TRINRE INSURANCE

ANNUAL REPORT 2019

CariA-Rating

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CORPORATE INFORMATION

Registered Office

69 Edward Street

Port of Spain

Trinidad, West Indies

Bankers

Scotiabank Trinidad and Tobago Limited

Cor. Park and Richmond Streets

Port of Spain

Trinidad, West Indies

Auditors

KPMG Chartered Accountants

Savannah East

11 Queen's Park East

Port of Spain

Trinidad, W.I.

Corporate Secretary

Sueann Sherwood

LLB (Hons), PACS

PORT OF SPAIN

69-71 Edward Street
Port of Spain
Trinidad, West Indies

ARIMA

22A King Street

SAN FERNANDO

8-10 Gordon Street

CHAGUANAS

62 Mulchan Seuchan Road

TOBAGO

Unit 4, Milford Bay Plaza
5 Milford Road, Bon Accord

About TRINRE

TRINRE was established over 44 years ago as a composite company that is now one of the fastest growing independent insurers in Trinidad & Tobago. TRINRE's growth is premised on the company's commitment to good corporate governance, revenue diversification, technological innovation, employee development and excellence in customer experience. Relationships with 'A' rated re-insurers enable the company to offer an increasing range of group life and general insurance products and services including packaged business insurances and specialty services.

OUR CORE PURPOSE

To enable greater prosperity for those we serve

OUR VALUES

Respect
Honour
Passion

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 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

BOARD OF DIRECTORS

HOWARD A. DOTTIN

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

ADRIAN BHARATH

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

ANTHONY PROUDFOOT

Non-Executive Director
Appointed 16th May, 2013

RAYMOND TIM KEE

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

Howard Dottin has over forty years of Finance and Accounting experience through service in both the Public and Private sector. Having held the posts of Chief Financial Officer in the banking sector and C-Level experience as Group Chief Financial Officer of one of the largest insurance conglomerates in the Caribbean region, Mr. Dottin's proficiency is incontestable. Mr. Dottin is a chartered accountant who also holds a Master's Degree in Business Administration with a specialization in Marketing and Finance, and has generously shared his wealth of knowledge and experience through lecturing in accounting, and at the post-graduate level to students of the MBA and MSC in Finance. He currently serves at the Arthur Lok Jack Graduate School of Business as the Programme Director of the Master of Science in International Finance.

Adrian Bharath possesses over thirty years of experience in the field of Finance and has held the position of Managing Director of AMB Corporate Finance for the past nine years. Mr. Bharath has also held the position of Director in the Corporate Finance Group at PricewaterhouseCoopers Limited (Trinidad and Tobago), and prior to that, spent eleven years at KPMG (London and New York) in the corporate finance, investment banking and auditing lines of business. He has served as Chairman of the National Insurance Board of Trinidad and Tobago, and Director on the Board of the National Insurance Property Development Company Limited (NIPDEC).

Anthony Proudfoot holds over thirty 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, where he was also the Chief Executive Officer. He has served as the Chief Executive Officer of H.D. Hopwood in Jamaica and as a Non-Executive Director on the Board of Agostini's Limited in Trinidad and Tobago.

Raymond Tim Kee is a sterling businessman and insurance professional. With over thirty years' experience in the insurance industry, Mr. Tim Kee has held several executive positions such as 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. He holds a Masters of Business Administration (MBA), and is a qualified Chartered Life Underwriter and Sales Management Trainer. Mr. Tim Kee has also dedicated himself to National service as the Mayor of the City of Port of Spain from 2013 to 2016 and is a FIFA Match Commissioner and Standing Committee Member.

MICHAEL A.A. QUAMINA

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

Michael Quamina is an attorney-at-law of twenty years practice in several areas including Public Administrative and Constitutional Law, Industrial Relations, Insurance Law, and the Law with respect to confiscation of assets under the Proceeds of Crime Legislation. Mr. Quamina has sat on the Boards of financial institutions and other private companies and he currently holds the position of Vice Chairman of Caribbean Airlines Limited.

RANI LAKHAN-NARACE

EMBA
Executive Chairman
Appointed 22nd June, 2001

Rani Lakhan-Narace has amassed an impressive record of prowess in both the retail and financial services sectors. Her distinguished leadership has led to her appointment on several Boards, and with a keen interest in society and human development, Mrs. Lakhan-Narace has often extended her stewardship to many community based organizations.

She is a Past President of the Association of Trinidad and Tobago Insurance Companies (ATTIC) and has also served on the Board of the Insurance Association of the Caribbean (IAC) and the Caribbean Corporate Governance Institute (CCGI). She currently serves as a Director of Investment Managers Limited; a member of the Transparency, Accountability and Governance (TAG) Committee of The American Chamber of Commerce of Trinidad and Tobago. More recently, she became the President of the International Women's Forum Trinidad and Tobago and Director of The Bocas Lit Fest.

Her professional accomplishments are supported by her academic achievements, holding both an Executive Master's Degree in Business Administration and a Post Masters of Business Administration (MBA) Certificate from the Arthur Lok Jack Graduate School of Business, UWI, as well as a Diploma in Corporate Governance from the Caribbean Corporate Governance Institute.

ELIZABETH COX

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

Elizabeth Cox has over thirty years of experience in Insurance and Management serving under the GTM Group of Insurance Companies where she held the position of Group Marketing Manager. She is the Chief Executive Officer and Principal Consultant of Casper Investments Inc. and has served as a Director on the Board of several companies in Guyana and overseas- she is the current Chairman of RF&G Life Belize. She obtained a distinction in the Executive Masters of Business Administration (MBA) at the University of the West Indies, Cave Hill Campus, Barbados, 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 is an Administrator of the MBTI personality assessment instrument. She is a past President of the Insurance Institute of Guyana, Association of the Insurance Institutes of the Caribbean and the Rotary Club of Georgetown.

CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present our 2019 Annual Report for which the Audited Financial Statements within represent a fifteen (15) month period due to an approved change in our financial year-end from December 31st to March 31st, by our Board of Directors effective 2019. This significant amendment was done to avoid the annual convergence of various business imperatives that usually occurred in the last quarter. Consequently, I shall be commenting on both the fifteen (15) month results, and the 12 month annualized figures that are included as a supplemental document for comparative purposes.

Over the period, TRINRE continued to navigate an environment characterized by a sluggish local economy, uneconomic general insurance rates, an unpredictable U.S. stock market, and what is now becoming annual flooding of disastrous proportion. The stubbornness of these continuous low rates has caused some reinsurance providers to take a long-overdue look at the region and make harsh decisions that augur well for risks returning to the local market at a more prudent rate.

Notwithstanding the current economic circumstances, the boost in natural gas production and other new drilling initiatives, together with increased activity in the non-energy sector are positive indications for 2019/2020.

In September 2018, TRINRE received a most historic accolade, a CariCRIS Corporate Credit Rating of CariA- on the regional rating scale and ttA- on the Trinidad and Tobago national scale. These ratings indicate that TRINRE's level of creditworthiness is "Good," a tremendous achievement for its initial rating. It was also assigned a financial strength rating of CariA-, which indicates that the company's ability to meet its ongoing insurance obligations is "Good." CariCRIS further assigned a "stable" outlook on the ratings based on the expectation that over the ensuring period of 12-15 months, TRINRE will continue to be profitable and display healthy capitalization, in spite of the prevailing challenges in Trinidad and Tobago.

This noteworthy accomplishment is a testimony to the vision, resilience and determination and vision of the TRINRE team over the years. It has further cemented our reputation as a stellar organization.

Financial Highlights

Gross premiums grew from $161.1M in 2017 to $210.3M for the fifteen months ended 31 March 2019, an increase of $42.2M or 30.5%, and $7.2M or 4.5% on the annualized basis. Profit After Tax moved from $6.5M in 2017 to $10.3M for the fifteen months ended 31 March 2019 and to $8.2M annualized. This is equivalent to increases of $1.7M or 26%; and $3.8M or 54%. The mainstay of these results was a combination of the life and investment portfolios that produced strong returns.

The regulatory ratios of capital adequacy and solvency continued to substantially exceed the required regulatory requirement, coming in at 194% and 813% respectively, at 31 March 2019, compared to 213% and 783% respectively as at 31 December 2017.

Earnings per share for the fifteen months ended 31 March 2019 was $0.88 with a total dividend of $0.52 compared to the prior year ended 31 December 2017, which recorded earnings per share of $0.56 and dividends of $0.28.

Corporate Responsibility

While the company was acutely focused on growth and operational excellence through customer centricity, strategic partnerships, and technological advances, it maintained its philosophical belief that interwoven in its success is a distinct a social conscience, demonstrated by its support for the well-being of colleagues, environment and communities.

This was reflected in and the various initiatives undertaken by the TRINRE Foundation and enthusiastically supported by our team.

"In September 2018, TRINRE received a most historic accolade, a CariCRIS Corporate Credit Rating of CariA- on the regional rating scale and ttA- on the Trinidad and Tobago national scale.

Gratitude

I must put on record my unequivocal gratitude to the entire TRINRE team, who has contributed to our achievements over the past fifteen (15) months. I know they share my extreme pride in TRINRE being an A-rated company.

My fellow Directors as well, must receive special commendation for their instrumental role. And to all our other valuable stakeholders – our shareholders, reinsurers, brokers, agents, and customers, I salute your consistent confidence in us and assure you of our continuous drive to earn this trust every day.

Rani Lakhan-Narace
Executive Chairman
October 25, 2019

CORPORATE GOVERNANCE

Our Board of Directors continues to be guided by their responsibilities to ensure that optimal value is created to enable TRINRE's success and safeguard the interests of shareholders, customers, employees, and the public. This is further enhanced by TRINRE's belief that sound governance provides a critical integrated system that is fundamental to its sustainability.

The following sections focus on the key aspects of the Board's activities for the period, January 1st, 2018 to March 31st, 2019. Set out in this report are further details on TRINRE's corporate governance framework, structure, and duties of the Committees.

Composition of the Board and Meeting Attendance

The company's Board of Directors at the close of March 31st, 2019, comprised a complement of seven Directors, one Executive and six Independent.

During the financial year, the Board held five (5) regular meetings and its active Committees, Audit, and Investment, held five (5) meetings, and Governance held one (1) meeting. The attendance record of Directors at Regular Board, Annual and Committee Meetings is indicated below:

DIRECTOR	AUDIT	INVESTMENT	GOVERNANCE	REGULAR BOARD MEETING	ANNUAL GENERAL MEETING
Rani Lakhan-Narace	4	-	1	5	1
Raymond Tim Kee	4	4	-	4	1
Michael Quamina	2	-	-	3	0
Elizabeth Cox	2	-	1	5	0
Howard Dottin	5	5	-	4	1
Adrian Bharath	-	4	1	5	1
Anthony Proudfoot	5	5	-	5	1

The Board manages an annual schedule of critical agenda items designed to ensure that it fulfils its recurring obligations, and that Board-reserved items are routinely considered.

Framework for Effective Governance

The Board acknowledges its collective responsibility for the long-term success of the company and has adopted a number of charters, policies, and procedures to support its effective discharge of this responsibility. Further, specific responsibilities and authorities are delegated by the Board to the Executive Chairman. The primary objectives of the role of the Executive Chairman are to lead the management of TRINRE's business and affairs and to lead the implementation of the resolutions and heed the direction of the Board of Directors.

The existence of all Committees, as outlined, is considered by TRINRE to be a key contributor to the Board's effectiveness.

CORPORATE GOVERNANCE

Board Committees

The Investment and Audit Committees continued to operate, whereas the Governance Committee was constituted and began to operate during the period. Details of their current purpose and composition 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, 2018, to March 31st, 2019.

COMMITTEE	INVESTMENT	AUDIT	GOVERNANCE
CHAIRMAN	Anthony Proudfoot	Howard Dottin	Elizabeth Cox
COMMITTEE MEMBERS	Howard Dottin Adrian Bharath Raymond Tim Kee	Elizabeth Cox Raymond Tim Kee Michael Quamina Anthony Proudfoot Rani Lakhan-Narace (Ex-officio)	Adrian Bharath Rani Lakhan-Narace (Ex-officio)
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 delegates the necessary authority to the Management Team to implement the policy. In addition, the Investment Committee reviews investment activities in such depth and with such regularity as is necessary to assure quality investments and conformity 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 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; and the company's risks management framework.	The Governance Committee's role is to advise, monitor and make recommendations to the Board in the areas of Board effectiveness such as inter alia composition, evaluation, selection and compensation, as well as Executive compensation and Human Resources oversight; and any other relevant Corporate Governance matters that impact the sustainability of the organization.

CORPORATE GOVERNANCE

Investment Committee Report

In accordance with its Terms of Reference, the Investment Committee's work paid close attention to the company's management of investments and monitor key risks that include:

- Reviewing in detail, interest rate, credit, liquidity and foreign exchange risks for the company;
- Monitoring of risks exposures and reviewing mitigation strategies designed to manage these risks;
- Reviewing investment portfolio performance and
- Ensuring compliance with regulatory requirements

Audit Committee Report

In accordance with its Terms of Reference, the Audit Committee maintained oversight of both the external and internal audit functions of TRINRE. The Committee has continued to play a key role in supporting the Board's deliberations in matters relating to financial reporting, internal controls, risk management, and compliance with regulatory requirements.

Governance Committee

The Governance Committee convened its inaugural meeting in December 2018. In accordance with its Terms of Reference, the Committee's focus will be on the review and strengthening of the company's governance framework in concert with the goals and aspirations of the company and the landscape in which it operates.

Internal Audit

The appointed Internal Auditor is responsible for the Internal Audit function and adherence to the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. The Internal Auditor reports administratively to the Executive Chairman and functionally to the Audit Committee, and the Internal Auditor has unfettered access to the Audit Committee.

The Audit Committee is satisfied that the Internal Audit function has been discharged in an objective and transparent manner. Further, the Audit Committee has satisfied itself that the performance of the function is not subject to management's undue influence.

The ongoing monitoring of the adequacy and effectiveness of the company's internal control systems is the primary responsibility of the Internal Audit. During the year under review, weaknesses in internal controls noted by the Internal Auditor were presented, and the Audit Committee is satisfied that Management, by approved risk corrective actions adequately remedied any weaknesses in internal controls highlighted in the internal audit reports.

External Audit

The Audit Committee reviewed the External Auditors, KPMG Chartered Accountants', approach to and scope of their examination of the financial statements for the financial year. The Board is satisfied that the external auditors have planned the audit to obtain reasonable assurance that the financial statements are free of material misstatement and present a fair view of the financial position of the company as at 31st March 2019 and the results of its operations and cash flows for the year ended in accordance with International Financial Reporting Standards.

The Audit Committee provided the requisite approvals for the execution of audit as well as non-audit works performed by the external auditors during the period.

Enterprise Risk Management

As part of its thrust towards stronger corporate governance and increased resilience, TRINRE implemented a more robust enterprise risk management framework that is better suited to its unique environment and range of operations. The enterprise risk management framework comprises articulation of risk philosophy and appetite; risk structures and processes; risk policies, and a regime of monitoring existing and emerging risk exposures. The focus will be on strengthening systems of internal control to manage and mitigate the identified risk exposures.

CORPORATE GOVERNANCE

Anti-Money Laundering (AML) and Combatting Terrorist Financing (CTF)

One of the most significant amendments to the AML/CTF legislative framework was enacted on December 31, 2018. This amendment changed the definition of "financial institution" throughout the legislative framework to exclude insurers providing general insurance and term life insurance products. As a result, from 2019 onward, TRINRE's AML/CTF obligations have been reduced to a bare minimum – (i) ensuring a mechanism for identification and reporting of suspicious activity, (ii) screening for terrorism and proliferation financing and conducting customer due diligence as is appropriate to address requirements (i) and (ii). This change will significantly impact the ease of doing business for both internal and external customers.

Insurance Act 2018

The Insurance Bill was assented to on June 4, 2018, but has not yet been proclaimed. During the last quarter of 2018, the Central Bank conducted a survey to determine the level of readiness of the industry for the proclamation of the Bill. The Central Bank also circulated revised Insurance Act Regulations during mid-December 2018 for consultation with the industry. It is expected that the Central Bank will develop guidelines and conduct consultation meetings with the industry prior to the proclamation of the Act to ensure that this significantly amended and complex piece of legislation is clearly understood by all licensees. TRINRE is well prepared and looks forward to the guidelines and consultation sessions as a means to ensuring full compliance with the Insurance Act 2018.

Relationship with Shareholders

The Board is committed to fulfilling its obligations with regard to the ownership rights of all shareholders. They have the opportunity to actively participate in annual and special meetings, whether directly or through proxies.

External Auditors, the Board and Executives are available at such meetings to address any shareholders' enquires. In addition to the statutory reporting requirements, all shareholders receive a comprehensive report from the Chairman that keep them informed on both the operational and strategic performance of TRINRE.

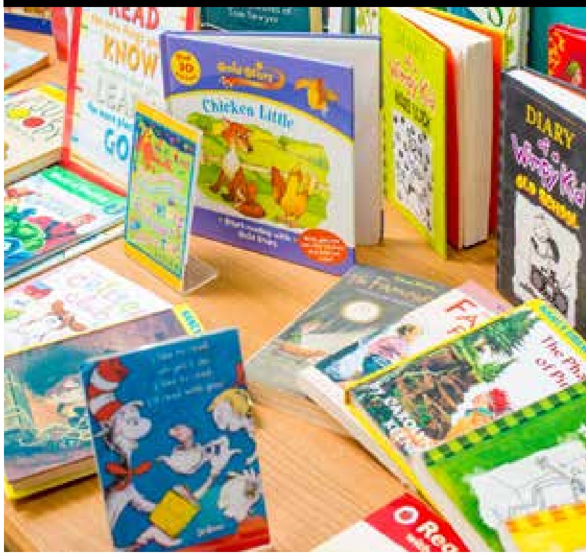
TRINRE FOUNDATION HIGHLIGHTS

Joy of Reading

Children listen with excitement and attentiveness to the engaging storytelling as they develop their love for reading.

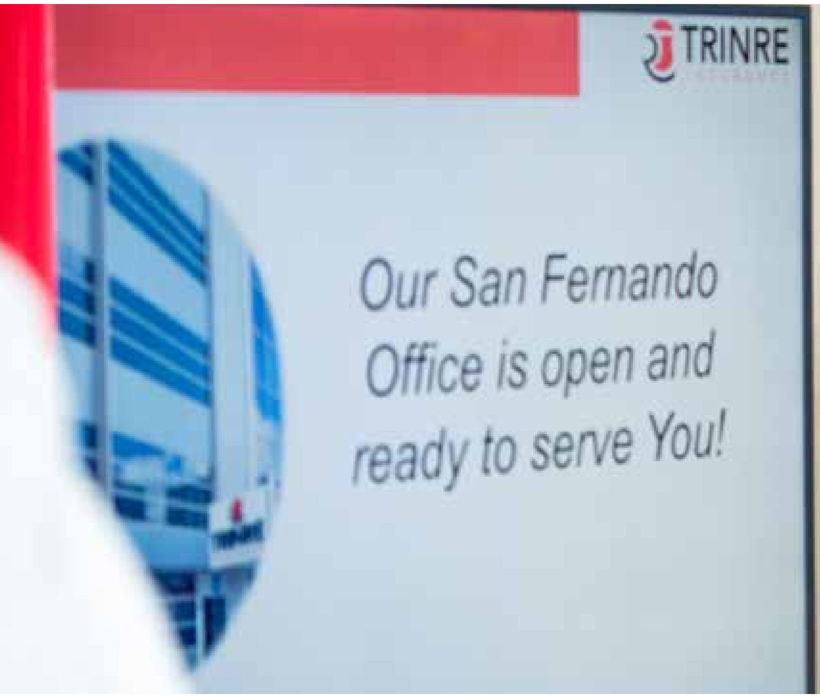
Children enjoying the live storytelling at the Joy of Reading Workshop.

A wide variety of story books on display. Each child happily took home a book to call their own.



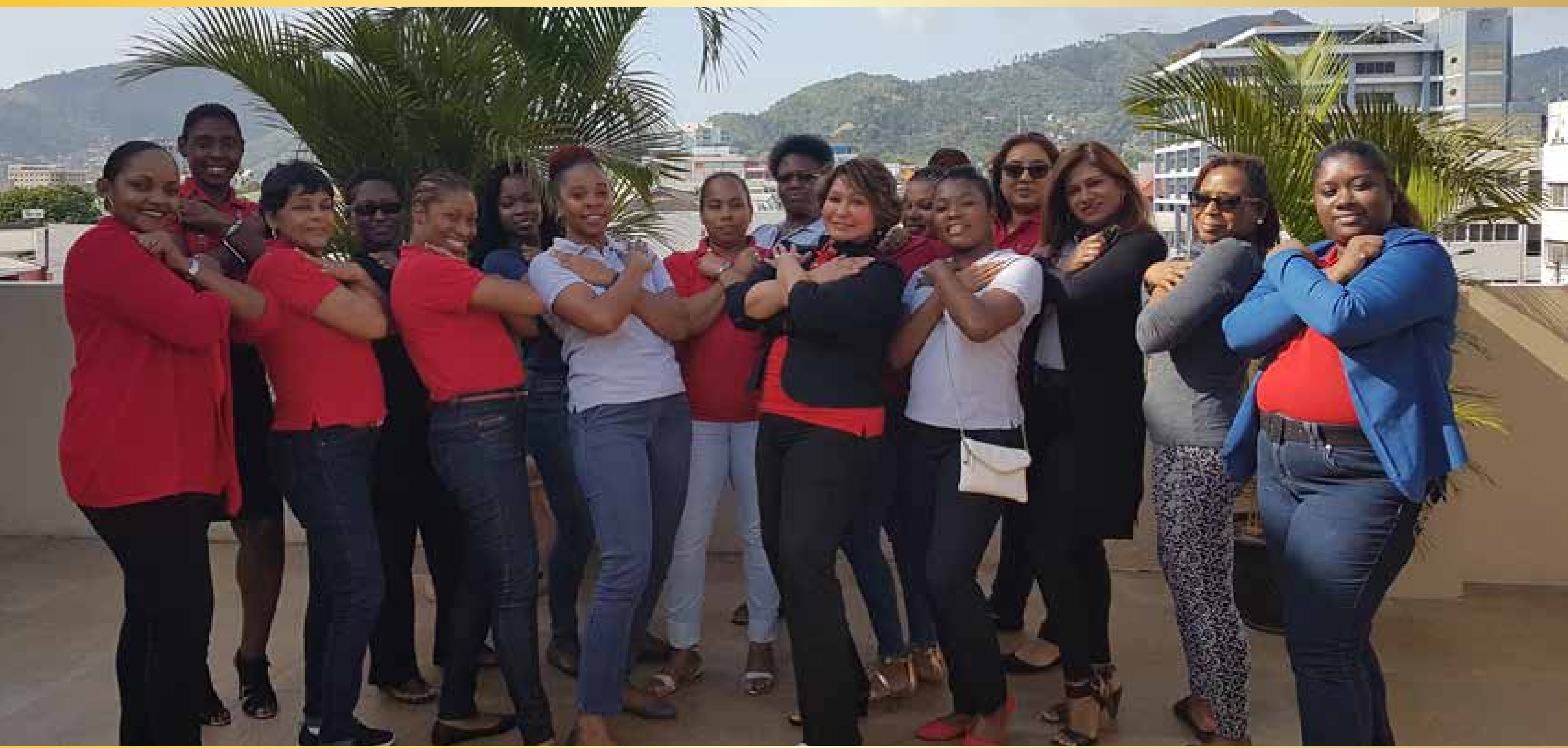
BUSINESS HIGHLIGHTS

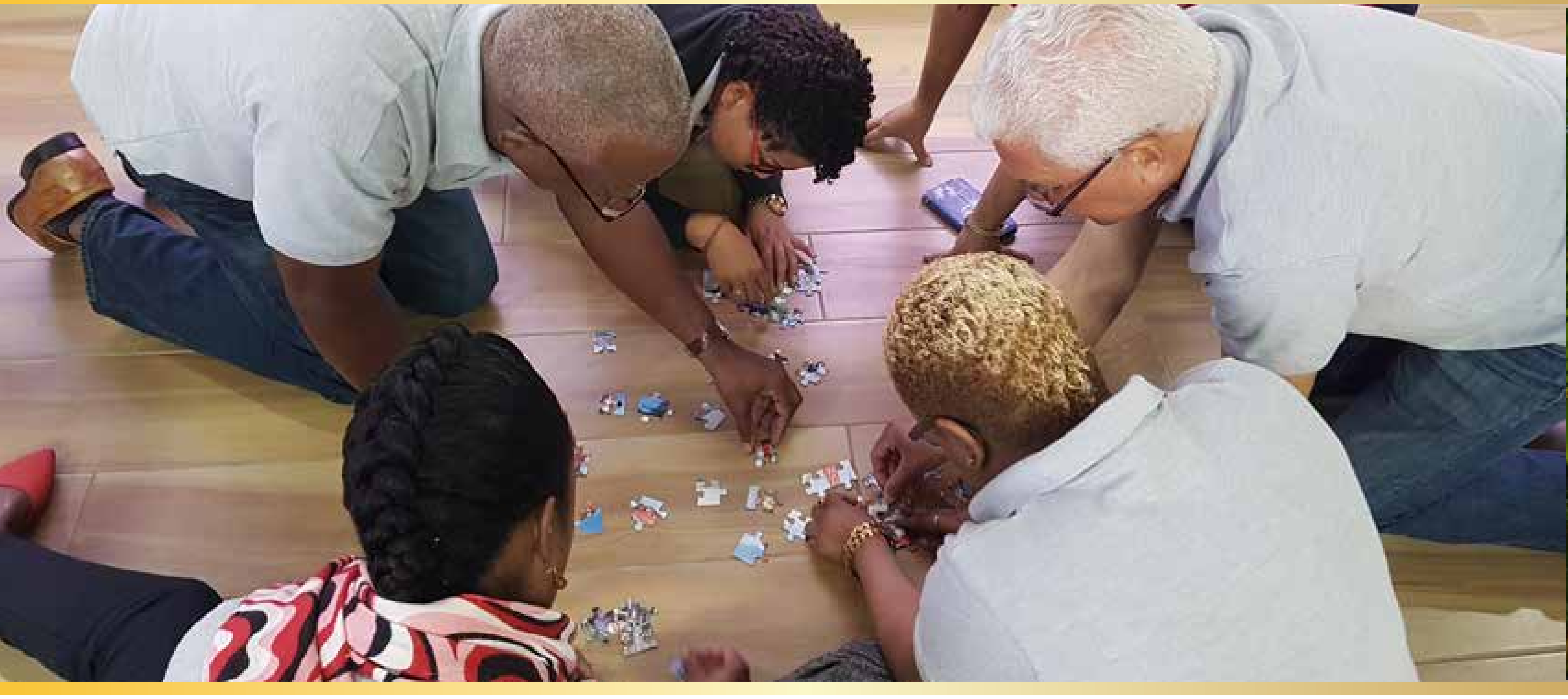
TRINRE San Fernando Opening



BUSINESS HIGHLIGHTS

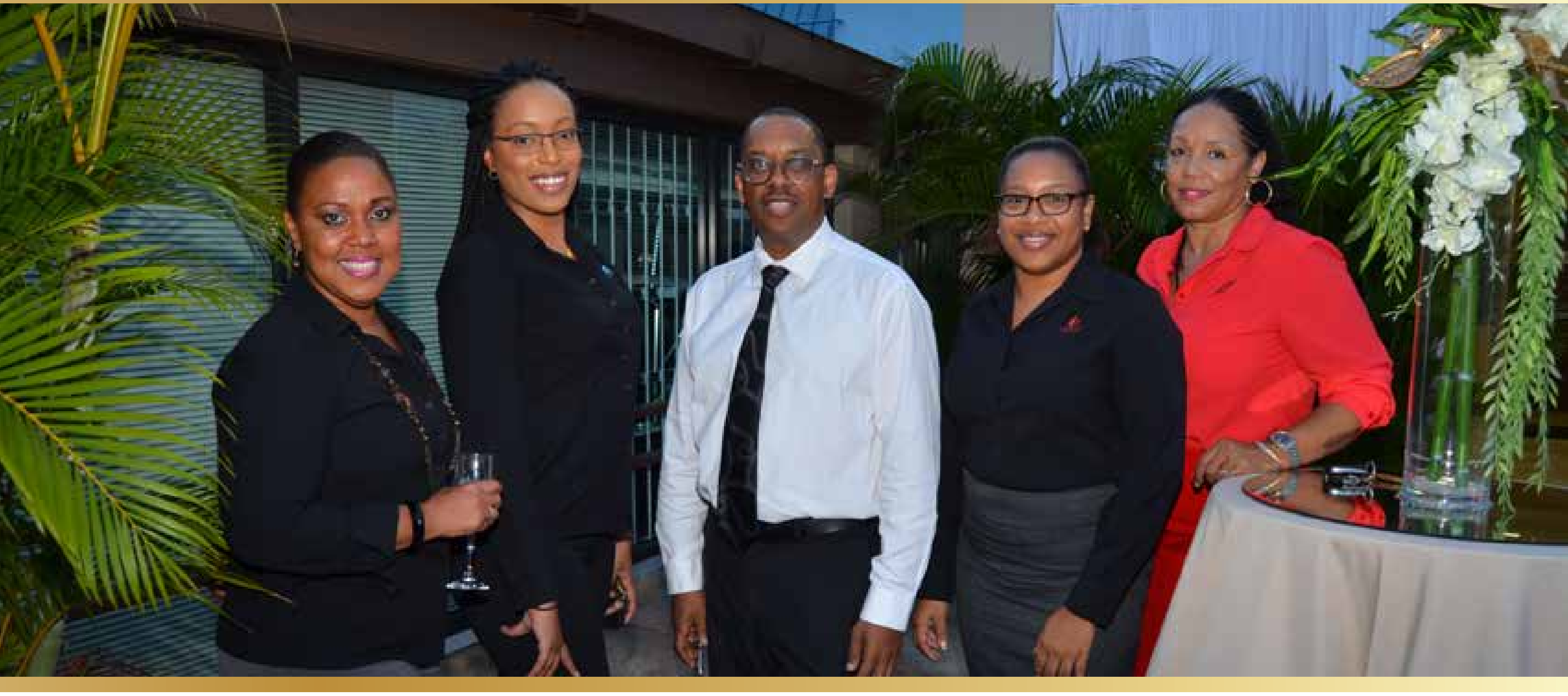
2018 Staff Rally





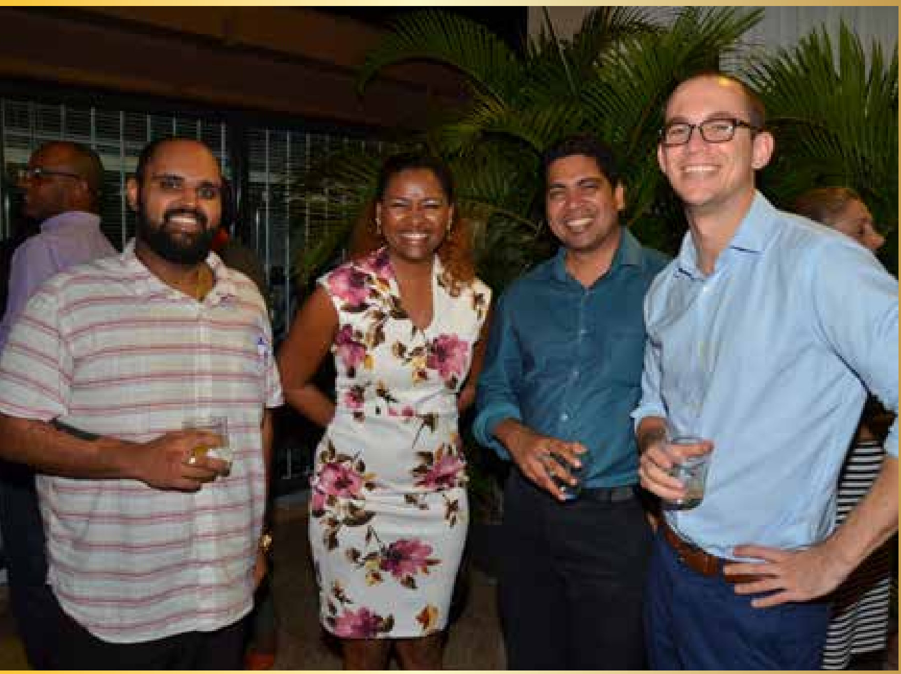
BUSINESS HIGHLIGHTS

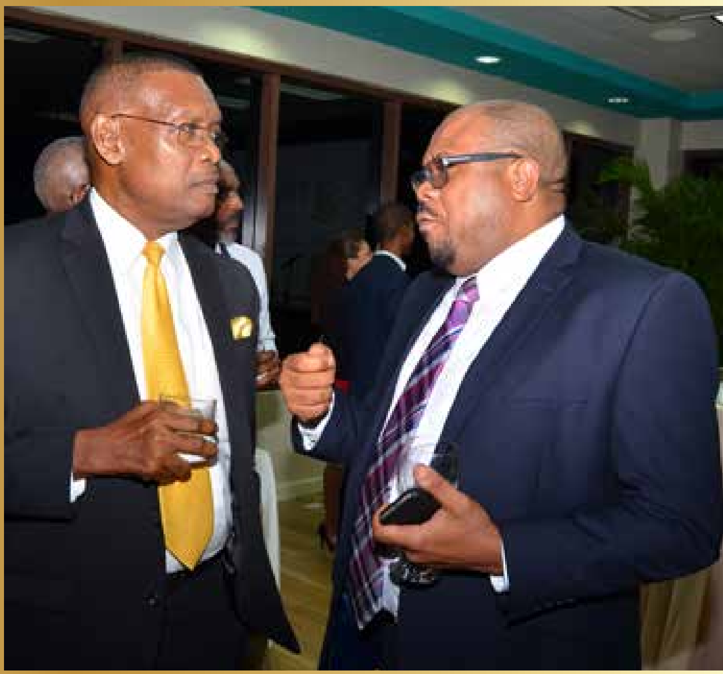
43rd Anniversary Celebration



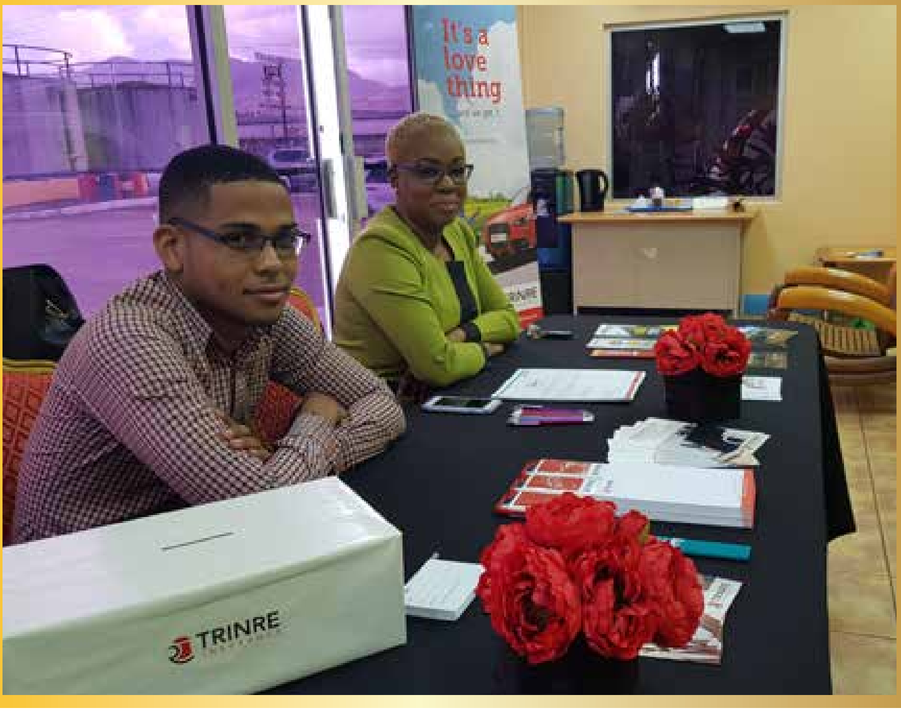
BUSINESS HIGHLIGHTS

43rd Anniversary Celebration





Business Development Outreach



FINANCIAL STATEMENTS

TRINRE INSURANCE COMPANY LTD

FIFTEEN MONTHS ENDED MARCH 31, 2019

STATEMENT OF MANAGEMENT RESPONSIBILITIES
TRINRE INSURANCE COMPANY LIMITED

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of TRINRE Insurance Company Limited (the Company), which comprise the statement of financial position as at March 31, 2019, the statements of comprehensive income, changes in equity and cash flows for the fifteen month period then ended, and notes, comprising of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Rani Lakhan-Narace
Executive Chairman

Date: September 30, 2019

Sheldon Burkette
Finance Manager

Date: September 30, 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRINRE INSURANCE COMPANY LIMITED

Opinion

We have audited the financial statements of TRINRE Insurance Company Limited (the Company), which comprise the statement of financial position as at March 31, 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The 2019 Annual Report is expected to be made available to us after the date of this auditors report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
TRINRE INSURANCE COMPANY LIMITED

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Chartered Accountants

Port of Spain, Trinidad, West Indies

September 30, 2019

TRINRE INSURANCE COMPANY LIMITED

Statement of Financial Position

March 31, 2019

	Notes	March 2019 $	December 2017 $
ASSETS			
Property, plant and equipment	4	4,694,025	5,789,555
Intangible assets	5	10,418,423	12,050,933
Investment property	6	12,000,000	12,000,000
Investment securities	7	77,887,190	75,209,803
Reinsurance assets	9	67,183,695	63,651,936
Accounts receivable and prepayments	10	29,998,738	19,799,893
Investment in subsidiary	11	-	260,500
Due from related parties	12	3,416,412	1,204,779
Deferred tax asset	8	183,155	-
Cash and cash equivalents		11,844,186	5,038,678
Total assets		217,625,824	195,006,077
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	13	22,500,000	22,500,000
Statutory reserve		27,894,682	25,639,298
Retained earnings		19,593,957	17,558,068
		69,988,639	65,697,366
LIABILITIES			
Insurance liabilities	14	103,835,845	99,980,172
Borrowings	15	7,305,769	9,484,086
Accounts payable	16	33,233,428	19,378,918
Taxation payable		3,262,143	71,317
Deferred tax liability	8	-	394,218
		147,637,185	129,308,711
Total equity and liabilities		217,625,824	195,006,077

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

Signed on behalf of the Board

Director **Director**

TRINRE INSURANCE COMPANY LIMITED

Statement of Comprehensive Income

For the fifteen months ended March 31, 2019
(*with comparative figures for the twelve months ended December 31, 2017*)

	Notes	March 2019	December 2017
		$	$
Insurance activities			
Gross premium		210,397,860	161,069,560
Premium ceded to reinsurers		(163,279,557)	(125,480,609)
Net premiums		47,118,303	35,588,951
Change in unearned premium reserve		(1,423,200)	(900,448)
Earned premiums		45,695,103	34,688,503
Reinsurance commission income		31,486,470	24,195,027
Net underwriting revenue		77,181,573	58,883,530
Net benefits and claims		(19,403,473)	(24,182,525)
Policy acquisition expenses		(15,735,626)	(12,466,433)
Underwriting expenses		(35,139,099)	(36,648,958)
Net result from underwriting activities	17	42,042,474	22,234,572
Investing activities			
Investment income		2,818,012	1,986,642
Net realised gains and losses		7,245,887	2,147,748
Fair value gains and losses		(969,476)	7,583,217
Other income		602,385	670,624
Net income from investing activities		9,696,808	12,388,231
Net income from all activities		51,739,282	34,622,803
Operating expenses		(37,597,231)	(28,157,519)
Finance charges		(477,802)	(358,585)
Profit before for taxation		13,664,249	6,106,699
Taxation	8	(3,343,141)	430,660
Net profit for the period/year being total comprehensive income attributable to equity holders		10,321,108	6,537,359

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

TRINRE INSURANCE COMPANY LIMITED

Statement of Changes in Equity

March 31, 2019

	Notes	Stated Capital $	Statutory Reserve $	Retained Earnings $	Total $
Balance at December 31, 2016		22,500,000	24,004,958	15,880,077	62,385,035
Net profit being total comprehensive income for the year		-	-	6,537,359	6,537,359
Transfer to statutory reserve		-	1,634,340	(1,634,340)	-
Dividends paid	23	-	-	(3,225,028)	(3,225,028)
Balance at December 31, 2017		22,500,000	25,639,298	17,558,068	65,697,366
Balance at December 31, 2017		22,500,000	25,639,298	17,558,068	65,697,366
Net profit being total comprehensive income for the period/year		-	-	10,321,108	10,321,108
Transfer to statutory reserve		-	2,255,384	(2,255,384)	-
Dividends paid	23	-	-	(6,029,835)	(6,029,835)
Balance at March 31, 2019		22,500,000	27,894,682	19,593,957	69,988,639

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

TRINRE INSURANCE COMPANY LIMITED

Statement of Cash Flows

For the fifteen months ended March 31, 2019
(*with comparative figures for the twelve months ended December 31, 2017*)

	March 2019	December 2017
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,664,249	6,106,699
Adjustments for:		
Depreciation	2,826,019	1,595,819
Loss on disposal of property, plant and equipment	153,629	33,145
Adjustment to property, plant and equipment	9,778	19,345
Adjustment to intangible assets	260,975	-
Loss on disposal of subsidiary	274,896	-
Appreciation in investment valuation	969,476	(7,816,603)
Change in insurance liabilities	3,855,673	1,336,290
Change in reinsurance assets	(3,531,759)	8,296,207
Investment and other income	(3,373,003)	(2,657,267)
	15,109,933	6,913,635
Changes in accounts receivable	(10,088,554)	(2,225,844)
Changes in due from related parties	(2,211,633)	(70,231)
Changes in accounts payable	13,854,510	2,885,442
Net proceeds on disposal of operating investments	(3,646,863)	(4,937,215)
Corporation taxes paid	(729,688)	(304,454)
Net cash from operating activities	12,287,705	2,261,333
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,262,712	2,774,127
Acquisition of property, plant and equipment	(513,861)	(1,373,753)
Proceeds from disposal of property, plant and equipment	-	80,785
Additions to investment in subsidiary	(239,500)	-
Proceeds from disposal of investment in subsidiary	225,104	-
Purchase of intangible assets	(8,500)	(1,734,283)
Net cash from (used in) investing activities	2,725,955	(253,124)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(6,029,835)	(3,225,028)
(Repayment) proceeds from borrowings	(2,178,317)	2,284,086
Net cash used in financing activities	(8,208,152)	(940,942)
Net increase in cash and cash equivalents	6,805,508	1,067,267
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	5,038,678	3,971,411
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	11,844,186	5,038,678
Represented by:		
Cash in hand and at bank	11,844,186	5,038,678

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

1. Incorporation and Principal Activity

TRINRE Insurance Company 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 and group life insurance risks. These products are offered primarily to the domestic market.

The Company changed its statutory reporting date to March 31, these are the first financial statements prepared since the reporting date modification and cover the fifteen month period ended March 31, 2019.

These financial statements were authorized for issue by the Board of Directors on September 30, 2019.

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.

2. Significant Accounting Policies (continued)

(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.

- *Estimate of future benefit payments and premiums arising from long-term insurance contracts*

  Actuarial liabilities include two major components: a best estimate reserve and a provision for adverse deviations. This latter provision is established in recognition of the uncertainty in computing best estimate reserves, to allow for possible deterioration in experience and to provide greater comfort that reserves are adequate to pay future benefits.

2. Significant Accounting Policies (continued)

(d) Use of estimates, assumptions and judgements (continued)

- *Estimate of future benefit payments and premiums arising from long-term insurance contracts*

  For the respective reserves assumptions for mortality, lapse, future investment yields, operating expenses and taxes, best estimate assumptions are determined where appropriate for each major product line.

  Provisions for adverse deviations are established based on the risk profiles of the business. They are determined within a specific range established by the Canadian Standards of Practice.

  The reserve assumption for each component of policy cash flow consists of an assumption for the expected experience and, separately, a margin for adverse deviation that reflects the degree of uncertainty in the expected experience assumption. The expected experience and the margin reflect the latest current experiences.

  Detailed analyses are carried out by the Company's Consulting Actuary to come up with the best estimate assumptions.

  Lapse and expenses studies were performed to determine the best estimate lapse and per policy future administrative expense assumptions. Due to events taking place subsequent to the year end management has adopted a conservative lapse assumption to reflect uncertainties relating to future policyholder behaviour.

(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.

2. Significant Accounting Policies (continued)

(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.

(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.

2. Significant Accounting Policies (continued)

(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.

2. Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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.

2. Significant Accounting Policies (continued)

(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.

2. Significant Accounting Policies (continued)

(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 March 31, 2019 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.

2. Significant Accounting Policies (continued)

(p) Insurance liabilities

Life insurance contract liabilities

Life insurance liabilities for policyholders' benefits that are expected to be incurred in the future are recognised when contracts are entered into and premiums are charged. The liability is based on the present value of estimated amounts for projected future premiums, claims, benefits, investment income and policy maintenance expenses. The liability is based on key assumptions made with respect to variables such as mortality, persistency, investment returns and expense inflation. The liabilities are actuarially recalculated at each statement of financial position date and the change in the liability is recognised as an expense in the statement of income.

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.

2. Significant Accounting Policies (continued)

(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.

2. Significant Accounting Policies (continued)

(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 period, 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) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment losses. Dividend income from investments in subsidiaries is recognized when the Company's right to receive payment has been established. It is included in other income.

Consolidated financial statements of the ultimate parent are prepared in accordance with the requirements of the IFRS and are presented elsewhere.

(w) 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.

2. Significant Accounting Policies (continued)

(x) Related parties

A party is related to the Company, if:

(i) Directly, or indirectly through one or more intermediaries, the party:

a) is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);

b) has a direct or indirect interest in the company that gives it significant influence; or

c) has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company, its parent company and all their affiliates.

(y) 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.

(z) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

3. New, revised and amended standards and interpretations that became effective during the period:

Certain new, revised and amended standards and interpretations came into effect during the current financial period. The Company has assessed them and has adopted those which are relevant to its financial statements:

- IAS 1, *Presentation of Financial Statements* 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 the 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 are 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.
  - 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.

- Amendments to IAS 27, *Equity Method in Separate Financial Statements* allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.

3. New, revised and amended standards and interpretations that became effective during the period (continued):

- IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interests in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures* have been amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss. IFRS 10 was amended to confirm that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. An investment entity shall measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. IAS 28 was amended to provide an exemption from applying the equity method for investment entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 was amended to clarify that the relevant disclosure requirements in the standard apply to an investment entity in which all of its subsidiaries are measured at fair value through profit or loss.

- *Improvements to* IFRS *2012-2014* Cycle contain amendments to certain standards and interpretations applicable to the Company 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 derecognised 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 adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements .

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

3. New, revised and amended standards and interpretations that became effective during the period (continued):

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 period 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.

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 recognised.

The Company has decided to defer the implementation of IFRS 9 until the earlier of the effective date of a new insurance standard and 2021 ('deferral approach') which is available to reporting entities with a predominant part of their business devoted to the activity of issuing contracts within the scope of IFRS 4.

The Company's activities are predominantly connected with insurance as the carrying amount of its liabilities arising from contracts within the scope of IFRS 4, *Insurance Contracts* is significant compared to the total carrying amount of all its liabilities. The annual reporting period immediately before 1 April 2016 was December 31, 2015. At that reporting date, the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities was 90%. Insurance related revenue and expenses were 99% and 98% of total revenue and expenses, respectively. And, the Company's business of underwriting insurance risk has not changed from the year ended December 31, 2015.

4. Property, Plant and Equipment

	Office Furniture & Fittings $	Equipment $	Motor Vehicles $	Computer Equipment $	Building Improve-ments $	Work in Progress $	Total $
Fifteen months ended March 31, 2019							
Cost							
Balance as at January 1, 2018	2,432,127	1,943,424	1,557,431	2,510,799	3,775,198	-	12,218,979
Movements for the fifteen months							
Additions	35,628	37,621	-	195,718	28,782	216,112	513,861
Disposals	-	-	-	-	(355,444)	-	(355,444)
Transfers	-	-	-	-	214,112	(214,112)	-
Adjustments	-	8,435	-	(16,213)	-	(2,000)	(9,778)
Balance as at March 31, 2019	2,467,755	1,989,480	1,557,431	2,690,304	3,662,648	-	12,367,618
Accumulated depreciation							
Balance as at January 1, 2018	1,090,678	1,318,311	1,070,182	1,303,804	1,646,449	-	6,429,424
Movements for the fifteen months							
Charge	323,976	152,401	144,652	309,515	515,440	-	1,445,984
Disposals	-	-	-	-	(201,815)	-	(201,815)
Transfers	-	1,125	-	(1,125)	-	-	-
Balance as at March 31, 2019	1,414,654	1,471,837	1,214,834	1,612,194	1,960,074	-	7,673,593
Net book value							
March 31, 2019	1,053,101	517,643	342,597	1,078,110	1,702,574	-	4,694,025
December 31, 2017	1,341,449	625,113	487,249	1,206,995	2,128,749	-	5,789,555

4. Property, Plant and Equipment (continued)

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended December 31, 2017							
Cost							
Balance as at January 1, 2017	2,356,395	1,893,897	1,340,471	2,397,850	2,011,124	1,238,705	11,238,442
Additions	58,757	53,056	475,960	75,285	95,963	614,732	1,373,753
Disposals	-	(3,529)	(259,000)	(16,280)	(95,062)	-	(373,871)
Transfers	16,975	-	-	53,944	1,763,173	(1,853,437)	(19,345)
Balance as at December 31, 2017	2,432,127	1,943,424	1,557,431	2,510,799	3,775,198	-	12,218,979
Accumulated depreciation							
Balance as at January 1, 2017	760,817	1,167,931	1,082,541	1,026,002	1,230,425	-	5,267,716
Charge for the year	329,861	152,085	167,680	290,667	481,356	-	1,421,649
Disposals	-	(1,705)	(180,039)	(12,865)	(65,332)	-	(259,941)
Balance as at December 31, 2017	1,090,678	1,318,311	1,070,182	1,303,804	1,646,449	-	6,429,424
Net book value							
December 31, 2017	1,341,449	625,113	487,249	1,206,995	2,128,749	-	5,789,555
December 31, 2016	1,595,578	725,966	257,930	1,371,848	780,699	1,238,705	5,970,726

5. Intangible Assets

	Software	Work in Progress	Deferred Development Costs	Total
	$	$	$	$
Period ended March 31, 2019				
Cost				
Balance as at January 1, 2018	3,521,272	10,318,853	1,035,400	14,875,525
Movements for the fifteen months				
Transfers	9,900,669	(9,900,669)	-	-
Adjustments	-	-	(208,780)	(208,780)
Additions	-	-	8,500	8,500
Balance as at March 31, 2019	13,421,941	418,184	835,120	14,675,245
Accumulated depreciation				
Balance as at January 1, 2018	2,824,592	-	-	2,824,592
Movements for the fifteen months				
Charge for the period	1,380,035	-	-	1,380,035
Adjustments	-	-	52,195	52,195
Balance as at March 31, 2019	4,204,627	-	52,195	4,256,822
Net book value				
March 31, 2019	9,217,314	418,184	782,925	10,418,423
December 31, 2017	696,680	10,318,853	1,035,400	12,050,933
Year ended December 31, 2017				
Cost				
Balance as at January 1, 2017	3,521,272	8,893,028	726,942	13,141,242
Additions	-	1,425,825	308,458	1,734,283
Balance as at December 31, 2017	3,521,272	10,318,853	1,035,400	14,875,525
Accumulated depreciation				
Balance as at January 1, 2017	2,650,422	-	-	2,650,422
Charge for the year	174,170	-	-	174,170
Balance as at December 31, 2017	2,824,592	-	-	2,824,592
Net book value				
December 31, 2017	696,680	10,318,853	1,035,400	12,050,933
December 31, 2016	870,850	8,893,028	726,942	10,490,820

6. Investment Property

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

	March 2019	December 2017
	$	$
Net book value as at January 1	12,000,000	12,000,000
Enhancements to investment property during the period/year	-	-
Change in fair value	-	-
Valuation as at the end of the period/year	12,000,000	12,000,000

The property was valued by Raymond & Pierre Ltd, an independent professional valuator, whose report dated August 8, 2016 assessed the property on the basis of open market value at $12,000,000.

7. Investment Securities

	March 2019	December 2017
	$	$
Securities at fair value through profit and loss		
Equity securities	38,650,565	48,999,324
Mutual funds	10,413,692	7,275,057
Government and Government-guaranteed bonds	26,491,289	17,445,827
Corporate bonds	1,818,370	1,489,595
Asset based security	513,274	-
Total investment securities	77,887,190	75,209,803

Investment securities amounting to $31,541,226 (2017: $25,729,597) included above are pledged with the Inspector of Financial Institutions as part of the Company’s statutory assets.

8. Taxation

	March 2019	December 2017
	$	$
Income tax recognised in profit and loss		
Corporation tax	3,674,440	-
Business levy	-	352,060
Green fund levy	246,075	176,030
Prior year (over) under-provision of deferred tax	-	(564,899)
Deferred tax expense relating to the origination/reversal of temporary differences	(577,374)	(393,851)
	3,343,141	(430,660)
Reconciliation of effective tax rate		
Profit before provision for taxation	13,664,249	6,106,699
Tax at the statutory rate of 30%	4,099,276	1,832,010
Expenses not deductible for tax purposes	289,795	452,726
Income exempt from tax	(515,337)	(2,507,243)
Green fund levy	246,075	176,030
Excess of business levy over corporation tax	-	180,716
Prior year over-provision of deferred tax	(776,668)	(564,899)
Tax charge for period/year	3,343,141	(430,660)
Movement in the deferred tax liability (asset)		
Balance at the beginning of the period/year	394,218	1,352,969
Creditto the statement of comprehensive income	(577,374)	(958,751)
Balance at the end of the period/year	(183,156)	394,218
Composition of deferred tax liability (asset)		
Property, plant and equipment	1,026,910	1,165,750
Claims incurred but not reported	(590,056)	(151,522)
Other timing differences	(620,010)	(620,010)
	(183,156)	394,218

	March 2019 $	December 2017 $
9. Reinsurance Assets		
Claims reported and IBNR (Note 14 (c))	21,406,065	18,823,911
Provision for unearned premiums (Note 14 (c))	41,577,006	42,708,409
Other items	4,200,624	2,119,616
	67,183,695	63,651,936
10. Accounts Receivables and Prepayments		
Insurance receivables	27,258,476	17,067,724
Other receivables	2,064,143	2,191,837
Prepayments	676,119	540,332
	29,998,738	19,799,893
11. Investment in Subsidiary		
Caribbean Premium Financing Company Limited		
Balance at the beginning of the period/year	260,500	260,500
Capital injection	239,500	-
Disposal	(500,000)	-
Balance at the end of the period/year	-	260,500
12. Due from Related Parties		
Caribbean Premium Financing Company Limited	3,191,308	1,204,779
Investment Managers Limited	225,104	-
	3,416,412	1,204,779

All outstanding balances with the related parties are unsecured.

13. Stated Capital

	March 2019 $	December 2017 $
Authorised		
Unlimited number of ordinary and preference shares of no par value		
Issued and fully paid ordinary shares		
11,666,666 shares of no par value	22,500,000	22,500,000

14. Insurance Liabilities

	March 2019 $	December 2017 $
(a) Analysis of insurance liabilities		
Long term insurance contracts (Note 14(b))	6,389,894	4,220,560
Short term insurance contracts		
Claims reported and loss adjustment expenses (Note 14(c))	35,392,660	33,777,644
Claims incurred but not reported (Note 14(c))	3,932,434	3,757,914
Unearned premiums (Note 14(d))	58,120,857	58,224,054
	97,445,951	95,759,612
Total insurance contracts liabilities	103,835,845	99,980,172

(b) Analysis of long term insurance contracts

March 2019

Policy Class	Policies	Annualized Premium $	Face Amount $	Negative Reserves $	Statutory Reserves $	Adjusted Reserve $
Unit Trust Corporation (UTC) Benefit	5,304	59,875	61,667,308	(11,636)	149,727	161,363
Creditor Life	57,122	-	3,305,496,064	-	5,097,342	5,097,342
Bereavement Life	474	155,415	8,735,000	-	571,927	571,927
Group Life	782	489,089	172,466,000	-	559,262	559,262
Total	**63,682**	**704,379**	**3,548,364,372**	**(11,636)**	**6,378,258**	**6,389,894**

December 2017

Policy Class	Policies	Annualized Premium $	Face Amount $	Negative Reserves $	Statutory Reserves $	Adjusted Reserve $
Unit Trust Corporation (UTC) Benefit	5,650	68,895	69,774,424	(5,184)	315,374	320,558
Creditor Life	29,753	-	1,953,685,888	-	3,863,875	3,863,875
Creditor Life IBNR	-	-	-	-	36,127	36,127
Total	**35,403**	**68,895**	**2,023,460,312**	**(5,184)**	**4,215,376**	**4,220,560**

14. Insurance Liabilities (continued)

(c) Analysis of claims reports on short term insurance contracts:

	March 2019			
	Note	**Insurance Contracts Liabilities**	**Reinsurers' Share of Liabilities**	**Net**
		$	**$**	**$**
Provision for claims reported by policyholders		35,392,660	19,317,347	16,075,313
Provision for claims incurred but not reported (IBNR)		3,932,434	2,088,718	1,843,716
Total claims reported and IBNR	14(d)	39,325,094	21,406,065	17,919,029
Provision for unearned premiums	14(e)	58,120,857	41,577,006	16,543,851
Total insurance contracts liabilities		97,445,951	62,983,071	34,462,880

	December 2017			
	Note	**Insurance Contracts Liabilities**	**Reinsurers' Share of Liabilities**	**Net**
		$	**$**	**$**
Provision for claims reported by policyholders		33,777,644	16,968,882	16,808,762
Provision for claims incurred but not reported (IBNR)		3,757,914	1,855,029	1,902,885
Total claims reported and IBNR	14(b)	37,535,558	18,823,911	18,711,647
Provision for unearned premiums	14(c)	58,224,054	42,708,409	15,515,645
Total insurance contracts liabilities		95,759,612	61,532,320	34,227,292

14. Insurance Liabilities (continued)

(d) Movement on the provision for claims on short term insurance contracts:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At January 1, 2018	37,535,558	18,823,911	18,711,647
Claims incurred	40,891,931	24,782,740	16,109,191
Claims paid during the period	(39,102,395)	(22,200,586)	(16,901,809)
At March 31, 2019	39,325,094	21,406,065	17,919,029
At January 1, 2017	39,337,200	22,050,708	17,286,492
Claims incurred	36,626,261	16,333,682	20,292,579
Claims paid during the year	(38,427,903)	(19,560,479)	(18,867,424)
At December 31, 2017	37,535,558	18,823,911	18,711,647

(e) Provision for unearned premiums on short term insurance contracts:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At January 1, 2018	58,224,054	42,708,409	15,515,645
Premium written in the period	171,978,655	131,474,435	40,504,220
Premium earned during the period	(171,732,149)	(132,424,242)	(39,307,907)
Portfolio transfer	(349,703)	(181,596)	(168,107)
At March 31, 2019	58,120,857	41,577,006	16,543,851
At January 1, 2017	58,954,698	45,231,495	13,723,203
Premium written in the year	132,509,503	99,846,168	32,663,335
Premium earned during the year	(135,024,138)	(103,261,250)	(31,762,888)
Portfolio transfer	1,783,991	891,996	891,995
At December 31, 2017	58,224,054	42,708,409	15,515,645

15. Borrowings

	March 2019	December 2017
	$	$
Revolving term loan from Scotiabank obtained in August 2015 for $7,200,000 to assist with the settlement of payables to reinsurers. Interest is charged at the annual rate of 3.9% per annum. Each advance is repayable upon maturity in 6 equal monthly instalments from the date of the first advance. The security for the loan is noted below.	7,200,000	7,200,000
Non-revolving term loan from Scotiabank obtained in October 2016 for $2,200,000 to finance the renovation and extension to property situated at Edward Street, Port of Spain and King Street, Arima. Interest is charged at the annual rate of 6.0% per annum. The loan is repayable in 60 equal monthly instalments of $36,667 plus interest. The security for the loan is noted below.	-	1,980,000
Loan from IML obtained in January 2017 for $475,960 to finance the acquisition of a motor vehicle. Interest is charged at the annual rate of 4.8% per annum. The loan is repayable in 36 equal monthly instalments of $13,221 plus interest. The loan is secured by the motor vehicle acquired.	105,769	304,086
	7,305,769	9,484,086

The following are held as security for the revolving and non-revolving loans:

- Assignment of 32,346 shares in First Citizens Bank Limited, with a current market value $1,035,072.
- Pledge of funds held on term deposit at Scotiabank of US$180,000.
- First Registered Demand Legal Mortgage over property situated at 22A King St, Arima stamped in the amount of $8,400,000.

16. Trade and Other Payables

	March 2019	December 2017
	$	$
Sundry creditors and accruals	8,824,735	7,324,437
Amounts due to reinsurers	24,408,693	12,054,481
	33,233,428	19,378,918

17. Segment Reporting

	Non-life insurance	Life insurance	Total
	$	$	$
Period ended March 31, 2019			
Gross premiums	171,978,655	38,419,205	210,397,860
Premium ceded to reinsurers	(129,539,910)	(33,739,647)	(163,279,557)
Net premiums	42,438,745	4,679,558	47,118,303
Change in unearned premium reserve	(1,423,200)	-	(1,423,200)
Earned premiums	41,015,545	4,679,558	45,695,103
Reinsurance commission income	30,056,895	1,429,575	31,486,470
Net underwriting revenue	71,072,440	6,109,133	77,181,573
Policy acquisition expenses	(14,773,541)	(962,085)	(15,735,626)
Net benefits and claims	(16,764,022)	(2,639,451)	(19,403,473)
Underwriting expenses	(31,537,563)	(3,601,536)	(35,139,099)
Net results from insurance activities	39,534,877	2,507,597	42,042,474
Year ended December 31, 2017			
Gross premiums	132,509,504	28,560,056	161,069,560
Premium ceded to reinsurers	(99,846,168)	(25,634,441)	(125,480,609)
Net premiums	32,663,336	2,925,615	35,588,951
Change in unearned premium reserve	(900,448)	-	(900,448)
Earned premiums	31,762,888	2,925,615	34,688,503
Reinsurance commission income	23,356,211	838,816	24,195,027
Net underwriting revenue	55,119,099	3,764,431	58,883,530
Policy acquisition expenses	(11,704,784)	(761,649)	(12,466,433)
Net benefits and claims	(20,279,063)	(3,903,462)	(24,182,525)
Underwriting expenses	(31,983,847)	(4,665,111)	(36,648,958)
Net results from insurance activities	23,135,252	(900,680)	22,234,572

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

Terms and conditions

General

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

The major classes of group life insurance contracts written by the Company include:

a) *Creditor Life*

In the event of death of an insured (client of the policyholder - financial institution), the policy covers the outstanding balance of the insured's loan.

b) *Group Life*

This provides coverage in the event of death of the insured. Current in-force policies are annually renewable and offer coverage to age 65. Coverage amounts may be a flat benefit where all insureds have the same face amounts or may be a multiple of salary benefit where coverage is based on the salary of the insureds.

c) *Bereavement Cover*

This is essentially a funeral expense benefit. It provides coverage in the event of death of the insured. The policy covers up to five (5) eligible dependents with seven (7) benefit options ranging from $10,000 to $100,000.

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

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.

19. 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.

19. Financial Instruments (continued)

(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.

19. Financial Instruments (continued)

(ii) Investments (continued)

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

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.

b) Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 2019				
Investments at fair value through profit and loss	52,888,219	24,988,971	-	77,887,190
December 2017				
Investments at fair value through profit and loss	75,209,803	-	-	75,209,803

Transfers between and movement in Levels

For the period ended March 31, 2019 there was no transfer of assets between and movement in Levels.

20. 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.

20. Insurance and Risk Management (continued)

c. Credit risk (continued)

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:

20. Insurance and Risk Management (continued)

c. *Credit risk* (continued)

	Carrying March 2019	Amounts December 2017
	$	$
At fair value through profit and loss investments	77,887,190	75,209,803
Accounts receivables:		
(i) Insurance receivables	27,258,476	17,067,724
(ii) Other receivables	2,064,143	2,191,837
Reinsurance assets	62,983,071	61,335,847
Cash and cash equivalents	11,844,186	5,038,678
	182,037,066	160,843,889

Impairment losses

The aging of receivables at the reporting date was:

	Gross 2019	Impairment 2019	Gross 2017	Impairment 2017
	$	$	$	$
Not past due	8,920,295	-	9,845,314	-
Past due 46-90 days	9,401,989	-	3,852,719	-
Past due 91-180 days	7,164,591	-	2,917,281	538,727
Past due 181-360 days	2,194,612	423,011	1,782,302	1,197,870
More than one year	1,643,688	1,643,688	736,807	330,102
	29,325,175	2,066,699	19,134,423	2,066,699

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

	March 2019	December 2017
	$	$
Balance at the beginning of the period/year	2,066,699	2,066,699
Impairment loss reversed	-	-
Balance at the end of the period/year	2,066,699	2,066,699

20. 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.

	Carrying Amount	No stated maturity	Within one year	Maturing Between one to five years	Over five years
Insurance and financial liabilities as at March 31, 2019					
Insurance contracts	39,325,093	-	39,325,093	-	-
Borrowings	7,305,769	-	7,305,769	-	-
Accounts payable	33,233,428	-	33,233,428	-	-
Taxation payable	3,262,143	-	3,262,143	-	-
	83,126,433	-	83,126,433	-	-
Reinsurance and financial assets as at March 31, 2019					
Investment securities	77,887,190	49,037,406	6,779,012	10,480,972	11,589,800
Reinsurance assets	25,606,689	-	24,586,562	1,020,127	-
Accounts receivables	27,258,476	-	27,258,476	-	-
Due from related parties	3,416,412	-	3,416,412	-	-
Cash and cash equivalents	11,844,186	-	11,844,186	-	-
	146,012,953	49,037,406	73,884,648	11,501,099	11,589,800

20. Insurance and Risk Management (continued)

d. Liquidity

	Carrying Amount	No stated maturity	Within one year	Maturing Between one to five years	Over five years
Insurance and financial liabilities as at December 31, 2017					
Insurance contracts	37,535,558	-	37,535,558	-	-
Borrowings	9,484,086	-	9,484,086	-	-
Accounts payables	19,378,918	-	19,378,918	-	-
	66,398,562	-	66,398,562	-	-
Reinsurance and financial assets as at December 31, 2017					
Investment securities	75,209,803	56,274,381	102,333	6,930,289	11,902,800
Reinsurance assets	20,943,527	-	19,625,013	1,318,514	-
Accounts receivables	17,067,724	-	17,067,724	-	-
Taxation recoverable	528,906	-	528,906	-	-
Cash and cash equivalents	5,038,678	-	5,038,678	-	-
	118,788,638	56,274,381	42,362,654	8,248,803	11,902,800

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.

20. Insurance and Risk Management (continued)

e. *Interest rates* (continued)

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	
	March 2019	December 2017
	$	$
Fixed rate instruments		
Bonds	22,609,604	15,467,128

	Carrying Amounts	
	March 2019	December 2017
	$	$
Variable rate instruments		
Bonds	6,213,329	3,468,294
Money market funds	7,521,391	7,275,057
Cash at bank	1,215,465	5,038,678
	14,950,185	15,782,029

20. Insurance and Risk Management (continued)

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$	**EUR**	**TT$**
Net position of foreign currency at March 31, 2019:			
US Dollar cash and investments	5,421,801	49,409	37,001,262
Net position of foreign currency at December 31, 2017:			
US Dollar cash and investments	5,368,510	-	36,237,440

21. 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.

	March 2019	December 2017
	$	$
Income and expenses		
Management fees	253,125	999,844
Directors' fees	72,000	342,000
Accommodation expense	642,984	2,571,938
Advertising expense	101,250	405,000
Insurance premium income	(98,443)	(156,859)
	970,916	4,161,923

21. Related Party Transactions (continued)

(c) Transactions with key management personnel

The key management personnel compensation is as follows:

	March 2019	December 2017
	$	$
Short-term employee benefits		
Emoluments	4,141,259	3,644,041

22. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	March 2019	December 2017
	$	$
Less than one year	2,578,371	3,454,328
Between one and five years	6,505,130	9,348,595
	9,083,501	12,802,923

During the period, $3,807,675 (2017: $3,054,000) 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.

23. Dividend Paid

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

	March 2019	December 2017
	$	$
Fourth quarter dividend 2017	1,441,176	-
Final dividend for 2017	745,209	-
First quarter dividend	1,190,740	-
Second quarter dividend	1,257,825	-
Third quarter dividend	1,394,884	-
Fourth quarter dividend 2016	-	1,240,909
Final dividend for 2016	-	946,410
First quarter dividend	-	818,033
Third quarter dividend	-	219,676
	6,029,834	3,225,028

Dividends declared and paid per share:

	Cents per share	
	March 2019	December 2017
	$	$
Fourth quarter dividend 2017	0.124	-
Final dividend for 2017	0.064	-
First quarter dividend	0.102	-
Second quarter dividend	0.108	-
Third quarter dividend	0.120	-
Fourth quarter dividend 2016	-	0.106
Final dividend for 2016	-	0.081
First quarter dividend	-	0.070
Third quarter dividend	-	0.019

24. Subsequent Events

There are no events occurring after the statement of financial position date and before the date of approval of these financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements

TRINRE INSURANCE COMPANY LIMITED

Supplementary Financial Information
Statement of Comprehensive Income

Annualised balances for the fifteen-month period January 1, 2018 to March 31, 2019
with comparative audited figures for the year ended December 31, 2017

	Unaudited Annualised 2018/19	Audited 2017
	$	$
Insurance activities		
Gross premium	168,318,288	161,069,560
Premium ceded to reinsurers	(130,623,646)	(125,480,609)
Net premiums	37,694,642	35,588,951
Change in unearned premium reserve	(1,138,560)	(900,448)
Earned premiums	36,556,082	34,688,503
Reinsurance commission income	25,189,176	24,195,027
Net underwriting revenue	61,745,258	58,883,530
Net benefits and claims	(15,522,778)	(24,182,525)
Policy acquisition expenses	(12,288,501)	(12,466,433)
Underwriting expenses	(28,111,279)	(36,648,958)
Net result from underwriting activities	**33,633,979**	**22,234,572**
Investing activities		
Investment income	2,254,410	1,986,642
Net realised gains and losses	5,796,710	2,147,748
Fair value gains and losses	(775,581)	7,583,217
Other income	481,908	670,624
Net income from investing activities	7,757,446	12,388,231
Net income from all activities	41,391,426	34,622,803
Operating expenses	(30,077,785)	(28,157,519)
Finance charges	(382,242)	(358,585)
Profit before for taxation	10,931,399	6,106,699
Taxation	(2,674,513)	430,660
Net profit for the year being total comprehensive income attributable to equity holders	8,256,887	6,537,359

TRINRE INSURANCE COMPANY LIMITED

Supplementary Financial Information
Statement of Comprehensive Income

Annualised balances for the fifteen-month period January 1, 2018 to March 31, 2019
with comparative audited figures for the year ended December 31, 2017

Basis of preparation

The supplementary financial information was derived from the audited financial statements for the fifteen month ended March 31, 2019, by applying an annualised factor of twelve-fifteenths to the fifteen month balances.

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