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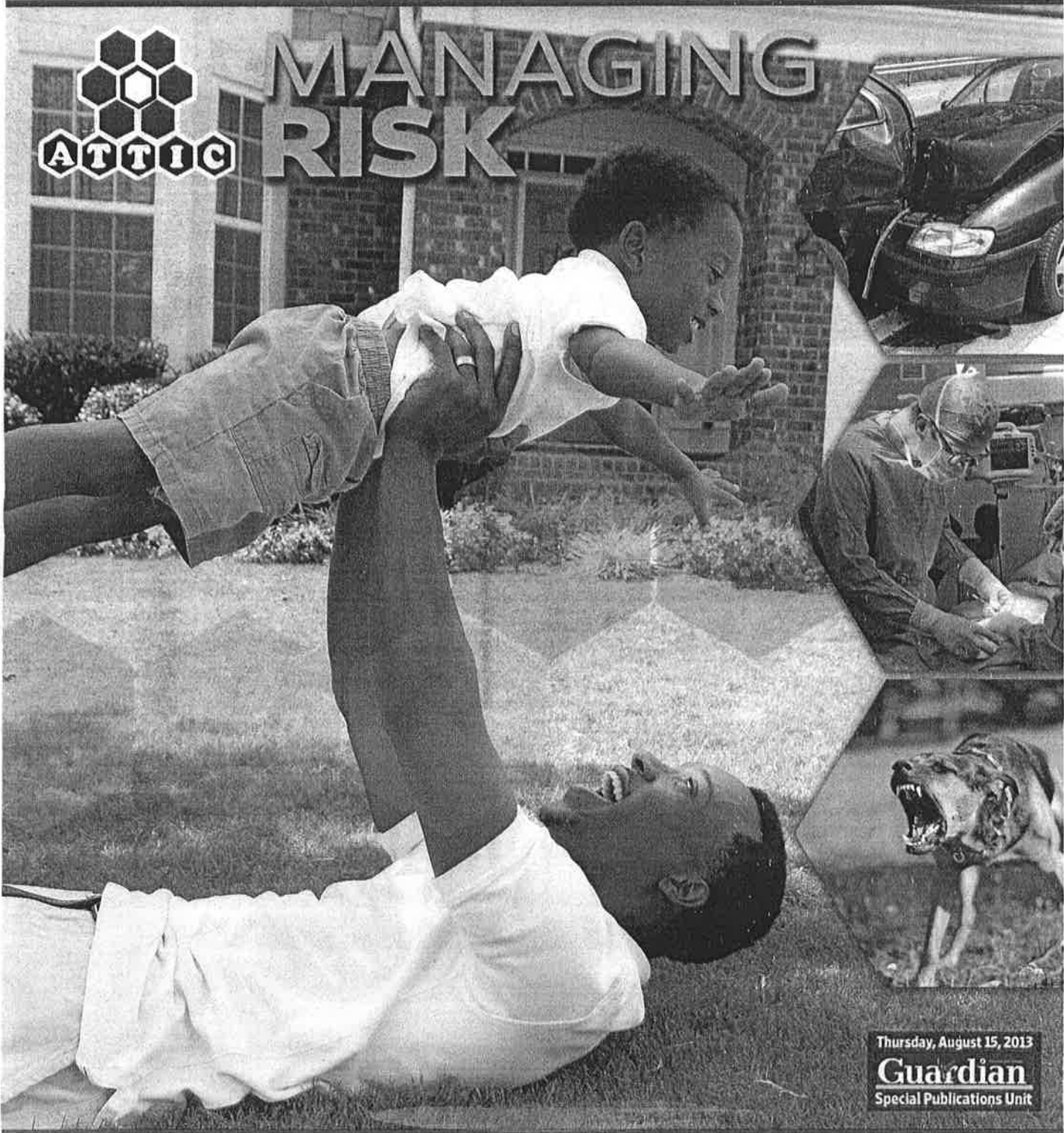
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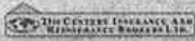
TRINRE



MANAGING RISK



Thursday, August 15, 2013
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MANAGING RISK ATTIC

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MANAGING RISK

TOO MANY YOUNG PEOPLE DYING on the Nation's Roads

There has been a disturbing trend of lives being lost on the nation's roads. It is particularly heartbreaking when the victims are young people who

have their whole lives ahead of them. Usually in these instances it is a combination of speed, alcohol and distracted driving.

With an unacceptable motor collision rate, it is necessary for young people to be better prepared to become licensed drivers. Young novice drivers are a significant risk because they lack both the

judgment that comes with maturity and the skill that comes with experience.

ATTIC is therefore reiterating its recommendations for the following:-

- The Implementation of a Drivers' Education programme in schools.
- The implementation of a graduated licensing system for new drivers.
- Passage of the legislation required to allow radar speed traps.
- Mandatory blood alcohol level testing for all drivers involved in fatal accidents, or accidents involving bodily injury or accidents where a vehicle is damaged beyond repair.

Parents and car owners must also implement their own rules for vehicle use by young drivers such as:-

- Restricting the number of passengers to two persons.
- Limiting driving at night.
- Requiring completion of a defensive driving programme.



Safer Driving Agreement

This agreement is made between _____ (son/daughter's name)
and _____ (parent's name)

Young Driver

I promise to:

- Confirm my destination in advance
- Drive only during the following times of day _____ am to _____ pm
- Only give a lift to 1/2/3* passengers unless you are also in the car
- Never drink alcohol or take drugs and drive
- Never accept a lift from a driver who has drunk alcohol or taken drugs. I will always find alternative transport or will call you and ask you to collect me or pay for a taxi, no questions asked at the time.
- Always wear my seatbelt and ensure that my passengers do the same.
- Obey all traffic laws, including speed limits and parking restrictions.
- Never use a mobile phone while driving, only when parked
- Avoid distractions whilst driving - like fiddling with the stereo, smoking, eating and drinking
- Telephone you if I'm going to be later than expected

Parent

I promise to:

- Always wear my seatbelt and ensure my passengers do the same
- Never drink alcohol or take drugs and drive
- Obey all traffic laws, including speed limits and parking restrictions
- Never use a mobile phone while driving, only when parked
- Accept a call from you at any hour and either collect you or agree to fund a taxi to enable you to get home, no questions asked at the time
- Remain calm and constructive when travelling in the car with you and accept that mistakes are an important part of learning.



We will review this agreement on _____ Signed: (by parent) _____

Signed: (by son/daughter) _____ Date: _____





KEEPING YOUR CHILD SAFE

Choosing a child safety seat

According to the Motor Vehicles and Road Traffic Act, Chap 48:50, section 43 D(1)(b), a person failing to place a child who is five years and under in a child restraint or booster seat in the vehicle while driving the vehicle, can be faced with a fixed penalty of \$1000.00.

The safest car seat is one that best fits your child and your car and is easiest for you to use. However, if a car seat is not properly installed or used incorrectly, it can still present safety problems. Though most parents move their child from a rear-facing to a forward-facing position when he reaches 12 months and 20 pounds, this is the minimum age and weight requirement for facing forward. Experts say that the longer you keep your child in a rear-facing position, the safer he'll be (that's because, in a frontal collision, the stress on a forward-facing child's neck can injure his spine).

There are three basic types of car seats to choose from:

- **Baby (or infant-only) car seats:** These face the rear of the car and have a 20-lb. weight limit.
- **Convertible (or infant-toddler) car seats:** These function as both rear-facing infant seats and forward-facing seats. Most new ones are designed to hold a baby of up to 30 or 35 lbs. facing the rear of the car.
- **Belt-positioning booster seats:** These seats are for kids who are at least 3 and weigh at least 40 pounds. They use the regular in-car shoulder belts to secure the child.

Source: http://www.babycenter.com/0_car-seat-safety-how-to-choose-and-use-a-car-seat_399.bc

A booster seat protects a child better than seat belts alone, and, in the event of a collision, an ill-fitting adult seat belt can actually cause injury instead of preventing it.

WHEN CAN MY CHILD SWITCH FROM A BOOSTER SEAT TO SEAT BELTS ALONE?

Kids aren't ready to make the switch from a booster seat to seat belts until they're at least 4 feet 9 inches tall, typically between ages 8 and 10.

A booster seat protects a child better than seat belts alone, and, in the event of a collision, an ill-fitting adult seat belt can actually cause injury instead of preventing it. If the lap belt rests on your child's tummy (which it's likely to do without a booster), for instance, he could suffer stomach, liver, or

spleen damage. And if the shoulder belt rests against his neck rather than his chest, he may try to move it under his arm (where it could crack his ribs and damage internal organs) or behind his back (where it offers no protection at all against head, neck, or spinal injuries).

To judge whether your child is ready to ride with a seat belt alone, test the fit of your vehicle's belts from time to time. Buckle your child into the back seat without a booster seat, and consider the following:

- Does he sit all the way back against the car's seat?
- Do his knees bend comfort-

ably at the edge of the seat?

- Does the lap belt naturally rest below his belly, touching the top of his thighs?
- Is the shoulder belt centered across his shoulder and chest?
- Can he stay seated like this for the whole trip?

If you answer no to any of these questions, your child still needs to use a booster seat (some are designed for kids weighing up to 100 pounds).

Source:

http://www.babycenter.com/404_when-can-my-child-switch-from-a-booster-seat-to-seat-belts-a_71328.bc

To judge whether your child is ready to ride with a seat belt alone, test the fit of your vehicle's belts from time to time.



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MANAGING RISK

ACCEPTABLE RISK: Is safety a choice?

The news reports seem to indicate that disasters are getting worse, and the figures agree. In 2005, the Integrated Regional Information Network (IRIN) reported that the total number of people affected by natural disasters had tripled to 2 billion over the previous decade.

Due to our susceptibility to these hazards, our country should follow the Caribbean region, and the world, by practising comprehensive disaster management. This is an approach that gives attention to all phases of the disaster management cycle: prevention, mitigation, preparedness, response, recovery and rehabilitation. There is a focus on reducing risk before the disaster occurs. In other words, the choices we make and things we do before the hazard event can do a lot to reduce the impact.

It has been written that "a thing is safe if its risks are judged to be acceptable." If we think about our own lives, we will see that this is generally true. Is it safe to drive along the Lady Young Road, or to go swimming in Mayaro? What about eating seafood? Playing in the rain? Flying in a plane?

Complete safety is generally an unachievable goal. However, a person, family, community or society considers a risk acceptable when it perceives that the probability of the adversity is small, the consequences of the adversity are slight, or the overall benefits are great enough to outweigh the potential adversity. In other words, it's all relative.

Every day we do things that involve risk. We (consciously or sub-consciously) assess our risks and make decisions based on these risk assessments. However, sometimes a person, family or society's options to avoid or reduce risk is limited. This may be the case, for example, when lowering risk involves an increased cost. Across the world, this occurs when people with low incomes live in areas which have a high risk of flooding, crime or pollution because the property costs are much lower in the high-risk areas.

Therefore, acceptable risk may

be divided into two main categories: forced and voluntary. Using an example of someone living in a floodplain, forced acceptable risk refers to the situation where the option to leave is removed or reduced due to constraints. On the other hand, voluntary acceptable risk would occur when relocation from the floodplain is feasible, yet residents choose to remain despite existing risks.

With increased urbanization and populations, there is increasing settlement in high-risk areas such as floodplains, unstable hillsides and coastal zones. According to the UN's Bureau for Crisis Prevention and Recovery, approximately 75 percent of the world's population resides in areas that have been affected at least once by an earthquake, a tropical cyclone, flooding or drought between 1980 and 2000.

It is interesting to note that studies have shown that residents prefer to live in an area subjected to natural hazards, rather than to be exposed to "social hazards" such as crime. In determining their acceptable risk, these people felt that natural hazards posed a smaller threat to their livelihoods and families.

It is apparent then, that risk acceptance is a conscious decision, which is made based on a variety of different factors, such as physical, social, economic, political or environmental. As the perceived benefits increase, so too does the level of voluntary acceptable risk. Correspondingly, forced acceptable risk increases with the constraints preventing risk reduction (e.g., relocation).

To build national resilience to disasters, we must practise assessing and reducing our risks to hazards. While absolute safety may be unattainable, national risk reduction is indeed a realistic goal.

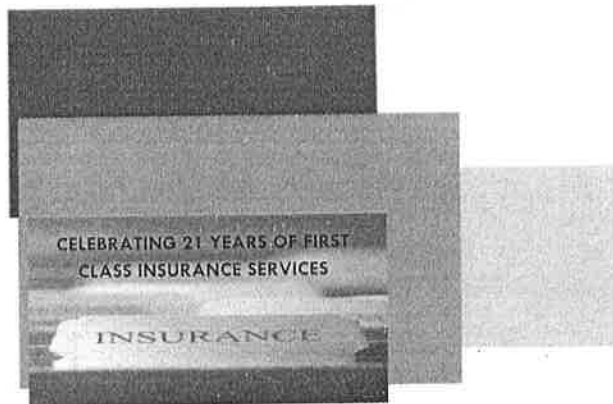
For further information, please contact:
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Office of Disaster Preparedness and Management (A Division of the
Ministry of National Security)
odpmstaff@gmail.com 640 1285

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MANAGING RISK ATTIC

HOW TO STAY IN BUSINESS after a major loss

One of the oldest and largest privately owned businesses in St. Lucia is the firm of Minville & Chastanet. Founded in 1864, M&C is still a major business

player in St. Lucia despite disastrous fires in 1927, 1948, 1960 and 1972. How did they survive? One of their first core businesses was insurance.

Most businesses will be hit by a major insurable loss, particularly if they do business in the Port of Spain area. Even if the building, contents and stock are properly insured,

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unless competitors are similarly affected, many businesses are not able to recover or to fully recover from a significant loss.

That's where a "loss of profits" or "business interruption" policy comes in.

A "loss of profits" or "business interruption" policy protects the insured against financial loss following an insured peril which causes an actual "interruption" in the policyholder's business.

The policy seeks to put the business back into the "would have been position", had the loss not occurred. Interim payments can be requested.

Some of the expenses that continue even after a loss has occurred include:

- Interest on loans, bank overdrafts
- Bank charges, travelling/office expenses
- Rent, rates and property taxes
- Director's fees and remuneration, pensions
- Legal, auditing and other professional fees
- Advertising
- Insurance premiums
- Bad debts reserve

DAMAGE AWAY FROM THE INSURED'S OWN PREMISES

Businesses can also suffer a financial loss as a result of damage occurring at premises other than his own and where he has no control. The loss would most commonly occur at a supplier's premises.

Financial losses arising from business interruption at a supplier can be considerable especially if the supplier is a specialist. Even a partial loss could severely affect output and result in severely restricted output.

OTHER WAYS TO INSURE

It is also possible to insure against loss of rental income or just to insure additional expenses incurred after a loss, such as increased rents, advertising, expedited shipping etc.

SO WHAT'S THE CATCH?

- There must be a policy that covers the physical damage to the property.
- You must be able to produce audited accounts and these accounts will be used in assessing the loss.
- The income generated by other outlets are taken into account when calculating the loss.

For more information, talk to an established broker or registered insurance company who does that class of business.

Built on a strong global base

As a member of the CUNA Mutual Group, CUNA Caribbean Insurance has as its base an international company of exceptional strength. CUNA Mutual Group is the leading provider of group insurance and other financial services to credit unions and their members; while CUNA Caribbean Insurance is the largest provider of group insurance in Trinidad and Tobago, the OECS and the Southern Caribbean region. And with this strong foundation you can be sure of our strong commitment to you.

CUNA Mutual Group is rated "A" (Excellent) by A.M. Best Company



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MANAGING RISK

KNOW YOUR CONTENTS

We are in the rainy season and it's the time of year when flooding is a likely occurrence. Have you ever taken the time to actually calculate the value of your possessions? If you have not, here is your chance to review your values.

Most items we purchase are assets. Did you know these possessions should be covered by insurance?

A prudent person should know the value of the contents of his or her home and should have an itemized list of high valued items such as jewellery, electronic equipment and art. ATTIC has prepared an estimate of some of the contents of a home, for you to use as a guide. Take a look at our guide and compare to your actual home contents using the blank spaces provided. Keep your estimate with your other valuable documents in a waterproof container, give your insurer a copy and send a spare to a family member to keep safely.

MASTER BEDROOM (ESTIMATE)

	Cost (new)
Jumbo Chest of Drawers	\$ 3,500
2 Drawers Wardrobe	\$ 3,900
Queen Size Divan	\$ 4,000
9 Drawers Night Stand	\$ 1,700
2 Side Lamps	\$ 800
Luggage	\$ 2,000
Handbags	\$ 1,500
Shoes (male & female)	\$ 5,000
Clothes (male & female)	\$ 15,000
Jewellery	\$ 5,000
32" Television	\$ 3,500
Bed Linens	\$ 1,500
Towels	\$ 1,000
Curtains	\$ 6,000
A/C Unit	\$ 4,000
Laptop	\$ 4,000
Desk & Chair	\$ 1,500
Total	\$ 63,900

MY MASTER BEDROOM **Replacement Cost**

LAUNDRY ROOM (ESTIMATE)

	Cost (new)
Ironing Board	\$ 200
Iron	\$ 250
Washer	\$ 4,500
Dryer	\$ 4,000
Tools	\$ 2,000
Total	\$ 10,950

MY LAUNDRY ROOM **Replacement Cost**

KITCHEN (ESTIMATE)

	Cost (new)
Gas Stove 6 Burners	\$ 5,700
Microwave	\$ 1,200
Refrigerator	\$ 7,000
Kitchen Table and Chairs	\$ 3,000
Plates and Spoons	\$ 700
12 Piece Pot Set	\$ 2,000
Food	\$ 2,500
Total	\$ 22,100

MY KITCHEN **Replacement Cost**

LIVING ROOM & PATIO (ESTIMATE)

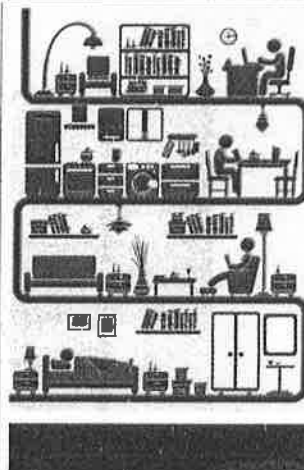
	Cost (new)
3 Piece Living Room Set	\$ 7,500
Rug	\$ 1,000
Ornaments	\$ 800
42" LCD Television	\$ 8,000
5 Piece Porch Set	\$ 4,000
Clay Plant Pots	\$ 2,000
Total	\$ 23,300

MY LIVING ROOM & PATIO **Replacement Cost**

DINING ROOM (ESTIMATE)

	Cost (new)
7 Piece Dining Set	\$ 9,000
Ceiling Fan	\$ 2,000
Hutch	\$ 4,000
Plates and Silverware	\$ 1,000
Total	\$ 16,000

MY DINING ROOM **Replacement Cost**



CHILDREN'S ROOM (ESTIMATE)

	Cost (new)
Full Size Bed	\$ 1,000
Chest of Drawers	\$ 2,000
A/C Unit	\$ 4,000
Clothes	\$ 2,400
Computer	\$ 4,000
Desk & Chair	> \$ 1,500
Total	\$ 14,900

CHILDREN'S ROOM **Replacement Cost**

THREE WAYS TO KEEP

Insurance Costs Low

Shop around

You've heard this one ad nauseam, but if you saw how widely premiums can range for the same coverage, you'd pay attention. One insurer can charge hundreds of dollars more for an auto policy than another, for example. So call. Talk to a broker. Spend a little time doing your research. The payoff could be huge.

Get every discount you can

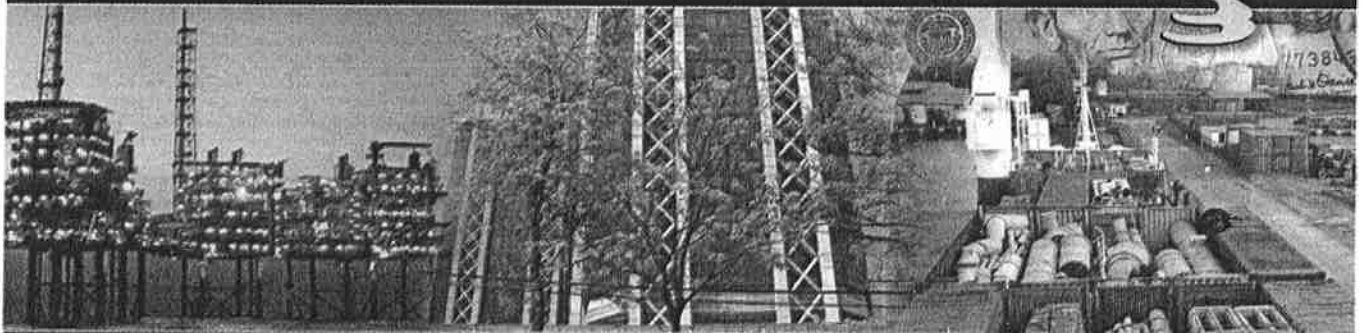
This is another piece of oft-repeated, and oft-ignored advice. Think about the things you've done to reduce your risks on your own, and see if your insurer agrees they're worth giving you a break. A home or car security system, a defensive driving course, not smoking -- all of these can lower your insurance costs.

Be prudent

It may not seem very exciting never to exceed the speed limit, maintain your car and keep your home in good repair, but such behavior pays off in the insurance world.

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MANAGING RISK ATTIC

SAVING FOR RETIREMENT in a Low Interest Rate Environment

How much is enough? This is the question that you should ask yourself or, if needed, your financial advisor when planning for retirement. Unfortunately, many of us ignore addressing our retirement needs until it is too late for any plan to be truly effective.

The reality is that we should make all efforts to start saving for retirement earlier rather than later for several reasons, including inter alia:

- Humans are living longer (there are currently over 300,000 centenarians worldwide);
- With interest rates at record lows, the cost of providing for a pension is at a record high;
- Other retirement pillars may be lower than expected (e.g. your employer-sponsored pension plan); and
- Private health care in retirement is expensive.

The focus of this brief article is on the second bullet point. Theoretically, a low interest rate environment suggests low expected inflation. However, in reality, Trinbagonians should know that lower interest rates do not necessarily mean lower inflation rates as much of our inflation is imported. So, while inflation fluctuated between 5% and 12% per annum over the five-year period 2008 to 2012, averaging just below 9%, interest rates declined steadily at all durations, over the same period. Currently, short-term fixed deposits in our retail banks offer less than 1% per annum.

If your annual income is stable, inflation at 7% per annum reduces your purchasing power by 50% in ten years. Put another way, assuming you retired at 60 on a pension of \$5,000 per month with no inflation; would you be able to live on \$2,500 per month at age 70?

To illustrate the point of how difficult it will be to plan for the future in a low interest rate environment, let's look at an example.

Mr X is aged 30 and wishes to save \$1,000 per month until retirement at age 60. He has access to a risk-free investment yielding 10% per annum for 30 years and annuity rates based on interest rates of 10% are available when he retires. After 30 years, Mr X has a fund exceeding \$2 million and is able to purchase an annuity of over \$18,000 per month from an insurer. Let's assume, inflation during the 30-year period was 7% per annum and Mr X's monthly salary increased by 5% per annum over this period from \$10,000 to \$43,000. He therefore retires on approximately 40% of his pre-retirement earnings, lives comfortably until age 82 and even leaves a little nest egg for his wife.

Let's instead assume that the risk free rate of interest was actually only 4% per annum. How do the

numbers compare? Well, Mr X's fund is now only \$685,000 at retirement. This is 67% less. And an insurer can now only offer him an annuity of \$3,800. Notice that both the fund and how much it can purchase have drastically reduced. That's a double whammy! Assuming he lives in Trinidad, inflation may not be lower to reflect the lower interest rate environment so while inflation ran at 7% per annum and his salary grew at 5% per annum, his pension is now only 9% of his pre-retirement earnings. He realizes, when it's too late, that saving \$1,000 per month was certainly not enough!

So what's the solution? Firstly, Mr X needed to put aside more for retirement. So, how much more? From the above example, in order to accumulate the same fund in the low interest rate environment as in the high interest rate environment, Mr X would have needed to triple his contribution. Clearly, this would not be practical for most of us. With children, housing, transportation, food, clothing, health care, utilities and recreation taking up

75-100% of our earnings, there are few of us who can simply triple our contribution to retirement savings in the blink of an eye.

So what else could he have done? Start earlier. Again, this is easier said than done. How many twenty year olds can put aside \$1,000 per month for retirement savings? In any event, saving \$1,000 per month for 40 years at 4% per annum amounts to \$1.1 million i.e. 55% of the fund achieved in the high interest environment in 30 years.

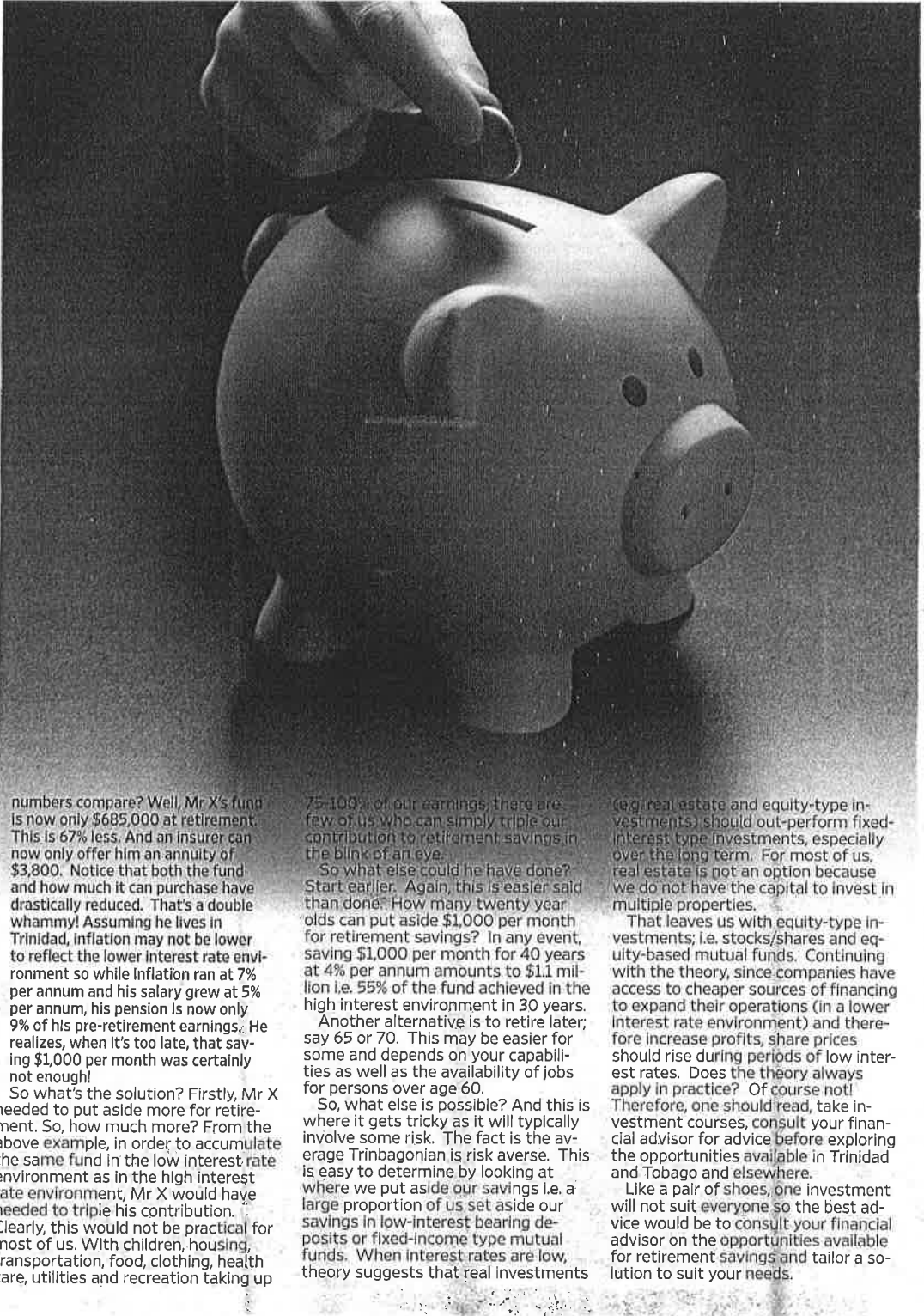
Another alternative is to retire later; say 65 or 70. This may be easier for some and depends on your capabilities as well as the availability of jobs for persons over age 60.

So, what else is possible? And this is where it gets tricky as it will typically involve some risk. The fact is the average Trinbagonian is risk averse. This is easy to determine by looking at where we put aside our savings i.e. a large proportion of us set aside our savings in low-interest bearing deposits or fixed-income type mutual funds. When interest rates are low, theory suggests that real investments

(e.g. real estate and equity-type investments) should out-perform fixed-interest type investments, especially over the long term. For most of us, real estate is not an option because we do not have the capital to invest in multiple properties.

That leaves us with equity-type investments; i.e. stocks/shares and equity-based mutual funds. Continuing with the theory, since companies have access to cheaper sources of financing to expand their operations (in a lower interest rate environment) and therefore increase profits, share prices should rise during periods of low interest rates. Does the theory always apply in practice? Of course not! Therefore, one should read, take investment courses, consult your financial advisor for advice before exploring the opportunities available in Trinidad and Tobago and elsewhere.

Like a pair of shoes, one investment will not suit everyone so the best advice would be to consult your financial advisor on the opportunities available for retirement savings and tailor a solution to suit your needs.



OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN

Preparing for the Rainy Day

Here in Trinidad and Tobago, the rainy season is upon us. This year, the National Hurricane Centre has predicted that the Atlantic Hurricane season will be the most active in years. Given our recent history, with flooding occurring in areas not normally prone to flooding, it is therefore very important to take the necessary precautions to secure our assets.

Many of us would agree that the most valuable asset that we own is our home. Today, the Office of the Financial Services Ombudsman (OFSO) wishes to focus on the management of the risk of "loss or damage" to your home and we share the good news that this risk can be "transferred or managed", via the use of property insurance.

Insurance is an integral, if often overlooked, cornerstone of our lives that enables all of us to manage risk and is an asset which we must leverage to the maximum extent in order to mitigate against risk.

Property insurance provides protection against risks such as theft, fire, earthquake, hurricane and floods. Let us now take a look at a case in point that should serve as a lesson to all of us.

CASE STUDY: THE RAINS CAME DOWN, AND THE FLOODS CAME UP

Heavy rainfall caused flooding in the area where Mrs. F resides. As a result, part of the back wall safeguarding Mrs. F's property collapsed and a major part leaned due to the undermining of the wall caused by the flooding. Mrs. F now wanting to ensure that her home was properly secured made a claim to her insurer to repair the wall.

The insurance company, after reviewing her claim, made a settlement offer to Mrs. F which she bluntly refused. Mrs. F, very dissatisfied, attempted to negotiate a better settlement with her insurers but to no avail. She was advised by a friend that she should visit the Financial Services Ombudsman to lodge a complaint against the insurance company.

The Ombudsman's Office reviewed Mrs. F's case and asked the insurance company to provide information pertaining to her complaint. The company's response was received along with the pertinent details surrounding its assessment of the claim. The insurance company advised as follows:-

- The estimated cost submitted by the complainant was indeed reasonable based on

the company's or its Adjuster's Report.

- Since the property was, however, underinsured, that is, insured for less than its current market value; they had to apply the **Average Condition Clause** as per the terms and conditions of the policy contract.
- This policy condition states that "the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the amount of such loss."
- As a consequence, the company was willing to settle the claim for the adjusted figure after the clause was applied.
- Based on the information provided by the insurance company the Ombudsman Office was satisfied that the offer being made to the complainant was a fair one. Mrs. F was notified of the company's position and she agreed to accept the offer.

A working example

• Valuation of Property	\$1,000,000
• Insurance on property	\$500,000 (1/2)
• Value uninsured	\$500,000 (1/2)
• Value of claim	\$300,000
• Proportion applicable to Insurance Company	1/2 of \$300,000 = \$150,000
• Proportion applicable to the Insured	1/2 of \$300,000 = \$150,000

- In the event of a claim, the Average Condition Clause applies

** The company will only pay \$150,000 of the claim.

For further information, you can contact the Office of the Financial Services Ombudsman at www.ofso.org.tt; info@central-bank.org.tt; 625-2601 ext. 2650, 2657, 2681 or 2685.



DO YOU OWN A CLASS A DOG?

Breeds covered under the Bill, identified as Class A Dogs relate specifically to the following breeds:-

- Pitbull Terriers or any dog bred from the Pitbull Terrier
- Fila Brasileiro or any dog bred from the Fila Brasileiro
- Japanese Tosa or any dog bred from the Japanese Tosa

The legislation requires persons who own a Class A dog, 'To have in force in relation to each dog, a policy of insurance that provides coverage in respect of each claim for injury or death caused by that dog in the sum of not less than two hundred and fifty thousand dollars or such higher sum as the Minister may prescribe by Order.'

According to the Bill, a policy of insurance shall be a policy

which-

- Is issued by a person who is an insurer; and
- Insures the owner and any authorized keeper specified in the policy against any liability which may be incurred by him in respect of the death of, or injury to a person caused by a dog in relation to which the policy of insurance under this section is in force.

Insurance companies do not have separate policies for owners to the above breeds; however insurance may be covered under their homeowners' policy. Owners of Class A breeds who have a homeowners' policy should contact their insurer as soon as possible to verify whether their policy includes such coverage.

A FRAUDULENT MOTOR INSURANCE CERTIFICATE CAN GET YOU ARRESTED

Always Use A Legitimate Insurance Company!

Before taking out an insurance policy (whether it's motor, life, property or health insurance), ALWAYS ensure that the company, salesman or agent is legitimate.

Do not be fooled by the appearance of a policy or motor insurance certificate. If your motor insurance certificate is found to be fraudulent, you have no insurance and will be charged for driving without insurance. If you are involved in an accident, you will also be held personally responsible for the costs if you liable.

WHAT TO CHECK FOR:-

- Check that the company is registered with the Central Bank.

- Ask the salesman or agent to show proof of their license with Central Bank and the insurance company with which they are registered.
- Verify with the insurance company that the person is still a salesman or agent employed with them.
- Use the telephone directory or directory assistance to obtain the telephone number of the Central Bank or the insurance company. Do not use the telephone number supplied by the salesman or agent or in documents supplied by them to verify their identity.
- Contact: Central Bank of Trinidad and Tobago: 625 4835, website: <http://www.central-bank.org.tt/content/insurance-sector>

MANAGING RISK ATTIC



HEALTH INSURANCE

FAQ's

It is important for everyone to have health insurance in these economic times. More employers are realising the need for employees to have medical coverage to assist with medical expenses. Both self employed and Individuals are also seeing the need for medical coverage. Listed below are some of the frequently asked questions regarding health insurance.



So the storm went with your roof...
No worries.

Beacon's Property Insurance
Covering you for floods, hurricanes,
earthquakes, burglary and more.



13 Stanmore Avenue, PO Box 837
Port of Spain, Trinidad & Tobago
(t) +1 868 623 2266
(f) +1 868 623 9900
info@beacon.co.tt
beacon.co.tt

Q. Who is an eligible dependent on a health plan?

A. Only spouses (married or common law) and children are eligible as dependents on a health plan.

Q. How do I go about making a claim?

A. Insurers have agreed to a standardised health claim form that allows policyholders to use any form from any insurer. Claim forms are available from your insurer, or at most doctors offices, and must be signed by the member AND the doctor providing the service. The doctor MUST put a diagnosis and all necessary referrals and all claims must be accompanied by a receipt. Completed claims can then be submitted to your employer, for submission to the insurer for persons under a group plan. For individual plans the claim forms once completed can be submitted to your insurer.

Q. What is a deductible and how it works?

A. The deductible is the first expense borne by the client before reimbursement of your medical benefits.

Q. If I am in another plan can I claim twice?

A. Not twice, but you can coordinate the claim with the other insurer to allow you a possible reimbursement of 100% of your expense. However this is subject to your benefit levels.

Q. How do I use my Insurance Card?

A. It is used as a means of identification under your health plan when accessing emergency services at any health care facility.

Q. Is 100% of my medical expenses covered?

A. No, 100% is not covered, the amount that is reimbursed is subject to your plan benefit.

For further questions and clarification you should contact your plan administrator or insurer.

Both self employed and individuals are also seeing the need for medical coverage.



Policy Voided Because of False Declaration made by Proposer

Mr. H. took out a policy on his life and named his wife, Mrs. H. as the beneficiary. Three years later, the insured died and Mrs. H. filed a claim with his insurance company. In keeping with normal claims practices and procedures, the insurer launched an investigation and advised the widow that she would be notified of their decision pending the outcome of the inquiries. Eight months later, Mrs. H. was still unable to get a decision from the company regarding the status of her claim. Frustrated at the delay, Mrs. H. lodged a complaint against the insurer with the Financial Services Ombudsman.

After reviewing Mrs. H.'s complaint, the Ombudsman wrote to the company enquiring as to the reason for the delay in settling the

claim. The company responded saying that their investigations revealed that the insured, Mr. H. made a false declaration on his Proposal Form and they would be denying the claim. To support this position, they submitted to the Ombudsman's office copies of said Proposal Form and other relevant documents.

Under the terms and conditions of the policy contract and although the contestability period has passed, the company was entitled to void the policy, since the insured has made a false statement on the Proposal Form, by not disclosing a pre-existing condition. Therefore no benefits were payable under the policy and Mrs. H. would only receive a refund of the premiums paid without interest.

Having examined both sides of the case carefully, the ombudsman upheld the decision

given by the company and notified the complainant accordingly.

Lesson of the Case:

When applying for insurance, the burden of truth is upon the applicant (the proposer). Prospective insured persons are required to disclose all material facts that may affect an underwriter's decision and must be honest and truthful in answering the questions on the proposal form. This insurance principle is called 'utmost good faith' and a greater burden to 'tell all that he knows' rests with the proposer. Failure to do so can cause the policy to be voided at the time of a claim, should the insurer discover otherwise.

Courtesy the Office of the Financial Services Ombudsman



NOTICE DUE DILIGENCE REQUIREMENTS FOR BUSINESS CUSTOMERS

The Financial Obligations Regulations 2010 made pursuant to the Proceeds of Crime Act 2000, contains provisions with which all Financial Institutions, including Insurance Companies must comply.

When conducting business with Business Customers, such as a Company, we are required to:-

- Verify the legal status of the Company;
- Understand its ownership and control structure;
- Verify the names and Identities of Directors by means of documentary evidence;
- Verify, by means of documentary evidence, the names and Identities of shareholders holding more than 10 per cent of the paid up share capital.

Our failure to adhere to these legal requirements exposes us to serious penalties. The Information is verified through your most recent annual returns.

The Companies Act 1995 requires that Companies file their annual returns on the anniversary date of the Company's incorporation, the failure of which exposes the Company to fines and ultimately to have the Company's name struck from the Register.

We therefore urge you as GOOD BUSINESS CUSTOMERS to file your annual returns to maintain your 'good standing' under the Companies Act, so that we can ensure that you achieve your business objectives.

NOTICE TO ALL INSURANCE POLICY HOLDERS

Regulatory requirements mandate that all financial institutions, including insurance companies establish and maintain customer due diligence procedures for all customers.

These procedures require the periodic update and verification of customer information to ensure that it remains current.

Insurance companies undertaking such verification are required to establish that every party relevant to the application for insurance exists.

All ATTIC members are committed to ensuring that customer records are current and up to date in order to preserve and protect the integrity customer information.

Therefore, when conducting business, all customers, to the extent that this has not already been provided, will be asked for the following information:-

- IDENTIFICATION
- INDIVIDUALS - a valid photo bearing identification such as passport, national identification card or a driver's permit.
- LEGAL ENTITIES - For companies and partnerships a Certificate of Incorporation, Continuance or Partnership Agreement together with a list of all directors or partners supported by valid photo bearing identification.
- PERMANENT ADDRESS AND PROOF OF ADDRESS
- EMPLOYMENT/OCCUPATION/LINE OF BUSINESS
- WHERE APPLICABLE, OCCUPATIONAL INCOMES
- TELEPHONE NUMBERS - Home/Cell/Work

Changes to customer information as outlined above must be communicated to your insurance provider