



CIRCULAR LETTER TO INSURANCE COMPANIES WITH LONG TERM BUSINESS

October 21, 2008

Ref: CB-OIFI-2338/2008

**Actuarial Valuation Method -
Quantitative Impact Study 1**

The Central Bank of Trinidad and Tobago (the Central Bank) in a circular letter dated September 3, 2008 to all insurance companies advised the industry of its intention to conduct a Quantitative Impact Study (QIS) to test the proposed Actuarial Valuation Method. Pursuant to this, an information session was held October 7, 2008 at the Central Bank and a number of questions were raised by the participants. The purpose of this letter is to inform you that further guidance on the Actuarial Valuation Method has now been added to the website (http://www.central-bank.org.tt/financial_stability/index.php?pid=3079).

We acknowledge that there are some areas of the proposed Actuarial Valuation Method that require further development and work is continuing in this regard. The results of the QIS and company submissions are expected to assist greatly in the finalization of the Actuarial Valuation Method.

If additional questions arise during the preparation of the QIS, these queries should be submitted to insurance_reports@central-bank.org.tt. The Central Bank will respond no later than November 15, 2008 to questions that are received prior to October 30, 2008.

We look forward to receiving your submission by December 15, 2008 and request that all comments and proposals in regard to the finalization of the Actuarial Valuation Method be included in your report with an explanation as to how they were addressed.

Yours sincerely

A handwritten signature in blue ink that reads 'WHSing'.

Wendy Ho Sing
DEPUTY INSPECTOR OF FINANCIAL INSTITUTIONS