



CAA News

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Legislative and Regulatory Developments in the Insurance and Pension sectors in Trinidad and Tobago

Financial Institutions Supervision Department, Central Bank of Trinidad and Tobago

Trinidad and Tobago is working towards the attainment of developed-country status by the year 2020 and a significant element of this objective is the establishment of a Pan-Caribbean Financial Centre. However, this requires improvements in the financial sector legislation, as well as the regulatory and supervisory framework. The legislative agenda is pretty intensive as work is underway to reform four major pieces of financial legislation: banking, insurance, pension plans and credit unions.

Review of the insurance legislation is substantially advanced and a draft Insurance Bill is expected to be made available for industry consultation soon. The Central Bank of Trinidad and Tobago has held industry-wide consultation on an insurance Policy Proposal Document over the last two years, and is in the process of developing a draft Bill to be circulated for review and comments. The key areas which the amendments to the Insurance Bill seek to address include prudential standards (risk based capital requirements, investment limitations and credit exposure limits); corporate governance (strengthening the roles and responsibilities for directors, auditors and actuaries); related party transactions (restrictions on connected party lending); market conduct; financial reporting; and enhancing the powers of the Regulator (prompt and corrective action).

New occupational pension legislation is being developed as currently there is no separate legislation for occupational pension plans. Instead, pension matters are covered under the existing insurance legislation. A Policy Document for the Occupational Pensions Act is being prepared and similar to other legislative developments, the Central Bank will consult with the stakeholders in the industry on the Policy Document. Also, on pension matters, in 2008, the Central Bank of Trinidad and Tobago implemented new Semi-Annual reporting requirements for Privately Administered Pension Fund Plans.

The Central Bank is also working with the insurance industry to develop standardized actuarial valuation methodology for long term business. This new valuation methodology is referred to as "Caribbean PPM". In addition, work is also underway to develop risk-based capital rules for the insurance industry. These two projects are well advanced and we are currently awaiting the completion of two separate Quantitative Impact Studies to test the impact of these proposals on insurers' balance sheets. The completion and eventual implementation of these two initiatives are important milestones in our effort to enhance the regulatory and supervisory process, and by extension afford greater

protection to policyholders.

Log on to the Central Bank of Trinidad and Tobago's website to view details for the following:

- Insurance Act amendments -

http://www.central-bank.org.tt/financial_stability/index.php?pid=3055

- Quantitative Impact Studies and Reporting for Privately Administered Pension Fund Plans

http://www.central-bank.org.tt/financial_stability/index.php?pid=3079

References:

Reform of the Financial System of Trinidad and Tobago – A White Paper (June 2004),

Policy Proposal Document for the Insurance Act (Aug 2007)

CAA Conference 2008

The 2008 conference is almost here! The Association's 18th Annual Conference will be held December 3 to 6, 2008 on the beautiful island of Trinidad. The conference will be held at the Hyatt Regency Hotel in Port of Spain.



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This year's theme is "Changing Perspectives". The conference's programme contains many topics which address the concerns of financial professionals in these uncertain times. Topics covering risk, capital adequacy, public sector pension reform and the rating of Caribbean companies are some of those that will be presented.

The conference will open with a feature address by Dr Ewart Williams, the Governor of the Central Bank of Trinidad and Tobago. Dr. Williams will speak on "Financial Sector Stability – the role of the Government,

the role of the Regulators and the role of the Central Bank". The Presidents of the International Association of Actuaries, the Canadian Institute of Actuaries and the Society of Actuaries are some of the other featured speakers.

Registration is now officially closed but there is a limited number of spaces still available. If you are interested in attending this year's conference please contact Aftab Ali at aftab.ali@gloc.biz for further details. More information on this year's conference, including the programme, can be found on our website <http://www.caa.com.bb/>.

Caribbean Actuarial Association and Institute of Actuaries host Professionalism Course

The CAA and the Institute of Actuaries will host a Professionalism Course for Experienced Actuaries on December 3, 2008. This course is primarily aimed at assisting the CAA's Members to meet the requirement set by the Institute and Faculty of Actuaries that their Fellows attend such a course at least once every ten years.

The course will be held at the Hyatt Regency Hotel. The programme for the day will feature ethical and professional issues. The main presenters will be Chris Daykin, Helen Gregson and Tim Kimpton.

Although the course is primarily aimed at experienced Fellows, experienced Associates (or those close to qualifying as Fellows) are welcome. If you are interested in attending this course, please complete and send the registration form to Aftab Ali at aftab.ali@gloc.biz as soon as possible.

Further details on the course can be found on our website <http://www.caa.com.bb/>.

CAA supports the Actuarial Science Degree Programme of the University of the West Indies, Mona

The Council of the Caribbean Actuarial Association has decided to provide additional support to students who are enrolled in the BSc. degree programme in actuarial science at the University of the West Indies, Mona Campus. Council believes that assisting students in this way should increase their chances of finding employment in the actuarial or a related field after they graduate.

The Association will pay the examination fees for subjects P (Probability) and FM (Financial Mathematics) for the top ten performers in each academic year - provided that they have A averages. Students will be limited to one attempt per subject.

The Association previously donated US\$5,000 towards a library of actuarial textbooks for students who are enrolled in the programme.

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Boss for Staple Inn
Marcia Tam-Marks

In 1998 the Institute of Actuaries graciously invited the CAA to display a boss of the CAA in the halls of the Staple Inn along with those from various actuarial societies around the world. It took almost ten years for this to come to fruition but well worth the wait.



The CAA crest was designed by the award-winning graphic artist Ann Marie Vincent from Trinidad in 2007. The design encompassed the form of a crest but at the same time showcasing the vibrancy of the Caribbean region. The warm bright colours reflect the many rich cultures of the countries that make up the Caribbean and the warm and friendly Caribbean people. The region is also filled with a diversity of flora and fauna depicted in the crown of the crest by the coconut trees, the hibiscus flowers and the birds which can be found in all the islands.

When Columbus discovered the Caribbean islands he came on several occasions in the ships called the Niña, the Pinta and the Santa Maria and one of the first things he saw was the hills. The ship and the hills are artistic impressions of this occasion. The CAA emblem is symbolic of a compass leading to the birth of the profession in the Caribbean and the sigma sign on the mast of the ship depicts the scientific nature of the actuarial profession. The region governed by the CAA is depicted by the chain of islands the stretch from The Bahamas in the north to Trinidad in the south and the South American countries of Guyana and Suriname.

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Jamaica Pension Reform Review Update

Cathy Lyn

Three years have passed since the 2004 Pensions Act was introduced in Jamaica (effective March 2005). At a meeting hosted by Sagicor on October 1, 2008 all actuarial practitioners in Jamaica were invited to take part in a comprehensive review of the impact of pension reform on the pensions industry in Jamaica. Nineteen practitioners took part. Following this review the Jamaican Chapter of the CAA will prepare a report on this issue. The report will be shared with the Financial Services Commission and the Ministry of Finance.

This report will also contain our proposals for solutions to challenges faced by the regulators and our suggestions to strengthen the retirement system in Jamaica. On September 25, 2008 we invited interested overseas actuaries and other related professionals to join in this effort and submit their review and comments via emailed responses. We haven't received any responses from overseas actuaries as yet. If you are interested in taking part in this review please send your comments to japension_review2008@yahoo.com.

We have distributed information including the Pensions Act and its regulations as well as the report prepared in 2005 by the actuaries for the Joint Select Committee to all Members of the CAA. This 2005 report will be integral in enabling us to gauge the success of the reform against its objectives.

We shall be distributing the minutes to the meeting to those who attended and the representatives of companies administering the pension funds who undertook to supply this committee with data for the report.

Our preliminary observations are outlined below:

There have been 531 applications to register approved superannuation funds under the Pensions Act since September 2006. Twenty of these applications have been approved and 30 more applications were going to the Board that week.

There are about 1.14m people of working age in Jamaica and occupational pension funds cover only 10% of the labour force. No occupational pension funds have been started since the pensions legislation was introduced and there have been over 100 funds discontinued as employers restructured their pension arrangements. These employers believed that the requirements of the new legislation were too onerous to justify the benefits of operating these pension funds.

We look forward to receiving more comments on possible solutions to strengthen the retirement system in Jamaica.

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CAA seeks Full Membership of the International Association of Actuaries

In the last edition of the Newsletter, Members were given an update of the CAA's application for full membership of the International Association of Actuaries (IAA). Council is pleased to report that at a recent meeting of the IAA that its Accreditation Committee recommended that the CAA become a full member of the IAA upon the adoption of the revisions to the Constitution, Code of Professional Conduct and Due Process for Adopting Standards of Practice.

The Council of the CAA has approved these changes which were proposed by the CAA's Governance Committee. Details on the proposed changes can be found on our website <http://www.caa.com.bb/>.

The CAA is due to vote upon these revisions at the Annual General Meeting on December 5, 2008.

Editor's Note: The examination results for the Fall/Winter sitting of the Society of Actuaries and Institute of Actuaries will soon be released. Students are asked to send their examination successes to president@caa.com.bb as soon as possible.

Examination Success

Since the last publication of the Association's Newsletter, the following students have passed examinations:

New Fellow

Clarke Kadene Melissa, Society of Actuaries, Jamaica

New Associate

Crosskill Dominic Matthew, Society of Actuaries, Jamaica

Other Examination Successes

Ackbar Dirk, FAP (Exam1 and Modules 1 to 5), Society of Actuaries, Trinidad and Tobago

Affoo Andrew, CA2, CA3, CT9, ST5, Institute of Actuaries, Trinidad and Tobago

Archer Dawn, CT4, Institute of Actuaries, Barbados

Babb Sonya, FM, Society of Actuaries, Barbados

Boxill Rayna, MLC, Society of Actuaries, Trinidad and Tobago

Brown Andre Venaugh, MLC, Society of Actuaries, Jamaica

Dabreo Kenrick, FM, Society of Actuaries, Barbados

Griffith Ryan, CT4, CT9, Institute of Actuaries, Barbados

Holder Jevon, MLC, Society of Actuaries, Trinidad and Tobago

Johnson Kay-Ann Nicole, MFE, Society of Actuaries, Jamaica

Johnson Tesi, CT3, Institute of Actuaries, Jamaica

Longman Mark Hugh, MLC, Society of Actuaries, Jamaica

Mahabir Lisa, C, VEE (Corporate Finance), Society of Actuaries, Trinidad and Tobago

Major Leah, C, Society of Actuaries, Bahamas

Marshall Ayodele, FM, Society of Actuaries, Barbados

McBean Monique Debra-Gay, C, Society of Actuaries, Jamaica

McFarlane Jo-Ann, CT2, Institute of Actuaries, Jamaica

McKellop Conrad, CT2, Institute of Actuaries, Jamaica

Nethersole Kristina, CA3, Institute of Actuaries, Jamaica

Norville Boyd, CT1, Institute of Actuaries, Guyana

Pearl Anika Simone, MFE, Society of Actuaries, Jamaica

Popplewell Ruth, P, Society of Actuaries, Trinidad and Tobago

Rollock Candace, P, Society of Actuaries, Trinidad and Tobago

Shreeves Jamion Jermaine, MFE, Society of Actuaries, Jamaica

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Stennett Shayna Anna-Kaye, MLC, Society of Actuaries, Jamaica
Stewart Horpaul R, MFE, Society of Actuaries, Jamaica
Thomas Kemba, FE, Society of Actuaries, Trinidad and Tobago
Thompson Teesha, P, VEE (Microeconomics), Society of Actuaries,
Trinidad and Tobago
Wilson Merrieca Tanisha, MLC, Society of Actuaries, Jamaica
Witter Camille Rose, MLC, Society of Actuaries, Jamaica

Interested in Contributing to the CAA's Newsletter?

The next edition of the CAA's Newsletter will be circulated early next year. Members interested in contributing should send their articles to the Association at president@caa.com.bb.

We are interested in receiving articles about Association sponsored events in the region as well as any developments in the fields of finance and actuarial science which you feel would be of interest to our Members.

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