



CENTRAL BANK OF TRINIDAD AND TOBAGO

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December 22, 2020

Circular Letter to:

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

REF: CB-OIFI-2616/2020

**PROCLAMATION OF THE INSURANCE ACT, 2018 (AS AMENDED BY THE
INSURANCE (AMENDED) ACT, 2020)
REGULATIONS UNDER THE ACT AND THE CENTRAL BANK ACT, CHAP. 79:02
GUIDELINES UNDER THE INSURANCE ACT, 2018**

The Insurance Act 2018 (as amended) (Act), save for sections 184 and 185, was proclaimed with effect from January 1, 2021. Further, Regulations under the Act were made by the Minister of Finance (Minister) with effect from January 1, 2021 as follows: -

- (a) the Insurance (Approved Securities) Regulations, 2020
- (b) the Insurance (Capital Adequacy) Regulations, 2020
- (c) the Insurance (Caribbean Policy Premium Method) Regulations, 2020
- (d) the Insurance (Companies) Registration Regulations, 2020
- (e) the Insurance (Financial Condition Report) Regulations, 2020
- (f) the Insurance (Intermediaries) Registration Regulations, 2020
- (g) the Insurance (Participating Account) Regulations, 2020
- (h) the Insurance (Pension Fund Plan Investments) Regulations, 2020
- (i) the Insurance (Pension Fund Plans Registration Fees) Regulations, 2020

In addition, the Central Bank (Payment of Supervisory Fees and Charges) (Amendment) Regulations, 2020 were made by the Minister under the Central Bank Act Chap. 79:02 with effect from January 1, 2021.

We note that section 278 of the Act permits the Central Bank of Trinidad and Tobago (“Central Bank”) to issue Guidelines to:

- a) facilitate compliance with the Act and Regulations;
- b) enable the Central Bank to meet its objectives; or
- c) aid compliance with the Proceeds of Crime Act, the Anti-Terrorism Act, the Economic Sanctions Act or any Orders made thereunder as they relate to proliferation financing or any other written law in relation to the prevention of money laundering,

the combating of the financing of terrorism and proliferation financing which may be in force from time to time.

In this regard, the following Guidelines are now issued by the Central Bank pursuant to section 278 of the Act, all the requirements of section 277 having been observed prior to proclamation:

- (a) Claims Guideline for Insurers; and
- (b) Post Sales Communication - Policy Discontinuance Guideline.

In addition to this, the Central Bank requires that persons have regard to the Guideline for the Approval of New or Significantly Amended Insurance Policies under the Insurance Act which has been revised solely to reflect the section numbers and other references in the Act instead of those in the Insurance Act, 1980.

Further, the Central Bank also requires that persons continue to have regard to the following Guidelines made pursuant to the Insurance Act, 1980, to the extent that they are not inconsistent with the Act:

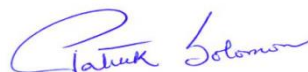
- (a) Corporate Governance Guideline;
- (b) Guideline for the Measurement, Monitoring and Control of Impaired Assets;
- (c) Guideline on Security Systems for Safeguarding Customer Information; and
- (d) Prudent Person Approach to Investment and Lending Guideline.

Of the aforementioned Guidelines, the revised Corporate Governance Guideline was issued for consultation in June 2020 and will be finalised and issued early 2021. The Central Bank intends to review the remaining three (3) Guidelines, in addition to the Guideline for Approval of New or Significantly Amended Insurance Policies under the Insurance Act, over the next two years with a view to updating them as relevant to reflect new legislative requirements and best industry practices and will engage with stakeholders in accordance with section 277 of the Act.

Insurers are advised that the Regulations and Guidelines can be accessed at <https://www.central-bank.org.tt/publications/legislations-and-guidelines/insurance-sector-legislation-and-guidelines>.

We look forward to your usual cooperation.

Yours sincerely



Patrick Solomon
Inspector of Financial Institutions