The Insurance (Amendment) Bill, 2019

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BACKGROUND

1. The **Insurance (Amendment) Bill, 2019**,¹ (“the Bill”) was introduced in the House of Representatives by the Minister of Finance on November 22, 2019. The Bill will amend the Insurance Act 2018² (”the Act”) which was assented to on June 4, 2018 and is awaiting Proclamation (in accordance with section 1). The main objectives of the Insurance Act are to:
   - reform the law relating to insurance companies;
   - regulate insurance businesses;
   - regulate privately administered pension funds;
   - strengthen prudential requirements, including the introduction of risk based capital and financial standards;
   - introduce more stringent corporate governance requirements for insurance companies;
   - provide the Central Bank with effective regulatory authority over financial groups;
   - improve public disclosure with a view to promoting market discipline;
   - provide the Central Bank with a wide range of preventative and corrective measures; and
   - bring the legislation into conformity with the ICP’s established by the International Association of Insurance Supervisors (IAIS)³.

2. The legislation, once passed, will come into effect on such date fixed by the President for proclamation.

KEY FEATURES OF THE BILL

Interpretation

3. **Clause 4** of the Bill refines the definitions of certain terms used in the Act, *inter alia*:-
   - “business day” which means Monday to Friday, except a public holiday;

¹ http://ttparliament.org/legislations/b2019h22g.pdf
² http://www.ttparliament.org/legislations/a2018-04g.pdf
³ The IAIS was established in 1994 and is responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation; http://iaisweb.org/page/supervisory-material/insurance-core-principles//file/58067/insurance-core-principles-updated-november-2015
“acquirer” which has been expanded to include a financial entity or a significant or controlling shareholder who is entitled to exercise ten per cent or more of the voting power at any general meeting of the insurer or the financial holding company of an insurer; and

“significant shareholder” is clarified as one who “directly or indirectly” exercises twenty per cent or more of the voting power at any general meeting of an entity.

4. **Clause 5** expands the definition of “connected party group” of a person or entity (“B”)” in section 5(2) of the Act to include an entity controlled by an affiliate of B.

Administration

5. **Clause 7** will amend section 10 of the Act which relates to the duties and powers of the Inspector. **Clause 7(a)** makes clear that the Inspector shall have powers conferred to him both under the Act and the Regulations.

6. **Clause 7(d)** empowers the Inspector to *examine or cause to be examined* the records of approved educational institutions and intermediaries rather than *audit* or *cause to be audited* which is in the Act.

7. **Clause 8** empowers the Inspector, under section 11 of the Act, to request information from an *acquirer* in addition to the power to request information from a significant holder.

8. **Clause 10** repeals and replaces section 16 of the Act which prohibits directors, officers and employees of the Central Bank from disclosing information obtained in the course of official duties, regarding the business or affairs of a registrant or its affiliates. The new section expands the prohibition to include privately administered pension fund plans and its trustees, as well as beneficiaries or contingent beneficiaries of privately administered pension fund plans.

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4 According to the Black’s Law Dictionary, an audit is a formal examination of an individual’s or organization’s accounting records, financial situation or compliance with audit standards.

5 In section 4 of the Act “significant shareholder” means a person who either alone or with one or more affiliates or relatives or connected parties is entitled, whether by agreement or otherwise, to exercise twenty per cent or more of the voting power at any general meeting of an entity and the term “significant interest” shall be construed accordingly and “acquirer” means a financial entity or a significant or controlling shareholder of a financial entity that either alone or with an affiliate, relative or connected party, is entitled to exercise ten per cent or more of the voting power at any general meeting of an insurer;
Insurers: Registration of Insurers

9. **Clause 11** adds certainty to section 20 of the Act which explains “carrying on insurance business.” Section 20 (1) of the Act provides a non-exhaustive list of activities of activities which would constitute “carrying on insurance business in or from Trinidad and Tobago.” For the avoidance of doubt, **Clause 11 (a)** repealed and replaced section 20 (1), inserting new almost identical subsections which emphasised that the listed activities must be conducted in or from Trinidad and Tobago to be characterised as “carrying on insurance business.”

10. **Clause 11 (b)** inserts a new subsection to section 20(2) of the Act. **Subsection (2)(c)** provides that a person who is soliciting, negotiating or procuring insurance business as a sales representative, broker, brokerage, agent or agency registered under the Act will not be considered to be “carrying on insurance business” in Trinidad and Tobago.

11. **Clause 12(b)** repeals and replaces section 21(4) of the Act. The new **subsection (4)** still prohibits persons, other than insurers, agencies or brokerages, from using words such as insurance, indemnity, surety, casualty or any of their derivatives in the name or title of their business or trade. However, the new subsection (4) provides for the terms to be used if they have been approved by the Central Bank.

12. **Clause 13** amends section 22 of the Act regarding the stated capital necessary for registration. **Clause 13 (c)** inserts a new **subsection (4A)** which provides that where an insurer was registered to carry on both long-term and general insurance business immediately before the commencement of this Act, but a certificate or registration is re-issued under section 23(1) and (3) only in respect of one type of insurance business, the insurer shall increase its stated capital in accordance with subsection (2).

13. **Clause 14(a)** makes clear that under section 23 of the Act, companies duly registered under the former Act shall be deemed to have been registered under this Act and shall obtain a new certificate of registration duly signed by the Governor.

14. **Clause 14(b)** inserts three new subsections. **Subsection (1A)** requires Companies to submit its certificate of registration under the former Act to the Central Bank for cancellation. **Subsection (1B)** requires companies to submit a statutory declaration if the certificate of registration under the former Act is lost or destroyed, providing the circumstances of the loss or destruction. **Subsection (1C)** provides that when satisfied that the certificate of
registration has been lost or destroyed, the Central Bank shall deem said certificate cancelled.

15. **Clause 17** adds three new subsections to section 29 of the Act regarding continuous registration requirement. **Subsection (1A)** clarifies that all insurers issued certificates of registration shall continue to meet registration requirements and comply with all terms and conditions of registration and the requirements under Schedule 5.

16. **Subsection (1B)** provides that any insurer which is deemed registered but does not meet the requirements of section 28 at the time of commencement of this Act shall, within six months of the commencement of this Act, submit a plan approved by its board of directors for meeting said requirements by the end of the first year after the commencement of this Act.

17. **Subsection (1C)** empowers the Central Bank to impose conditions on the registration of an insurer, deemed registered pursuant to section 23, who fails to comply with subsection 1B; or if the Central Bank considers it appropriate to ensure that the insurer meets the requirements under the section 28.

18. **Clause 18** seeks to amend section 30 regarding restrictions on activities of an insurer. A new subsection was added, **subsection 13**, which provides for an exception to the rule in subsection 5 that an insurance company shall not carry on any business other than insurance business. **Subsection 13** provides that the Export-Import Bank of Trinidad and Tobago Limited may carry on business other than insurance business.

19. **Clause 19** repeals and replaces section 34, **subsection 11**. **Subsection 11** now provides that the Central Bank may apply to the High Court for an order for the winding up of the insurer where the registration of the insurer has been revoked for all classes of insurance business for which it was registered. The Central Bank may also take any other action prescribed under the Act.

20. **Clause 20** inserts **subsection 3** to section 43 of the Act. The Inspector is empowered to disallow any method used for the allocation of investment income or losses including capital gains or losses, expenses, including taxes, or any other accounting items on the ground that is not fair and equitable to the participating policyholders. The Inspector may specify an alternate method which, in his opinion is fair and equitable.
21. **Clause 22** introduces a new section **48A** to the Act which provides for a company or an insurer to apply to the Minister for a Vesting Order\(^6\). **Section 48A (1)** states that where a controlling shareholder is directed or required to engage in restructuring, a company in the related group is acquiring an undertaking of the local insurer, and the Central Bank has approved the transfer scheme, the company may apply for a Vesting Order.

22. **Section 48(2)** is similar in that the controlling shareholder is still directed or required to restructure, however, the business is being transferred to a newly established insurer which is not under liability to policyholders or other creditors. The Central Bank is authorised under this section to exempt the transfer from sections 57-64 of this Act. The insurer may apply for a Vesting Order.

23. **Clause 25** amends section 52 of the Act by repealing and replacing subsections 1-14 and replacing. While the requirements for the controlling shareholder are essentially the same, **subsection 2** provides that section 54, which details the requirements of an acquirer, shall apply where a proposed controlling shareholder is an acquirer. Currently section 74, which authorises the Central Bank to require the Board of Directors of an insurer or financial holding company to convene a special meeting of the Board of Directors or of the shareholders, prevails in this circumstance.

24. **Clause 26** modifies section 53 which details requirements for a significant shareholder. **Clause 26(a)** amends section 53(2) so that section 54 shall apply in circumstances where approval is granted for an acquirer to become a significant shareholder.

25. **Clause 26(b)** inserts **section 53 (6)(c)** in the Act in which a significant shareholder deemed to be granted a permit who is not a fit and proper person will also be required by the Central Bank to reduce his shareholding.

26. **Clause 28** of the Bill seeks to amend **section 57(1)** of the Act which deals with applications for transfer or amalgamation. The section is amended by deleting the words “Notwithstanding any other law, a transfer” and substituting the words “Notwithstanding any other law and subject to sections 48A (2) and 281(4), the transfer of any class of insurance business, either in whole or in part,”. This amendment gives effect to the exemptions contained in sections 48A (2) dealing with the transferal of business to a newly established insurer and section 281 (4) which deals with a foreign insurer engaging in the

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\(^6\) According to Black’s Law Dictionary, a Vesting Order is a court order passing legal title in lieu of a legal conveyance.
reorganization of its business. In both instances the Central Bank is empowered to grant an exemption to the entity.

27. **Clause 29** of the Bill proposes to amend section 58(1) of the Act by deleting the words “transfer or amalgamation” and substituting the words “transfer by way of a deed or Vesting Order or amalgamation by way of an agreement”. This amendment is necessary to include a Vesting Order as a means of transfer.

**Miscellaneous Transfer or Amalgamation**

28. **Clause 30** of the Bill seeks to amend section 63 (5) of the Act by including the words, “On the recommendation of the Central Bank, the”. This amendment has the effect of altering the powers of the Minister by only allowing an issuance of an Order for exempt transfers on the recommendation of the Central Bank.

29. Additionally, **Clause 30** amends section 63 (5) by inserting a new subsection (7) after the existing subsection (6). **Subsection (7)** instructs that the directors of any company affected by a scheme of transfer\(^7\) approved by the Central Bank or the Minister must file a copy of the scheme with the Registrar of Companies.

30. **Clause 31** of the Bill seeks to amend section 64 (a) by deleting the words “or deed” and substituting the words “deed or Vesting Order”. This amendment is necessary to include a Vesting Order as a means of transfer.

31. **Clause 32** of the Bill proposes to amend section 65 (10) of the Act by by inserting after the words “emergency powers” the words “in respect of that insurer”. This amendment is necessary to provide clarity and certainty to the subsection.

**Audit Committee**

32. **Clause 34** of the Bill amends section 68(5) of the Bill by inserting a new paragraph (d) after the existing paragraph (c). Paragraph (d) provides a definition for the term “significant supplier” which means “a person who, either alone or with one or more affiliates or relatives or connected parties, supplies the insurer or a connected party of the insurer with products or services which comprise ten per cent or more of the total products or services used by the insurer or the connected party of the insurer as the case may be on an annual basis.” Presently, the definition of “independent director” makes reference to a person who “is not a significant supplier to the insurer”, however there is no definition for the

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\(^7\) A scheme of transfer is an agreement between a company and its shareholders or creditors for it to change its financial structure, for example when it is being bought by another company – Cambridge Dictionary: [https://dictionary.cambridge.org/dictionary/english/scheme-of-arrangement](https://dictionary.cambridge.org/dictionary/english/scheme-of-arrangement)
ambiguous phrase “significant supplier”. The inclusion of this definition assists in bringing more clarity to who may be considered an “independent director”.

33. Clause 35 of the Bill seeks to amend section 69(a) of the Act by inserting the words, “on behalf of management and signed by the chairman of the board of directors or a duly authorised director on behalf of the board of directors,” after the words “chief financial officer”. This amendment provides further certainty on whose behalf the statement on responsibilities is made for and includes the chairman of the board of directors who was not previously included.

Appointment of auditor

34. Clause 36 of the Bill proposes to amend section 75 of the Act by inserting after the existing subsection (7) a new subsection (8) which provides “For the purposes of this section a member of an audit entity refers to an individual auditor who meets the criteria of subsection (2)(b).” This amendment ensures that a member of an audit entity is a practising member in good standing with the ICATT or the holder of a valid practicing certificate from such other Central Bank recognised association and has knowledge and experience satisfactory to the Central Bank, in the audits of insurers.

35. Clause 38 of the Bill seeks to amend section 82 of the Act by inserting after subsection (2) a new subsection (2A) which provides, “For the avoidance of doubt, if at any time within five years of the commencement of this Act, an insurer exceeds any of the transitional capital ratios\(^8\) prescribed in Schedule 8 and the Regulations, the insurer shall not reduce its capital ratios below that excess and shall continue to comply with the transitional capital ratios set out in Schedule 8 and the Regulations.” Schedule 8 details the various transitional capital ratios that must be attained by insurer.

36. Clause 41 of the Bill proposes to amend section 89 (1) (a) of the Act by inserting after the words “Trinidad and Tobago”, the words “where such guarantee is explicit, unconditional, legally enforceable and irrevocable over the life of the credit exposure in question”. This amendment places a further qualification on credit exposures\(^9\) that are guaranteed by the Government of Trinidad and Tobago and seeks to ensure the guarantee is unconditional and fully protected.

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\(^8\) A capital ratio is the ratio between the amount of capital raised and the total capitalization of the firm. – Black’s Law Dictionary, Ninth Edition

\(^9\) Credit exposure refers to the total amount of credit that a lender avails to a borrower. The magnitude of credit exposure indicates the extent to which the lender is exposed to the risk of loss, in the event that the borrower defaults on the loan. – Investopedia: [https://www.investopedia.com/terms/c/credit-exposure.asp](https://www.investopedia.com/terms/c/credit-exposure.asp)
37. **Clause 44** of the Bill seeks to amend section 93 (2) of the Act by deleting the words “Central Bank” and substituting with the word “Inspector”. This amendment is needed to correct an error in the present Act.

**Transfer of Business to another company**

38. **Clause 45** of the Bill amends section 97 of the Act which deals with the transfer of business to another company. Under subsection (5) the words “the Registrar of Companies to issue a certificate of amalgamation under the Companies Act” are deleted and replaced with the words “the judicial manager to file a copy of the confirmed scheme of transfer with the Registrar of Companies”. The effect of this amendment is where a scheme of transfer is confirmed by the High Court a copy will now be filed with the Registrar of Companies.

**Suspension of Operations**

39. **Clause 46** of the Bill seeks to amend section 101 of the Act which deals with “Suspension of Operations”. Subsection (6) is amended by deleting the words “shall be repaid out of the funds of the insurer in the event that the insurer is liquidated” and substituting the words “shall be repaid out of the assets of the insurer during the suspension and upon liquidation or judicial management shall be payable out of the assets of the insurer in priority to all other unsecured claims”. This amendment ensures that any costs incurred by the Inspector whilst managing the assets of a suspended insurer is covered by the assets of the insurer during the suspension and in case of liquidation.

**Application of assets of an insurer and priority of policy holders**

40. **Clause 47** of the Bill seeks to amend section 107 of the Act by repealing subsection (3) and inserting a **new subsection (3)** which shall provide “Notwithstanding the provisions of this section, all costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall be payable out of the assets of the company in priority to all other claims.” This new subsection simply further expounds on the present subsection guaranteeing that all the expenses related to the liquidation of the company, including the remuneration of the liquidator, shall be payable out of the assets of the company and shall have first priority to all other claims.

41. **Clause 52** of the Bill seeks to amend section 116 (4) of the Act by deleting the words “a plan acceptable” and substituting the words “a plan approved by its board of directors which is acceptable”. This amendment ensures that the plan is approved by the brokerage’s board of directors.

42. Further, the Bill proposes to repeal and replace subsection (5) with a **new subsection (5)** which provides, “Where (a) a brokerage fails to submit or implement a plan under sub-
section (4); or (b) the Central Bank considers it appropriate to ensure that the brokerage meets the requirements under this section, the Central Bank may impose any conditions on the registration of the brokerage or give any other directions that it considers to be necessary in relation to the plan.” The inclusion of the term “or give any other directions” increases the discretion of the Central Bank to direct the brokerage accordingly in order for the brokerage to meet the requirements under the section.

43. Further, **Clause 55** of the Bill amends section 136 of the Act by inserting after subsection (4), a **new subsection (5)** which provides that financial statements required under the section shall be audited by an auditor. The subsection prescribes that the auditor must be a fit and proper person according to the criteria as detailed in Schedule 5 of the Act and a practising member in good standing with the ICATT or the holder of a valid practicing certificate from such other Central Bank recognised association. This amendment is necessary to ensure that the auditor or firm hired to perform such auditing is duly qualified and a fit and proper person.

**Financial Statements**

44. **Clause 56** of the Bill seeks to amend Section 144(5) of the Act by deleting the words “where such company has credit exposures with the insurer” in paragraph (b)(ii) to remove such from being considered by the Inspector to determine potential losses a company is likely to incur.

**Compliance Directions**

45. **Clause 57** of the Bill seeks to amend Section 155 of the Act by:-

- inserting in subsection (1)(c) after the existing word “law” the words “relating to the regulation of financial services or designed to protect against fraud” to deal specifically with violations of the law relating to financial regulations and fraud;
- inserting in subsection (6), the words “having effect for a period” before the existing words “not exceeding twenty business days” to allow for the emergency directions issued by the Inspector for potential breaches and violations to have effect for a determinable period not exceeding twenty (20) business days; and
- deleting in subsection (9), the existing words “fails to comply with a direction issued or made under subsection (4), (5) or (6) respectively” and substituting it with the words “to whom a direction is issued, fails to comply with that direction” to allow for the Inspector to take action and apply to the High Court for an order of compliance in respect of breaches of all of the directions issued, as opposed to only some of the directions issued.
### Distribution of surplus

46. **Clause 58** of the Bill seeks to amend Section 160(3) of the Act to allow for transfers to be made from any participating account that is maintained pursuant to Section 43 which deals with participating accounts rather than section 42 which deals with separate accounts.

### Non-forfeiture of ordinary policies in certain cases of non-payment of premiums

47. **Clause 60** of the Bill seeks to amend Section 180 of the Act to remove the distinction of an ordinary policy and to provide for the non-forfeiture of any policy due to non-payment of premiums.

### Unclaimed money

48. **Clause 61** of the Bill seeks to amend existing Section 197 of the Act to:

- delete in subsection (1), the existing words “showing all policies in respect of which amounts remain unpayable by the insurer for a period of seven years” and substituting it with the words “showing all policies in respect of which there is unclaimed money” to provide for all policies for which there are sums of unclaimed money instead of policies which were unpaid by the insurer for seven (7) years; and

- delete in subsection (14), the existing words “within seven years after the maturity date of the policy” and substituting it with the words “within the time which proceedings may be taken for their recovery” to alter the definition of unclaimed money. Such alteration would remove the requirement of seven (7) years after the maturity of the policy for such monies to become legally payable by the insurer, to anytime in which proceedings are initiated for its recovery.

### Registration

49. **Clause 63** of the Bill seeks to amend Section 218 of the Act by deleting the existing word “prescribed” and substituting it with the words “as specified by the Central Bank” to allow for the Central Bank to dictate the specified form of the registration form, which is to be addressed to the Central Bank.

### Annual accounts and balance sheet to be submitted

50. **Clause 64** of the Bill seeks to amend Section 226(1) of the Act by deleting the existing word “prescribed” and substituting it with the words “as specified by the Central Bank” to allow
for the Central Bank to dictate the specified form of the information return form, which is to be addressed to the Central Bank annually by the trustees of each registered plan.

Documents and information relating to insurance business to be furnished to Inspector

51. **Clause 65** of the Bill seeks to amend Section 244 by deleting the existing words “receipt and expenditure by” and substituting it with the words “income and expenses of” to establish the new requirement, for the association of underwriters to furnish the inspector with a statement of income and expenses of its members.

Alternate dispute resolution scheme

52. **Clause 67** of the Bill seeks to insert the **new section 250A** after the existing Section 250, which would require an insurer to enrol in an alternative dispute resolution scheme approved by the Central Bank, no later than sixty (60) days after the commencement of this Act.

Jurisdiction and limitation

53. **Clause 68** of the Bill seeks to amend Section 251 of the Act by deleting the existing words “registrant including an unincorporated body, and a financial holding company” and substituting it with the words “person or entity” to increase the scope of potential defendants that summary proceedings can be initiated against under this Act.

Documents to be received in evidence

54. **Clause 69** of the Bill seeks to amend Section 252 of the Act by inserting a **new paragraph (e)** after the existing paragraph (d) which would allow for the date on which a particular registered pension fund plan became or ceased to be registered, to be admissible in evidence provided that the true copy or extract thereof is certified by the Governor or Deputy Governor.

Appeals

55. **Clause 70** of the Bill seeks to amend Section 253 of the Act by deleting the word “the Board” wherever it occurs to remove any decision or act of the Board of Directors of the Central Bank from being the subject of an Appeal to the High Court.
Financial fraud on policy holders

56. **Clause 71** of the Bill seeks to amend Section 255 of the Act to insert the words “agent or broker” after the existing words “sales representative” to increase the scope of persons who may be liable for utilising policyholders’ funds for their own benefit and commits financial fraud on policy holders.

Vesting Order

57. **Clause 72** of the Bill seeks to amend Section 263(1) of the Act to allow for the Central Bank to confirm a scheme or transfer or to grant an exemption in instances where an agreement was entered into for the acquisition by a person of the undertaking of an insurer, leading to the vesting of such undertaking.

Transfers subject to stamp duty

58. **Clause 73** of the Bill seeks to amend Section 265 of the Act which establishes an exemption that although the transfer of and vesting in a person of an undertaking by Vesting Order as a result of restructuring is typically subject to stamp duty, in this instance it would not be subject to the provisions of the Stamp Duty Act.

Consultations

59. **Clause 74** of the Bill seeks to amend Section 277(1) of the Act by deleting the words “the Minister may” and replacing it with “the Central Bank shall” to remove the Minister in exercising his discretion from consulting with registrants and other affected persons before making or amending Regulations under this Act and which now vests such authority with the Central Bank who is now required to consult with registrants and other affected persons before making or amending any Regulations.

Regulations and amendment of schedules

60. **Clause 75** of the Bill seeks to amend Section 279 of the Act by repealing the existing section and replacing it with a new section. This new section allows the Minister to make Regulations after receiving recommendations from the Central Bank _inter alia_ for:-

- reinsurance business;
- the appointment of approved educational institutions and their functions;
- contracts of insurance of the classes under Type B-Long–Term Insurance Business in the First Schedule;
- maintaining reserves;
controlling, restricting or prohibiting the making of linked long-term contracts of
insurance by a company which is registered in Trinidad and Tobago to carry on
insurance business in that country; and

generally giving effect to the provisions of this Act.

61. Such Regulations made shall be subject to negative resolution of Parliament.

62. Regulations made can include but would not be limited to *inter alia*:-

- capital adequacy and solvency requirements and capital ratios in relation to
  registrants, financial holding companies and members of financial groups;
- treatment of credit exposures;
- treatment of assets and investments;
- transactions with connected parties and connected party groups;
- profiting from insider information;
- risks relating to foreign exchange transactions, sectoral and business risks and off
  balance sheet transactions;
- reporting requirements for transactions referred to in paragraph (e);
- information required in published financial statements; and
- relationships with holding companies, controlling shareholders, significant
  shareholders, subsidiaries and other affiliates as they may affect the capital position
  of the registrant.

63. Such Regulations made can authorise the Central Bank to:-

- exempt from the provisions of this Act any class of insurance business where the
  Central Bank considers such exemption necessary having regard to the class of
  insurance business and to the provisions of this Act; or
- approve, in relation to any company, the use of any prescribed form with such
  modifications as the Central Bank deems fit, once satisfied that such modification
  would not substantially affect the purpose of the form.

64. The Regulations made can also make provisions to *inter alia*:-

- regulating the manner in which and the frequency with which property of any
  description is to be valued for the purpose of determining the benefits;
- requiring insurers under the contracts to appoint valuers to carry out valuations of
  property of any description in order to determine the benefits;
- prescribing the qualifications of a valuer and his relationship with the insurer;
requiring insurers under the contracts to furnish in such manner and at such times as may be specified in the Regulations, such information relating to the value of the benefits under the contracts as specified in the Regulations.

65. Additionally, the Minister can amend the Schedules upon recommendation by the Central Bank, by Order. The Minister can also vary the amounts specified in certain sections of the Act (Sections 4(2), 193(1)(3) and 195(3)(4) ) upon recommendation by the Central Bank.

66. Lastly, any amendments to Schedule 6 would be subject to affirmative resolution of Parliament.

Transitional and savings provisions

67. Clause 76 of the Bill seeks to amend Section 281 of the Act by repealing and replacing the existing subsection (1) to allow for Sections 84-87 and the Regulations of the original Insurance Act to apply to any foreign insurer for a period of eighteen (18) months upon commencement of this Act in order to facilitate a reorganization of the foreign insurer's business to comply with the requirements of section 21(1) of this Act.

68. Clause 76 also proposes to repeal and replace the existing subsection (4) to allow the Central Bank to exempt the transfer of a class of business where a foreign insurer is engaged in the reorganisation of its business, provided that such reorganization of the newly established insurer is not under liability to policyholders or any other creditor which proposes to acquire a class of business or part thereof of the foreign insurer.

Consequential amendments

69. Clause 77 of the Bill seeks to amend Section 282 of the Act by deleting all references to the Married Persons Act as amended and specified in Schedule 12.

Schedule 1 – Types and Classes of Insurance Business

70. Clause 78 of the Bill proposes an amendment to Schedule 1 of the Act by amending paragraph (5)(b)(i) by deleting the words “plus odd business days” for standalone contracts of insurance to have a policy period of no longer than one (1) year alone for greater clarification.

10 Chap. 84:01: http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/84.01.pdf
Schedule 2 – Application and Annual Fees

71. **Clause 79** of the Bill seeks to amend Schedule 2 of the Act by inserting in Part A after the table a new paragraph to allow for annual Fees to be calculated on a *pro rata* basis in instances where a certificate of registration, approval or permit is issued or granted for the first time.

72. **Clause 79** also proposes to repeal and replace Part B of the Schedule to contain a detailed description of the fees payable by intermediaries. Such fees would be calculated on a *pro rata* basis where applicable.

Schedule 8 – Transitional Capital Ratios

73. **Clause 81** of the Bill seeks to amend Schedule 8 of the Act to provide for transitional capital ratios to be dealt with in this Schedule only and not transitional regulatory capital ratios as previously contained in the Schedule.

Schedule 12 – Consequential Amendments

74. **Clause 82** of the Bill proposes to amend Schedule 12 of the Act to allow for consequential amendments to the *Married Persons Act, Central Bank Act*\(^\text{12}\) and *Financial Institutions Act*\(^\text{13}\).

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REFERENCES

KEY LEGISLATION

❖ Insurance Act, 2018
   http://www.ttparliament.org/legislations/a2018-04g.pdf

❖ Insurance (Amendment) Bill, 2019

❖ Insurance Act Chap. 84:01
   http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/84.01.pdf

OTHER LEGISLATION

❖ Married Persons Act Chap. 45:50

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No. 23-27 St. Vincent Street, Port-of-Spain

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