



CENTRAL BANK OF
TRINIDAD & TOBAGO

**ANNUAL RETURNS
INSTRUCTIONS MANUAL**

Issue Date: July 22, 2024

Version 3.1

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
1 Authority.....	4
2 Purpose.....	4
3 Application and Commencement.....	4
4 Financial Reporting Standards to be used.....	4
5 Filing Requirements.....	5
5.1 Entering Data in the Returns.....	5
5.2 Positive Integers.....	6
5.3 Currency and Rounding.....	6
5.4 Reproduced Copies of Forms.....	6
5.5 Referencing of the Act.....	6
5.6 Validation Form.....	6
5.7 Submission of Returns.....	6
5.8 Supporting information.....	7
6 Additional Instructions.....	7
6.1 Shareholders - By Class of Shares - Long-term Returns 10.010 - 10.011; General Returns 10.10 - 10.11.....	7
6.2 Corporate and Regulatory Information (Foreign) - Long-term Returns 10.012; General Returns 10.12.....	7
6.3 General Questionnaire - Long-term Returns 10.020 - 10.026; General Returns 10.20 -10.25.....	8
6.4 Corporate Documents submitted - Long-term Returns 10.040; General Returns 10.40.....	8
6.5 Notes to the Insurance Returns - Long-term Form 75.000; General Form 75.00.....	9
6.6 Statement of Trinidad and Tobago Assets - Long-term Form 23.040; General Returns Form 30.31.....	9
6.7 Returns for Insurers Carrying on Classes of Long-term Insurance Business.....	9
6.7.1 Assets and Liabilities - By Territory - Form 22.010.....	9
6.7.2 Liquid Assets & Cashable Liabilities - By Territory - Form 22.020.....	9
6.7.3 Reinsurance Contracts Held – Form 45.036.....	10
6.7.4 Analysis of Income by Lines of Business Inside & Outside of Trinidad & Tobago – Forms 45.037 & 45.038.....	10
6.7.5 Risk free rate and Liquidity premium – Forms 45.040 – 45.043.....	11
6.7.6 Segregated Funds - Forms 50.010 - 50.032.....	11
6.7.7 Movement in the Net Liabilities Arising from Insurance and Investment Contracts Issued - 70.070.....	11

6.8	Returns for Insurers Carrying on Classes of General Insurance Business.....	12
6.8.1	Form 30.30 - Catastrophe Reserve Fund – Non-Consolidated.....	12
6.8.2	Forms 50.20 to 50.27 - Claims Paid and Outstanding in respect of Trinidad & Tobago Business; Form 50.30 to 50.37 - Claims Paid and Outstanding in respect of Non-Trinidad and Tobago Business.....	13
7	COMMENTS.....	13
	Appendix 1.....	14
	Appendix 2.....	15

1 Authority

Section 145 (1) of Insurance Act, 2018 (the Act) empowers the Inspector of Financial Institutions (the “Inspector”) to specify the form of returns to be prepared and submitted by insurers and financial holding companies (herein after called ‘reporting entities’) in accordance with the Act and financial reporting standards on a consolidated and non-consolidated basis. Also, the Inspector, pursuant to Section 11(1) of the Act may require other information to be provided by insurers and financial holding companies in a specified form.

The excel based workbooks setting out the required forms (the Returns) and these instructions for providing the information including Statements of Responsibilities and Certification of Compliance have been issued pursuant to these powers.

2 Purpose

The information reported to the Inspector is used for the purpose of examination and inquiry by the Inspector¹ including assessing compliance with capital adequacy requirements.

3 Application and Commencement

The Returns and these accompanying instructions apply for reporting periods ending on or after 31 December 2023.

Appendix 1 sets out the names of the excel workbooks making up the Returns, their applicability (Long Term Insurers, General Insurers and Composite Insurers) and the frequency of submission.

4 Financial Reporting Standards to be used

The Returns include complete sets of financial statements² (the “primary financial statements”) on a consolidated and non-consolidated basis. The primary financial

¹ See Section 10 of the Act

² Paragraph 10 of IAS 1 of IFRS states “A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period; (d) a statement of cash flows for the period;
- (e) notes, comprising material accounting policy information and other explanatory information;
- (ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
- (f) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively

statements including the Notes and the supporting schedules and exhibits to the primary financial statements are required to be completed in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board as adopted by the Institute of Chartered Accountants of Trinidad and Tobago (“ICATT”).

Except as otherwise specified by the Inspector, all accounting policies including classification, contract boundaries and other assumptions and methods used for the measurement and reporting of policy liabilities and assets and other financial information for the reporting entity’s Returns are to be in line with those used to prepare the reporting entity’s audited financial statements for shareholders based on IFRS.

Note, any deviation from IFRS should be included in notes to the Annual Return and a reconciliation provided.

5 Filing Requirements

5.1 *Entering Data in the Returns*

The reporting entity is only required to enter data in the *blank / white cells* in the forms of the Returns. Cells coded green require the selection of an option from the drop-down list.

Cells coded blue or yellow cannot accept data entry.

Numbers are entered in the left hand corner of some Forms to indicate its supporting Exhibit. Reporting entities should refer to the instructions on the form supporting the Exhibit as a guide when inputting the data.

The reporting entity must of course complete all Exhibits, carry out appropriate review procedures, and the audit must be complete before signing the Statement of Responsibilities and Certification of Compliance.

The forms set out in the Returns are generally self-explanatory, and accordingly, the text on each sheet/form of the Returns is considered to be part of these instructions. These instructions, including appendices and any annex, in turn form part of the Returns. This document provides additional points to be taken into consideration by a reporting entity in preparing and filing its Returns.

Definitions are set out in Appendix 2 for ease of reference.

5.2 *Positive Integers*

Generally, entries should be made as positive integers.

Where an opposite value is required when filling out the form, for example, an expense item, negative integers must be displayed by using the minus sign or parentheses.

5.3 *Currency and Rounding*

The dollar values reported in these Returns must be expressed in Trinidad and Tobago dollars rounded to the nearest dollar. All foreign currency transactions and translations should be reported in accordance with IFRS (and in particular International Accounting Standard (IAS) 21).

The rate used for year-end translations must be listed in the Notes to the primary financial statements in the Returns (Form 75.000/75.00).

5.4 *Reproduced Copies of Forms*

The Returns should be printed on Legal size (8.5" x 14") paper. The order of the Forms should not be changed and the line numbers should not be altered. Unsatisfactory copies will be returned for correction and resubmission.

5.5 *Referencing of the Act*

Specific sections of the Act are referenced on the top right hand corner of the Forms, where applicable.

5.6 *Validation Form*

The last column in the Validation form must record a **NIL** balance for all line items entered.

5.7 *Submission of Returns*

The Returns and accompanying documents must be submitted to the Inspector in both hardcopy and electronic form based on procedures specified by the Inspector. All hard copies of these Forms must bear the original signature of the authorized persons as

specified on the respective Forms. The name and title of the signatory must be clear and legible (preferably typed, for hard copies) on all relevant Forms.

The hardcopy returns must include a cover letter signed by the authorized person, and must be addressed to: **The Inspector of Financial Institutions.** The cover letter must include a certification that the electronic copy filed with the Central Bank of Trinidad and Tobago, including the date of the electronic filing, is identical to the signed hardcopy submission.

The soft copies must be forwarded electronically to: insurance_reports@central-bank.org.tt.

Note if amendments are made to the Returns, the amended return must be filed immediately. An updated Audit Report may be required if there are material changes to the financial information reported in the Returns.

5.8 *Supporting information*

Supporting information and working papers should be available at the reporting entity's offices for review by the Inspector. This information should include details of both the consolidated and non-consolidated financial statements including consolidation working-papers.

6 **Additional Instructions**

6.1 *Shareholders - By Class of Shares - Long-term Returns 10.010 - 10.011; General Returns 10.10 - 10.11*

- i. When a registered shareholder who holds 5% or more of the shares of the reporting entity is controlled by another individual or corporation, the name of the individual or corporation must be shown in brackets after the name of the registered shareholder.
- ii. The name of each director who holds shares must appear in the list of shareholders.
- iii. In the "Relationship" Column, the input for the row "Total Shares held by Connected Parties" must include the shares held by Directors, Officers, relatives of directors and officers as identified under Sections 5(1) and 90 of the Act.

6.2 *Corporate and Regulatory Information (Foreign) - Long-term Returns 10.012; General Returns 10.12*

Financial Holding Companies (FHC) are required to complete this form. Jurisdiction of Incorporation refers to the country in which the FHC was incorporated.

The reporting entity is only required to submit the corporate documentation if there were changes during the year.

6.3 General Questionnaire - Long-term Returns 10.020 - 10.026; General Returns 10.20 - 10.25

- i. **Form 10.020 - Summary of Pledging and Repos** - The figures recorded in this Form by the reporting entity must include the gross outstanding amounts of all assets pledged as security or lodged as collateral by the insurer and any of its subsidiaries at the end of its financial year. The reporting entity is expected to have detailed listings of all assets pledged as security or lodged as collateral for its parent and subsidiaries for review.
- ii. **Form 10.022/10.22 - Sources of Business** - This Form must include business from all intermediaries, including brokers with binding agreements.
 - i. Details must be entered of any producer who contributed twenty percent (20%) or more of new or renewal Gross Premium Income (GWP) - Direct Business in the period under review. The total GWP of the producer for the period must be entered in the Amount column.
 - ii. Exemptions from the restrictions on share acquisition by insurers are stated in Section 87(4) of the Act.
 - iii. Each reporting entity must define its criteria/threshold for materiality in accordance with IFRS.
- iii. **Forms 10.023-10.024 / 10.23 - 10.24 - Other Disclosure** – The reporting entity must describe the methodology used in apportioning the income and expenditure items between the classes and types of business including to participating business/account.

6.4 Corporate Documents submitted - Long-term Returns 10.040; General Returns 10.40

This Form details all the documents that the reporting entity is required to submit.

Two Organizational Charts must be submitted:

- i. A chart which shows the departments and reporting lines within the reporting entity; and
- ii. A chart which shows the group structure (where applicable) detailing the interrelationships between the reporting entity, its immediate and ultimate parent and all other associates, subsidiaries, affiliates, joint ventures or other collaboration arrangements (upstream and downstream) that are:
 - a) Publicly traded companies within the group;
 - b) Banks and non-banks within the group;
 - c) Insurance companies within the group; or
 - d) Other financial and non-financial entities within the group.

6.5 Notes to the Insurance Returns - Long-term Form 75.000; General Form 75.00

The Returns should comply with the presentation and disclosure requirements of IFRS and fairly present the financial position, performance and cash flows of the reporting entity. IFRS requires many items be presented separately within the financial statements or shown within the notes to the financial statements. If the Returns do not accommodate the separate line reporting of certain items, insurers are expected to disclose such information within these Notes. Material consolidation adjustments should be disclosed in the notes and the consolidation working papers should be available for review by the Inspector.

6.6 Statement of Trinidad and Tobago Assets - Long-term Form 23.040; General Returns Form 30.31

This Form is intended to assess compliance with Sections 85(1) and 85(4) of the Act. Section 85 (1) states that an insurer shall invest in assets in Trinidad and Tobago an amount equal to at least seventy percent (70%) of its policy benefit liabilities, other insurance and contract liabilities and the surplus which is derived from participating policies in Trinidad and Tobago dollars. Section 85 (4) states that where any liability in respect of policies is payable in foreign currency, the insurer shall invest in foreign assets in that currency an amount not less than seventy per cent of such foreign currency liability.

6.7 Returns for Insurers Carrying on Classes of Long-term Insurance Business

This Section addresses the Forms which are specific to a reporting entity carrying on classes of Long-term Insurance Business.

6.7.1 Assets and Liabilities - By Territory - Form 22.010

Reporting entities incorporated in Trinidad and Tobago with operations in other countries are to categorize assets and liabilities according to the country where it is physically held.

For purposes of determining Trinidad and Tobago policy liabilities, the value of the policy on the life of a person resident in Trinidad & Tobago must be used at the time the policy was issued. Policy liabilities in a territory (other than Trinidad & Tobago) are for risks located in that territory. Other liabilities should also be attributed to the territory where the risk was located.

6.7.2 Liquid Assets & Cashable Liabilities - By Territory - Form 22.020

Cashable liabilities refer to policy liabilities where the policyholder has the option to withdraw funds from the insurer within the next twelve (12) months. Cashable liabilities include reinsurance agreements where the agreements could be cancelled at any time, resulting in cash being required to be paid to the other insurer. This also includes any debts that will fall due within the next twelve (12) months.

The information on this form allows comparison between potentially cashable liabilities and the liquid assets available to meet such liabilities. The amounts shown are based on a best effort basis and may be approximate.

The Vested in Trust statement should include all assets of the company, at the consolidated level, that are available for unrestricted use.

All amounts are to be reported at balance sheet value, as applicable.

6.7.3 Reinsurance Contracts Held – Form 45.036

Insurers are to note the following when completing these forms:

1. The face amount of in-force insurance should relate to the underlying insurance contracts reinsured. It is the gross insurance amount or account balance or equivalent of the base policy and any term riders.

For individual products, this is:

- Traditional: Sum insured plus reversionary bonus
- Universal life and Unit Linked life: Death benefit
- Disability Income Insurance: Insurance payment (i.e. annualised insured benefit)
- Medical and Health insurance: Zero
- Annuity in payout phase: Payment per annum
- Annuity in accumulation phase: Account balance
- Other individual: Consistent with above principles

For group products, this is worked out by considering what the insured amount is for each member of the group (the 'member's insured amount'). Then aggregate the member's insured amount of all the members of the group.

2. Premiums relate to the Annual Premium due on reinsurance contracts held. All reinsurance contracts held should be included.
3. Benefits relate to the amounts reinsured on reinsurance contracts held. All reinsurance contracts held should be included.

6.7.4 Analysis of Income by Lines of Business Inside & Outside of Trinidad & Tobago – Forms 45.037 & 45.038

Insurers are to note the following when completing these forms:

1. Investment linked business refers to business meeting the definition of Investment Linked in the Insurance (Capital Adequacy) Regulations, 2020.
2. Investment income on assets backing shareholder equity should be shown in the column titled "Other".
3. The Total Column should tie back to the amounts in sheet 20.019.

6.7.5 Risk free rate and Liquidity premium – Forms 45.040 – 45.043

The risk free rates, liquidity premiums or discount rates (“rates”) to be disclosed are rates used to discount the estimates of future cash flows and cash flows that do not vary with the underlying assets. They should be rates of the most illiquid bucket for each line of business. For example, if there are two liquidity buckets in a line of business, the rates of the most illiquid of the two buckets should be provided.

If there is more than one single illiquid curve in the most illiquid bucket, the insurer can use a blended curve. The rates should be expressed as a percentage, limited to two decimal point. Cells are to be left blank (i.e. do not enter zero or any value) in the following instances: for line of business that are not written by the insurer; or if the duration of the liabilities is less than the projection years shown in the exhibit.

6.7.6 Segregated Funds - Forms 50.010 - 50.032

As at the date of publication, no Segregated Fund Policies have been approved by the Central Bank of Trinidad and Tobago.

6.7.7 Movement in the Net Liabilities Arising from Insurance and Investment Contracts Issued - 70.070

Insurers must report on the change in the net insurance and investment contract liabilities during the financial year by class of business.

- i. Any changes due to “OFFS” such as deaths, surrenders etc. should be reported as negative numbers.
- ii. Reinsurance contract held liabilities issued are to be included in those for Insurance Contract Liabilities.
- iii. Immediate annuities are to be included in the “Annuities and Pensions – Individual”.
- iv. Deposit administration type annuity contracts are to be included in the “Annuities and Pensions – Group”.
- v. The number of certificates are in respect of group policies ONLY and refer to the number of inforce certificate holders.

6.8 Returns for Insurers Carrying on Classes of General Insurance Business

This Section addresses the Forms which are specific to a reporting entity carrying on classes of General Insurance Business.

6.8.1 Form 30.30 - Catastrophe Reserve Fund – Non-Consolidated

Insurers carrying on Trinidad and Tobago property insurance business must complete this form in accordance with Section 44 of the Act.

Reductions in the value of the Catastrophe Reserve Fund (called Fund in this section) are only allowed if the following conditions are met:

- i. Withdrawals due to catastrophe losses (3.1) [Section 44(5)(a)]
 - a) For item 1.3 - catastrophe losses settled during the year must be > 2M; and
 - b) For item 1.4 - Estimated Ultimate Net Losses for the year must be > 7.5% Capital Base; and
 - c) The value of the withdrawal cannot be more than the Fund balance brought forward.
- ii. Withdrawal if the insurer ceases to write property business (3.2) [Section 44(5)(b)]
 - a) The answer to item 1.5 must be YES; and
 - b) The value of the withdrawal cannot be more than the Fund balance at the beginning of the year less any withdrawals due to catastrophe losses.
- iii. Withdrawals if the Fund balance, after reductions from 3.1 and 3.2 (if any), is more than 120% of Net Written Premium for Property Business (NWP) at the end of the year (3.3) [Section 44(5)(c)]
 - a) The balance of the Fund (Balance at beginning of the year less withdrawals due to catastrophe losses and withdrawals due to ceasing of Property business) must be > 120% of the NWP for the year; and
 - b) The value of the reduction cannot be more than 20% of NWP for the year.

Appropriations to the Fund are done through transfers from retained earnings in the current year (6.1) [Section 44(2)]. The Appropriation must satisfy the following conditions:

- i. It must be greater than or equal to the minimum appropriation required for that year. If the Fund balance in 4.0 (the Fund Balance at the start of the year less any reductions applied) is less than the NWP, then the minimum appropriation required is the smaller of 20% of NWP *and* the amount required to bring the Fund balance equal to the NWP at the end of the year.
- ii. The maximum appropriation is the amount that makes the Fund balance equal to the NWP at the end of the year.
- iii. If the answer to item 1.5 is Yes, then no appropriation can be made.

Note that appropriations to the fund are capped at the amount that makes the Fund balance equal to the NWP at the end of the year, because any amount in the Fund above NWP at the end of the year is unnecessary since:

- i. There is no legislative requirement in Section 44 of the Act for additional amounts in the Fund;
- ii. Both the Retained Earnings and the Catastrophe Reserve Fund are treated the same for Capital Adequacy Purposes - they are both recognized as Tier 1 Capital within Regulatory Capital Available;
- iii. Sections 10D (1) and (2) of the Corporation Tax Act only provides tax relief for amounts appropriated to the Fund only as required by Section 44(2) of the IA 2018. Appropriating excess amounts will be akin to foregoing the potential benefits in future years; and
- iv. Accounting standards discourage excessive prudence.

6.8.2 *Forms 50.20 to 50.27 - Claims Paid and Outstanding in respect of Trinidad & Tobago Business; Form 50.30 to 50.37 - Claims Paid and Outstanding in respect of Non-Trinidad and Tobago Business*

Insurers must report claims data categorized by class of business and accident year.

7 COMMENTS

The Central Bank of Trinidad and Tobago is interested in your feedback on any aspect of the Returns and/or instructions. Please direct your comments to the:

The hardcopies are to be forwarded to:

**The Inspector of Financial Institutions
Financial Institutions Supervision Department
Central Bank of Trinidad and Tobago**

Or may be forwarded electronically to:

CBTTInsuranceAct2018Returns@central bank.org.tt

Appendix 1

Name of Excel Workbook	How referenced in these Instructions	Required to be submitted by	Frequency of Submission	Other Notes
ia-annual-returns-of-long term-insurers-ver 3.1	Annual Returns for Long-term Insurers/ FHCs (Long-term Returns)	Long Term and Composite Insurers and FHC's	Annual	
ia-annual-returns-of-general-insurers-ver 3.1	Annual Returns for General Insurers/ FHCs (General Returns); and	General and Composite Insurers and FHC's	Annual	
ia-asset-schedules-to-the-annual-returns-ver 3.0	Insurance Act Asset Schedules to the Annual Returns	All Insurers	Annual	

Appendix 2

Definitions

For the purposes of these Returns the phrases below have the meanings as follows:

No.	Terms or Phrase	Definitions
1.	Accident and Sickness class	As defined in Schedule 1, Type B
2.	Accumulation Annuity	Annuity contracts that are in the phase of accumulating periodic annuity premium contribution deposits made by contract holders together with investment returns earned on the accumulation.
3.	Acquirer	As defined in section 4(1)
4.	Associate	Has the meaning assigned to it in the Companies Act, Chap. 81:01.
5.	Borrower Group	As defined in section 4(1)
6.	Capital Base	As defined in section 4(1)
7.	Carrying on insurance business	As defined in section 20
8.	Class of insurance business or “Class”	As defined in section 4(1)
9.	Credit facilities	As defined in section 4(1)
10.	Connected Party	As defined in section 5
11.	Connected Party Group	As defined in section 5
12.	Connected Party Transaction	The transfer of assets or liabilities or the performance of services by, to or for a connected party irrespective of whether or not a price is charged.
13.	Control	As defined in section 4(1)
14.	Counterparty	As defined in section 4(1)
15.	Credit Exposure	As defined in section 4(1)
16.	Entity	As defined in section 4(1)
17.	Financial condition	As defined in regulation 2 of the Insurance (Financial Condition Report) Regulations 2020.
18.	Financial entity	As defined in section 4(1)
19.	Financial group	As defined in section 4(1)
20.	Financial holding company	As defined in section 4(1)
21.	Financial reporting standards	As defined in section 4(1)
22.	Financial services	As defined in section 4(1)
23.	Financial statements	As defined in section 4(1)
24.	Financial subsidiary	As defined in regulations 2(1) of the Insurance (Capital Adequacy) Regulations 2020.
25.	Foreign company	As defined in section 4(1)
26.	Foreign insurance company	As defined in section 4(1)
27.	Foreign policy	As defined in section 4(1)
28.	Former Act	As defined in section 4(1)
29.	General insurance business	As defined in section 4(1).
30.	Holding company	As defined in section 4(1)
31.	IFRS	As defined in section 4(1)

No.	Terms or Phrase	Definitions
32.	Incepted	means the time when the liability to risk of an insurer under a contract of insurance commenced and, for this purpose, a contract providing continuous cover is deemed to commence on each anniversary date of the contract, and the words 'incepting' and 'inception' shall be construed accordingly.
33.	Industrial Life Insurance Business	As defined in Schedule 1, Type B
34.	Investment linked policy	As defined in regulations 2(1) of the Insurance (Capital Adequacy) Regulations 2020.
35.	Large Exposure	As defined in section 4(1)
36.	Limits on credit exposures and connected party transactions	As defined in sections 89, 90
37.	Look through method	As defined in section 4(1)
38.	Non-financial subsidiary	As defined in regulations 2(1) of the Insurance (Capital Adequacy) Regulations 2020.
39.	Participating account	As defined in section 43(1)
40.	Participating surplus account	As defined in section 4(1)
41.	Permissible real estate entity	As defined in section 4(1)
42.	Policy liabilities	Liabilities related to the insurer's policies and other obligations to policyholders, including commitments, that are in force at the date of valuation or that were in force before that date and may include the liabilities identified in section 157(4) of the Act and in any Guidelines issued by the Central Bank.
43.	Policyholder dividends	As defined in section 2(1) of the CPPM Regulations.
44.	Provisions for outstanding claims & Provision for unexpired risk	As defined in section 212(4)
45.	Reinsurance recoverable	As defined in section 2(1) of the CPPM Regulations.
46.	Regulations	As defined in section 4(1)
47.	Related group	As defined in section 4(1)
48.	Relative	As defined in section 4(1)
49.	Security interest	As defined in section 4(1)
50.	Separate account	As defined in section 4(1)
51.	Significant shareholder	As defined in section 4(1)
52.	Stated capital	As defined in section 4(1)
53.	Standards of accepted actuarial practice	As defined in section 4(1)
54.	Subsidiary	As defined in section 4(1)
55.	Supervisory information	As defined in section 4(1)
56.	Trinidad and Tobago policy	As defined in section 4(1)
57.	Trinidad and Tobago policy account	As defined in section 4(1)
58.	Type of insurance business	As defined in section 4(1)
59.	Principal representative	As defined in section 4(1)