



INDUSTRY UPDATE

ATTIC'S UPDATE ON KEY DEVELOPMENTS



Dear Colleague,

This bulletin serves to update you on the developments of those notable agenda items which were discussed at the industry meeting and AGM held earlier this year.

These are indeed significant and transformative undertakings affecting the industry. As we continually seek to adapt to an ever-evolving business climate, ATTIC looks forward to your continued support.

- Paul Traboulay,
President

INSURANCE ACT 2018 & CBTT

The Insurance Act was assented to on June 4th, 2018 with the intention that it would be proclaimed/operationalised within three (3) months of ascension. Of particular interest to the industry, were:

- The proposed date for proclamation/operationalisation
- The issue of taxation of Life Insurance Companies
- Capital Adequacy

In a letter to the CBTT dated June 18th we expressed concerns that the operationalisation of the Act within three months after ascension would create additional costs of compliance within a narrow timeframe in that it would require the input of stakeholders such as the external actuaries and auditors. For instance, the change to Capital Adequacy based reporting, will when taken together with changes to the basis of calculating Corporation tax, will entail substantial adjustments to insurers' accounting administrative process during one financial year. In effect, companies may inter alia have to maintain two (2) sets of accounting records, especially as the proposed operationalisation of the new Act is carded to take place during the course of this fiscal year.

Additionally, we met with the CBTT on July 16, 2018 to discuss these and other issues. Arising out of this meeting, the following were proposed:

- The CBTT will send out a readiness survey to companies which will inform a GAP Analysis aimed at enabling the CBTT to provide the most appropriate support to the industry. The CBTT also indicated that they will host consultation meetings with the industry and are currently strengthening their internal systems so that they can provide ample support to the industry during the transitional period.
- ATTIC suggested that working committees be established to develop guidelines and codifications to interpret and operationalise aspects of the Act and to also address CAPAD Regulations.
- ATTIC has made suggestions to the Ministry of Finance as to the most suitable system for the taxation of Life Insurance Companies.

CLAIMSBANK DATABASE PROJECT

The Claims Bank Database initiative (claims Data for the Insurance Industry) was officially launched on Thursday 2nd August, 2018 at the Conference Room, Maritime Financial Complex at which major media houses were in attendance. This launch featured a signing ceremony of the Memorandum of Understanding (MoU) between ATTIC and the eight pioneer general insurance member companies who will lead the transformation of our industry.

These companies include

- COLFIRE
- Gulf Insurance
- ICWI
- Maritime General
- NAGICO Insurance

- Sagicor General
- TATIL
- TRINRE

We are pleased to report that subsequent to this official launch, two additional member companies have expressed an interest in joining this initiative and we encourage other members who are not yet on board to join with us.

The online Claims Bank Database will be a cloud based electronic register that will store pertinent data of all claims lodged with participating insurance companies.

This will allow the industry to perform detailed analytics which will aid in the detection and prevention of fraud in keeping with the recently passed Insurance Act.

Other potential benefits will be an improvement in the pricing and underwriting of prospective clients, quicker processing of claims between participating members, centralise database of stolen and written-off vehicles, the ability to provide industry statistics and reports which can be used to guide claims reduction and improvement strategies.

HOME FOR ATTIC

I am pleased to announce that on July 27, 2018, ATTIC formally acquired a building located at 46-50 Picton Street, Newtown, Port of Spain which will serve as both ATTIC's head office and as an industry training centre. The building is now being readied to be fit for purpose after which there will be a formal opening ceremony in December.

Members will be advised in due course, on the opening date. This acquisition marks a significant milestone for ATTIC and is in keeping with our programme to build the image of the industry.

MEDIATION INITIATIVE

On July 16th, a presentation meeting was held with representatives of General Insurance companies on the Dispute Adjudication Settlement Project (DASP) which was delivered by Gerry Brooks. The Dispute Adjudication and Settlement Procedure "introduces an accelerated, fair, and cost-effective mechanism" amongst insurers, insureds and third parties. It employs a detailed methodology utilizing (i) Mediation and (ii) Arbitration with ultimate recourse to litigation if deemed appropriate. It is founded on training, a robust administrative and legal architecture and a carefully crafted, supporting PR and Communication Programme across all key stakeholder groups.

Eight companies were in attendance and were fully apprised of the project. We hope to schedule another meeting soon to progress this further. Correspondence on the forgoing would have been sent out to those general companies in attendance in July and we are awaiting their responses.

IFRS 17

On Wednesday June 27th, 2018, Mr. Kyle Rudden of KR Consulting presented on the implications of IFRS 17 to the CFOs of member and associate member companies. In addition to informing members of the requirements of this standard, the opportunity was also taken to encourage members to start the process of preparing for its eventual introduction in January 2021.

Exemption of General Companies from AML/CFT Requirements

This has been a regular agenda item in our meetings with the CBTT who has recognised that general products, health, and term life insurance presents a low risk for money laundering and have therefore been advocating for the exemption of these products from compliance requirements.

At the time of writing, the CBTT is pursuing this matter with the National Anti-Money Laundering Committee (NAMLC).

GLOBAL FATCA

At the AGM we advised that if the matter is not expeditiously addressed, there could be serious implications for the industry with respect to reinsurance programmes and other financial transactions. We understand that Bills dealing with this issue are now before a Joint Select Committee of Parliament and hope that the ensuing legislation will be expeditiously enacted.

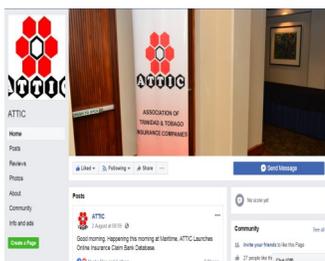
INDUSTRY REPORT

We will again be engaging the services of EY to produce an industry report and wish to thank all the members who have already submitted their 2017 Act Accounts and Industry Operating Statistics data. To date, there are a number of companies still to submit this information. We are aware that many companies rely on this data to use in their strategic and operational planning processes. Given this, we would be in a position to supply this information in a timely manner if companies submit both documents by the requested date.

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