

LEGAL NOTICE NO. 373

REPUBLIC OF TRINIDAD AND TOBAGO

THE INSURANCE ACT, 2018

REGULATIONS

MADE BY THE MINISTER UNDER SECTION 279 OF THE INSURANCE ACT
AND SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT

THE INSURANCE (APPROVED SECURITIES)
REGULATIONS, 2020

1. These Regulations may be cited as the Insurance (Approved Securities) Regulations, 2020. Citation

2. In these Regulations—

“Act” means the Insurance Act, 2018;

Interpretation

“requirement” means the requirement for capital in excess of the minimum stated capital under section 22(7) of the Act, the requirement for minimum stated capital under section 116(2) of the Act or the deposit requirement under section 233(3) of the Act.

Act No. 4 of
2018

3. (1) Approved securities required for the purposes of sections 22(7), 116(2) and 233(3) of the Act, shall be the securities specified hereunder— Approved
Securities

- (a) securities of, or guaranteed by, the Government of Trinidad and Tobago payable in Trinidad and Tobago dollars and which said guarantee is explicit, unconditional, legally enforceable and irrevocable over the life of the security;
- (b) securities of the Government of Trinidad and Tobago payable in a currency other than Trinidad and Tobago dollars, up to a limit of thirty per cent of the requirement;
- (c) securities of the Government of the United States of America, up to a limit of thirty per cent of the requirement;
- (d) securities of a Government other than Trinidad and Tobago and the United States of America, with an investment grade rating from a credit rating agency recognised by the Central Bank, up to a limit of thirty per cent of the requirement;
- (e) securities of the Inter-American Development Bank, up to a limit of thirty per cent of the requirement;

- (f) securities of the Caribbean Development Bank, up to a limit of thirty per cent of the requirement;
 - (g) securities of the International Bank for Reconstruction and Development, up to a limit of thirty per cent of the requirement;
 - (h) bonds issued by the Trinidad and Tobago Home Mortgage Bank, up to a limit of twenty per cent of the requirement; or
 - (i) securities issued by a licensee registered under the Financial Institutions Act, where the underlying assets are securities of the Government of Trinidad and Tobago, up to a limit of thirty per cent of the requirement, provided that—
 - (i) the licensee issuing the security is fully compliant with capital adequacy requirements set out under the Financial Institutions Act and Regulations made thereunder; and
 - (ii) the total value of any instrument held by the insurer under paragraph (b) above, when added to the value of the underlying government securities referred to in this paragraph, does not exceed the limit set out at paragraph (b).
- (2) In order for a security to qualify as an approved security under regulation 3(1)(i), the following criteria shall be met:
- (a) the underlying asset shall be vested in a trustee on trust on behalf of the participants or holders of the security and the assets (and the proceeds of the assets) are bankruptcy remote;
 - (b) the underlying asset shall be transferred from the issuer of the security to the trustee who then becomes the registered owner; and
 - (c) in the event of default on the underlying asset, the trustee may take enforcement action on behalf of the participants or holders of the security against the issuer of the underlying security.

Commence-
ment

4. These Regulations shall come into operation on 1st January, 2021.

Dated this 6th day of November, 2020.

C. IMBERT
Minister of Finance