors and reduce consumer dissatisfaction; and (iii) implement controls to prevent recurrence.	Maintaining a log of errors and steps taken to resolve them does not seem practical.		The Central Bank considers that documented procedures and the maintenance of a log of errors are basic and critical business practices that should be adopted by registrants so that they can effectively monitor, control and improve its service to consumers. Please note that the log is to record material errors.
Compliance and Enforcement				
7.2	Registrants are expected to review this Guideline, conduct a gap analysis against its contents, and develop an action plan to address material gaps within a reasonably short timeframe. The action plan developed must be board approved and submitted to the Inspector of Financial Institutions within six months of the date of issuance of the Guideline.	<p>Comment (A): We recommend that a specific timeframe for conducting a Gap Analysis and developing an Action Plan should be given. We recommend six (6) months. This falls in line with the timeframe set out in the draft Recovery Planning Guideline.</p> <p>Comment (B): This is the first time the Guideline requires that the Board approved action plan be submitted to the Inspector. Is this the intention or is it meant to be as it was with the previous guidelines, where it was to be submitted upon request of the Inspector?</p>		<p>Response to Comment (A): Amended to stated "Notwithstanding 7.1, registrants must review this Guideline, conduct a gap analysis against its contents, and develop an action plan to address any material gaps within six months of the Guideline's issuance. The gap analysis and board approved action plan to remedy identified deficiencies must be submitted to the Inspector of Financial Institutions."</p> <p>Response to Comment (B):. In this instance we require the board approved action plan to be submitted to the Inspector within 6 months.</p>

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General Comments				
		<p>Comment (A): 1) Exclusion: It is noted that Conflicts of Interest are only raised in the Guidelines as it pertains to Brokerages/Brokers. COIs can also arise in Insurer Intermediary situations/settings - why are these not addressed?</p> <p>2) Exclusion: It is noted that little is inserted as to the responsibilities of the Adjuster vis a vis timely return of their procurement/decisions having obtained all the requested information. It is felt that there is opportunity to improve this section of the guideline.</p> <p>Comment (B): 1) There are several aspects of this Guideline that do not seem relevant to General Insurers, and other aspects where the applicability is limited, in relation to the extent described in the Guideline. This is due to the nature of our products, which is very different to those of Life Insurers. Perhaps a general statement acknowledging these differences or advising Registrants that they should apply the Guidelines in a manner that is commensurate with the nature of their business may be useful.</p> <p>2) While the Guideline refers to many areas of responsibility including processes, policies and procedures, one area that was</p>		<p>Response to Comment (A): 1) This applies to brokerages and brokers as they are the only intermediary that has a dual responsibility to both the insurer and the consumer. The other intermediaries are working on behalf of the insurer.</p> <p>2) Adjusters are included within the requirement as the Guideline refers to "registrants".</p> <p>Response to Comment (B): 1) The Guideline applies to both general and long term insurance business.</p> <p>2) Section 7 of the Central Bank's Claims Guideline for Insurers, 2021 addresses subrogation.</p> <p>Response to Comment (C): 1) Generally, the Guideline applies to both general and long term insurance business.</p> <p>2) Noted. The heading for Section 5.6 is "Confidentiality and Security of Consumer Information" in our version of the Guideline.</p>

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		<p>not included was Subrogation. We expected Subrogation to be addressed, as it impacts claim settlements.</p> <p>Comment (C): 1) It should be noted that there are several sections that do not appear to be applicable to general insurance and/or group or term life business. In such cases, it would be greatly appreciated if the Guideline could clearly identify the requirements that are only applicable to long term insurance business or only to a specific type of insurance business so that insurers who do not conduct such business are certain with which requirements they are expected to be compliant.</p> <p>2) The heading for 5.6 should be "Confidentiality and Security of Consumer Information" in line with the table of contents and the heading for section 5.6</p>		