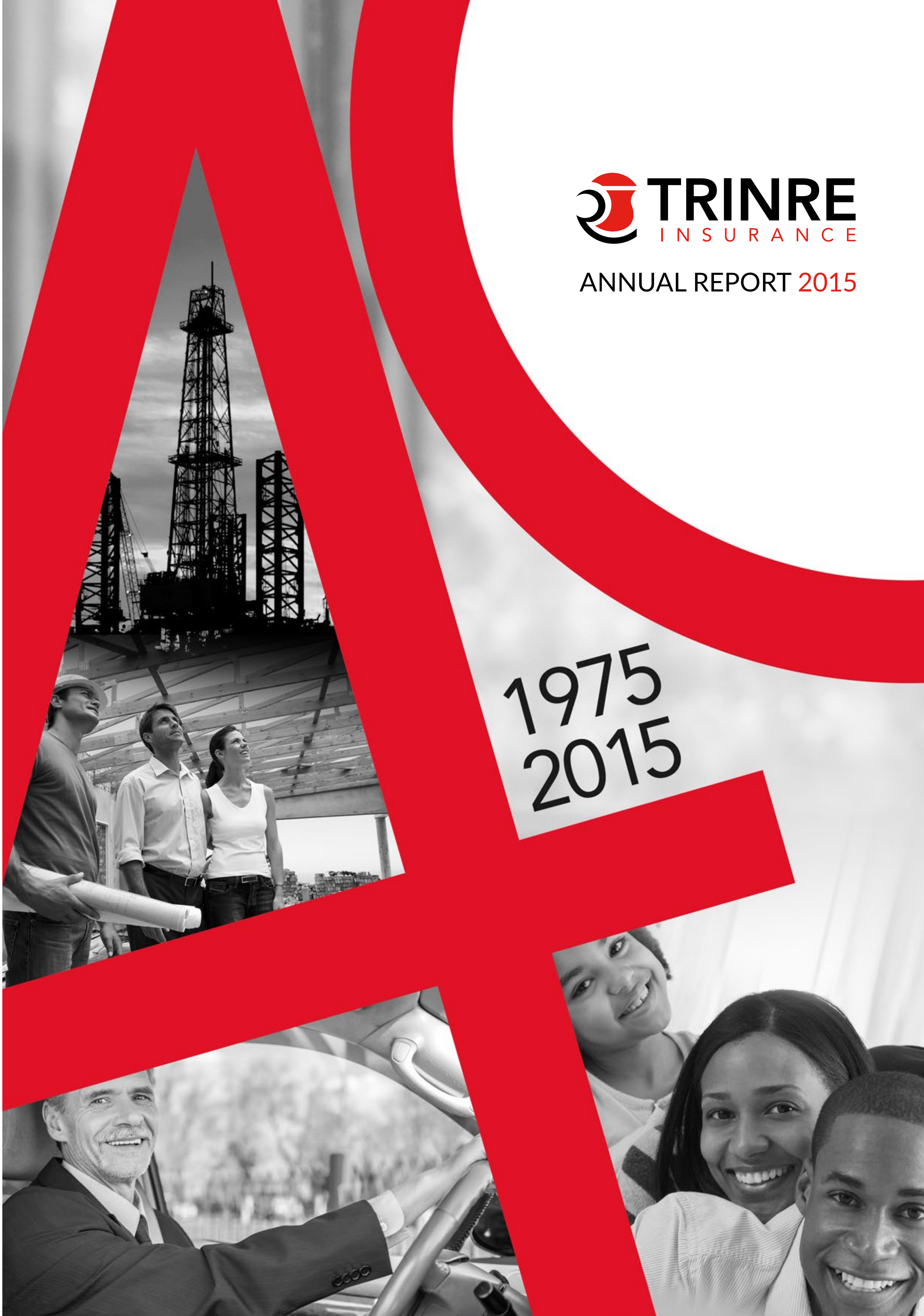
TRINRE INSURANCE

ANNUAL REPORT 2015




TRINRE
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TRINRE
FOUNDATION


TRINRE
FOUNDATION
Supporting Education, Leadership
Development and Recognition
“ Become the change you want to see
in the world”


TRINRE


40
1975
2015
YEARS
69–71

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CORPORATE INFORMATION

CORPORATE SECRETARY

Christina Hyatali

LPC, LLB

Attorney-At-Law

REGISTERED OFFICE

69-71 Edward Street

Port of Spain

Trinidad, West Indies

AUDITORS

KPMG Chartered Accountants

69 Edward Street

Port of Spain

BANKERS

Scotiabank Limited

Cor. Park and Richmond Streets

Port of Spain

Trinidad, West Indies

BRANCH NETWORK

PORT OF SPAIN

69 Edward Street

SAN FERNANDO

35 Independence Avenue

CHAGUANAS

43 Mulchan Seuchan Road

ARIMA

22A King Street

TOBAGO

Milford Bay Plaza
Milford Road, Bon Accord

OUR CORE PURPOSE

To enable greater prosperity for those we serve

OUR VISION

To be the most **respected** and admired company built on an enduring foundation of financial health grounded in strong Corporate Governance and citizenship, fuelled by innovation, passion and talent.

To gain **leadership** in the markets we serve, by surpassing the expectations of our customers and consistently honouring our obligations.

To be **recognized** for our social conscience by supporting the wellbeing of our colleagues, environment and communities.

OUR VALUES

Respect
Honour
Passion

OUR GUIDING PRINCIPLES

We believe that:

- Our customers determine our success.
- Each day has new possibilities.
- Continuous learning and self-mastery will keep us ahead of the competition.
- We must navigate change with strength, courage, innovation, talent and discipline.
- Long-term relationships are built on integrity, high credibility, mutual respect and honour.
- Profit and growth is one measure of success and a means to fulfill our obligations to customers, shareholders, reward our employees and meet other objectives

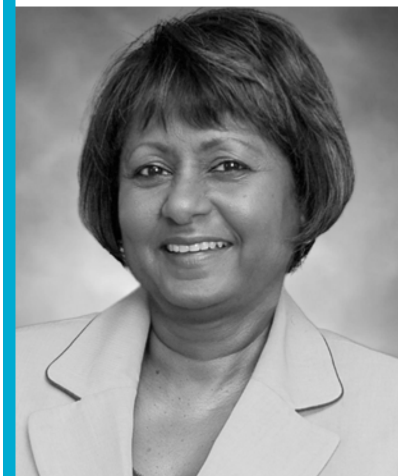
MICHAEL A.A. QUAMINA

LEC, LLB
Non-Executive Director
Appointed 4th April, 2011

Michael Quamina obtained his Bachelor of Laws degree (with Honours) from the University of the West Indies and attended the Hugh Wooding Law School where he obtained the Certificate of Legal Education. Mr. Quamina has practiced various types of law for over thirteen years including Public Administrative Law, Industrial Relations Law, Insurance Law and the law with respect to confiscation of assets under the Proceeds of Crime legislation. He is also skilled in dispute resolution and has served on several directorships of financial institutions and other private companies.

ELIZABETH COX

EMBA, MHP, FLMI
Non-Executive Director
Appointed 1st June, 2010



Elizabeth Cox is the CEO and Principal Consultant of Casper Investments Inc. and brings to the Consultancy over 25 years' experience in Insurance and Management. Her Consultancy practice is based in Guyana but her services extend throughout the Caribbean and Central America. She worked previously in the Insurance industry at the GTM Group of Insurance Companies for over 30 years and held the position of Group Marketing Manager at the time of leaving. Her Insurance and Management expertise is fully utilized as she serves as a Director on several companies both in Guyana and overseas and is the President of the Rotary Club of Georgetown. She is a graduate of the University of the West Indies (UWI), Cave Hill Campus, Barbados with a distinction in the Executive Masters in Business Administration (EMBA). She also distinguished herself in Insurance studies and is the holder of the Fellow Life Management International Diploma FLMI, the Managed Health Care Professional (MHP) and completed studies in Fraud Investigation, Detection & Prevention in Health & Life Insurance. She is a certified Trainer and Administrator of the MBTI personality assessment instrument.

RAYMOND TIM KEE

CLU, MBA
Non-Executive Director/Deputy Chairman
Appointed 18th March, 2002

Raymond Tim Kee is a Chartered Life Underwriter (CLU), a Sales and Management Trainer and holds a Masters of Business Administration (International MBA). He is the Chairman and Chief Executive Officer of Raymond Tim Kee Investments & Insurance Services Limited/Guardian Life of the Caribbean Limited, RTK Trading Enterprises Limited and ART Advertising and has been involved in the insurance industry for over thirty years. He has served in executive positions in both sales and administration with ALGICO/AIG and currently holds the post of President of Trinidad & Tobago Football Federation.

ADRIAN BHARATH

BA, FCA, CA
Non-Executive Director
Appointed 16th May, 2013

Adrian Bharath is the Managing Director of AMB Corporate Finance Limited since 2009 and brings to TRINRE over 26 years of experience in the field of finance. From 1999 to 2009 he held the position of Director in the Corporate Finance Group at Pricewaterhouse Coopers Limited (Trinidad and Tobago) and prior to that spent 11 years at KPMG (London and New York) in the corporate finance, investment banking and auditing lines of the Business. He was the Chairman of the National Insurance Board of Trinidad and Tobago from December 2012 to October 2015 and was also a Director on the Board of the National Insurance Property Development Company Limited (NIPDEC) during the same period.

BOARD OF DIRECTORS

RANI LAKHAN-NARACE

MBA
Executive Chairman
Appointed 22nd June, 2001

Rani Lakhan-Narace is the Executive Chairman of TRINRE and a Director of its parent company, Investment Managers Limited. She has served as the President of the Association of Trinidad and Tobago Insurance Companies (ATTIC) for two consecutive terms and has also been a member of the Board of the Insurance Association of the Caribbean (IAC). Mrs. Lakhan-Narace attained both an Executive Masters' Degree and Post MBA from the Arthur Lok Jack Graduate School of Business and holds a Bachelor's Degree in Social Sciences with a major in Economics from the University of Western Ontario, Canada. At present, Mrs. Lakhan-Narace is the Chairman of the Education Committee of the Caribbean Corporate Governance Institute (CCGI) where she is pursuing the Chartered Director Program and training as a facilitator.

HOWARD A. DOTTIN

Executive MBA, FCCA
Non-Executive Director
Appointed 25th November, 2011

Howard Dottin has over 30 years of experience in accounting and finance, with 23 of those years spent in the financial services industry including corporate banking and insurance. He has served as Chief Financial Officer at both Guardian Holdings Limited and Scotia Bank Trinidad & Tobago Limited. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and attained an Executive Master of Business Administration from the University of the West Indies. He has been lecturing for over 20 years and continues to do so at the Arthur Lok Jack Graduate School of Business where he also serves as a Programme Director for the Master of Science in International Finance.

ANTHONY PROUDFOOT

Non-Executive Director
Appointed 16th May, 2013

Anthony Proudfoot holds over 30 years of experience in the fields of retail, marketing and distribution. He has held many leadership positions at both the Ansa McAl and Neal and Massy Holdings groups including several Directorships on the Boards of Trinidad Distributors Limited, Penta Paints Limited and Melville Shipping. Mr Proudfoot was Chairman at a number of organisations; namely Alston's Shipping, Geddes Grant Trinidad and Barbados, and at Hi-Lo Food Stores, he was also the Chief Executive Officer. Most recently, he served as the Chief Executive Officer of H.D. Hopwood in Jamaica and from 2008 to 2012 as a Non-Executive Director on the Board of Agostini's Limited in Trinidad and Tobago.

CHAIRMAN'S REVIEW

2015 was an extraordinary year for TRINRE as we celebrated our 40th Anniversary, a remarkable feat and testimony to our determination to realize our vision of being one of the most admired and respected insurance companies. Fittingly symbolized by the ruby, TRINRE has come to embody the same passion, protection and prosperity; all of which have steered our path to success.

Another significant milestone, was the change of our legal name to TRINRE Insurance Company Limited, which has completed the release of any identification with the company's former business in reinsurance.

As we look ahead, our focus remains steadfastly on building on our achievements, ever mindful of the emerging risks and undulating business landscape.

FINANCIAL STRENGTH

I am pleased to report that TRINRE has once again delivered another year of solid financial performance. Our audited results highlighted a Net Profit of $8.9 million during the fiscal year ended December 31, 2015 demonstrating our ability to sustain profitability over the course of unsteady economic and market conditions. Gross Written Premiums recorded an increase of $11.5 million or 7.8% over the previous year moving from $147.8 million in 2014 to $159.3 million in 2015. TRINRE recorded its best Underwriting Profit since 2008, increasing from $7.1 million in 2014 to $13.0 million in 2015. It was a volatile year for global investment markets and this was reflected in the performance of our investment portfolio which recorded a modest loss of $0.6 million and factored into a reduction in Profit Before Tax from $14.2 million in 2014 to $12.4 million in 2015. Total assets increased by 20.8% from a restated $161.8 million in 2014 to $195.4 million, whilst total shareholders' equity increased by 6.6% from a restated $61.8 million in 2014 to $65.9 million. Earnings per share amounted to 76 cents whilst Return on Equity remained strong at 13% and Return on Assets measured at 5%. Dividend per share was 49 cents.

We maintained our track record of exceeding requirements in our solvency and risk based capital adequacy ratios of 120% and 150%, closing at 827% and 292% respectively.

PREMIER SERVICE

Our passion to serve, passion to succeed and passion for excellence continue to bring us great rewards and fulfilment; evidenced by the strong relationships with our reinsurers, customers and business partners. Our emphasis on customer focus and distinctive service defined our efforts as we pushed towards the final phase of implementation of our new P&C system and customer experience design. These initiatives will enable to us to strengthen our positioning for premier service through greater business intelligence and connectivity with our customers and partners.

The diversity of our intermediary network expanded significantly with the addition of new agents and salesmen to our team as our brand attracts a growing number of ambitious insurance entrepreneurs.

CORPORATE RESPONSIBILITY

As a learning organization, we are cognizant that development at the Board level signals not only the importance of continuous education, but also that our leadership keeps a pulse on the complexities of sustainable success. As such, training in Corporate Governance was pursued and is earmarked as an ongoing initiative.

The Management team also channelled its efforts towards greater process alignment and compliance requirements as we to ensure readiness for the new Insurance Act, and other legislative requirements, and moreover to generate stronger levels of operational efficiency and productivity.

The TRINRE Foundation remains actively focused on supporting education, leadership recognition and development as well as three of its major initiative for the year were the Joy of Reading Programme, Celebrate Responsibly – Road Safety Campaigns and Christmas Cheer, details of which are provided in the Social Consciousness Report.

STRATEGIC AGENDA

Unsteady economic conditions seem to be the prevailing forecast for 2016. This is juxtaposed against intensifying competition within the insurance industry where uneconomical pricing is a key factor. This can very well be the new norm, and we must therefore be particularly strategic as we maintain our efforts on creating value for our customers and shareholders; expand our networks and channels, create unique and exciting customer experiences, meet our compliance requirements and contribute to the wellbeing of our employees and our communities.

APPRECIATION

It has been my honour to lead TRINRE over the past 14 years as Chairman. I have seen our company grow and evolve tremendously from a fledgling insurer to a force to be reckoned with. I am truly grateful to the Directors, Shareholders, Employees, Brokers, Agents and other business partners who through the years have contributed to our success. In particular, I thank our customers for their unwavering trust in choosing us to play such an important role in their lives.

We enter this new period with gratitude and anticipation for the many new and exciting initiatives that are already in the making.

Rani Lakhan-Narace
Executive Chairman
June 30, 2016

RISK & CORPORATE GOVERNANCE

TRINRE's Board of Directors is strongly committed to the highest levels of governance and execution of duties and responsibilities in accordance with good corporate governance principles. We believe that robust governance is key to TRINRE's performance and sustainability. In this regard four Board Committees continued to operate during the year. A summary of their purpose, composition and meetings held is provided below. The Board of Directors believes that the Company's overall internal control systems are able to produce credibility and reliability for the financial statements for the period January 1st, to December 31st 2015.

BOARD OF DIRECTORS				
COMMITTEE	INVESTMENT	AUDIT	HUMAN RESOURCE & COMPENSATION	NOMINATION & CORPORATE GOVERNANCE
CHAIRMAN	Anthony Proudfoot	Howard Dottin	Michael Quamina	Adrian Bharath
COMMITTEE MEMBERS	Howard Dottin Adrian Bharath Raymond Tim Kee	Elizabeth Cox Raymond Tim Kee Michael Quamina Anthony Proudfoot	Raymond Tim Kee Elizabeth Cox Anthony Proudfoot	Michael Quamina Rani Lakhan-Narace Raymond Tim Kee Elizabeth Cox
MEETINGS HELD	4	4	1	1
PURPOSE	The **Investment** Committee's role is to monitor adherence to the investment policy and from time to time, make recommendations for the modification of the investment policy. The Investment Committee will delegate the necessary authority to the Management Team to implement the policy. In addition, the Investment Committee must review investment activities in such depth and with such regularity as is necessary to assure quality investments and conformity to the company's investment policy and the investment limitations stipulated in insurance legislation, regulations and guidelines that are in force.	The **Audit** Committee's role is to assist the Board of Directors (the "Board") in its oversight responsibilities relating to the integrity of the Company's financial statements, financial reporting process, and systems of internal accounting and financial controls; the qualifications, independence, and performance of the independent auditor and the performance of the company's internal audit department; and the company's legal and regulatory compliance.	The **Human Resources and Compensation** Committee's purpose is to oversee the overall employment environment of the company and be responsible for reviewing the company's policies for Human Resource strategies, compensation and succession planning to ensure that the company is a corporate leader in the development and implementation of proactive Human Resource strategies.	The **Nomination and Corporate Governance** Committee's purpose is to assist the board in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, to strive to achieve corporate governance best practice standards and to facilitate the board and management's objective of increasing the long-term value of the company.

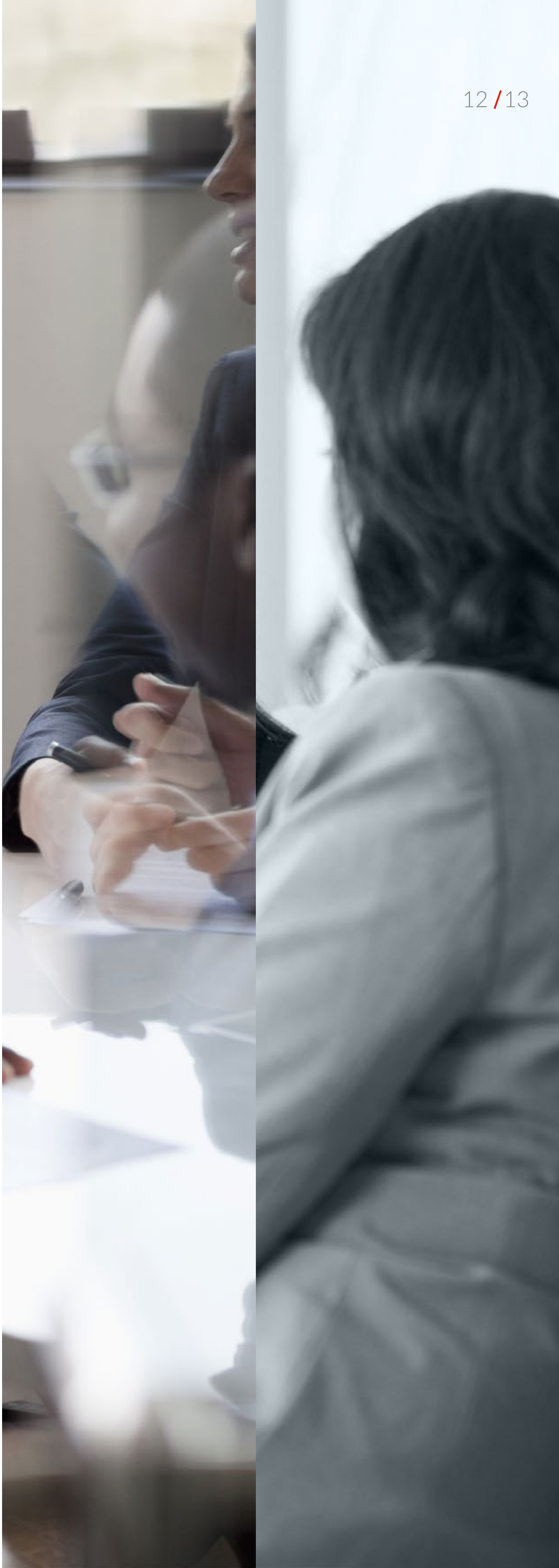
COMPOSITION OF THE BOARD

The company's Board of Directors at the close of 2015 comprised a complement of seven Directors; one Executive and six Non-Executive Directors. One change occurred during the course of the year as our Corporate Secretary, Mrs Gitanjali Gopeesingh was replaced by Ms Christina Hyatali. The Board of Directors expresses their gratitude to Mrs Gitanjali Gopeesingh for her service.

ANTI-MONEY LAUNDERING (AML) AND COMBATTING TERRORIST FINANCING (CTF)

TRINRE is subject to several laws, regulations and guidelines designed to combat money laundering and terrorist financing in the Trinidad and Tobago economy. These requirements, which are critical to Trinidad and Tobago's standing in the international financial market, are designed to protect the country's business community from the reputational risk and financial implications (penalties) associated with inadvertently committing offences related to money laundering and terrorist financing. As the financial and technological landscapes continue to evolve and facilitate additional ways to conduct financial transactions, on a local and international level, so too do the strategies for money laundering and terrorist financing continue to proliferate. This calls for increased vigilance from the business community as their exposure to money laundering and terrorist financing schemes increases.

TRINRE therefore continuously reviews and enhances its AML/CTF compliance programme to ensure that an appropriate risk based approach is applied to transaction monitoring, customer due diligence processes and practices so that suspicious activity can be detected and reported at the earliest possible opportunity.



SOCIAL CONSCIOUSNESS

Corporate citizenship is one of the pillars of TRINRE's vision and by virtue, one of the measures through which TRINRE determines its success and we persevere in our aim to enhance our communities by positively contributing to people's lives through education, leadership development and recognition. In 2015, the TRINRE Foundation streamlined and progressed several of its core programmes.

JOY OF READING PROGRAMME

The TRINRE Foundation's Joy of Reading Programme continued into its second year with the goal of encouraging young persons to embrace reading as a life enhancing skill. In collaboration with Nigel Khan Booksellers, a series of Storytelling Jamborees was held with several Children's Homes across communities in Trinidad and Tobago where TRINRE operates. This project was a rewarding experience for all TRINRE staff volunteers and thoroughly appreciated by the participating homes. Our Book Collection Drive remained a mainstay of the programme for which TRINRE's employees provided outstanding support contributing new and recycled storybooks as wells as stationery items.

CELEBRATE RESPONSIBLY - ROAD SAFETY INITIATIVE

Since establishing a sponsorship agreement with the Jonathan Camacho Organization for Road Safety (JCORS) Road Safety Ambassadors in 2014, TRINRE has deepened its support and commitment to fostering road safety awareness throughout Trinidad and Tobago to reduce the spiralling number of road fatalities. TRINRE's staff participated in awareness workshops with several members of them taking the Road Safety Pledge. Other beneficiaries of JCORS' work included the students of UWI in addition to a multitude of patrons at various fetes and events throughout the year where the organization hosted its Sober Recovery Zones.

TRINRE FOUNDATION CHRISTMAS CHEER

The TRINRE Foundation hosted its 4th Annual Christmas Cheer Initiative which has become a popular programme on the Foundation's calendar. This initiative once again succeeded in bringing relief to needy families across Trinidad and Tobago and sharing the joy of the season.

STAFF WELLNESS

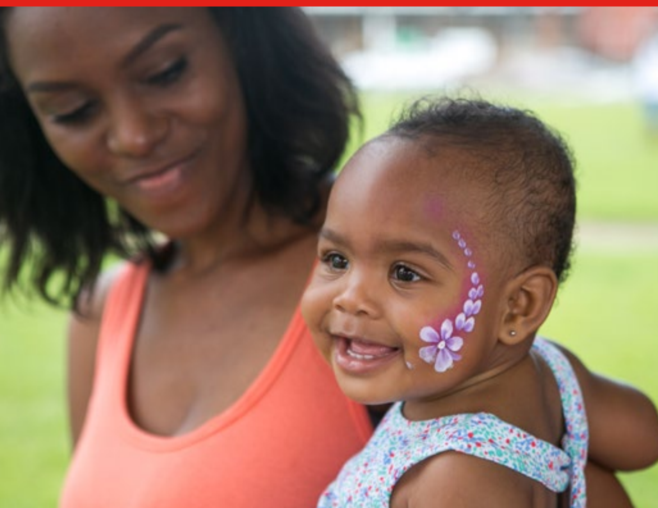
Employee wellness and engagement remain major priorities for TRINRE. In this connection, 2015 saw several initiatives being undertaken to foster team spirit and employee wellbeing including the hosting of our third Annual Family Day and Mix and Mingle series.

SPONSORSHIPS

Several organizations throughout Trinidad and Tobago received corporate sponsorship from TRINRE such as the Tobago Heritage Festival where TRINRE has been a national sponsor for the past five years. Support was also provided to a number of other organizations including foundations such as the Scotiabank T&T Foundation and Darren Ganga Foundation..

TRINRE
FOUNDATION

STAFF WELLNESS



CHRISTMAS CHEER

JOY OF READING

CELEBRATE RESPONSIBLY – ROAD SAFETY INITIATIVE

FINANCIAL STATEMENTS

OF **TRINRE INSURANCE COMPANY Ltd**
(*Formerly* Reinsurance Company of Trinidad And Tobago Limited)

December 31, 2015

Independent Auditors' Report to the Shareholders of TRINRE Insurance Company Limited

(Formerly Reinsurance Company of Trinidad and Tobago Limited)

We have audited the accompanying financial statements of Trinre Insurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants

May 12, 2016
Port of Spain
Trinidad and Tobago

STATEMENT OF FINANCIAL POSITION

December 31, 2015

	Notes	2015	Restated 2014	Restated 2013
		$	$	$
Assets				
Property, plant and equipment	5	5,239,774	3,514,166	2,657,100
Intangible assets	6	8,320,366	6,148,764	4,012,867
Investment property	7	10,593,800	10,500,000	6,816,834
Investment securities	8	71,888,157	76,727,260	75,762,415
Deferred tax asset	9	3,888,469	3,788,027	4,240,646
Reinsurance assets	10	72,144,893	38,303,903	39,940,417
Accounts receivable and prepayments	11	20,561,064	21,611,884	18,180,013
Taxation recoverable		-	1,005,928	438,368
Cash and cash equivalents		2,778,205	235,661	6,381,443
Total assets		195,414,728	161,835,593	158,430,103
Equity And Liabilities				
Equity				
Stated capital	12	22,262,499	22,262,499	22,262,499
Statutory reserve	13	22,408,978	20,195,399	17,182,802
Retained earnings		21,196,527	19,305,567	17,682,889
		65,868,004	61,763,465	57,128,190
Liabilities				
Life assurance funds	14	393,621	434,654	472,206
Insurance liabilities	15	103,276,011	84,314,626	80,824,600
Borrowings	16	5,850,656	-	-
Taxation payable		154,801	-	-
Accounts payable	17	19,871,635	15,322,848	20,005,107
		129,546,724	100,072,128	101,301,913
Total equity and liabilities		195,414,728	161,835,593	158,430,103

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Board

.... Director

.... Director

STATEMENT OF COMPREHENSIVE INCOME

December 31, 2015

	Note	2015	Restated 2014
		$	$
Revenue			
Gross premium		159,281,805	147,785,439
Premium ceded		(132,655,801)	(91,474,754)
Net premium		26,626,004	56,310,685
Change in unearned premium reserve		12,592,297	(4,192,316)
Earned premium		39,218,301	52,118,369
Commission income		30,437,665	14,448,826
Total revenue		69,655,966	66,567,195
Losses and expenses			
Claims incurred		18,142,886	22,953,925
Commission expense		14,315,395	13,740,723
Management expenses		24,196,700	22,753,015
Total losses and expenses		56,654,981	59,447,663
Underwriting gain	18	13,000,985	7,119,532
Investment and other income		2,623,245	2,692,800
Change in investment securities valuation		(3,186,627)	1,050,770
Change in investment property valuation		-	3,301,428
Profit before for taxation		12,437,603	14,164,530
Taxation	9	(3,583,285)	(2,114,144)
Net profit for the year being total comprehensive income attributable to equity holders		8,854,318	12,050,386

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

December 31, 2015

	Notes	Stated Capital $	Statutory Reserve $	Retained Earnings $	Total $
Balance at December 31, 2013 as previously reported		22,262,499	16,782,683	16,482,533	55,527,715
Adjustment to reflect capitalisation of software related expenses		-	400,119	1,200,356	1,600,475
Restated balance at December 31, 2013		22,262,499	17,182,802	17,682,889	57,128,190
Net profit being total comprehensive income for the year		-	-	12,050,386	12,050,386
Transfer to statutory reserve	13	-	3,012,597	(3,012,597)	-
Dividends paid	24	-	-	(7,415,111)	(7,415,111)
Balance at December 31, 2014		22,262,499	20,195,399	19,305,567	61,763,465
Balance at December 31, 2014 as previously reported		22,262,499	19,548,175	17,363,897	59,174,571
Adjustment to reflect capitalisation of software related expenses		-	647,224	1,941,670	2,588,894
Restated balance at December 31, 2014		22,262,499	20,195,399	19,305,567	61,763,465
Net profit being total comprehensive income for the year		-	-	8,854,318	8,854,318
Transfer to statutory reserve	13	-	2,213,579	(2,213,579)	-
Dividends paid	24	-	-	(4,749,779)	(4,749,779)
Balance at December 31, 2015		22,262,499	22,408,978	21,196,527	65,868,004

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

December 31, 2015

	2015	Restated 2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,437,603	14,164,530
Adjustments for:		
Depreciation	834,112	769,751
Loss on disposal of property, plant and equipment	1,787	2,230
Appreciation in investment valuation	3,186,627	(1,050,770)
Appreciation in investment property valuation	-	(3,301,428)
Increase in insurance liabilities	18,961,385	3,490,026
Change in reinsurance assets	(33,840,990)	1,636,514
Investment and other income	(2,623,245)	(2,692,800)
	(1,042,721)	13,018,053
Changes in accounts receivable	1,038,963	(3,576,758)
Changes in accounts payable	4,548,787	(4,682,259)
Changes in life assurance funds	(41,033)	(37,552)
Corporation taxes paid	(2,522,998)	(2,229,085)
Net cash from operating activities	1,980,998	2,492,399
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,635,102	2,837,687
Acquisition of property, plant and equipment	(2,435,581)	(1,527,197)
Proceeds from disposal of property, plant and equipment	1,300	1,123
Enhancements to investment property	(93,800)	(381,738)
Purchase of intangible assets	(2,298,828)	(2,238,870)
Purchase of investment securities	(8,773,397)	(10,869,914)
Proceeds from sale of investment securities	10,425,873	10,955,839
Net cash used in investing activities	(539,331)	(1,223,070)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(4,749,779)	(7,415,111)
Proceeds from borrowings	5,850,656	-
Net cash from (used in) financing activities	1,100,877	(7,415,111)
Net increase (decrease) in cash and cash equivalents	2,542,544	(6,145,782)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	235,661	6,381,443
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,778,205	235,661
Represented by:		
Cash in hand and at bank	2,778,205	235,661

The accompanying notes are an integral part of these financial statements.

1. Incorporation and Principal Activity

TRINRE Insurance Company Limited (formerly Reinsurance Company of Trinidad and Tobago Limited) (the Company) is a limited liability company incorporated on July 3, 1975 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is 69 Edward Street, Port of Spain. The Company is a subsidiary of Investment Managers Limited.

The Company primarily underwrites non-life insurance risks, such as those associated with death, motor, property and liability. These products are offered primarily to the domestic market.

Effective November 16, 2015 the Company changed its name from The Reinsurance Company of Trinidad and Tobago Limited to Trinre Insurance Company Limited.

These financial statements were authorized for issue by the Board of Directors on May 12, 2016.

2. Significant Accounting Policies

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

(b) Basis of measurement

These financial statements are prepared on the historical cost basis except for the measurement at fair value of investment securities and investment property at fair value through profit and loss. No account is taken of the effects of inflation. The company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

(c) Functional and presentation currency

Amounts included in these financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency.

(d) Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

- ***Determining fair values***
  Fair value reflects the present value of future cash flows associated with a financial asset or liability where an active market exists. Observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

- ***Impairment of assets***
  The identification of impairment and the determination of recoverable amounts is an intently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

(e) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. There are no non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Land is not depreciated.

Depreciation is computed on the reducing balance basis at rates sufficient to write-off the cost of the assets over their estimated useful lives.

The rates used are as follows:

Buildings	2%
Furniture and equipment	20%
Fixtures and fittings	20%
Motor vehicles	25%
Computer equipment	20%

The asset's residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

(g) Intangible assets

Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate future economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2. Significant accounting policies (continued)

(h) Investment property

Investment property principally comprises land and building not occupied by the Company, which is held for long-term rental yields and capital appreciation. Investment property is classified as a non-current asset and was previously measured using the cost model. During 2014, management decided to change the measurement model to a fair value model and accordingly investment property is now revalued.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(i) Reinsurance assets

The Company assumes and cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognized as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due to reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Company may not receive all amounts due to it under the terms of the contract and that this can be measured reliably.

(j) Insurance receivables

Insurance receivables are recognized when due and measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of comprehensive income.

(k) Financial instruments

i) Classification

The Company previously classified its investments securities as at fair value through profit and loss.

The Company designates all financial assets as investment securities at fair value through profit and loss to eliminate or substantially reduce the mismatch which would otherwise arise and be consistent with how these investments are reported and managed internally.

ii) Recognition

All purchases and sales of financial assets are recognized on the settlement date. From this date, any gains and losses arising from changes in fair value of assets are recognised.

iii) Measurement

Financial instruments are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. A financial asset is derecognized when the contractual right to receive cash flows expire or when the asset is transferred.

Subsequent to initial recognition all investment securities at fair value through profit and loss are measured at fair value, based on readily available market prices at the close of business on the reporting date for listed instruments or by reference to current market values of another instrument which is substantially the same. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions.

Any investment security at fair value through profit and loss that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

Gains and losses arising from the change in the fair value of investment securities at fair value through profit and loss subsequent to initial recognition are accounted for in the profit and loss. All non-trading financial liabilities and held-to-maturity assets are measured at amortised costs less impairment losses. Amortised cost is calculated on the effective interest rate method.

Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

(l) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost.

(m) Impairment

The carrying amounts of the Company's assets, other than deferred tax assets (see accounting policy (*u*)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In order to determine whether negative revaluations on investment securities correctly represent impairment, all investment securities for which the market value has been significantly below cost price for a considerable period of time, are individually reviewed. A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Company's long-term investment strategy. Impairment losses are recognised in profit and loss.

i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) **Reversals of impairment**

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment contracts

Any contracts not considered insurance contracts under IFRS are classified as investment contracts.

All contracts held by the Company as at December 31, 2015 have been classified as insurance contracts.

(o) Benefits and claims

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the reporting date, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the reporting date.

Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of comprehensive income in the year the claims are settled.

The estimation of claims incurred but not reported (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claims has happened.

(p) Insurance liabilities

General insurance contract liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain type of general insurance claims, therefore the ultimate cost of which cannot be known with certainty at the reporting date.

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the income statement in the order that revenue is recognized over the period of risk.

(q) Provision for other insurance financial liabilities

A provision is recognised when the Company has a present legal or constructive obligation, as a result of past events, which it is probable, will result in an outflow of resources and when a reliable estimate of the amount of the obligation can be made.

(r) Employee benefits

The Company operates pension scheme arrangements which provide individual annuities payable on retirement for all senior managers and qualifying monthly paid employees, which are administered through individual policy contracts. This is a defined contribution plan to which the Company contributes 5% of salary.

A defined contribution plan is a pension plan under which the Company pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company's contribution is charged to the income statement in accordance with the accrual basis.

(s) Revenue recognition

Premium income

Premiums written are recognized on policy inception and earned on a pro rata basis over the term of the related policy coverage.

Commission income

The fee is recognized as revenue in the period in which it is received unless these relate to service to be provided in future periods. If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract.

Investment income

If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract. Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortization of any discount or premium. Investment income also includes dividends, which are recognized as received.

Realised gains and losses recorded in the income statement

Realised gains and losses on the sale of property and equipment and of investment securities at fair value through profit and loss are calculated as the difference between net sales proceeds and the original cost. Realised gains and losses are recognized in the statement of comprehensive income when the sale transaction occurs.

(t) Other income and expenditure

Other income and expenditure items are accounted for on the accrual basis.

(u) Taxation

Tax on income comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted by the reporting date, business levy and green fund levy, charged on worldwide income, and any adjustment of tax payable for the previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss).

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on the deferred tax of any changes in the tax rate is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(v) **Segment reporting**
A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Company's business segments.

3. Change in Accounting Policy

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, restatements have been made in relation to the change stated below:

For the previous three years consultants' fees and staff costs incurred in connection with the development of a new insurance software were previously charged to the profit and loss account. The Company now proposes to capitalize such costs, as permitted by IAS 38, Intangible Assets, since it believes this better reflects the cost of developing the asset.

The quantitative impact of the change is set out below:

	Impact of Change		
	Reported	Impact	As previously As restated
	$	$	$
December 31, 2013			
Property, plant and equipment	5,069,492	(2,412,392)	2,657,100
Intangible assets	-	4,012,867	4,012,867
Retained earnings	16,482,533	1,200,356	17,682,889
Statutory reserve	16,782,683	400,119	17,182,802
December 31, 2014			
Property, plant and equipment	7,074,036	(3,559,870)	3,514,166
Intangible assets	-	6,148,764	6,148,764
Retained earnings	17,363,897	1,941,670	19,305,567
Statutory reserve	19,548,175	647,224	20,195,399

4. New, Revised and Amended Standards and Interpretations Not Yet Effective

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Company has not early-adopted. The Company has assessed the relevance of all such new standards, amendments and interpretations with respect to the Company's operations and has determined that the following are likely to have an effect on the financial statements.

- IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
  - specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard;
  - the order of notes to the financial statements is not prescribed;
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

The Company is assessing the impact that this amendment will have on its 2016 financial statements.

  - Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation*, are effective for accounting periods beginning on or after January 1, 2016.
  - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
  - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

The Company is assessing the impact that this amendment will have on its 2016 financial statements.

- *Improvements to* IFRS *2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the Company are as follows:
  - IFRS 7, *Financial Instruments: Disclosures*, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

    IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets* and *Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

The Company is assessing the impact that this amendment will have on its 2016 financial statements.

4. New, Revised and Amended Standards and Interpretations Not Yet Effective (continued)

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

The Company is assessing the impact that this amendment will have on its 2018 financial statements.

- IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Company is assessing the impact that this amendment will have on its 2019 financial statements.

5. Property, Plant and Equipment

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended December 31, 2015							
Cost							
Balance as at January 1, 2015	529,009	1,840,317	1,340,471	1,285,424	1,368,085	627,748	6,991,054
Additions	96,773	99,349	-	539,900	65,152	1,639,008	2,440,182
Disposals	-	-	-	(13,990)	-	-	(13,990)
Transfers	1,594,333	-	-	132,571	539,852	(2,266,756)	-
Adjustment	-	-	-	-	(4,600)	-	(4,600)
Balance as at December 31, 2015	2,220,115	1,939,666	1,340,471	1,943,905	1,968,489	-	9,412,646
Accumulated depreciation							
Balance as at January 1, 2015	273,423	778,701	881,930	606,943	935,892	-	3,476,889
Charge for the year	111,451	216,378	114,635	161,028	104,498	-	707,990
Disposals	-	-	-	(10,903)	-	-	(10,903)
Adjustment	-	-	-	-	(1,104)	-	(1,104)
Balance as at December 31, 2015	384,874	995,079	996,565	757,068	1,039,286	-	4,172,872
Net book value							
December 31, 2015	1,835,241	944,587	343,906	1,186,837	929,203	-	5,239,774
December 31, 2014	255,586	1,061,616	458,541	678,482	432,193	627,748	3,514,166

5. Property, Plant and Equipment (continued)

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended December 31, 2014							
Cost							
Balance as at January 1, 2014	446,053	1,158,127	1,340,471	1,181,878	1,340,858	-	5,467,387
Additions	99,531	402,004	-	370,687	27,227	627,748	1,527,197
Disposals	-	(3,529)	-	-	-	-	(3,529)
Transfers	(16,575)	283,715	-	(267,140)	-	-	-
Balance as at December 31, 2014	529,009	1,840,317	1,340,471	1,285,425	1,368,085	627,748	6,991,055
Accumulated depreciation							
Balance as at January 1, 2014	235,814	602,364	729,083	410,261	832,763	-	2,810,285
Charge for the year	51,014	230,104	152,847	129,686	103,129	-	666,780
Disposals	-	(176)	-	-	-	-	(176)
Transfers	(13,405)	(53,591)	-	66,996	-	-	
Balance as at December 31, 2014	273,423	778,701	881,930	606,943	935,892	-	3,476,889
Net book value							
December 31, 2014	255,586	1,061,616	458,541	678,482	432,193	627,748	3,514,166
December 31, 2013	210,239	555,763	611,388	771,615	508,095	-	2,657,100

6. Intangible Assets

	Software	Work-in Progress	Total
	$	$	$
Year ended December 31, 2015			
Cost			
Balance as at January 1, 2015	2,821,561	5,629,362	8,450,923
Additions	2,779	2,296,049	2,298,828
Transfers	687,831	(687,831)	-
Balance as at December 31, 2015	3,512,171	7,237,580	10,749,751
Accumulated depreciation			
Balance as at January 1, 2015	2,302,159	-	2,302,159
Charge for the year	127,226	-	127,226
Balance as at December 31, 2015	2,429,385	-	2,429,385
Net book value			
December 31, 2015	1,082,786	7,237,580	8,320,366
December 31, 2014	519,402	5,629,362	6,148,764
Year ended December 31, 2014			
Cost			
Balance as at January 1, 2014	2,674,822	3,537,232	6,212,054
Additions	146,739	2,092,130	2,238,869
Balance as at December 31, 2014	2,821,561	5,629,362	8,450,923
Accumulated depreciation			
Balance as at January 1, 2014	2,199,187	-	2,199,187
Charge for the year	102,972	-	102,972
Balance as at December 31, 2014	2,302,159	-	2,302,159
Net book value			
December 31, 2014	519,402	5,629,362	6,148,764
December 31, 2013	475,635	3,537,232	4,012,867

7. Investment Property

Investment property comprises property at Kingsbury Place, 22A King Street, Arima not in use at present by the Company.

	2015	2014
	$	$
Year ended December 31		
Net book value as at January 1	10,500,000	6,816,834
Enhancements to investment property during the year	93,800	381,738
Change in fair value	-	3,301,428
Valuation as at December 31	10,593,800	10,500,000

The property was valued by Raymond and Pierre Limited, an independent professional valuator, whose report dated May 2, 2014 assessed the property on the basis of open market value at $10,500,000.

8. Investments Securities

	2015	2014
	$	$
Securities at fair value through profit and loss		
Equity securities	39,314,588	40,506,313
Mutual funds	5,852,673	5,509,963
Government and Government-guaranteed bonds	25,581,292	29,368,656
Corporate bonds	1,139,604	1,342,328
Total investment securities	71,888,157	76,727,260

Investment securities amounting to $31,832,594 (2014: $31,226,935) included above are pledged with the Inspector of Financial Institutions as part of the Company's statutory assets.

9. Taxation

	2015	2014
	$	$
Income tax recognised in profit and loss		
Corporation tax	3,624,040	1,584,908
Green fund levy	59,687	76,617
Deferred tax expense relating to the origination/reversal of temporary differences	(100,442)	452,619
	3,583,285	2,114,144
Reconciliation of effective tax rate		
Profit before provision for taxation	12,437,603	14,164,530
Tax at the statutory rate of 25%	3,109,401	3,541,133
Expenses not deductible for tax purposes	866	3,516
Income exempt from tax	324,287	(1,526,012)
Green fund levy	59,687	76,617
Adjustment to deferred tax	89,044	18,890
Tax charge for year	**3,583,285**	**2,114,144**
Movement in the deferred tax liability (asset)		
Balance at the beginning of the year	(3,788,027)	(4,240,646)
(Credit) charge to the statement of comprehensive income	(100,442)	452,619
Balance at the end of the year	(3,888,469)	(3,788,027)
Composition of deferred tax liability (asset)		
Property, plant and equipment	1,503,090	1,288,046
Claims outstanding	(5,141,559)	(4,826,073)
Other timing differences	(250,000)	(250,000)
	(3,888,469)	(3,788,027)

	2015	2014
	$	$

10. Reinsurance Assets

	2015	2014
Claims reported and IBNR (Note 15 (a))	19,947,895	7,389,333
Provision for unearned premiums (Note 15 (b))	47,690,516	29,957,340
Other items	4,506,482	957,230
	72,144,893	38,303,903

11. Accounts Receivables and Prepayments

	2015	2014
Insurance receivables	16,646,792	19,606,064
Other receivables	3,210,444	1,160,017
Prepayments	703,828	845,803
	20,561,064	21,611,884

12. Stated Capital

During 2015 the Company finalised the consolidation of its issued and outstanding ordinary shares by changing every five (5) of the issued and outstanding ordinary shares of the Company into one ordinary share.

	2015	2014
	$	$
Authorised		
Unlimited number of shares of no par value		
Issued and fully paid		
11,666,666 shares of no par value	22,262,499	22,262,499

13. Statutory Reserve

As required by Section 171 of the Insurance Act, 1980 of Trinidad and Tobago at least 25% of the Company's profit from general insurance business, for the preceding year is to be appropriated towards a Statutory Surplus Reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable.

14. Life Assurance Fund

	2015	2014
	$	$
Funds at beginning of year	434,654	472,206
Investment income	4,312	4,690
Premium	91,994	101,553
	530,960	578,449
Commissions	(11,047)	(12,395)
Management expenses	(126,292)	(131,400)
	(137,339)	(143,795)
Funds at end of year	393,621	434,654

15. Insurance Liabilities

		2015		
	Note	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
		$	$	$
Provision for claims reported by policyholders		36,601,057	18,044,975	18,556,082
Provision for claims incurred but not reported (IBNR)		3,913,073	1,902,920	2,010,153
Total claims reported and IBNR	15(a)	40,514,130	19,947,895	20,566,235
Provision for unearned premiums	15(b)	62,761,881	47,690,516	15,071,365
Total insurance contracts liabilities		103,276,011	67,638,411	35,637,600

15. Insurance Liabilities (continued)

	Note	2014 Insurance Contracts Liabilities	2014 Reinsurers' Share of Liabilities	2014 Net
		$	$	$
Provision for claims reported by policyholders		24,139,688	6,692,267	17,447,421
Provision for claims incurred but not reported (IBNR)		2,553,936	697,066	1,856,870
Total claims reported and IBNR	15(a)	26,693,624	7,389,333	19,304,291
Provision for unearned premiums	15(b)	57,621,002	29,957,340	27,663,662
Total insurance contracts liabilities		84,314,626	37,346,673	46,967,953

The provision for claims reported by policy holders may be analysed as follows:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At January 1, 2015	26,693,624	7,389,333	19,304,291
Claims incurred	45,988,047	28,197,830	17,790,217
Claims paid during the year	(32,167,541)	(15,639,268)	(16,528,273)
At December 31, 2015	40,514,130	19,947,895	20,566,235
At January 1, 2014	28,073,648	7,160,856	20,912,792
Claims incurred	29,643,700	6,689,776	22,953,924
Claims paid during the year	(31,023,724)	(6,461,299)	(24,562,425)
At December 31, 2014	26,693,624	7,389,333	19,304,291

The provision for unearned premiums may be analysed as follows:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At January 1, 2015	57,621,002	29,957,340	27,663,662
Premium written in the year	159,281,805	132,655,801	26,626,004
Premium earned during the year	(154,140,926)	(114,922,625)	(39,218,301)
At December 31, 2015	62,761,881	47,690,516	15,071,365
At January 1, 2014	52,750,952	29,279,606	23,471,346
Premium written in the year	147,785,439	91,474,754	56,310,685
Premium earned during the year	(142,915,389)	(90,797,020)	(52,118,369)
At December 31, 2014	57,621,002	29,957,340	27,663,662

16. Borrowings

The borrowings of $5,850,656 represents a single drawdown on October 2, 2015 from a revolving term loan with an authorized limit of $7.2 million, obtained by the Company from Scotiabank to assist with working capital requirements. It is subject to floating interest, currently 3.9%, payable monthly. Principal payments are due six months after each drawdown. The loan is secured by a First Registered Demand Legal Mortgage over property situated at Kingsbury Place, 22A King Street, Arima.

	2015	2014
	$	$

17. Trade and Other Payables

Sundry creditors and accruals	6,562,084	3,055,224
Amounts due to reinsurers	13,309,551	12,267,624
	19,871,635	15,322,848

18. Segment Reporting

	Property	Marine	Bond	Misc	Motor	Total
	$	$	$	$	$	$
Year ended December 31, 2015						
Gross premium written	52,241,905	37,017,851	5,029,546	21,630,842	43,361,661	159,281,805
Premium ceded to reinsurers	(50,532,154)	(36,414,032)	(4,234,236)	(15,460,224)	(26,015,155)	(132,655,801)
Net premium written	1,709,751	603,819	795,310	6,170,618	17,346,506	26,626,004
Change in unearned premium reserve	(21,791)	(125,021)	202,969	3,375,952	9,160,188	12,592,297
Earned premium	1,687,960	478,798	998,279	9,546,569	26,506,695	39,218,301
Commission income	9,287,551	867,411	3,408,693	6,031,642	10,842,368	30,437,665
Total revenue	10,975,511	1,346,209	4,406,972	15,578,211	37,349,063	69,655,966
Losses and expenses						
Commission expense	4,737,121	286,690	349,908	2,990,078	5,951,598	14,315,395
Claims incurred	211,004	8,431	(10,780)	8,184,897	9,749,334	18,142,886
Management expenses	4,663,185	623,846	1,782,622	5,174,123	11,952,924	24,196,700
Total losses and expenses	9,611,310	918,967	2,121,750	16,349,098	27,653,856	56,654,981
Underwriting profit (loss)	1,364,201	427,242	2,285,222	(770,887)	9,695,207	13,000,985
Year ended December 31, 2014						
Gross premium written	35,058,947	39,155,157	6,143,878	24,662,195	42,765,262	147,785,439
Premium ceded to reinsurers	(33,388,454)	(38,864,833)	(4,911,052)	(10,171,518)	(4,138,897)	(91,474,754)
Net premium written	1,670,493	290,324	1,232,826	14,490,677	38,626,365	56,310,685
Change in unearned premium reserve	390,166	(28,148)	(227,217)	(1,360,704)	(2,966,413)	(4,192,316)
Earned premium	2,060,659	262,176	1,005,609	13,129,973	35,659,952	52,118,369
Commission income	8,208,687	610,749	2,022,157	3,016,243	590,990	14,448,826
Total revenue	10,269,346	872,925	3,027,766	16,146,216	36,250,942	66,567,195
Losses and expenses						
Commission expense	4,598,790	147,032	563,178	2,731,451	5,700,272	13,740,723
Claims incurred	(65,317)	13,579	31,272	4,952,754	18,021,637	22,953,925
Management expenses	3,176,691	289,744	1,046,653	5,629,423	12,610,504	22,753,015
Total losses and expenses	7,710,164	450,355	1,641,103	13,313,628	36,332,413	59,447,663
Underwriting profit (loss)	2,559,182	422,570	1,386,663	2,832,588	(81,471)	7,119,532

19. Insurance Contracts Liabilities and Reinsurance Assets – Terms, Assumptions and Sensitivities

Terms and conditions

The major classes of general insurance contracts written by the Company include motor, property, and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For these insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the reporting date.

The provisions are refined as part of a regular ongoing process and as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Group life contracts cover the Company's customers in the event of death. The benefit paid on the occurrence of an insurable event is fixed. There are no maturity or surrender benefits. Claims are recorded in the statement of comprehensive income as incurred based on the estimated contractual liability.

Assumptions

The principal assumption underlying the estimates is the Company's past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting date.

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

20. Financial Instruments

Fair values

With the exception of insurance contracts which are specifically excluded under International Accounting Standard No. 39, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Company would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements since those dates, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

(i) Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term deposits, accounts receivable and accounts and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Investments

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

(a) ***Determination of fair value and fair value hierarchies***

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market.

This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

20. Financial Instruments (continued)

(b) ***Financial instruments measured at fair value***

	Level 1 $	Level 2 $	Level 3 $	Total $
2015				
Investments at fair value through profit and loss	71,888,157	-	-	71,888,157
2014				
Investments at fair value through profit and loss	76,727,260	-	-	76,727,260

Transfers between and movement in Levels
For the year ended December 31, 2015 there was no transfer of assets between and movement in Levels.

21. Insurance and Risk Management

a Introduction and overview

The Company has exposure to the following risks from its use of financial instruments:
- Insurance risk
- Credit risk
- Liquidity
- Interest rate
- Foreign currency

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

b Insurance risk
The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid being greater than originally estimated and subsequent development of long-term claims.

Management of insurance risk
The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements. The majority of reinsurance business ceded is placed on a quota share basis with retention limits varying by product line.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

c **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on reinsurance assets, investment securities and insurance receivables.

Management of credit risk

Reinsurance

Reinsurance is placed with high rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each year end, management performs assessment of creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

Investment securities

The Company limits its exposure by setting maximum limits of portfolio securities with a single issuer or group of issuers. The Company also only makes use of institutions with high creditworthiness.

Insurance receivables

The credit risk in respect of customer balances, incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document on the expiry of which the policy is either repaid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

An estimate of the fair value of collateral and other security enhancements held against financial assets is nil.

Exposure to credit risk

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

21. Insurance and Risk Management (continued)
(c) Credit risk (continued)

	Carrying Amounts	
	2015	2014
	$	$
At fair value through profit and loss investments	71,888,157	76,727,260
Accounts receivables:		
(i) Insurance receivables	16,646,792	19,606,064
(iI) Other receivables	3,210,444	1,160,017
Reinsurance assets	72,144,893	38,303,903
Cash and cash equivalents	2,778,205	235,661
	166,668,491	136,032,905

Impairment losses

The aging of receivables at the reporting date was:

	Gross	Impairment	Gross	Impairment
	2015	2015	2014	2014
	$	$	$	$
Not past due	9,807,329	-	11,274,447	-
Past due 46-90 days	4,660,304	-	5,172,039	-
Past due 91-180 days	2,932,414	753,255	4,199,235	1,039,657
Past due 181-360 days	480,078	480,078	557,307	557,307
More than one year	1,133,366	1,133,366	769,735	769,735
	19,013,491	2,366,699	21,972,763	2,366,699

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2015	2014
	$	$
Balance at the beginning of the year	2,366,699	2,366,699
Impairment loss recognized	-	-
Balance at the end of the year	2,366,699	2,366,699

21. Insurance and Risk Management (continued)

d Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management of liquidity risk

The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Company sets limits on the minimum portion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims at unexpected levels of demand.

The following tables analyse the insurance and financial liabilities and the reinsurance and financial assets of the Company into relevant maturity groupings based on the remaining period to the contractual or expected maturity date.

			Maturing		
	Carrying Amount	**No stated maturity**	**Within one year**	**Between one to five years**	**Over five years**
Insurance and financial liabilities as at December 31,2015					
Insurance contracts	40,514,130	-	40,514,130	-	-
Borrowings	5,850,656	-	5,850,656	-	-
Taxation payable	154,801	-	154,801	-	-
Accounts payables	19,871,635	-	19,871,635	-	-
	66,391,222	-	66,391,222	-	-
Reinsurance and financial assets as at December 31, 2015					
Investment securities	71,888,157	45,167,271	3,992,303	6,817,676	15,910,907
Reinsurance assets	24,454,377	-	22,614,554	1,839,823	-
Accounts receivables	19,857,236	-	19,857,236	-	-
Cash and cash equivalents	2,778,205	-	2,778,205	-	-
	118,977,975	45,167,271	49,242,298	8,657,499	15,910,907

21. Insurance and Risk Management (continued)
(d) Liquidity (continued)

	Carrying Amount	No stated maturity	Maturing Within one year years	Maturing Between one to five	Maturing Over five years
Insurance and financial liabilities As at December 31, 2014					
Insurance contracts	26,693,624	-	26,693,624	-	-
Accounts payables	15,322,848	-	15,322,848	-	-
	42,016,472	-	42,016,472	-	-
Reinsurance and financial assets as at December 31, 2014					
Investment securities	76,727,260	46,016,276	5,000,000	7,715,280	17,995,704
Reinsurance assets	8,346,563	-	8,346,563	-	-
Accounts receivables	20,766,081	-	20,766,081	-	-
Taxation recoverable	1,005,928	-	1,005,928	-	-
Cash and cash equivalents	235,661	-	235,661	-	-
	106,869,493	46,016,276	35,142,233	7,715,280	17,995,704

e Interest rates

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognized in the statement of financial position.

Management of interest rate risk

The Investment Committee comprises of one non-executive member and two executive members. The committee is responsible for reviewing the investment portfolio of the Company and setting the general direction as to the types of investments that would comprise the Company's portfolio. The aim is to balance the risk and returns with an objective of maximizing investment income.

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying Amounts *2015* $	*Carrying Amounts* *2014* $
Fixed rate instruments		
Bonds	21,245,979	24,556,517

	Carrying Amounts *2015* $	*Carrying Amounts* *2014* $
Variable rate instruments		
Bonds	5,474,917	6,154,467
Money market funds	6,692,453	5,956,982
Cash at bank	2,778,205	235,661
	14,945,575	12,347,110

f Foreign currency

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The major foreign currency exposure is to the United States Dollars.

	Carrying Amounts	
	US$	TT$
Net position of foreign currency at December 31, 2015: US Dollar cash and investments	3,884,086	24,935,832
Net position of foreign currency at December 31, 2014: US Dollar cash and investments	4,170,088	26,771,965

22. Related Party Transactions

(a) Identity of related party
The Company has a related party relationship with its parent and with its directors and executive officers.

(b) Related party transactions
A number of transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and condition.

	2015	2014
	$	$
(i) Income and expenses		
Management fees	900,000	900,000
Insurance expense	-	11,317
Directors' fees	297,751	189,000
Accommodation expense	2,058,125	1,452,054
Advertising expense	414,000	414,000
Interest income	-	(36,339)
Rental income	-	(17,250)
Insurance premium income	(194,954)	(905,572)
	3,474,922	2,007,210
(ii) Repayments from Investment Managers Limited	-	3,756,500

22. Related Party Transactions (continued)

(c) Related party balances

Investment Managers Limited	-	-

(d) Transactions with key management personnel

The key management personnel compensation is as follows:

Short-term employee benefits		
Emoluments	4,013,126	4,331,378

23. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
	$	$
Less than one year	2,275,243	2,410,715
Between one and five years	8,181,201	8,640,109
	10,456,444	11,050,824

During the year, $2,628,281 (2014: $2,112,784) was recognised as an expense in the statement comprehensive income in respect of operating leases. The Company leases a number of properties under operating leases. The leases normally run for a period of 1 – 5 years with an option to renew after that date. Lease payments are increased on renewal to reflect market rentals.

24. Dividend Paid

The following dividends were declared and paid by the Company during the respective year.

	2015	2014
	$	$
Fourth quarter dividend 2014	1,129,113	-
Final dividend for 2014	2,318,209	-
Fourth quarter dividend for 2013	-	1,733,374
Final dividend for 2013	-	3,602,816
First quarter dividend	710,033	-
Second quarter dividend	592,424	2,078,921
	4,749,779	7,415,111

Dividends declared and paid per share:

	Cents per share	
	2015	2014
	$	$
Fourth quarter dividend 2014	0.097	-
Final dividend for 2014	0.199	-
Fourth quarter dividend for 2013	-	0.149
Final dividend for 2013	-	0.309
First quarter dividend	0.061	-
Second quarter dividend	0.051	0.178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