



ASSOCIATION OF TRINIDAD AND TOBAGO INSURANCE COMPANIES

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PRESS RELEASE

ATTIC Comments on the Parliamentary Debate on the Joint Select Committee's Report on the Insurance Bill 2016

ATTIC commends the Government for bringing the Insurance Bill 2016 to Parliament. The Industry has consistently participated in the proposal and Bill development process as well as in the various Joint Select Committees that were created to deliberate this very important piece of legislation, so critical to our financial services infrastructure. We are firmly committed to the implementation of a new and enhanced regulatory framework for the insurance industry and are deeply interested in its successful passage and enactment.

We noted with concern however that in the Parliamentary debate on the Insurance Bill 2016 on Friday February 2, 2018, the unfortunate statements made by a certain Member of Parliament in his contribution which may cause harm to our industry by reinforcing a misinformed notion of the general insurance industry's role, pricing practices and general modus operandi, the very issues that a robust legislative framework is intended to improve. We strongly disagree with the MP's statements which does not accurately reflect the integral role the general insurance industry plays in T&T and the relationship between the industry and our policyholders.

The MP also relayed a personal experience with one insurance company which led him to question the pricing mechanism of the industry. We believe that as an elected officer of the people, which also includes members of the insurance fraternity, the office holder should seek relevant and pertinent information before making remarks which could bring harm to an important industry and contributor to the T&T national economy.

Generally, some of the key factors in determining insurance premium rates are actuarial reviews which include review of losses incurred through claims, competitive forces as well as international reinsurance rates and guidelines. For certain classes of insurance business, such as property coverage, our local premium rates are significantly influenced by the international reinsurance rates. The passage of hurricanes Harvey, Irma and Maria, which had a devastating impact on many Caribbean islands resulted in increased reinsurance rates being charged by the international reinsurers. Note, industry statistics clearly show that for more than five (5) years, T&T insurance premiums have trended downwards but with estimated natural catastrophe losses of US\$143 billion in 2017, this will certainly influence the future trend.

The local insurance industry directly employs more than five percent (5%) of the labour force and plays a vital role in stimulating the growth of our economy through the mobilisation of long term capital. Our general insurance industry is also critical in providing recovery in the wake of natural disasters as is currently evident within our Caricom neighbours where many of the local insurers also

Board of Directors: Paul Traboulay- President, Robert Soverall - Vice President (Life), Jason Clarke - Vice President (General), James Camacho, Andrew Ferguson, Baliram Sawh, Anand Pascal, Sookdeo Beepath, Sean Jack, Ronald Milford.

operate. Initial estimates suggest that Trinidad & Tobago domiciled insurers have settled upwards of USD 600M in gross claims through their branches and agency networks in the Caribbean. The Insurance sector plays an integral role in the development of T&T and as such we expect our Members of Parliament to be fair and informed in their deliberations.

ATTIC fully supports the Insurance Bill 2016 which we have stated in our communiques to the Ministry of Finance, the Central Bank and the Opposition and in our comments on the Bill and the appearance before the Joint Select Committee. We encourage the expeditious passage of the bill and regulations, which in our opinion will protect the interests of policyholders, strengthen corporate governance, raise the standards of professionalism within the industry and improve accountability.

For more information contact us at 625-2940/624-2817 or email mail@attic.org.tt

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