



REPUBLIC OF TRINIDAD AND TOBAGO

Debates of the House of Representatives

3rd Session – 11th Parliament (Rep.) – Volume 16 – Number 23

OFFICIAL REPORT (HANSARD)

THE HONOURABLE BRIDGID ANNISSETTE-GEORGE
SPEAKER

THE HONOURABLE ESMOND FORDE
DEPUTY SPEAKER

Friday 16th February, 2018

CLERK OF THE HOUSE: JACQUI SAMPSON-MEIGUEL

EDITOR: LILA RODRIGUEZ-ROBERTS
Telephone: 623-4494

(TYPESET BY THE HANSARD STAFF, PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, CARONI,
REPUBLIC OF TRINIDAD AND TOBAGO— 2022)

CONTENTS

	Page
LEAVE OF ABSENCE	467
PAPERS LAID	467
JOINT SELECT COMMITTEE REPORTS	
(Presentation)	
Local Authorities, Service Commissions and Statutory Authorities [<i>Hon. Dr. L. Francis</i>]	469
PRIME MINISTER QUESTIONS	
Government's Most Significant Achievement	469
Welch Health Report (Non-Implementation of Recommendations)	472
MV Galleons Passage (Sail from China)	473
Southern Command of the US Army/FBI (Involvement in Detention)	474
Threat to National Security (Credibility of)	475
Intelligence Capability (Assurance to Protect Nation)	476
Planned Terrorist Activities (Steps being Taken Post-Carnival)	479
Maxie Cuffie, MP (Details of State of Health)	480
URGENT QUESTIONS	
Carnival 2018 (Absenteeism by Police Officers)	480
Point Lisas Desalination Plant (Reasons for Reoccurring Shutdown)	482
CEPEP Head Office (Levy by Contractors)	483
Collapse of Sea Bridge (Cost to CAL by Port Authority)	484

ORAL ANSWERS TO QUESTIONS

Housing Development Corporation
(Details of Board of Directors)

[*Deferred*] 486

Sandals International/Technical Consultants
(Payments of Public Money to)

[*Deferred*] 486

T&T's Obesity Rate

(Initiatives to Reduce) 486

Petrotrin Restructuring Process

(Completion of) 488

Public Outdoor Gyms

(Implementation Status) 489

Beetham Gardens

(Details of Sewer Line Leak) 491

Credit Card Payments

(Details of) 491

Presbyterian Secondary Schools

(Release of Funds) 493

Ministry's Aranguez Office

(Details for Early Departure) 494

Sangre Grande Office

(Filling of Vacancies) 494

JOINT SELECT COMMITTEE REPORT

Insurance Bill, 2016

(Adoption)

[Second Day]

[*Hon. C. Imbert*]

Second Reading 495

... .. 567

Third Reading 567

ADJOURNMENT

[*Hon. C. Robinson-Regis*] 568

Minister of Works and Transport (Failure to attend to Urgent Matters)	...	...	...	...	568
Landslip at Light Pole No. 69, Thick Village (Failure to Repair)	...	...	...	...	574

Leave of Absence

Friday, February 16, 2018

HOUSE OF REPRESENTATIVES

Friday, February 16, 2018

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, the hon. Maxie Cuffie, MP, Member for La Horquetta/Talparo, has requested leave of absence from sittings of the House from 03-28 February, 2018. The hon. Randall Mitchell, MP, Member for San Fernando East, has requested leave of absence from sittings of the House during the period February 08-19, 2018. Mr. Rushton Paray, MP, Member for Mayaro has requested leave of absence from sittings of the House during the period February 16-23, 2018; and Mr. Fazal Karim, MP, Member for Chaguanas East; Mr. David Lee, MP, Member for Pointe-a-Pierre; Miss Marlene Mc Donald, MP, Member for Port of Spain South; and Mr. Prakash Ramadhar, MP, Member for St. Augustine have requested leave of absence from today's sitting of the House. The leave which the Members seek is granted.

PAPERS LAID

1. Audited Financial Statements of Portfolio Credit Management Limited for the financial year ended December 31, 2016. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Audited Financial Statements of National Information and Communication Technology Company Limited for the financial year ended September 30, 2017. [*Hon. C. Imbert*]
3. Audited Financial Statements of MIC Institute of Technology for the financial year ended September 30, 2011. [*Hon. C. Imbert*]
4. Audited Financial Statements of MIC Institute of Technology for the financial year ended September 30, 2014. [*Hon. C. Imbert*]

Papers 1 to 4 to be referred to the Public Accounts (Enterprises) Committee.

5. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Telecommunications Authority of Trinidad and Tobago for the year ended September 30, 2010. [*Hon. C. Imbert*]

6. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Telecommunications Authority of Trinidad and Tobago for the year ended September 30, 2011. [*Hon. C. Imbert*]

Papers 5 and 6 to be referred to the Public Accounts Committee.

7. Response of the Auditor General's Department to the Twelfth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016. [*The Minister of Planning and Development (Hon. Camille Robinson-Regis)*]
8. Response of the Auditor General's Department to the Thirteenth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016 with specific reference to the Ministry of Finance. [*Hon. C. Robinson-Regis*]
9. Response of the Auditor General's Department to the Fourteenth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016 with specific reference to the Ministry of Energy and Energy Industries. [*Hon. C. Robinson-Regis*]
10. Ministerial Response of the Ministry of Public Utilities to the Ninth Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Telecommunications Services of Trinidad and Tobago for the financial years 2008 to 2016. [*Hon. C. Robinson-Regis*]
11. Ministerial Response of the Ministry of National Security to the Fourth Report of the Public Administration and Appropriations Committee on the Examination of the System of Internal Audit within the Public Service. [*Hon. C. Robinson-Regis*]
12. Response of the Service Commissions Department to the Fifth Report of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including the THA) on the Inquiry on the Efficiency and Effectiveness of the Police Service Commission. [*Hon. C. Robinson-Regis*]
13. Administrative Report of the Export-Import Bank of Trinidad and Tobago Limited for the year ended December 31, 2015. [*Hon. C. Robinson-Regis*]

JOINT SELECT COMMITTEE REPORT**(Presentation)****Local Authorities, Service Commissions and Statutory Authorities**

The Minister of State in the Ministry of Education (Hon. Dr. Lovell Francis): Madam Speaker, I have the honour to present:

Seventh Report of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including the THA) on an Inquiry into the Efficiency and Effectiveness of the Public Service Commission.

PRIME MINISTER'S QUESTIONS**Government's Most Significant Achievement**

Dr. Bhoendradatt Tewarie (*Caroni Central*): Could the Prime Minister inform this House after close to some 30 months in the life of his Government, what he considers the most significant achievement of his Government thus far by the administration?

The Prime Minister (Hon. Dr. Keith Rowley): [*Desk thumping*] Madam Speaker, it is with great satisfaction that I am able to report to my colleague on the other side, ten of the things that we have been able to accomplish.

Firstly, Madam Speaker, protection of the national Treasury. The Treasury is now in the safe hands. [*Desk thumping*]

Secondly, Madam Speaker, elimination in governmental activity of a rampant corruption that existed before. [*Desk thumping*]

Thirdly, Madam Speaker, stabilization of the economy, managing under very tight fiscal arrangements and extensive debt to keep the economy stable [*Desk thumping*]

Fourthly, Madam Speaker, preservation of jobs. [*Desk thumping*]

Fifthly, Madam Speaker, significant reduction in waste in public expenditure. [*Desk thumping*]

Sixth, Madam Speaker, initiation of a development programme which is largely supported by a recovery of approximately \$1 billion from the Point Fortin highway project. [*Desk thumping*]

Seven, Madam Speaker, initiation and efforts to diversify the economy. [*Desk thumping*] There is an industry in tourism.

Eight, Madam Speaker, settlement of upstream gas pricing contracts to deal with the ongoing curtailment bringing about some stability in contracting and price issues. [*Desk thumping*]

Nine, Madam Speaker, identification and agreement for additional gas supplies from outside our borders so that we can continue—[*Desk thumping*]—into the medium and long-term to be a gas producer; and

Tenth, Madam Speaker, commencement of corruption proceedings against persons and entities who have stolen from our country. [*Desk thumping*]

Dr. Tewarie: Is the Prime Minister aware that, while all of these things might be good intentions, the reality on the ground is that the debt has in fact gone up by about 12 per cent during the time—

Hon. Member: These are questions?

Dr. Tewarie: Yes, these are questions. That the job—

Madam Speaker: Member, one question at a time, 15 seconds.

Dr. Tewarie: But the Prime Minister said ten things.

Madam Speaker: Member—[*Crosstalk*]

Dr. Tewarie: I am asking one question, Madam Speaker.

Madam Speaker: You have 15 seconds to ask. Please ask the question.

Dr. Tewarie: Is the Prime Minister aware that under his Government the debt had increased by about 12 per cent? And secondly, did the jobs that he is—

Madam Speaker: Please, Member. There are four supplementals, you can ask one. Prime Minister.

Hon. Dr. K. Rowley: I am very aware, Madam Speaker, of the state of the debt and its movement, the steepest part of the curve being the debt that was incurred under the last government. [*Desk thumping*] And with respect to any continuing increase under this administration, Madam Speaker that increase was largely paying off debt incurred by the last government and, Madam Speaker, the largest of which was the back pay of almost \$5 billion to public servants on the way out of office. So Madam Speaker, I am aware of it, he is aware of it, you are aware of it. [*Desk thumping*]

Dr. Tewarie: Is the Prime Minister aware that there have, in fact, been job losses in this country to a significant degree in both the public and private sectors and it is registered in terms of the labour force participation?

Madam Speaker: One question. Prime Minister.

Hon. Dr. K. Rowley: Madam Speaker, the Government and the country are very aware that there have been job losses. But there also have been job creation opportunities as well, and Madam Speaker, it is impossible, Madam Speaker—if you do not want to hear the answer just let me know, you know.

Madam Speaker, it is impossible for us to manage our national situation, which is impacted by significant revenue reductions without some action, positive or negative on the job creation or losses situation. So it is no news that there have been some job losses but there have also been job creations. For example, on the Point Fortin project as we put the money back to work that was about to be stolen, a number of persons are now on the job. [*Desk thumping*]

Mr. Charles: The Prime Minister indicated as one of the achievements the elimination of waste.

Hon. Member: Question.

Mr. Charles: Does he stand by that in the context of the \$100 million on fake oil, \$92,000 in Tobago, the group DC Lobbyist \$16 million, \$2.5 million for a fete match to open the Brian Lara academy [*Desk thumping*] and 3.5 for the chair of the CL Financial on sexual harassment charges. Are you willing to—?

Hon. Dr. K. Rowley: Madam Speaker, I just want the Member to know this obsession with the Brian Lara, the opening of the Brian Lara stadium was a profitable exercise. Because it cost—the cost was less than the revenue and that means it was profitable, and Madam Speaker, with respect to the other matters, I can simply say that none of those could be pointed as benefiting any individual in this Government, unlike the last government. [*Desk thumping*]

Dr. Tewarie: Can the Prime Minister indicate, I heard him say that the upstream negotiations had been settled. Can the Prime Minister indicate whether this has had any effect on the downstream problems that we have had recently, and whether this was fully taken into account in the negotiations, if they were settled?

Hon. Dr. K. Rowley: Madam Speaker, as you may recall, contracts in this country had been left unattended and in fact the settlement of that has been one of the better achievements of this Government, because it gave us an opportunity to stay in the gas business. [*Desk thumping*] And yes, we did take into account the downstream, because if you do not produce upstream there is no downstream industry to take into account. [*Desk thumping*]

**Welch Health Report
(Non-Implementation of Recommendations)**

Dr. Tim Gopeesingh (*Caroni East*): Since the presentation of the Welch Health Report by the Government, could the Prime Minister inform this House why has the Government not implemented many of the recommendations made in this report?

1.45 p.m.

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, this is really a question coming from my colleague which ought not to be answered. In this very House, Madam Speaker, in this very House we took the Welch report to the Members of Parliament by way of a joint select committee. Those on the other side refused to participate in the Joint Select Committee, and is coming now to ask me, what? Coming to ask me what now?

The Joint Select Committee on the Welch report was placed before this House, and the reason why it has not functioned today is because those on the other side flatly refused to participate in a report about health care delivery in this country. They are only playing politics and asking nonsensical questions. [*Desk thumping*]

Dr. Gopeesingh: Would you indicate that, as the Government, whether you do not have the authority to implement the recommendations of the report despite what you said? You are in charge.

Hon. Dr. K. Rowley: Madam Speaker, I do not wish to be told I am in charge by the Member. We are in charge. We are the Government and that is why we are implementing the measures. We are implementing the measures as and when they become implementable. [*Desk thumping*]

Dr. Gopeesingh: Bearing in mind that all the recommendations are implementable, why is the Prime Minister evading the implementation of the recommendations? [*Desk thumping*]

Hon. Dr. K. Rowley: Madam Speaker, I do not know where he got the impression from that, all the recommendations are implementable. A report makes recommendations; it does not mean that all the recommendations are implementable and implementable today.

Dr. Gopeesingh: So if not all, but some are implementable. Why are you not implementing the some or nothing? [*Crosstalk*]

Hon. Dr. K. Rowley: Madam Speaker, I have just said that we are implementing as and when they are available to be implemented. So it is quite improper to say that we are not implementing any of the recommendations.

Madam Speaker: Member for Couva South.

**MV Galleons Passage
(Sail from China)**

Mr. Rudranath Indarsingh (Couva South): Thank you, Madam Speaker. To the Prime Minister: Could the Prime Minister inform this House if the *MV Galleons Passage* has set sail from China to Trinidad and Tobago?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, to the best of my information, the vessel has not set sail as yet because it is awaiting some clearance as soon as the public service arrangements in China are available.

Madam Speaker: Supplemental, Member for Couva South.

Mr. Indarsingh: Could the Prime Minister indicate to this House when the agreement was signed to purchase the boat if a timeline of delivery was indicated to the Government of Trinidad and Tobago?

Hon. Dr. K. Rowley: Madam Speaker, yes a timeline was indicated. That timeline has been impacted upon by the administration of the Chinese New Year, and as soon as that gets out of the way, in a few days' time the timeline will be revised.

Madam Speaker: Supplemental, Member for Couva South.

Mr. Indarsingh: Could the Prime Minister clear the air in terms of whether the delay has anything to do with the fact that the engines that have been designed for this boat in China are not in keeping with what would be needed in traversing between Trinidad and Tobago? [*Crosstalk*]

Hon. Dr. K. Rowley: Madam Speaker, that is misinformation meant to create mischief. I have no such information and no such consideration applies to this vessel. [*Desk thumping*]

Mr. Charles: Prime Minister, in setting the timelines for the arrival of the boat in Trinidad and Tobago, was the Government aware at that time of the Chinese New Year's celebration? [*Crosstalk*]

Hon. Dr. K. Rowley: Madam Speaker, it is not the first time that plans that were made would have failed because they were impacted by unforeseen circumstances. The Government of Trinidad and Tobago had to hire commercial

agents to put a crew together and so on. These things take certain considerations into account and when they were completely ready to move, they were impacted by circumstances beyond their control, and we rather be safe than be sorry. [*Desk thumping*]

Madam Speaker: Member for Oropouche East? Member for Naparima.

Mr. Charles: Will the Prime Minister not agree that if proper procurement policies were put in place consistent with the procurement legislation, these things would have been foreseen by the Government?

Hon. Dr. K. Rowley: Madam Speaker, I do not understand what the procurement legislation has to do with it. The vessel was properly procured by proper procurement procedures and, therefore, that question there has no merit.

**Southern Command of the US Army/FBI
(Involvement in Detention)**

Dr. Surujrattan Rambachan (*Tabaquite*): Thank you, Madam Speaker. Hon. Prime Minister, could you indicate whether the Southern Command of the United States Army and/or the FBI is involved in the surveillance, intelligence gathering and detention of potential terrorists in Trinidad and Tobago as reported by CNN?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, I have not watched CNN for a number of weeks, so I cannot speak to CNN's reporting. What I can do, is to indicate, as I have done on many occasions to the national community, that in this question of responding to our exposure to terrorist activities and, similar, that Trinidad and Tobago does not stand alone, should not and must not stand alone and we cooperate with a number of countries, mainly the United States, Britain, Australia and any other country that has exposure and/or experience in terrorism and we share information for our mutual benefit.

Dr. Rambachan: Is the Prime Minister confirming, therefore, that the United States Southern Command was involved in the recent identification of potential terrorists and had a hand in the determination to pick up people and interrogate them?

Hon. Dr. K. Rowley: Madam Speaker, for the nth time, the picking up of people and the interrogation of people in Trinidad and Tobago has been done 100 per cent by the state agencies of Trinidad and Tobago, and we said on many occasions that in monitoring, in treating with threats of this nature, that we share information with agencies of the United States and other countries. [*Desk thumping*]

Dr. Moonilal: Thank you very much. Given that the Carnival is over and cannot be disrupted again, could the Prime Minister indicate what specific threat to disrupt the Carnival existed that caused these events? [*Desk thumping*]

Hon. Dr. K. Rowley: Madam Speaker, the Government of Trinidad and Tobago, through its ongoing monitoring became aware of threats from persons who subscribed to that kind of behaviour that we have become accustomed to in the 21st Century. The threat that we specifically responded to was a threat to take action against the Carnival parades by persons of interest to the security services of Trinidad and Tobago.

Dr. Gopeesingh: How would you account, hon. Prime Minister, for the conflicting statements between the Minister of National Security and yourself with regard to the involvement of the United States in this issue?

Hon. Dr. K. Rowley: Madam Speaker, a lot of effort is being made to look for conflict. If one stays with the facts, you will see no conflict. The operations in Trinidad and Tobago were led by and involved the security services personnel of Trinidad and Tobago. Other personnel of other countries would supply us with support, information and equipment and, Madam Speaker, we are eternally grateful and I thank all those agencies for the work they have done in securing the population, and we continue to thank our partners internationally for the support they give to the people of Trinidad and Tobago in the face of the threats that we live with. [*Desk thumping*]

Dr. Rambachan: Prime Minister, you said you were aided by the US with equipment. Is the US actually using equipment to monitor activities in Trinidad and Tobago on behalf of the Government?

Hon. Dr. K. Rowley: Madam Speaker, I have said no such thing and I will not now say it.

Madam Speaker: Member for Caroni Central. Sorry. Member for Tabaquite.

Threat to National Security (Credibility of)

Dr. Surujrattan Ramcharan (Tabaquite): Thank you, Madam Speaker. Hon. Prime Minister, are you convinced that there was and continues to be a credible threat to national security as announced by the Trinidad and Tobago Police Service over the last two weeks?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, as Chairman of the National Security Council, I see on a daily, weekly or monthly basis, the existential threats to the people of Trinidad and Tobago. On this particular occasion, yes I continue to be concerned and I am convinced that we face a credible threat.

Dr. Ramcharan: Hon. Prime Minister, 13 persons were taken in and held, of which a number have been released—I believe up to six or eight have been released. Why are these people being released if, in fact, this threat was so credible? [*Desk thumping*]

Hon. Dr. K. Rowley: Madam Speaker, that is a matter of law enforcement and for law enforcement, into which I would not venture. However, to say that the fact that they have been released or the fact that nothing has happened is proof that nothing could have happened is pure folly. [*Desk thumping*]

**Intelligence Capability
(Assurance to Protect Nation)**

Dr. Bhoendradatt Tewarie (Caroni Central): Thank you, Madam Speaker. Could the Prime Minister in his capacity as head of the National Security Council assure this nation that the security services in the country have the intelligence capability and wherewithal to protect all citizens from surprise attacks by extremist groups?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, the very fact that the attack is described as surprise, that in itself should tell you that it might be surprising to whatever you put in place. However, I want to give the country the assurance that we have been improving our ability to monitor, to intercept and to respond and that ability is one of our primary efforts, and we continue to improve in that area.

Madam Speaker, the threat that we face is a very amorphous one and, in fact, it changes its shape, its size, its location and the Government of Trinidad and Tobago, through its many agencies, is required to be able to respond along the way. We have been improving the quality of our personnel, improving the training by—once again, I must mention that we do so through international contacts, international reports, we place persons outside, we actually communicate with and bring people into Trinidad and Tobago to assist us with the training, we improve our technical capabilities and so on. But when you bear in mind, Madam Speaker, that the nature of this particular threat, which could lead

to a surprise attack, is one that resides within communication on the Internet, on the telephone and by doctrines which are alien to us, this threat as it exists in Trinidad and Tobago and elsewhere in the world, will be with us for quite a while and challenge us continuously.

Madam Speaker: Supplemental, Member for Caroni Central.

Dr. Tewarie: Could the Prime Minister indicate to us—I mean, I know that this is an answer that has to do with the security of the State and he has to be circumspect, but are there ISIS—is there anything in Trinidad and Tobago that can be considered an ISIS cell or an ISIS satellite?

Hon. Dr. K. Rowley: Madam Speaker, it is common knowledge across the world, not only in Trinidad and Tobago, that citizens of Trinidad and Tobago subscribe to some of the doctrines of ISIS and persons from Trinidad and Tobago have travelled to areas of combat in Iraq and Syria; many of them have been intercepted in Turkey, in Britain. Some have been returned to Trinidad and Tobago, some are in custody in foreign countries—persons who seek to join ISIS—and, in fact, as ISIS has been dispersed in Iraq and Syria, that doctrine now is spread to homebound activities and, therefore, we have to be particularly concerned about such persons and the monitoring of such persons is an integral part of our national security, and the answer to the question is yes.

Mrs. Newallo-Hosein: Thank you. Hon. Prime Minister, in light of the fact that you made your statement that your Government's ability to gather intelligence, working with other countries, does this in fact—was this the fact that our Prime Minister, Kamla Persad-Bissessar, at that time, who signed an agreement with the US—*[Interruption]*

Madam Speaker: Member, 15 seconds to ask your question, please.

Mrs. Newallo-Hosein:—to bring together assistance for our country—has this aided in your ability to gather intelligence and to work with other countries?

Hon. Dr. K. Rowley: I have no idea what that confused question was about. *[Desk thumping]* This has nothing to do with any signing of any agreement. The United States, Britain, India, Pakistan, these are all countries that we had and continue to have relations with in this matter. *[Desk thumping]*

Mr. Charles: Prime Minister, in view of the fact that three weeks ago the Canadian Government in the Canadian Parliament said that they are actively monitoring 61 returning Canadian terrorists, could you give us similar information into how many terrorists have returned and give us the assurance that they are being effectively monitored?

Hon. Dr. K. Rowley: Madam Speaker, the figure of how many terrorists have returned is a floating figure, because not everyone who goes abroad and comes back is deemed to be a terrorist and the intent of persons would vary. However, in monitoring persons who we have reason to believe pose a threat to the country, I do not know if the figure is 63 or a hundred, but we are taking steps to ensure that all persons who are so described are adequately monitored.

Madam Speaker, it is not possible to monitor 24 hours a day every citizen in this country, but those persons whom the security services have deemed to be such would be so monitored, and the guarantee that we can give is that the security services continue to pay attention to persons who threaten the stability and security of Trinidad and Tobago.

Dr. Tewarie: Could the Prime Minister indicate whether he feels that our security forces here have the ability and capacity to monitor communication between an international ISIS operation and local presence here in Trinidad and Tobago?

Hon. Dr. K. Rowley: Madam Speaker, I do not know any country is able to say that because the communication is so varied and so technical. In fact, there is an area called the Dark Web where it is said that the criminals and terrorists are better able to handle it than States and, of course, we do have and we are improving our ability to monitor, but I would tell you something else, Madam Speaker. People who are going down that road of attempting to become effective terrorists are not now only relying on those kinds of communication. For example, they would rely only on face-to-face communication between family members. They rely on other kinds of communication because they know that we are monitoring them, and many of them do not use the system because they know you are monitoring them and, therefore, they use other systems. In fact, they can even use the walkie-talkies which are not on the telephony system and they make up their own system. As long as they are intent on being involved in criminal activity, they continue to change their methods and so.

Madam Speaker: Member for Cumuto/Manzanilla, might I ask, having regard to the supplementals and the responses, whether you are still interested in question 7?

Mrs. Newallo-Hosein: Could I ask a supplemental on what it is that will cover this question?

Madam Speaker: That question is over. I am asking with respect to question 7. Are you still interested in asking question 7?

Mrs. Newallo-Hosein: Yes.

Madam Speaker: Member for Cumuto/Manzanilla.

**Planned Terrorist Activities
(Steps being Taken Post-Carnival)**

Mrs. Christine Newallo-Hosein (Cumuto/Manzanilla): In light of the recent reports of planned terrorist activities during the recently concluded Carnival season, could the hon. Prime Minister inform this House what steps are being taken by his Government to ensure the safety and security of the national community post-Carnival 2018?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, I just spent the last 10 minutes answering that question, and if I might only add that last September, I think it was, the Cabinet of Trinidad and Tobago approved and is operationalizing a counter-terrorism strategy.

Madam Speaker: Member for Cumuto/Manzanilla, a supplemental.

Mrs. Newallo-Hosein: Thank you. Hon. Prime Minister, what communication strategy has been effectively put in place for mass communication of the citizens should a serious threat arise seeing that there is a communication in place?

Hon. Dr. K. Rowley: Madam Speaker, we have agencies of the State—the Office of Disaster Preparedness—and beyond that we do have communication from the office of the Commissioner of Police and beyond that, I do not wish to expose any further our communication strategy which might be specific to certain situations to alert persons who might be under observation.

Madam Speaker: Supplemental, Member for Cumuto/Manzanilla.

Mrs. Newallo-Hosein: Hon. Prime Minister, are you saying that if a threat had to take place that the citizens would not be aware of what they are required to do until it actually happens?

Madam Speaker: Member, I would not allow that. That was not said. Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker. Prime Minister, in your capacity as the head of the National Security Council, are you prepared to take the necessary steps to ensure that the vacant positions of 1,100 police officers as indicated by Deputy Commissioner of Police, Deodat Dulalchan, are filled?

Hon. Dr. K. Rowley: Well, Madam Speaker, Deputy Commissioner Dulalchan says we need to fill 1,000 posts, Commissioner Gibbs said we have too many officers. [*Desk thumping and laughter*]

Maxie Cuffie, MP
(Details of State of Health)

Dr. Tim Gopeesingh (*Caroni East*): With respect to the hon. Maxie Cuffie, Member of Parliament, could the Prime Minister indicate the general state of his health and expected return date to official duties, as well as the cost to the country so far on both the Minister's medical management in the United States and his treatment in Trinidad and Tobago?

The Prime Minister (Hon. Dr. Keith Rowley): Madam Speaker, the information we received from the MP Maxie Cuffie through his family is that he has made considerable progress from whenever he experienced the "medical episode" as described by his doctor—and he has made considerable progress—and is likely to return to the country in the not-too-distant future, and at that time his ability to continue the job that he was doing before would be assessed.

The Government of Trinidad and Tobago intervened to assist Minister Cuffie at a time when his life was being threatened. The Government, through the normal procedures available to Cabinet Ministers paid a bill at—well, I think the bill has been paid—but incurred an expense on his behalf at St. Clair Medical in the sum of \$980,263.69. That brought MP Cuffie to a situation where it was recommended that his recuperation would be improved and his condition stabilized if he got treatment abroad urgently, and at that stage the Government of Trinidad and Tobago kept an assistance to an air ambulance of US \$46,000 and a stroke recovery programme of US \$171,000. Those are the bills incurred by the State with respect to the life-threatening condition of Minister Cuffie.

Madam Speaker: Hon. Members, the time for prime ministerial questions is now spent.

URGENT QUESTIONS

Carnival 2018
(Absenteeism by Police Officers)

Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*): To the Minister of National Security: Could the Minister indicate whether an investigation has been launched to deal with reports of high absenteeism by officers of the Trinidad and Tobago Police Service during Carnival 2018?

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): Thank you very much, Madam Speaker. Madam Speaker, the Commissioner of Police has, in fact, advised that an investigation has been launched to deal with reports of absenteeism of officers during Carnival 2018.

Mrs. Gayadeen-Gopeesingh: Hon. Minister, can you kindly indicate how many officers were absent?

Hon. Maj. Gen. E. Dillon: Madam Speaker, based on information from the Trinidad and Tobago Police Service, there has in fact been a 4 per cent increase in the number of officers reporting for duty over 2017. Of the 5,000 Carnival strength detailed, there was an absence of 808 officers over the Carnival period.

Mrs. Gayadeen-Gopeesingh: Hon. Minister, in light of the high absenteeism, do you think there was a direct correlation between that high absence and the high number of tourists that were out?

Madam Speaker: Member, I would not allow that as a supplemental question. Member for Princes Town.

Mr. Padarath: Thank you, Madam Speaker. Madam Speaker, to the hon. Minister. Hon. Minister, did you anticipate that this situation would have occurred with respect to this high absenteeism in that on the last occasion when I asked how many officers you could not say how many would be deployed?

Madam Speaker: Member for Princes Town, you have asked the question. Hon. Minister.

Hon. Maj. Gen. E. Dillon: Madam Speaker, I indicated a while ago that there was, in fact, a 4 per cent increase in the number of officers turned out for duty as compared to 2017. So the word "high absenteeism" is relative. There has been an increase, and as I mentioned of the 5,000 carnival officers detailed for duty, 808 were absent. In cases like that, Madam Speaker, there is always a contingency plan. So there are more officers detailed for duty with expectation. There are sometimes genuine absentees or sickness or otherwise, and is built into the detailing of officers for duties over the Carnival period. So that was taken into consideration.

Additionally, some of the absenteeism, based on my information were basically SRPs who, in fact, were not relieved from their employers because the necessary administrative work was not done, Madam Speaker.

**Point Lisas Desalination Plant
(Reasons for Reoccurring Shutdown)**

Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*): Thank you, Madam Speaker. To the Minister of Public Utilities: Given that the shutdown of the Point Lisas Desalination Plant on February 13, 2018, affected many citizens in central and south Trinidad, could the Minister provide the reasons for the reoccurring shutdown of the Point Lisas Desalination Plant?

The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte): Madam Speaker, the previous shutdown of the desalination plant was on January the 15th to the 20th and was for annual scheduled maintenance. On Tuesday the 13th of February at about 7.30 p.m. a breakdown occurred. It took 26 hours of concerted round-the-clock troubleshooting by Desalcott engineers, technicians and expert specialists and contractors to pinpoint the problem which was the failure of a pair of control net adapters. Temporary repairs have been effected to allow for the plant to be fully operational and replacement modules have been immediately ordered and are due to arrive in the country on Monday. The plant is now up and running.

Madam Speaker: Supplemental, Member for Oropouche West.

Mrs. Gayadeen-Gopeesingh: Thank you. Hon. Minister, could you give a number of the persons—a total number—that were affected by the shutdown, households—total number of households?

Sen. The Hon. R. Le Hunte: Madam Speaker, I do not have that information on me readily, but if you need I could probably attempt to find and provide it to the House at a later date.

Madam Speaker: Supplemental, Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker. To the Minister: Given what he has just indicated to the House, Mr. Minister, could you indicate when there will be a full restoration of the water supply? Because as we speak, in the constituency of Couva South, the water supply has not been restored.

Sen. The Hon. R. Le Hunte: Madam Speaker, when the plant is shut down and is brought back up, it takes approximately three days after for the plant to be able to get back up to the level of the supply it was previous to the shutdown. So I would expect that this happened on Tuesday—Wednesday, Thursday, Friday—definitely by Saturday everything, the plant would be up to its level. That being said, we have been providing truck-borne water supplies to the areas to the affected individuals.

Madam Speaker: Member for Oropouche East.

**CEPEP Head Office
(Levy by Contractors)**

Dr. Roodal Moonilal (*Oropouche East*): Thank you very much, Madam Speaker. To the Minister of Rural Development and Local Government: Could the Minister indicate the circumstances that led to the levy by contractors on the head office of CEPEP just this morning?

Madam Speaker: The Minister of Rural Development and Local Government.

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, in the absence of the Minister of Rural Development and Local Government, I would like to provide this answer. In 2015 when this administration took office, it had been found that the CEPEP Company had been used as a project manager for the health sector between 2010 and 2015. This administration met outstanding amounts to be paid on those contracts in the amount of \$148 million. That was the debt that we met when we came into office in relation to those particular projects.

CEPEP attempted to verify these contracts through the Ministry of Health in order to get the value—whether the value was correct and whether the payment should be made—but the company was not successful in achieving this. The contractors who were owed decided to take the matters to court, so the company received a number of pre-action protocol letters. The CEPEP Board took the decision not to use its subvention moneys to pay these outstanding contracts as it would have further compounded and compromised the financial position of the company.

Subsequently, CEPEP took on legal counsel because completion certificates were signed off by the previous management and board. The lawyers felt, therefore, that there would not be a strong case. The court has now ruled against the CEPEP Company. The company does not have the funds to pay the outstanding amount of \$148 million, left as a debt by the last administration, and there was no proper documentation to prove the amount or to defend the amount that was being claimed.

2.15 p.m.

Madam Speaker: Member, the time is now spent. Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you very much, Madam Speaker. Madam Speaker, could the Minister clarify whether the court judgment was for \$148 million?

Madam Speaker: The Minister of Rural Development and Local Government.

Hon. C. Robinson-Regis: Madam Speaker, the amount, as far as I am aware, was a total of \$148 million for several of the matters. I am not completely sure of the full amount of the court decision, but we are of the view, and we understand that there are more judgments to come. Right now our information is that the paperwork has been destroyed, and that today CEPEP was levied for the outstanding amount of \$2 million. A part payment of \$500,000 was made but, Madam Speaker, there is still an outstanding amount to be paid. The paperwork has been destroyed.

Madam Speaker: Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you very much. Is the Minister aware that the Member for St. Joseph proudly opened the medical facilities at Mount Hope refurbished by CEPEP? [*Desk thumping*]

Hon. C. Robinson-Regis: Madam Speaker, I am sure the Member for St. Joseph was proud to open the facilities, but that does not mean that there was not an overpayment, and that also does not mean that there were not corrupt practices. [*Desk thumping*] Madam Speaker, CEPEP was not a company developed for this purpose, for the purpose of supervising or project managing contracts [*Desk thumping*] of this nature. Madam Speaker, I wish to reiterate that there were no proper documents found and, Madam Speaker, this is not the only company in which we found these circumstances with no proper documentation and, in the circumstances, in 2015 when we came into office there were a number of situations like this resulting in default judgments, Madam Speaker. [*Desk thumping*]

Collapse of Sea Bridge (Cost to CAL by Port Authority)

Dr. Roodal Moonilal (*Oropouche East*): Could the Minister indicate the cost to the Port Authority of Trinidad and Tobago for sending passengers on Caribbean Airlines Limited as a result of the collapse of the sea bridge from February 01, 2018, to this time?

Madam Speaker: The Minister of Works and Transport.

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Madam Speaker. Madam Speaker, I am hearing the chant of wasting money, but I can tell you that the Government, this Government do care about the people of Tobago and the people of Trinidad. [*Desk thumping*] Madam Speaker, on the 8th of February there was a rough seas bulletin issued in Trinidad and Tobago. Unfortunately, the vessels that ply the sea bridge were not allowed to risk the waters and put the passengers' lives at stake. They coupled that with the fact that the charter, the class certification was under review. The Port Authority decided, in the interest of the tourist industry in Tobago and for all the citizens who would have planned their carnival vacation, to undertake the cost of ensuring that all passengers who would have had a confirmed booking on the sea bridge were allowed to be transported to and from Tobago.

Madam Speaker, the cost to the Port as of now, the preliminary cost is just about \$500,000.

Hon. Member: "Wooo."

Sen. The Hon. R. Sinanan: And I am hearing "wooo", but if you understand the operations at the Port, Madam Speaker, just the cost of the fuel for that period has surpassed the cost of the tickets. So, in other words, the Port would have, so far, saved money. [*Crosstalk*] All right. So, Madam Speaker, it just tells you what we are trying to correct at the Port, some of the inefficiencies at the Port, but this is a clear example of some of the challenges at the Port. The Port actually saved money by sending people on the air bridge.

Madam Speaker: Member, your time is spent. Supplemental, Member for Oropouche East.

Dr. Moonilal: Thank you very much, Minister, for an answer of sorts. Could the Minister indicate—bearing in mind you mentioned the removal of a vessel because of the rough seas, could you indicate why the *T&T Express*, which was removed, why the Port Authority failed to get a renewal of their class certificate from the international body, DNV?

Sen. The Hon. R. Sinanan: Thank you. Madam Speaker, it is public knowledge that these vessels would have been extended for the last two years. On the 8th of February, the class certification would have been expired. You couple that with the rough seas bulletin; there was some work that the DNV would have asked the Port to correct, and I am happy to say that the rough seas bulletin would have been removed today, the work has been done and we are expecting the vessel to be in the water operating by tomorrow. Thank you. [*Desk thumping*]

Madam Speaker: Supplemental, Member for Couva South.

Mr. Indarsingh: Madam Speaker, could the Minister indicate the sum that he has indicated to the House of \$500,000, does it include flights that have been put on today too by CAL?

Madam Speaker: Minister of Works and Transport.

Sen. The Hon. R. Sinanan: Madam Speaker, as I said, those are preliminary figures that have taken into consideration today's flights. Thank you.

Madam Speaker: Question time is now spent, Member for Caroni East.

ORAL ANSWERS TO QUESTIONS

Madam Speaker: Leader of the House.

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, we are asking for a deferral of Questions 86 and 87, please. We would answer the eight other questions.

Madam Speaker: Okay, so the deferral for numbers 86 and 87 have been granted.

The following questions stood on the Order Paper in the name of Dr. Roodal Moonilal (Oropouche East):

Housing Development Corporation (Details of Board of Directors)

86. Could the hon. Minister of Housing and Urban Development state the name, occupation and appointment date of the recently appointed members of the Board of Directors of the Housing Development Corporation?

Sandals International/Technical Consultants (Payments of Public Money to)

87. Could the hon. Minister of Tourism indicate whether or not any public money has been paid to Sandals International and/or any investment or technical consultants pursuant to the intended construction of a hotel and resort facility in Tobago?

Questions, by leave, deferred.

T&T's Obesity Rate (Initiatives to Reduce)

78. Mrs. Vidia Gayadeen-Gopeesingh (Oropouche West) asked the hon. Minister of Health:

Could the Minister indicate the initiatives to be implemented in 2018 to reduce the estimated 31 per cent obesity rate in Trinidad and Tobago?

Madam Speaker: The Minister of Health.

The Minister of Health (Hon. Terrence Deyalsingh): Thank you, Madam Speaker, and thank you to the Member for Oropouche West for the question. As part of the strategic framework to reduce the growing burden of non-communicable diseases on the health sector, the following initiatives are proposed for implementation in 2018 to reduce the current obesity rate in Trinidad and Tobago:

- 1) The prohibition of sale on sweetened beverages in all Government and Government-assisted schools with effect from April 2017.
- 2) Development of key policy instruments to support the Healthy Schools Initiative, namely the National Health Promotion Policy, the National Food and Nutrition Policy, and the National Policy on Physical Activity.
- 3) A national screening programme for gestational diabetes in collaboration with the Diabetes Education, Research and Prevention Institute.
- 4) The completion of the evaluation of the school food options and survey of body mass index (BMI) in primary and secondary schools by March 2018, next month, and the subsequent hosting of a symposium on healthy children to share these results with the aim of updating the current programmes and policies across sectors.
- 5) The completion of the national nutrition standards for food sold or offered in schools with a supporting action plan, inclusive of guidelines for cafeteria operators and school food service providers.
- 6) The implementation of the new World Health Organization's growth monitoring standards in the RHAs, commencing with monitoring the growth of children under five years old in primary health-care facilities;
- 7) The development and piloting of the healthy schools promotion initiative with selection of primary schools to encourage children to eat healthier foods and to be more physically active.
- 8) The completion of the primary school healthy lifestyle quiz, which was held during the period January 31 to February 07, 2018, of which over 87 schools and 500 students participated. The joint winners were the Dayanand Memorial Vedic School and the Montrose Vedic School.

Notably, the above initiatives have been framed along the following lines of action:

- i. Primary health care and promoting of breastfeeding and healthy eating;
- ii. Improving school nutrition and physical activity environments;
- iii. Fiscal policies and the regulation of food marketing and labelling; and
- iv. Surveillance, research, monitoring and evaluation.

Madam Speaker, I thank you. [*Desk thumping*]

**Petrotrin Restructuring Process
(Completion of)**

76. Dr. Surujrattan Rambachan (*Tabaquite*) on behalf of Mr. Fazal Karim (*Chaguanas East*) asked the hon. Minister of Energy and Energy Industries:

Could the Minister inform the House when the restructuring process for Petrotrin will be completed?

Madam Speaker: The Minister of Energy and Energy Industries.

The Minister of Energy and Energy Industries (Sen. The Hon Franklin Khan): Thank you very much, Madam Speaker. Madam Speaker, the Board of Directors of Petrotrin has been given a mandate to return the company to profitability as soon as is practicable. At this time the board is examining a number of strategic alternatives to achieve this objective and is actively, as we speak, consulting with all of Petrotrin's stakeholders. Given the complexity of this matter, no specific date for completion of the required restructuring can be given at this time. However, given the very serious financial position of the company an early report by the board is expected, and it is also expected that the restructuring process will commence this year, 2018.

Madam Speaker: Supplemental, Member for Caroni East.

Dr. Gopeesingh: Are you aware of any proposed restructuring plan for the over \$10 billion debt owed by Petrotrin?

Sen. The Hon F. Khan: Well, obviously, all that is being considered because it is a bullet payment in 2019 for US \$850 million. The State is not in a position to come up with that type of cash so, obviously, we will have to look at restructuring that portfolio.

Madam Speaker: Supplemental, Member for Tabaquite.

Dr. Rambachan: Minister, for a matter as serious as Petrotrin which has been losing so much money, and which possibly so many jobs are at stake, do you think it is fair to the country and to Petrotrin employees and stakeholders to simply say that we do not have a date when this restructuring exercise will be completed? [*Desk thumping*]

Madam Speaker: The Minister of Energy and Energy Industries

Sen. The Hon F. Khan: Madam Speaker, through you, this is a very complex company and we are facing very complex issues. Mr. Manning had a saying “hurry dog eat raw meat”, and I think that is the context in which we are looking at this. We have to understand that we are taking some serious strategic decisions. It has to be well thought out, and in the environment in which we operate we must have maximum consultation with the stakeholders. That is what we are doing, and we are acting with extreme haste in this matter, but what we do not want to do is commit ourselves to a timeline as specific as you want us to do.

Madam Speaker: Member for Tabaquite, supplemental.

Dr. Rambachan: In the meantime, Mr. Minister, what is being done therefore to stem the corruption and to stem the waste and mismanagement at Petrotrin? [*Desk thumping*]

Madam Speaker: I will not allow that as a question flowing out to the question or the answer given.

Public Outdoor Gyms (Implementation Status)

79. Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*) asked the hon. Minister of Health:

Could the Minister indicate the status of the implementation of public outdoor gyms as stated during the launch of the National Strategic Plan for the Prevention and Control of Non-Communicable Diseases?

Madam Speaker: The Minister of Health.

The Minister of Health (Hon. Terrence Deyalsingh): Again, thank you very much, Madam Speaker, and thank you again to the Member for Oropouche West. One of the strategic objectives of the non-communicable diseases plan is the reduction of the prevalence of the main NCD risk factors and strengthening of protective factors, with an emphasis on children and adolescents and on vulnerable populations using evidence-based health promotion strategies. In

collaboration with the Ministry of Education—and I must thank my colleague, Minister Garcia—one of the key activities within this strategic objective is the development of a comprehensive programme focused on healthy schools, with an allocation of US \$1.78 million. The construction of public outdoor gyms is a sub-activity under the Healthy Schools Initiative and, accordingly, a comprehensive assessment is being conducted to determine the potential locations and type of infrastructure, material, and technical requirements. I thank you, Madam Speaker.

Madam Speaker: Supplemental question for the Member for Princes Town.

Mr. Padarath: Thank you, Madam Speaker. Hon. Minister, just for clarification, when you spoke about evidence-based strategies, can you indicate at this time whether or not there exists, especially in our primary schools, seeing that the data coming forward has indicated that there was an increase in children with diabetes, diagnosed with diabetes, could you indicate if there is a programme in terms of the evaluation and monitoring in the schools?

Madam Speaker: The Minister of Health.

Hon. T. Deyalsingh: Sure. Thank you. Madam Speaker, when I answered the previous question I did say that we completed an evaluation of school food options and a survey of body mass index in primary and secondary schools. Let me elaborate. We did an analysis of BMIs on 3,500 school children. That survey was completed in December of last year, and we hope to have the results, which I read out, by March of this year. That would give us the evidence and the baseline data to now move forward and measure the success of this programme against a baseline figure. So the short answer to your question is, yes, that BMI study of 3,500 school children will be the evidence to launch this programme.

Madam Speaker: Supplemental question, the Member for Princes Town.

Mr. Padarath: Thank you, Madam. Hon. Minister, in light of your answer, could you indicate whether there are plans on behalf of the Government through the Ministry of Health to have this testing done regularly in schools as part of an initiative going forward and would assist these children?

Madam Speaker: The Minister of Health.

Hon. T. Deyalsingh: Sure. Yes. That is an excellent question, and the answer is, yes, because when you get your baseline figure now, having tested 3,500, and you start to implement the programmes and plans, for instance, physical activity, banning of sugary drinks, and other measures, you have to go back now and test

again to see if you are actually achieving your objectives. So the answer is, yes, there will have to be periodic—it may not be the full cohort of 3,500, but you will have to do samples now to see whether you are meeting your objectives. So the short answer is, yes.

**Beetham Gardens
(Details of Sewer Line Leak)**

80. Mrs. Vidia Gayadeen-Gopeesingh (*Oropouche West*) asked the hon. Minister of Public Utilities:

Could the Minister indicate:

- a) whether the sewer line leak in Beetham Gardens was fixed;
- b) the causes of the leak; and
- c) the systems in place to treat with such complaints and to measure the level of effectiveness in addressing such complaints?

Madam Speaker: The Minister of Public Utilities.

The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte): Madam Speaker, the Water and Sewerage Authority completed leak repairs work on the Beetham sewer line on Thursday the 18th of January, 2018.

The initial overflow was due to debris and trash being thrown into the sewer main. Subsequently, there was a collapse of the existing nine inch concrete sewer main. Madam Speaker, once a complaint is received, a work request is generated and dispatched to the relevant department within WASA, which investigates and undertakes the repair work. In the case of the sewer leaks, it is dispatched to the Authority's waste water department.

The Authority has a job management system which is used to manage and monitor all repairs and maintenance work. Thank you. [*Desk thumping*]

**Credit Card Payments
(Details of)**

85. Dr. Surujrattan Rambachan (*Tabaquite*) on behalf of Dr. Fuad Khan (*Barataria/San Juan*) asked the hon. Minister of Finance:

Could the Minister indicate:

- a) the quantum of US dollars used to pay credit card owings for each month in 2017; and

- b) the quantum of US dollars used to buffer the TT to US exchange rate for each month in 2017?

Madam Speaker: The Minister of Finance.

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. The quantum of US dollars used to pay credit card owings for each month in 2017 were as follows:

- In January the sale of foreign exchange to credit card centres was US \$108.5 million—January, 2017;
- February 2017, the credit card usage for forex, US \$70.5 million;
- In March 2017, US \$94.1 million;
- In April 2017, US \$68.3 million;
- May 2017, US \$100.5 million used in credit card purchases;
- June 2017, US \$90.4 million;
- July 2017, US \$101.6 million;
- August 2017, US \$98 million;
- September 2017, US \$120.4 million;
- October 2017, US \$107.4 million used by credit card owners to purchase forex;
- November 2017, US \$148 million;
- December 2017, US \$96.8 million;

for a grand total for 2017, in terms of the quantum of US dollars used to pay credit card owings for that year, US \$1,204.5 billion.

The answer to part b, the quantum of US dollars used to buffer the Trinidad and Tobago dollar to the US dollar exchange rate for each month in 2017 were as follows:

- For January 2017, the Central Bank injected US \$175 million of the Government's foreign exchange;
- In February 2017, the Central Bank injected US \$175 million;
- In March 2017, the Central Bank injected US \$175 million;

- In April 2017, the Central Bank injected US \$150 million of the Government's foreign exchange;
- May 2017, US \$135 million;
- June 2017, US \$140 million;
- July 2017, Central Bank injected US \$175 million of the Government's foreign exchange;
- In August 2017, US \$150 million;
- September 2017, US \$156 million;
- October 2017, US \$125 million;
- November 2017, US \$155 million;
- December 2017, US \$105 million;

making the total quantum of US dollars used to buffer the Trinidad and Tobago dollar to the US dollar exchange rate for the year 2017, US \$1,816 billion.

**Presbyterian Secondary Schools
(Release of Funds)**

88. Mrs. Christine Newallo-Hosein (*Cumuto/Manzanilla*) asked the hon. Minister of Education:

Could the Minister state whether releases of funds to the five Presbyterian secondary schools are now up to date?

Madam Speaker: The Minister of Education.

The Minister of Education (Hon. Anthony Garcia): Madam Speaker, the answer: yes, the funds and payment of grants to the five Presbyterian secondary schools are up-to-date. Thank you.

Madam Speaker: Supplemental, Member for Cumuto/Manzanilla.

Mrs. Newallo-Hosein: Can the hon. Minister give the exact dates that the funds were paid and how much they were in the amount of? Thank you.

Madam Speaker: The Minister of Education.

Hon. A. Garcia: Madam Speaker, I can tell you, I can tell this House that the funds were made available to the schools on the 24th of January, 2018. In terms of the quantum, I am not in a position at this point to state. Thank you.

**Ministry's Aranguez Office
(Details for Early Departure)**

89. Mrs. Christine Newallo-Hosein (*Cumuto/Manzanilla*) asked the hon. Minister of Social Development and Family Services:

Could the Minister inform the House whether instructions were given to the management of the Aranguez office of the Ministry to close at 2.45 p.m. in order to facilitate the early departure of staff at 4.00 p.m.?

Madam Speaker: The Minister of Social Development and Family Services.

The Minister of Social Development and Family Services (Hon. Cherrie-Ann Crichlow-Cockburn): Thank you, Madam Speaker. Madam Speaker, the management of the Aranguez social welfare local board was not instructed to close the office at 2.45 p.m. to facilitate the early departure of staff. The Ministry's social welfare local board offices located throughout Trinidad and Tobago are open to service the public daily between the hours of 8.00 a.m. and 4.15 p.m. from Monday to Thursday, and from 8.00 a.m. to 4.00 p.m. on Friday. These are the established and standard office hours consistent with Government's policy. Thank you, Madam Speaker.

Madam Speaker: Supplemental question, Member for Cumuto/Manzanilla.

Mrs. Newallo-Hosein: Thank you. Could the hon. Minister indicate what transpired on that particular day to cause the office to be closed at that time?

Madam Speaker: Member for Cumuto/Manzanilla, I will not allow that question, there is no particular date.

**Sangre Grande Office
(Filling of Vacancies)**

90. Mrs. Christine Newallo-Hosein (*Cumuto/Manzanilla*) asked the hon. Minister of Social Development and Family Services:

When will the staffing vacancies in the Sangre Grande office be filled, given reports that members of the public are being denied assistance by OJT staff assigned to that office?

Madam Speaker: The Minister of Social Development and Family Services.

The Minister of Social Development and Family Services (Hon. Cherrie-Ann Crichlow-Cockburn): Thank you, Madam Speaker. Madam Speaker, the staff complement at the Sangre Grande social welfare local board is 15. There are

seven vacancies with bodies. These are Social Welfare Adviser I, two positions; Clerk II, one position; Clerk I, two positions, and Social Welfare Field Officer, two positions. The Service Commissions Department is charged with the responsibility for recruiting and selecting persons to fill the Social Welfare Adviser I, Clerk II and Clerk I positions. The Ministry of Social Development and Family Services is responsible for the recruitment and selection of Social Welfare Field Officers and has advertised the positions. The Ministry is working to have these positions filled soonest.

There are four OJTs assigned to the Sangre Grande office. As part of their training they assist with clerical duties. The OJTs are not normally required to provide direct service to the public. In addition, Madam Speaker, the Ministry is not aware of any reports of members of the public being denied service by staff of the Sangre Grande local board. Thank you, Madam Speaker.

JOINT SELECT COMMITTEE REPORT

Insurance Bill, 2016 (Adoption)

[Second Day]

*Order read for resuming adjourned debate on question [February 02, 2018]:
Be it resolved that this House adopt the Report of the Joint Select Committee appointed to consider and report on the Insurance Bill, 2016.*

Question again proposed.

Madam Speaker: The Members who have already spoken are as follows: hon. Colm Imbert, MP; Dr. Surujrattan Rambachan, MP. Member for San Fernando West. [*Desk thumping*]

The Attorney General (Hon. Faris Al-Rawi): Thank you, Madam Speaker. Madam Speaker, we are on the 16th of February, 2018, and we are proposing in this Motion the adoption of the work of the fourth Joint Select Committee to sit on the Insurance Bill. To put it into context and to dive to a few material observations in the Bill, as proposed by the work of the Joint Select Committee, I wish to state that we are in fact today presented with an opportunity to complete work which began immediately after the inception of the 1980 Insurance Act. That law is now 38 years old, Madam Speaker. It has been through nine amendments throughout the years between 1980 to today's date. If this Motion passes today and we adopt the work of the Joint Select Committee we will be effectively repealing and replacing law which is now 38 years old.

At the time of the introduction of the Insurance Act itself in 1980, Trinidad and Tobago was presented with an opportunity for regulation of a very important sector. In fact, it is a sector which the Minister of Finance has already put on the table is well above 27 per cent of our GDP in terms of the size of the sector. But back then in 1980 the world was a much simpler place, corporate governance was a simpler place. The products which were packaged in terms of market products was a simpler environment. We have seen in the period 1980 to 2018 a development of complex structures, a development of complex arrangements from an industry perspective and indeed, the market development of products has far outstripped the manner in which we regulate it.

2.45 p.m.

In Trinidad and Tobago under the Insurance Act, we have laws that coordinate with each other, and it is very important to remember that the Insurance Act, as it stands and as is proposed to be repealed and replaced, is intended to work in a financial system where there are other laws in operation. In particular, the securities industries laws have to be factored into this; the insolvency laws have to be factored; the Companies Act must be factored; the Financial Institutions Act must be factored; the financial obligation regulations must be factored.

This is coming in a time when we are under a global matrix of operation, because it is true to say that our insurance companies, having mind and management, having market share participation in other jurisdictions, having insurance products meet us from other jurisdictions, in particular under white labelling mechanisms or under fronting arrangements, as it is referred to in the insurance industry, where risk is largely on the outer side of the territory rather than on the inner side of the territory, sometimes as much as 100 per cent. In that kind of environment the global management of risk, as it relates to money laundering and financing of terrorism, and how international agencies view us is very important in considering the state and condition of our law.

I will add for the record that the Financial Action Task Force, the Caribbean Financial Action Task Force, the European Council, the Global Forum, have all in fact regulated their respective country participant jurisdictions and, in fact, have made observations about our financial sector, including the insurance sector. The work before us now is material to advance the positive reflections that other jurisdictions have of us.

Now, very often my learned friend, the Member for Caroni Central, often says we must decide upon our originality and our territoriality and our jurisdiction, and it is true that we ought not to be seconding our jurisdiction and our autonomy to a foreign

jurisdiction, but our financial services market, our financial sector, our economy depend upon how we are treated by other jurisdictions in terms of positive or negative reflections.

This Insurance Bill is one which improves the state and condition of the Insurance Act. For the 1980 Act it takes account of the sophistication of the market, sophistication of the products. It is one which materially stands upon reflections which we as a country have learned through litigation and through market collapse. We are all well aware of how the market was affected, first beginning with the mortgage collapse in the United States in the period 2007/2008, and then moving in terms of a backflow arrangement into the market collapse which occurred in 2008/2009 and the effect that it had on the Clico group as a whole.

Indeed, the amendments in 2008/2009 to the Insurance Act, to the Central Bank Act to allow for regulatory provisions, et cetera, were important steps towards the stabilization of the market flows. But suffice it to say, I think the easy point to agree upon is that the capital adequacy arrangements for insurance companies left a lot to be desired—capital adequacy, standing at \$1 million for your whole capital, or \$3 million for your whole capital, \$1 million for general insurance and \$3 million for life insurance—to say that your capital at \$1 million and your capital at \$3 million is enough to back your liabilities in the event of a failure of product is certainly to say that that is unacceptable. [*Interruption*] It is a joke, as my learned colleague across the floor has said, it really and truly is. And that is what I meant by the market sophistication in terms of the movement of how we view risk, particularly where there are complex products on the market.

This particular Bill proposes for an improvement on capital adequacy considerations and to move to risk management. And that risk management is a careful introduction, because there was a great deal of consultation as to how the industry ought to improve itself. We are moving the general life insurance and the motor vehicle insurance, general company insurance and life insurance considerations to a much higher marker, as high as \$25 million. But very importantly, we are making sure that that capital at \$25 million has room for adjustment.

So unlike the previous Act which sat with static capital adequacy of \$1 million and \$3 million, this variable risk capital, with formulas included in the Bill that say if your capital adequacy is deemed to be in risk, if you fall below 70 per cent, if the independent auditors and independent assessors of the company

JSC Report (Insurance Bill, 2016)
[HON. F. AL-RAWI]

Friday, February 16, 2018

consider that the capital is no longer required, that there can be adjustment by way of recommendation from the regulator—and this, of course, redounds, as I know my learned colleague, the Member for Tabaquite, has really focused upon, to the interest of policyholders.

Now, there is an important position to bear in mind here because the fiduciary responsibility of an insurer and insurance company and market actors in that field towards policyholders is being treated with differently in this Bill. This Bill does not propose, if I can call it the lesser standard of fiduciary responsibility, that directors and other officers have in respect of companies, be it under section 99 of the Companies Act or otherwise. It in fact takes it to a level higher, and that higher level is by way of certification inside of the Bill in respect of corporate governance and independent criteria.

But, permit me, Madam Speaker, to say this. I have had the great pleasure of participating on all of the joint select committees over the last eight years, every last one of them, beginning in 2011 with the Insurance Bill, 2011, the Insurance Bill, 2013, the Insurance Bill (No. 2) of 2013, then with the Insurance Bill, 2015 and the Insurance Bill, 2016 as it was carried over into this session of Parliament. So certainly for the last seven years I consider it a great privilege to have been a legislator and an attorney-at-law in both circumstances, both hats, participating in the work of this. I have also had—and I wish to express my gratitude for being allowed into the work whilst as an Opposition Senator and then as Attorney General—I have also had the pleasure of practising a lot in the arena. Indeed, I also engaged in a significant amount of litigation post the collapse of Clico, and understanding where the inefficiencies in our system lie.

Madam Speaker, in May 2015 we came to the Parliament, the last Government, and a joint select committee's work product was brought forward. We have had the Minister of Finance Dookeran bring forward the Insurance Bill, 2011. We had Minister of Finance Howai bring forward the 2013 (No. 1), 2013 (No. 2) and 2015 Bills, and we have had Minister of Finance Imbert, Member for Diego Martin North/East, bring forward the 2016 iteration as it has been carried over.

And one may ask, what has taken this country and this Parliament so long? I want to answer that question squarely. The work is so radical a piece of work in improving the product that we had to ensure that there was adequate stakeholder consultation. That stakeholder consultation is not only the market actors of insurance companies, be it ATTIC or insurance brokers, but that also the regulators

were consulted, the Central Bank, the securities and exchange control, and international entities that coordinate with us, including the regulatory environment from an overseas perspective and regulatory assessors, if one wants to consider CFATF or FATF or Global Forum or the EU in that dynamic.

That work of the joint select committees, all four of them, actually involved, to date, 24 meetings, 10 of them under Minister Imbert and 14 of them under Ministers Howai and Dookeran. The difference between the 2015 product in May 2015 and the product today in 2017, I wish to point out, is actually set out in written detail in this report, and the report is here for consideration, at page 35 and continuing onward, where we have taken the matrix of all the submissions and lined them up side by side.

Whilst I sat as an Opposition Senator in May 2015, I was not able to support the 2015 Bill. In fact when the vote was taken, there were 23 Members for the Bill's passage; there were no voices against, but there were four in abstention, and I was one in abstention. I wish to put on the record now why we have moved from a position of lack of support by way of abstention in the Senate on the 26th of May, 2015, to one of support. It is to be found in the amendments which the JSC of 2016 and 2017 has proposed, beginning at pages 35 onward in the report. Madam Speaker, they concern I would say, two very important issues. The two large issues are, one, to be found in the allegation of excessive criminalization and, two, to be found in the market consideration of the Lloyd's market itself as an actor, which has significant bearing in the Caribbean Basin in particular and in Trinidad and Tobago. In fact, a third issue can be added, but it really is the generalized issue of the need to make sure that the provisions in the 2015 Bill matched up with the recommendations of the third joint select committee which we did in 2014, and let me explain that.

In May 2015, when Minister Howai came as Minister of Finance to the Senate, the work of the Joint Select Committee was not completed, because the Joint Select Committee was denied the opportunity to match up the amendments which were made in the work of the third Joint Select Committee versus the final product. We could not match up clause by clause each of the amendments which were made when we sat as a committee of that Joint Select Committee. I am very pleased to say, as this report will demonstrate, that every last one of the clauses have now been set out in detail, demonstrating where the amendments have been made, and in particular we have had the opportunity to go back to all of the stakeholders and have the buy-in and consensus of the stakeholders that these clauses now match the view of the collective whole.

The work of that Joint Select Committee continuum was definitely a work which was improved by the participation—and I wish to put it on the record with extreme gratitude on behalf of us all as a Parliament—of the consultants which worked with the Joint Select Committee in the persons of Dr. Claude Denbow of Senior Counsel who served as a legal consultant to the committee; Mr. Rodney Lester, who is an international insurance consultant; Mr. John Gonsalves who is a local insurance consultant; and Mr. Hugh Mazley, who is, again, a local insurance consultant. That concerned the work of the Joint Select Committee in the period December 2013 to June 2014, and then thereafter as up to May 2015.

I wish to also express sincere gratitude to the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), to the Insurance Brokers Association of Trinidad and Tobago (IBATT), to the Maritime Life Caribbean Limited, to the Banking Insurance and General Workers Union and to the Pan American Life Insurance Company. I would also like, for the record, to thank every member of the Joint Select Committees that served in the period 2011 to 2016, and I mean that with utmost sincerity.

I am on record in May 2015 as having thanked Minister Howai then for the extent of work and dedication that he offered to the committee, in the period of time that he did, and I thank profusely the Member for Diego Martin North East, the hon. Colm Imbert, Minister of Finance, for the dedicated work that he engaged in as the Chair of the Joint Select Committee in producing this final work product.

I turn, Madam Speaker, before I get to the two large issues of Lloyd's and excessive criminalization, to just confirm for the benefit of the listening public through you, that the Bill centres upon enhanced corporate governance—as I have indicated in passing previously. It imposes prudential requirements and accounting requirements which redound to the benefit of policyholders in particular. It provides for the protection of policyholders. It allows for the institution of continuous training requirements for the professionals within the market sector, and it imposes stricter penalties. But very importantly, what the Bill has now is the benefit of an entire package.

The Bill is a Bill with 282 clauses, 13 parts. It has several Schedules attached to it, but very importantly it is not so much the work of the Schedules that I want to focus upon, the Bill has the benefit of complete draft regulations, and there are 11 regulations which stand out. So we are now talking about a whole package, and not just an Insurance Act with subsidiary legislation to come after.

And importantly, and for the record, apart from the 12 Schedules that we have, the 11 regulations are as follows, and they will follow immediately upon this particular Bill: the Central Bank (Payment of Supervisory Fees and Charges) (Amendment) Regulations, the Insurance (Intermediaries) Registration Regulations, the Insurance (Capital Adequacy) Regulations, the Insurance (Caribbean Policy Premium Method) Regulations, the Insurance (Financial Condition Report for General Insurance) Regulations, the Insurance (Financial Condition Report for Long-Term Insurance) Regulations, the Insurance (Participating Accounts) Regulations, the Insurance (Companies) Registration Regulations, the Insurance (Pension Fund Plans Registration Fees) Regulations, the Insurance (Pension Fund Plan Investment) Regulations and the Insurance (Approved Securities) Regulations. What we have, therefore, apart from the Insurance Bill that this report has now brought forward, is we have all of these 11 regulations, meaning that we have an entire package.

We also propose, and it is included by way of consequential amendments to the Proceeds of Crime Act in particular, we have the ability to consider the interaction with the other laws that work alongside this. So this is a complete package.

As we treat with prudential management, permit me just—I mean, it is impossible if one were to divide time out to treat with 282 clauses in 45 minutes to treat with the clauses. It means that you would have seconds to deal with each clause. But under prudential measures we have already touched the need for the removal of the Statutory Fund. We are moving towards the introduction of a risk-based capital regime. As I have indicated, it involves a grandfathering of the provisions, allowing for the implementation of incremental increases until you have reached the capital muster that is required.

Very importantly, we have standardized actuarial validation methodology, and that is actually found in the regulations that I have just referred to, and we have dealt with a stress-testing regime for insurers; again, the subject of the regulations that I have referred to. We have furthered that by including what we call “large credit exposures”. Suffice it to say the basic philosophy is that the entities would be continuously stress-tested. The supervisory regulation that comes by way of the Central Bank’s involvement and the Inspector of Financial Institutions role as a regulator under this regime, involves a continuous testing on a constant basis throughout the year and through interval periods, to make sure that risk matches value, because this country cannot allow policyholders to be exposed in the fashion that they were previously.

As I mentioned a little earlier, we are treating with strengthening of corporate governance. We are dealing with a very large mischief, which obviously reared its head in the financial collapses seen globally and also in Trinidad and Tobago. We are treating with how consolidated supervision is to work, where there are companies which engage in multiple ends of business. We are dealing with audit requirements. We are ensuring that there is an independent involvement of directors at the audit committee, must be chaired by an independent director, and we are allowing for external audit function and annual audit. The liability of auditors is also squarely anchored in this Bill, to be found in clauses 70 onward and in the consolidated supervision being found, and audit requirements in 68, 75 and 77. But we are appointing actuaries, and we are dealing with another very important provision which also finds itself in the securities legislation, and that is protection for whistle-blowers.

We are allowing in clauses 80 and 81 for former auditors and also an inspector to engage in whistle-blowing with certain immunities. So that you do not only hang your hat upon the regulatory environment and stress testing and prudential management criterion, but that you are allowing for the independent whistle-blowers to step forward with immunity, and we have parity for that inside of the securities legislation of course. We are treating with duties of directors, and as I mentioned a little bit earlier we have raised the ante. We are not relying upon the Companies Act fiduciary responsibilities. We are treating with the class of beneficial and fiduciary obligations to be a higher standard, and that higher standard is contained in the Bill itself.

We are allowing, very importantly, for corrective action. And there is a feature to be found in Schedule 6 of the Bill which finds itself anchored here, because the Bill has adopted a similar approach, again to the securities industries, where we allow for the regulator to impose administrative sanctions, as well as directions, as well as the application of consideration of offences. So there is a menu to be found across the Bill, which goes from administrative imposition by the regulator, of fines, straight down to serious offences.

When we treat further with the issue of involvement and obligation we are allowing at clauses 93 to 109 a very important core concept, and that is for judicial management, suspension and winding-up. I want to stress this. The concept of judicial management is one which has definitely evolved as one of the definite take-outs from the management of the Clico issue. That judicial management, suspension and winding-up function is something that allows for a menu of options in the event that companies find themselves in collapse or otherwise.

Madam Speaker, we have a very important provision, which I know the Member for Tabaquite was very passionate about in the Joint Select Committee, and that is consumer protection. In the consumer protection—and this is for the benefit of the listening public—we are providing that judgment claims must be settled within 40 days of the judgment order, unless there is a stay of execution. That is at clause 267. We are allowing for intermediaries who are required to create separate trust accounts for consumer funds to eliminate co-mingling of funds. We are allowing that upon winding-up of an insurance company, the liabilities of an insurer to claimants on policies take precedence over unsecured creditors. Let me repeat that. We are allowing for a ranking of priorities for persons who are the victims on winding-up to no longer be left *pari passu*, or on equal level, with unsecured creditors, but to have a preferential ranking in that.

We are allowing that an insurer must issue a policy within 20 days of acceptance of the risk, to be found in clause 268, and importantly, with respect to fraud on policyholders—let me repeat this—with respect to fraud on policyholders we have applied the most severe penalty to be found on the Bill, and that is \$10 million and 10 years' imprisonment to be found in clause 255. Madam Speaker, I will treat with excessive criminalization as it flows from that, and then go to my last point which will be on the Lloyd's market, and one of the material differences between the 2015 Bill which came in May 2015 and the Bill now before us. On the point of excessive criminalization, I which to thank in particularly the submissions coming from Ed Fitzgerald QC, who brought submissions on behalf of the Maritime Group, and for the reflections which were brought then.

The 2015 Bill brought by the last Government had everything ranked on summary offences. Those summary offences were viewed to be the preferred route because obviously a summary offence is dealt with at the magisterial level and does not involve the long, tortuous passage through a preliminary enquiry, whilst it stands part of the laws and is soon to be abolished. But, nonetheless, Madam Speaker, the argument that \$10 million and 10 years on summary conviction could betray the nature of a summary offence, and be seen to be grossly disproportionate to the nature of summary offences, was a relevant consideration for the Joint Select Committee and, accordingly, we specifically sought to amend the offences at clauses 24, 65, 77, 101, 131, 144 and 254.

What we have done in the iteration of the Bill before us now, the work of this Government's Joint Select Committee, is we have categorized offences as summary offences, hybrid offences and indictable offences, therefore avoided risk

that on challenge to the excessiveness or disproportionality or lack of proportionality of the offences, that there could be some degree of affect to the legislation. So we have taken caution and we have avoided the argument of excessive criminalization, and preserved the three categories of offences in those particular clauses.

We have also allowed for strict liability offences. I want to point to one clause in particular which is clause 254, which is the general provisions offence clause. Clause 254 is the clause which treats with wherever an offence is committed but the penalty is not prescribed. Whilst we have had the concept of strict liability offences as part of the laws of Trinidad and Tobago, I want to point out to the fact there is a defence that is included in the general clause, and again that defence which is included was added so that we would avoid an argument of lack of proportionality, and therefore lack of constitutionality in the offence provision, and we have allowed it for a defence to say that a person under charge can prove that all reasonable precautions had been taken and due diligence had been exercised to avoid the commission of the offence. That is a very important clause, because it adds to the proportionality of the offences which we now prescribe for consideration by hon. Members of this House.

Madam Speaker, in dealing again with proportionality and in dealing with offences, I will just wrap up that particular subclause by saying that Schedule 6 of the Bill proposes the administrative fines, and those administrative fines are not only set out in a user-friendly fashion, so that those who have to apply the law, or consider the law to regulate themselves or be regulated, have an easy understanding of what they would be subjected to, rather than a piecemeal approach which presented itself in other iterations of the law.

I will turn to my final observation. My final observation treats with the issue of the Lloyd's market. In May 2015, the 26th of May, 2015, I sat opposite, I sat in the Senate and I pointed out to the hon.—

Madam Speaker: Hon. Member, your original 30 minutes are now spent. You are entitled to 15 more minutes if you wish to avail yourself.

Hon. F. Al-Rawi: Should you please, thank you.

Yes, Madam Speaker, on the 26th of May, 2015, I sat opposite in Opposition and I cautioned the Minister of Finance that we were on very thin ground in terms of the viability of our market and our insurance providers. I warned Minister Howai—as a result of which we abstained from supporting on that Bill—we warned Minister Howai in strict terms that the Lloyd's market share was going to

be put at risk. In fact, as it was, 26th of May, 2015, Lloyd's actually wrote to Minister Howai on the 3rd of June, 2015. In their letter to Minister Howai they put on the record an expression of deep concern as to the accelerated movement of this Bill in light of the Lloyd's market share.

They put on the record that in 2014, and I will just use the position then, that the Lloyd's market wrote \$347.6 million of net premium in Trinidad and Tobago, and that the gross premium was \$445.2 million. Let me put that simply. Half a billion dollars of market gross premium written by the Lloyd's grouping, which is the Lloyd's market itself, was being put at risk in the 2015 Bill. But there was an extreme haste to pass through the Bill in the Senate then. Lloyd's wrote on the 3rd of June, 2015, to express, number one, that the Bill did not consider what Lloyd's was. So what is Lloyd's, Madam Speaker?

3.15 p.m.

Lloyd's is a market arrangement. Lloyd's is to be considered separately from the Lloyd's Society. Lloyd's Society has been regulated since the 1870's come straight up by Acts of Parliament in the United Kingdom. But the Lloyd's market operates in a syndicated version, and that syndicated version is to say that members that take the cover—I have an insurance product, I need 100 per cent cover, the Lloyd's market operation says that their individual participant members can take pieces of the arrangement. In other words then, they can syndicate themselves to cover the 100 per cent risk by taking smaller risk amounts.

And in Lloyd's the market considerations proposed by the 2015 Bill required Lloyd's to put 120 per cent coverage for their risks. So every other insurance company in Trinidad and Tobago under the law in the 2015 Bill was going to have 20 per cent risk coverage, but Lloyd's was being required to take 120 per cent risk coverage. In other words, Madam Speaker, the Lloyd's market would have been fatally collapsed as a result of the 2015 Bill. And that fatal collapse is half a billion dollars' worth of net coverage, but for policyholders in Trinidad and Tobago it means that the insurance product becomes massively more expensive.

Let me put on the record, as a private practitioner whence I was in that position, covering professional indemnity insurance for 20 or \$40 million as I was required to do in the type of work that I engaged in in the corporate commercial sector, the Lloyd's market provided me as a private practitioner with almost a 75 per cent cheaper product than the local market did. Let me repeat that, 75 per cent cheaper product than the local market did and therefore, it would have been a gross dereliction of duty to have allowed for the Lloyd's market to have collapsed in Trinidad and Tobago.

JSC Report (Insurance Bill, 2016)
[HON. F. AL-RAWI]

Friday, February 16, 2018

I am very pleased to say, Madam Speaker, that you will find in our Bill an improvement on the Lloyd's market, specifically it is clause 233 of the Bill where we are now providing that the Lloyd's market would be in line with the local market which is 20 per cent of stated capital of the classes on insurance business it intends to carry out, plus an amount equivalent to cover all policyholder liabilities.

And, Madam Speaker, if only for the benefit of policyholders and the commercial realities of our country, I am very pleased to see this amendment in the Bill. It would not have been a proper course to have allowed for that half-baked product or nearly-finished product to have come to light. We, in the period of time that we engaged in this Joint Select Committee as I have demonstrated, have treated with 282 clauses, 13 Parts, 11 regulations to operationalize this law. So we have in our two and a half years managed to complete a massive work product, Madam Speaker, for the benefit of prudential management, corporate risking, risk assessment, market considerations, policyholder protection and satisfaction in respect of the legal considerations of excessive criminality and proportionality and the manner in which this system shall operate.

I am extremely pleased and I say thank you to the hon. Prime Minister for allowing me the privilege to sit in on the 24 meetings in the period 2011 to 2018 that we engaged in this work, to have sat on four Joint Select Committees, to have had the privilege of being a practitioner with the ability to make the law.

I wish to express my deep gratitude to the technocrats who worked on this team and I want to single out the CPC's department, Ms. Lorraine John for the work that she did. I want to single out the Ministry of Finance division, Treasury Solicitor, I want to single out Securities and Exchange Commission, I want to single out stock market. I want to thank the parliamentary staff for the excellent work that they have done and diligence in supervising us. [*Desk thumping*]

Most importantly, Madam Speaker, to the humble people that sit in the Hansard, I want to express my profound gratitude to the *Hansard*. [*Desk thumping*] Madam Speaker, that division of beautiful, hard-working people sit quietly, record every word that we say, all submissions made, in committee, in the House, on the floor and they are never thanked as profusely as they deserve to be thanked. [*Desk thumping*] And I wish to thank them from the bottom of our collective hearts for their continuous work for this product.

I do not think there is much more in terms of single points of interest in the Bill or otherwise that we can focus upon, and I urge hon. Members to adopt this work so that we could begin the implementation of this law for the benefit of the citizens of Trinidad and Tobago, and in particular the policyholders. Thank you, Madam Speaker. [*Desk thumping*]

Dr. Bhoendradatt Tewarie (*Caroni Central*): Thank you very much, Madam Speaker. I have no quarrel either with the presentation of the Minister of Finance nor the contribution of the Attorney General as I rise to make a contribution to the debate on the Insurance Bill, 2016.

Given the history of this Bill and the Attorney General outlined some of the issues and the processes involved, it should easily receive bipartisan support. But that does not mean, notwithstanding the positions taken by the Attorney General, that there are not issues that need to be raised and to be flagged, and I will take the opportunity to raise some.

Since 2011, attempts have been made to pass this Bill as the Attorney General pointed out and I think the Minister of Finance as well. It was actually passed in the Senate in May 2015, but it lapsed in the House of Representatives as indeed it had lapsed several times before. It is possible to argue that this should not have happened given the global financial crisis and the local crisis with Clico here in 2009, but for a number of reasons it did happen and the reality is that this matter remains to be fixed, so what we are doing here is fixing a matter that has been with us for some time.

This Bill received the attention and scrutiny of a joint select committee on three occasions. I served on one of those joint select committees under the chairmanship of then Minister of Finance Howai. Each Joint Select Committee had consultations with stakeholders. Each Joint Select Committee had expert advice at its disposal. The latest Joint Select Committee Report to this Parliament, which consists of about 296 pages in addition to the agreed Bill, all unanimously agreed, that is to say, all members of the committee agreed, Government, Opposition and Independent Members, and they have sent this report which is what we are examining.

It is not difficult to support the Bill because it originated with us, as the Attorney General in fact conceded. The last Government under former Prime Minister, Mrs. Kamla Persad-Bissessar, as we wrestled with the 2009/2010 financial crisis in Trinidad and Tobago and globally. The financial crisis which occurred at that time was rooted in local realities yes, but what happened here in 2009 was also globally connected to a larger crisis in banks and in insurance companies with ripple effect around the world. The rest of the world has already

JSC Report (Insurance Bill, 2016)
[DR. TEWARIE]

Friday, February 16, 2018

responded, and I think it is important to take note of that. Since 2008/2009, the rest of the world has already responded. Our response is therefore a delayed response and, therefore, we ought to have had the benefit of a learning opportunity.

The processes that attend getting to this point have been consultative, and stakeholders in both the public and private sectors have been taken into account; their inputs have made a material difference, Madam Speaker.

During the period of the People's Partnership Government, many stakeholders appeared, they submitted documents, they advocated, they sought to influence. In addition, expert advice on the subject of insurance regulation and issues related to these have been taken into account throughout the extended process, including this last report. Both international consultants and local experts were involved over the period. Hopefully therefore, we have indeed learnt something from all of this that will contribute to better legislation. I remember the many presentations and exchanges during the period in which I served, and I am sure this had continued in the various iterations of the committee which led to the final report.

An important principle of continuity of governance across administrations has been followed in this instance. I take this opportunity to emphasize that the Government on the other side of this House over the last two and a half years has only selectively honoured this principle, this principle of continuity in matters of national progress when administrations change.

I wish to emphasize this point because it is an important point of governance. The Government of the day therefore, would do well to honour this principle in the public interest and in order to strengthen the credibility of the governance process in Trinidad and Tobago, and in order to boost confidence in a wary and sceptical population about the governance process in the country in general.

Arbitrary governmental executions and actions however justified by well-crafted articulations of propaganda do not boost confidence when legitimate human and citizens' expectations are dashed. Whether this has to do with the Couva hospital or the south campus of the University of the West Indies, with Chaguaramas or with cane farmers, I will not elaborate on these now, but the Government knows, stakeholders know and the population knows, the Keith Rowley Government has been arbitrary at best on the principle of continuity of governance, [*Desk thumping*] and in many instances legal challenges have been necessary to bring them to their senses and the ruling of the court has had to correct some of this arbitrariness. [*Desk thumping*]

But what does this Bill seek to do? First of all, it replaces the existing Insurance Act with this one, and the Attorney General talked about the time in which that Act was established. He talked about it as a less complex, a less complicated time, and he talked about the fact that the entire market and the entire range of products had grown in sophistication over the 40 years or so that we are talking about between the last legislation and this one. So, it replaces the old Act which will be repealed by the passage of this Bill.

So new legislation, Madam Speaker, with a new and more relevant framework for the national insurance industry is being established. This will provide for the regulation of the insurance industry, but the Bill will also regulate pension fund plans that are outside of the jurisdiction of the State, that is to say, pension plans administered by private entities. So this particular Bill is focused on insurance companies and pension funds which is a \$100 billion portfolio in Trinidad and Tobago, no small amount or proportion of the economy.

So, what this Bill is seeking to do is to reform the existing system or regime within which the Clico crisis of 2009 took place. It seeks to learn from that experience and to alter the conditions which may have contributed to the evolution of that particular crisis. So this is a Bill of stronger regulation for the insurance industry on a company by company basis and on an industry-wide basis as well. Regulation of privately administered funds is also strengthened, financial standards to which insurance companies will now have to adhere have also been raised and improved, capital adequacy requirements have also been strengthened which means more secured companies and greater comfort or security for customers.

The objective here is to ensure that funds meant for policyholders who pay their money diligently each month or each year to protect themselves, their family, their property, their financial security, the objective here is to ensure that an unnecessary risk is not taken by any company that would jeopardize these things for the policyholder. And as the AG pointed out and as the Bill makes clear, there are strong penalties for non-adherence and nonconformity with the requirements of the regulator and of the law.

The same approach is taken for pension holdings which ordinary citizens depend on for retirement. These are good things for the citizen, that is to say, the legislation and the protection that it offers. These are good things for the citizen, for the policyholder, for the contributor to pensions and to the investor. Protection is therefore strengthened, accountability for companies is highlighted by compliance requirements and hopefully strict enforcement, because that is where

we all fall down in this country, [*Desk thumping*] on implementation, on compliance, on enforcement. I emphasize enforcement because all the laws in the world would not work effectively if there is not enforcement placed on [*Desk thumping*] diligent oversight, because Trinidad and Tobago can often be a country of plenty talk, more legislation and yet nothing is finally achieved.

The main regulatory authority in this Bill is the Central Bank and I want to focus on that business of enforcement and regulatory application and the institution and the personages that are involved. The main regulatory authority is the Central Bank. In this Bill, the Central Bank is given the power to regulate the insurance industry. It is given the power to do so company by company, but it also has broad oversight of the sector, as well as specific authority over each company. Citizens may well ask: Who will do this and how will this be done by the Central Bank?

While in this Bill it is the Central Bank that is responsible for preventative intervention, that is to say, it can step in when things are going wrong and offer advice; it is responsible for corrective intervention, that is to say, it can step in to tell a company what they must do if they are going wrong in certain areas and insist upon it, and that strengthens not just the nurturing side, but the regulatory side. And then there is protective intervention, intervening to close a company down if necessary if it will not listen or do things right, if it is putting customers at risk or if it is weakening or threatening to weaken the entire insurance sector or the financial system.

These are strong powers given specifically in the Central Bank to the inspector, and I want to stress that. The inspector is a very powerful agent in this particular piece of legislation. These strong powers are given specifically to the inspector of the Central Bank. So it is not just the Central Bank as an institution that is the regulatory power, it is a specific office, and ultimately a specific person holding that office.

This is an important point that I take the opportunity to highlight because many times in this country those in authority are given power and jurisdictional authority without direct responsibility and without clear accountability being assigned to anyone. And it is important to know that while the Central Bank has jurisdiction over the financial sector, it is the inspector who has direct jurisdiction and the power to act in instances of concern or of breach. The inspector therefore, is the institution and the person with the authority and the power and, therefore, that is the office and person who is responsible and accountable.

This point needs to be reinforced because you cannot have nebulous authority in a situation such as this where you are seeking to regulate an industry where a crisis has taken place locally and globally. We cannot have nebulous authority, we must be clear on who has authority and responsibility in order to get the job done.

Another important consideration in this Bill is that it is meant to align with international best practice and international benchmarks for the regulation, supervision and management of the insurance companies and the insurance industry, that is to say, the individual companies, as well as the industry as a whole. This is done by aligning governance, supervisory and regulatory requirements with core principles developed by the International Association of Insurance Supervisors or IAIS, the international body which establishes the criteria for best practice and standards of compliance.

I hope that the Government Members opposite understand that when we comply with international norms and expectations that it is not just to submit to a demand or to comply with a new directive of the 21st Century G7 and G20 global financial governance order, which among other things seeks to keep big-country strategies and interest intact. That must not be the approach to international compliance of a small country such as ours.

When we engage the Financial Action Task Force, and the Attorney General referred to it, and other agencies, for instance, we must make our case as a small country in collaboration with other small countries in our region and elsewhere, there are many, to address local and regional challenges in the big global financial architecture with big-country strategic alliances and interests. And we have an obligation to our citizens in whose name we are meant to speak to carve out a space so that a country such as Trinidad and Tobago can still, in this very complex global environment, build a strong financial system integrated and effectively connected with the global system, as well as to the good practices to which that system adheres.

We must not however, surrender our local or regional capacity to compete, to grow and to expand regionally and internationally. International agreements are not meant to support small country underdevelopment or to engineer the marginalization of developing countries in the world system. I wonder if, for instance, the Washington lobbyist which this Government hired, I think, without proper procurement practices in 2016, advises the government on some of these things.

In countries such as Trinidad and Tobago we must always be alert to the fact that foreign policy and international engagement are to support national development

and national prosperity objectives, not just to tag along, go along, cower before big-country insistence and serve the interest of others while undermining others.

So that in the story that the Attorney General told of Lloyd's and the framework within which they operated in Trinidad and Tobago, controlling over 50 per cent of the market, the issue to be addressed there was really, how do you get the best of what the international system has to offer? How do you create the conditions in which you do not nullify someone who has been critical to the growth or an institution which has been critical to the growth and development of this country and the insurance industry here, both for insurance and reinsurance as well, but also how do you create the conditions in Trinidad and Tobago and the region to grow a reinsurance industry?

So one has to always be aware and alert of how the world is organized, how systems are fixed, how they are structured and how you are in relation to that and how you can make the space in-between. We will not argue about the decisions that have been taken. This is reasonable legislation and it is worth supporting, but I want to say that when we argue about these things we must be alert to the fact that there are real issues concerned about development and underdevelopment, about marginalization and integration that one has to take into account as you make decisions about how you relate to international systems that are extremely strong, very well organized and dictated to by the powerful countries of the world.

Now, this piece of legislation touches on 10 other pieces of legislation, including the Financial Institutions Act, Chap. 79:09 and the Anti-Terrorism Act which all link to international considerations and shared interests of a global community of nations. Yes, it does. But it is also linked by this legislation to big-country power that calls the shots.

For instance, the FATCA legislation which this Parliament has passed with full support of the Opposition and other legislation which we may have to pass to align with European concerns and standards, have already, in the case of FATCA, and will in the case of similar new legislation, tie us into the global orbit of big-country concerns and priorities. Not that the other key issues addressed such as crime as the Attorney General mentioned, such as corruption which he mentioned, such as money laundering which he mentioned, et cetera, not that these are not taken into account by the international financial community and controlling interests. In fact, that is their main focus and primary selling point.

But the big issue that they are most concerned about is how to create a global cartel of powerful financial interests in the industrialized world, which will set the terms of financial engagement globally and the generation of profits and taxes in these

industrialized countries, which can have the effect of marginalizing developing countries which focus on—and these institutions are moving in the direction of focusing on high net-worth customers, that is to say, the big banks and the financial players in the industrialized countries. And all of this that is taking place in the global financial system will make correspondent financial relationships tougher to establish and only on the basis of compliance and conformity to rules made elsewhere.

3.45 p.m.

I say these things because we do not seem to be alert to the things that are happening in the world, and our responsibility and right to raise these things in the global fora of the world and to make the necessary space to do that. If we do not represent our own interest in the world and simply act on the basis of what other people tell us to do in whatever fora we create, we are never going to have an influence on what the world system is. [*Desk thumping*]

Now, the legislation that we pass here therefore—and this is the main point that I am making in this particular part of my contribution, Madam Speaker—is important, because when you pass legislation, no country can insist that we violate our own laws to comply with anything that they want us to comply with. [*Desk thumping*] That is what sovereignty as a principle allows. It is not a flag to be waved. It is an important principle in international relations.

That is why this Parliament is so important, and that is why Parliament should not be anybody's playground. Not the Executive, not a clique, not powerful local interests, not powerful international interest either. We must always remember that Parliament is about the people's business and about the public interest. The laws we make must reflect that. So in countries such as ours we need to be clear on what our own interest is and we must commit to serving that interest as best we can. If we fail in this, we may end up with total foreign ownership of our financial industry. This is a warning to the Government of the day to take due care and to pay due attention. How does a small country align with international standards and good practice and still create conditions for home-grown industry and institutions to strengthen themselves to compete effectively and to grow internationally? It is an important consideration. It cannot be ignored.

Let me summarize what I have been saying by underscoring three points. The method and process employed to get this piece of legislation to this stage, although perhaps too much delayed is exemplary and worthy of support. I take this opportunity to congratulate all members of the last Joint Select Committee on this matter which resulted in the report that we are debating today.

Secondly, the strengthening of regulatory, supervisory and accountability requirements included in this Bill are most desirable and will enhance the strength and competitiveness of the sector as well as make more secure the ordinary customer and citizen.

Thirdly, as we seek to rise to international standards and meet international benchmarks, we must be careful to serve our national interest first and foremost, and our opportunities for international access, connectivity and opportunity, and insist on the right to develop our own industry beyond our limited market.

I note that the three-fifths majority requirement has been acknowledged in this piece of legislation, because the Bill violates sections 4 and 5 of the Constitution. That is the way that it should be done. That is not always the way the Government on the other side does it. I have noticed that those pieces of legislation, Madam Speaker, which require conformity to international standards, conformity to international criteria and practice, the Members opposite are prepared to collaborate with and to engage the Opposition as in this Bill, as in the FATCA legislation, for instance, as in the Gambling (Gaming and Betting) Control Bill. But for Bills which increase ministerial control, strengthen Executive power and reinforce authoritarian tendencies, the three-fifths majority rule is often dispensed with [*Desk thumping*] even when it clearly violates sections 4 and 5 of the Constitution. I refer to Bills such as the Strategic Services Agency (Amdt.) Bill, the Plea Bargaining Bill comes to mind.

I think it is important to record my point of view on this matter in *Hansard* since an examination of the Government record will reveal a consistent pattern in this regard. The constitutionally required three-fifths majority rule is only arbitrarily and conveniently observed by this Government over the time that we have been in Parliament together.

Madam Speaker: Hon. Member. Hon. Member for Caroni Central, your original speaking time is now spent. You are entitled to 15 more minutes if you wish.

Dr. B. Tewarie: I would.

Madam Speaker: You may proceed.

Dr. B. Tewarie: I would be grateful. I move on now to a few specific issues worthy of note in this Bill. On page 13 of this Bill you have a very extensive explanation. First of all, a financial entity and a financial group, and I think that kind of reinforces the fact of the scope of this Bill and what it is seeking to do. Then you have a broad, very broad definition, as I said, of financial entity.

On page 29, clause 7(1) and (2), it reinforces the role of the Central Bank, on the inspector, and this is why I emphasized the role of the inspector, Madam Speaker. On the issue of the inspector, there are six full pages and three extensive clauses which cover the powers of the inspector. It is important to point out that this inspector has oversight over the entire financial sector, not just insurance, and is the person who seeks compliance to required standards for all entities in this sector.

The critical question therefore is whether the Central Bank which has jurisdiction, responsibility and authority over the financial sector and the inspector housed in the Central Bank, who has direct jurisdiction, clear responsibility and specific authority over the insurance sector, insurance companies, banks, banking sector, the critical question given the coverage over these institutions is whether the Central Bank and the inspectorate have the resources, the competencies and capacity commensurate with the regulatory role assigned to them by this Bill, which seeks to avert crisis in the future in a world growing more and more complex every day.

That is the most fundamental of questions, and it requires a clear and unequivocal answer from the Government. And I wish the Minister of Finance would help us with this when he speaks. Who is the inspector, for instance? When was he or she appointed? What is the size of the inspectorate? Have the competence levels required, the spread of duties, functions and positions to be filled, have they in fact been filled? The infrastructure of support required to carry on effectively, have all of these issues been addressed?

The Bill does not address this issue, in the substance of the Bill, and I do not think that is the purpose of the Bill because that is to be dealt with by the institution. But, this business of enforcement, of regulatory capacity of being able to monitor and have oversight over and to intervene, this is the peg on which this entire piece of legislation hangs. And therefore, the institution, both the inspectorate and the Central Bank's capacity are critical in making sure that this legislation works. The Central Bank has control over who is fit and proper, which company or individual can engage in a range of insurance businesses, and where a company can conduct business, and can interfere with a company's conduct of business, as I mentioned before.

Under this law if you are in the insurance business, this is the only business you can conduct unless you get permission, and that is a good thing. There is a catastrophe reserve requirement, that is also important, and this is on page 74. But this is a problematic issue, because although this cannot be in the legislation, what

an insurance company in the instrument that is signed between the customer and the insurance company, what is defined a catastrophe may well determine whether an insured person is paid in the case of an earthquake or a flood or some other not nice happening that may occur, and many things are so unpredictable in these days.

For instance, if you were next to the mud volcano and something happened to your home, how would you be protected by something like that, and would these things be taken into account?

Insurance consultants and insurance brokers as intermediaries are also taken into account in this Bill. Now, given the broad range of things that I mentioned; the banks, the insurance companies, big insurance companies, small insurance companies, brokers, are all of these things—can the Central Bank and the inspectorate, do they have the capacity to deal with these things? And as I said, I will be grateful for a response from the Minister of Finance.

Notwithstanding these issues that I have raised, Madam Speaker, there are several positive and progressive actions taken in this Bill. As I said, we contributed to it, and the Bill has improved over time through the committees. The Statutory Fund has been replaced by more risk-based capital guidelines and has been increased from three to \$15 million. Issues such as related-party transactions and the overreach of insurance companies into other industries have also been addressed. There are yet, however, other issues of concern. The Minister of Finance in his introduction to this Bill said that the insurance and pensions industry was a hundred billion dollar industry. That is a significant proportion of the economy, and if we are going to supervise and regulate this industry, we have to be careful about how we do it.

Does the Bill make enough of a distinction between small and large companies in the insurance industry, and consequently, stronger oversight over the bigger companies, that in the case of difficulty, can present a systemic risk, not just a business risk? Because that is what happened in the Clico situation. It was not just a business risk, it was a systemic risk. Does the Central Bank have the resident competencies and what steps are being taken to secure them? Who is the inspector of financial institutions? How big and strong is the inspectorate? Does he or she have actuarial support? Does he or she have support of a pensions specialist to deal with the pensions issue? These are important questions which need to be answered if we wish to make an honest attempt to address the context which gave rise to the need for this Bill. One cannot be dominantly political or irresponsibly partisan in a matter such as this which strikes at the heart of a

billion-dollar industry and which determines whether it is strong or weak, and whether customers are in fact protected. What we do not need is a veneer of protection for the customer until the day of reckoning comes and we find out that it is just a veneer.

In 2008/2009, we had a global financial crisis based on derivatives linked to mortgages for homes and other real estate, and driven by the demand of sovereign wealth funds and other large investors in the international financial market for higher returns on their investments. This led to a crash of some major banks, insurance companies, financial institutions and corporations. Bailouts became necessary because jobs were threatened, the collapse of companies was imminent; economic sustainability was being jeopardized, financial instability was a reality, confidence was being undermined and fear was rising. Finance then affected real estate which collapsed and low energy prices which prevailed at the time affected energy producing States like our own.

Whatever the issues of governance, mismanagement, high risk taking, overreaching, over-borrowing may be of legitimate concern in looking at the 2009 Clico collapse in Trinidad and Tobago; Clico and CL Financial received a triple whammy in 2009. The global downturn in finance, in real estate, and in energy hit them very hard, and that company had no breathing room because they were invested in three falling and fallen sectors, and they were over-borrowed, there was no way they could have come out of it. That put ordinary investors at risk, and put the financial system in Trinidad and Tobago at risk. Because like AIG in the US, Clico was big here and connected to Republic Bank and many financial players.

So this Bill must be wise in learning from what the world has already done and is doing, having experienced the global financial crisis of 2009, and having learned from it, but we must also learn from what happened here. Let us hope this Bill is adequate. We cannot really know. It is a good attempt. It may be adequate, it may not be. Every day, as the AG mentioned, the world is increasing in complexity. I do not know for instance if a \$15 million reserve fund would have made a difference to the fortunes of Clico in 2009.

A country like Canada was largely insulated from the 2008/2009 crisis. And that is because they did certain things well beforehand and they were able to deal with it. They also had a set of people involved in their affairs, in their regulatory affairs, who were very independent, free from political interference, and who were focused on how to make sure that the financial system was healthy, and to ensure that nothing stood in the way of the health of the financial system. And

JSC Report (Insurance Bill, 2016)
[DR. TEWARIE]

Friday, February 16, 2018

therefore they used their strength and their independence in order to make it strong, and to make it effective, and the world learned from them, and I am sure this legislation drew on the experience of Canada as well. And therefore, the point I am making is that regulation and enforcement is not a place for bureaucrats to mark time. [*Desk thumping*] I want to emphasize that.

We cannot have regulation in this country in the Central Bank and an inspectorate in the Central Bank made up of bureaucrats without the necessary knowledge, experience, and I do not just mean qualification, but experience understanding exposure with continuing training and exposure to be able to look after this system. And I am saying that the most important thing in this fat piece of legislation here is the institution that we have created for regulations and the [*Desk thumping*] framework that we have created to regulate. But in addition to that, you need strong people. You need independent people because our institutions fall on weak people who are not independent and who cannot stand up when you have to stand up [*Desk thumping*] when things matter. And I am urging the Government to de-politicize this entire process, let the Central Bank de-politicize this process and make sure that the country benefits from an independent inspectorate in the Central Bank.

Thank you very much, Madam Speaker. [*Desk thumping*]

Dr. Tim Gopeesingh (*Caroni East*): Madam Speaker, I am grateful for the opportunity to contribute in some small measure to the discussions on this particular piece of legislation which is the—what has come before us in Parliament, is to accept the Joint Select Committee report on this:

Be it resolved that this House adopt the Report of the Joint Select Committee appointed to consider and report on the Insurance Bill, 2016.

In fact, in dealing with that, when we look at the Insurance Bill, 2016, the purpose of the Insurance Bill is to provide basically a new regulatory framework for the insurance industry and to continue to provide for the regulation of privately administered pension fund plans and to repeal the existing Insurance Act, Chap. 84:01.

So, here we have before us a Bill which is now to replace the one that was really started in about 1976 but came to fruition in 1980, and was Chap. 84:01, Insurance Act. So, as the world progressed and with a lot of financial arrangements taking place globally, and even to a smaller extent in Trinidad and Tobago, it became necessary to change the laws relating to fiduciary management in the public sector and in the private sector. And so there had been a 38-year lacunae or legislative lacunae, or “lacuni.”

Hon. Member: Lacuna.

Dr. T. Gopeesingh:—or lacuna, since 1980. It depends on how you pronounce it.

Mr. Garcia: It is not how you pronounce it, it is plural.

Dr. T. Gopeesingh: Yes, it is plural, lacunae. [*Laughter*] Various attempts have been made, Madam Speaker, over a period of time to amend the Insurance Act. And, I think it was the Attorney General who indicated that there are about seven or eight amendments that took place over a period of time, and in 2004 there was a major amendment, and in 2007 there was another major amendment by the Manning administration.

But when the People's Partnership, Kamla Persad-Bissessar administration came into office, she was intent on dealing with this insurance industry, because remember we were saddled when we came into office in 2015, September, by one of the most unfortunate issues this country ever came across in terms of fiducial responsibility of the Central Bank. And 2008/2009 proved to be woeful for thousands and thousands of citizens who took their life savings and all that they have and deposited it in Clico, whether it is life, or general, or annuity, and also HCU, we must not forget that. So we were saddled with a \$25 billion debt to thousands of citizens who were really crying and in pain as a result of, I would say, gross irresponsibility on the part of the Central Bank at that time, to deal with what was a matter that they should have dealt with from earlier than 2008. [*Desk thumping*]

So, here we as a government coming in and having to deal with a \$25 billion messy situation, where Clico and CL Financial, and a number of them, a number of other banking institutions all related to the Clico group, they put thousands of lives in danger. And people were sick and needing money to look after their health and their home. They lost their homes and they lost their lives because they did not have money to take care of their health situation. And, Madam Speaker that was a painful time, and the country went through some difficult times. And this Government, under Kamla Persad-Bissessar in 2010, said we have to deal with this Insurance Bill. And 2011, Minister Dookeran took on the mantle at that time as Minister of Finance, to lay it in Parliament and begin discussions on this reform of the Insurance Act. And he did a great job. And as the Attorney General indicated, [*Desk thumping*] he congratulated Minister Dookeran, Minister Howai and, of course, we must not forget Minister Imbert in this time here. I always say

JSC Report (Insurance Bill, 2016)
[DR. GOPEESINGH]

Friday, February 16, 2018

when he goes before a joint select committee or a select committee and he chairs it, his mannerisms and his way of conduct in that are exemplary. [*Desk thumping*] But when he comes here it is a different person. [*Laughter*] It is a different person.

So, we will not—this is not something that we bring politics into. The Insurance Bill is something that the country badly needs, [*Desk thumping*] and we recognize that, and as a responsible Opposition, we will participate with the Government in ensuring that this piece of legislation comes to fruition. [*Desk thumping*] It is badly needed. And, in fact, I was going through some of the articles related to this insurance industry issue, Madam Speaker, and all the players in the industry were very eager for this to be completed. In fact, there was a newspaper article—I do not have it here with me—which says that this Insurance Bill goes to the Joint Select Committee and people were high in expectations. And on February 05, 2017, the *Trinidad Guardian*:

“ATTIC wants Insurance Bill sent to a new Joint Select Committee”

And the Attorney General said it has been there before. So, they were anxious to have it done, but they wanted to have some discussions on it again.

And the *Express* newspapers of March 20, 2014, “Insurance Bill moving ahead”. That is 2014, when Minister Howai had brought that subsequent to Minister Dookeran. And Minister Dookeran as Minister of Finance, that lapsed, I think in 2011/2012, then it was reintroduced again in 2013. It lapsed in 2014/2015, and so on. And then the banking sector was very anxious to have this passed. There is an article, March 30, 2016, “Scotia exec appeals to Imbert: Make Insurance Bill top priority”.

So, the country is crying out for it. The financial institutions are crying out for it. “Guardian Life head worried by Insurance Bill delay”. This is Monday, August 31, 2015, *Trinidad and Tobago Guardian*, by Sean Nero. And so the People’s Partnership Government worked very assiduously, and the Attorney General says that he has been part of all the Joint Select Committees—I think it was five—and he took part in all 24 meetings; 14 under Minister Dookeran and Minister Howai, and 10 under Minister Imbert as the Minister of Finance at the moment.

So, here we are now with a new report of the Joint Select Committee appointed to consider and report on the Insurance Bill. And as was mentioned, it is 297 pages long; it is 13 Parts; 13 Schedules; and seven regulations. Now, to go through 282 clauses on this, it is really a great feat, as though you are studying for a PhD. And this is really a PhD thesis, but at the end of it our colleagues on our

side, the Member for Tabaquite, the Member for Pointe-a-Pierre, in this round and the Senators, in a joint select committee, worked well with the members of the Government and the other Independent Benches, to go through clause by clause: 282 clauses, 13 Schedules, 13 Parts of the Bill and seven regulations.

And, of course, it was mentioned, the work done by the Chief Parliamentary Counsel and their team, the expert opinions of attorney Claude Denbow SC, and some major players in the insurance industry. And, of course, consultations were held with the Insurance Brokers Association of Trinidad and Tobago, with ICATT the (Institute of Chartered Accountants), and then ATTIC as well, the Central Bank, and some international players also came together and presented some work to this Joint Select Committee.

4.15 p.m.

And I remember reading the IBATT submission on the Insurance Bill. That is the insurance brokers. They were concerned about a number of issues which were in the 2014 discussions and they needed some changes on that. So this Joint Select Committee had to work with these stakeholders to bring about the final report.

Now, Madam Speaker, how many insurance companies we have in Trinidad and Tobago? How many life insurance companies? How many general insurance companies and how many active composite life and general insurance companies? We have seven active life insurance companies: Bankers Insurance, CUNA, Maritime Life, Sagicor Life, Scotia Life, Tatil Life and Demerara Life. Active general insurance companies, 17: Bankers, Capital, Colfire, Export-Import Bank, Furnace Anchorage, NAGICO, Guardian General, Gulf Insurance, Maritime, Motor One Insurance, Sagicor, the Insurance Company of the West Indies, Great Northern Insurance, New India, Presidential Insurance, Trinidad and Tobago Insurance and United Insurance. And then seven active, both life and general: Pan-American Life, British American, Colonial Life, Guardian Life, Mega Insurance, TRINRE Insurance, Beacon Insurance. And then there is the Active Association of Underwriters, Lloyd's underwriters.

My colleague, the Member for Caroni Central felt very strong about the necessity for acute surveillance in this insurance industry, because I am sure with 500,000 motorists with insurance and thousands more with life and thousands more with general and fire and everything, we possibly have close to a million policyholders in Trinidad and Tobago and they would be insured by, the life seven and the general 17 and the seven composite life and general.

So even though, Madam Speaker, we have this large thick Bill and report that we want to have passed and accepted in Parliament today, hopefully, we have to ask some serious questions. How can the Central Bank with a supervisor or an inspector be able to monitor 24 insurance companies who have thousands of policyholders and be able to pick up in a quick space of time when things go wrong? That was the major problem in 2008/2009. The supervisor of insurance made the excuse that they did not have the legal clout to deal with the matters although they could have done a number of other things and stop the Clico debacle from ensuing, but they did not do it. [*Desk thumping*] And my colleague—I remember, when we were in Opposition, my colleague, the Member for Oropouche East, indicated how people at Christmas time and New Year’s time—

Hon. Member: Tell us the narrative.

Dr. Tim Gopeesingh:—when at Old Year’s Night they should be—

Mr. Indarsingh: Remind us of the—

Dr. T. Gopeesingh:—going out and having a good time and liming, they put their hair in curlers and went to the Central Bank to get their money and they gone down by the bank. [*Crosstalk*]

Mr. Indarsingh: They leave out the Member for Port of Spain South.

Dr. T. Gopeesingh: And then when another Member of the House at that time heard about that and went for her money they say, “Nah, yuh cyah get no money”.

Mr. Indarsingh: They leave out the Member for Port of Spain South.

Dr. T. Gopeesingh: I think the Prime Minister at the time told her, “Nah, doh bother with that, doh go and take your money out”.

So the question is, Madam Speaker, I do not know if any of our colleagues here in this House had money in Clico at that time, but thank God I did not have any. [*Laughter*] So who really is to supervise and look at the work and function of all these insurance companies in a responsible and in a diligent manner to pick up the wrongs that some of these insurance companies might be perpetrating on the policyholders? So we can pass this from today to infinity, this is law and as my colleagues and even the Attorney General indicated, we have to have the efficiency and the effectiveness within the system where the responsibility lies to be able to do it. But how many human resource personnel we have in that inspectorate or—

Madam Speaker: Member, I am going to warn you with respect to tedious repetition. I think the issue about human resource capacity and so was really dealt with very thoroughly by the previous speaker. Please move on.

Dr. T. Gopeesingh: Now the issue here too, Madam Speaker, I downloaded this from the Central Bank of Trinidad and Tobago website and comparing 2008 to 2016 about the funding that accompanied different contracts across the time, and in 2016 we have, one, two pages of financial reports and financial statements ranging from insurance contracts, ordinary life, group life, group pension, deposit administration, assets, bank deposits, assets total investments, gross premium, gross claims, millions of dollars. The insurance contracts for ordinary life in 2016 was \$3.9 billion; the deposit administration was \$1.05 billion and the insurance contracts for life insurance companies total \$16 billion. Life insurance companies' investments, \$18 billion; and life insurance companies, \$10 billion; and assets total, life insurance companies, \$23 billion.

So we are really dealing with a multibillion dollar industry and as indicated by the Minister of Finance he said, we are dealing with a \$15 billion industry which is close to about one-third of the national GDP. But other speakers mentioned \$30 billion approximately. Where does the pension plan—perhaps the hon. Minister of Finance can answer. How much does the pension plan contribute to this financial issue related to the assets and so on for insurance companies and insurance premiums and policyholders together with pension plans? I do not think we have any idea from a national perspective; at least, I was trying to do the research to find out how many pension plans, private pension plans we have in the country. I have not been able to get the answer, so perhaps the Minister of Finance might be able to tell us and what is the value of the private funded pension plans across the country.

I am bringing this up because this is a very important issue, because people deposit the money into private pension plans, companies folded up, their pension plans folded up, and people lose all their pension and find that at the end they do not have any money and they are depending on their pension to carry them through for a period of time. And I just remember one little example when BWIA was recapitalized—
[Interruption]

Madam Speaker: But Member, could you relate that to the Bill being debated under this Motion, please.

Dr. T. Gopeesingh: Yes, Madam Speaker. I am relating it to the shortcomings in the regulatory framework for the pension plans and for the insurance industry. So it all ties back when BWIA was recapitalized and refunded to the tune of about \$2.5 billion and there was a pension plan with BWIA, they moved to CAL. And up to

now the people who had pension plans with BWIA have not been settled as far as I am aware. And that is almost 15 years now. So all those people who gave their life in BWIA and had pension plans, at the end of it they have nothing now and nothing has been settled for them.

So it was the work of the IMF and the World Bank that identified legislative gaps in this insurance industry. They said that there were major shortcomings in the regulatory framework. Conglomerates were becoming dominant and let me just mention as it is now, I see that Guardian Holdings Limited is under some pressure. Whether there is going to be a takeover of Guardian Holdings Limited, by whom, and the country, people who have shares within Guardian Holdings Limited are anxious to know what is happening there. Just as the TCL Group had been taken over by Cemex and people sold out their shares and made a profit—
[*Interruption*]

Madam Speaker: Member, again, relevance. Cemex and so on, relevance. We are dealing here with the Insurance Bill, please.

Dr. Moonilal: The loss of people's income.

Dr. T. Gopeesingh: Madam Speaker, this is the loss of people's income. The people who matter, the policyholders are very critical to this piece of information. [*Desk thumping*] It is because we want to protect their assets, and we want to protect their pension funds and we have to ensure that these insurance companies work in a manner that is going to give relief and support to these individuals with the policies. So the IMF and the World Bank said that there was a contagion effect because we saw it worldwide in 2008/2009 and it has been mentioned here, but the inadequate buffers of one million and three million for life and general insurance in share capital and inadequate risk governance.

So this Bill needed, Madam Speaker, to correct some of those shortcomings with newer responsibilities of the boards and stronger responsibilities of the boards with adequate duty of care and adequate supervision of conglomerates. And we are still not seeing adequate supervision of conglomerates even after we have seen the Clico debacle.

Then the regulatory authority. Who is the regulator? Who appoints the regulator? Where is that regulator coming from? What will be his function? And the Attorney General spoke about the pieces of regulations which include, stemming excessive risk taking by management and boards of regulatory authority, audit committee which consists of three directors, independent person and a finance person and board of directors must ensure transaction, robust balance sheet and capital buffers, the financial capital and adequate assets.

So with a \$15 billion industry, we need to protect the society's assets and this is where the deeper consultations came in with all the players and amendments came in on this Bill relating to annuity contracts; offences, whether they were summary, indictable and hybrid; the issue of fines, whether there was custodian sentencing; issue of FATCA; Central Bank to issue guidelines and ratio of local to foreign assets and maximum permissible foreign assets now increased from 20 per cent to 30 per cent, and the issue of quick liabilities and offences.

Madam Speaker: Member for Caroni East. Members, it is now 4.30 p.m. This House now stands suspended for 30 minutes. We will resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam Speaker: Member for Caroni East, you have four minutes left of original speaking time.

Dr. T. Gopeesingh: Thank you, Madam Speaker. I am just moving out from the pension issue, just to ask the hon. Minister of Finance when he is responding whether he will be kind enough to consider giving us some information on what—in his estimation and his research as Minister of Finance, how many private pension funds and plans there are in Trinidad? About how many people are affected and what is the possible value of these private pension plans across Trinidad and Tobago? So I will move away from that now.

Madam Speaker, I want to come to the marketing strategies of some of these insurance companies and it is addressed in the Bill, in one of the parts of the Bill. And the marketing strategies by some insurance companies, a lot of these things are written in fine print. Some of the people who go to seek policies and become policyholders they are unaware of some of the fine prints in it and when they go to make their claims this is brought to their attention and unfortunately some of the policyholders are unable to make substantial claims and get their redress because some of the issues that they had to confront were in fine print.

So, we want to see the marketing strategies and I saw on the regulations there are proper documentation and the forms that they have to fill out in their marketing plans and I hope that these things are adhered to from the perspective of the prospective policyholder, so that underwriters and brokerage people cannot go to prospective policyholders and just give them the superficial information without giving them more detailed information as to how they can be affected in their policies.

JSC Report (Insurance Bill, 2016)
[DR. GOPEESINGH]

Friday, February 16, 2018

Now, when people are wronged, and when people make claims, sometimes they have tremendous difficulties in seeking redress and getting their claims satisfied. And permit me, Madam Speaker, to just read a small issue written by the Governor of the Central Bank at that time, Governor Ewart Williams. And he was speaking at an annual breakfast meeting at the Office of the Financial Services of the Ombudsman. That was on May 08, 2012 and it was reported in the *Trinidad Express*:

“2,000 complaints against insurance firms in three years”

That was in 2012. We do not know how many there might be now, it might be thousands more. And he said that:

“There are several rogue insurance companies in Trinidad and Tobago whose unethical practices are tainting the responsible image of the industry that is otherwise regarded as a solid pillar in the financial services sector.”

I go on to quote. Permit me, Madam Speaker:

“‘In order to capture market share, some companies are prepared to under-price premiums while operating with inadequate claims reserves. Consequently they have difficulty in meeting consumer claims,’ says Central Bank governor Ewart Williams.

He said from 2008-2011, there were over 2,000 complaints to the Office against insurance companies, primarily for auto insurance claims”—which I will speak about briefly.

“The bulk of the claims, he said, were for unfair claims practices, such as forcing legitimate claims to litigation—” [*Interruption*]

Madam Speaker: Member for Caroni East, your original speaking time is now spent. You are entitled to 15 more minutes to complete. If you so desire, you may proceed.

Dr. T. Gopeesingh: Appreciated, Madam Speaker. Thank you. [*Desk thumping*]

And so, the Governor of the Central Bank spoke about underpayment of claims and unreasonable delays in paying claims. I myself have been a victim of it recently when somebody came across a roundabout and they were supposed to give way to all vehicles on the right, hit the left fender of my car, smashed up my

lights. It is almost three weeks now and I “cyah” have any redress to it and, of course, I have a four-year car but I have third party insurance. So I cannot afford this fully comprehensive for a four-year vehicle. So he said—this is what the Governor said:

“To me there is the inescapable reality that while most insurance companies operate in a reputable and responsible manner, there are a few that adopt questionable industry practices, often times exploiting the antiquated and grossly inadequate insurance legislation, and here I'm talking about a source of major concern in the industry,’ said Williams.”

So the point here is that the Governor of the Central Bank in 2012, he himself recognized that there are a lot of “rogue” insurance companies who were not settling claims made to them from various areas.

Now, I want to ask the hon. Minister of Finance who piloted this Bill, I searched for it in the Bill. Where is the redress for the people who have not met with their expectations or their expectations have not been satisfied in terms of their payment with regard to the insurance policies? And the Attorney General spoke about the justice system and not everybody can go to the courts to get their claim settled. So could you help us and give us some area within the legislation that the inspector of the insurance companies or the regulator could deal with some of these claims in an efficient and effective manner quickly, so that these people who feel that they are wronged do not have to go to the courts because the courts are very expensive. So you might be making a claim for \$25,000 or \$30,000 but the legal fees alone and the time constraints overpower all of that. So could you kindly look at addressing that situation?

Now, I want to raise a few points on the motor industry. In my young days of medical practice, in 1974 or '75, while I was a house officer working in the emergency department at Port of Spain Hospital for six months, we would see accident victims come in and they are lying on the trolleys in the emergency department, one is dead and the other one alive but injured as well. And the one who is dead is a passenger in the vehicle, the dead is a passenger and the one who is alive is either drunk or fall asleep or bad driving. The issue now, there are a lot of vehicles on the road which are not insured. It is difficult to monitor that and it is only when they have roadblocks they pick up those who are not insured.

So those vehicles which are not insured, whether by third party or fully comprehensive, what happens to the victims and people even dying and have serious injuries connected to that accident and those vehicles are not insured? I

read somewhere that there is a compensation and a number of the insurance companies come together and put up a fund for dealing with those type of victims, but could you elucidate on that, whether such a fund exists in Trinidad or if there is a thinking of having a fund like that set up with these insurance—what is the value of it? Through you, Madam Speaker, perhaps the Minister of Finance will tell us what the value of these funds is and how can someone who is aggrieved and who had suffered in a motor vehicle accident where the vehicle is not insured and what redress there is for them.

Can I raise another issue which is, through you, Madam Speaker, the question of PH vehicles? We know that the PH industry is probably larger than the legal hired industry, vehicles which are for hired, the “H” vehicles. Now passengers in these PH vehicles, when an accident occurs, are they insured or are they not insured? And if they are not insured, what compensation can they get?—probably nothing. So if we as a Government and an Opposition know that this situation exists where people want to go home and go to wherever they have to go, they jump in a PH vehicle, the vehicle gets into an accident, somebody loses their life and some people get injured and nobody is compensated, is it not time that we as a responsible Parliament look to enact some type of legislation to protect these people or whether we enact legislation on the issue of the PH vehicles that are operating nationally? I am not going to make a judgmental call on that, it is for national discussion on that issue. I think it was raised in one of the previous Parliaments but it did not go far in that area.

So the whole process of compensation in motor vehicle accidents whether the PH drivers or vehicles that are uninsured is one of serious concern for citizens throughout Trinidad and Tobago. And what about vehicles that are not insured and killing people on the road and smashing into other vehicles and killing them and there have been many instances of that in the past.

I want to briefly speak about an area which I have been involved in as the Attorney General spoke about. He has been in the practice of insurance industry and had to deal with some litigation in those matters. As a medical practitioner where members of the public, whether the public sector or private sector took health insurances with insurance brokers and underwriters and insurance companies and they have policies for health and for other areas, when they go to have their surgery or go to look after the things that they need, you find that the insurance companies do not pay the required amount that they ought to pay and they give difficulty to the patients and the patients have to spend a lot of money

from their own pocket to meet the requirements of their surgery or medical care. And they fight and battle with the insurance companies for long periods of time to get their redress.

So it is something that when you talk about a regulator or an inspector of banks that is not going to reach them. So what mechanisms do we have on the overall situation on redress of these people or these citizens who have been short-changed and who have been made to struggle? A lot of them have lost their whole life savings as a result of having to pay bills when the insurance companies ought to be paying the bills.

5.15 p.m.

One area I want to get some words of wisdom from the hon. Minister of Finance, through you, Madam Speaker, is the question of the National Insurance System which is a major insurance that covers almost 600,000 citizens—working citizens—and then pensioners. When we read recently that the National Insurance System, if we do not do certain things we would be in grave danger of that National Insurance Board meeting the requirements for satisfying the insured, whether from the public sector or whether there are private citizens who contributed to the national insurance. So perhaps he may consider in his winding up if he can give this Parliament and the country, some information of any proposal that he may consider, or his Ministry of Finance may consider, dealing with this National Insurance System, where people now are beginning to say, “Well, we have to pay more in our contribution, but what are we going to get from it?” And then there are those who are asking whether the retirement age—whether there would be shifting of the retirement age from 60 to 65, and so on. So these are important questions that we have in the context of what we are debating in terms of the Insurance Bill, but I do not think that has been addressed in this whatsoever, but it is such an important issue where over 600,000 citizens can be affected—and their families affected—by this issue.

The last area I want to raise is a consideration for the Government which we in the People’s Partnership Government had begun working on, and that is a National Health Insurance System—the implementation of a National Health Insurance System—whether it is something to be considered. Because, Madam Speaker, Prof. Theodore, in the department of Health Economics at the University of the West Indies, has been working on this from since 1994—23 years now—and we are nowhere closer to implementing that type of insurance system. We, in our five years, the Minister of Health, Dr. Fuad Khan, the Member for Barataria/San Juan, implemented the health card which picked up a significant

JSC Report (Insurance Bill, 2016)
[DR. GOPEESINGH]

Friday, February 16, 2018

amount of health information and this, perhaps the Minister of Health, the Member for St. Joseph, can probably speak about, and think about at some time, where the 250 CDAP pharmacies, or pharmacies dealing with CDAP—the information for the patients were on health cards and they could have gotten their medications across these pharmacies.

Now, people pay a health surcharge of about \$80 or \$90 per month, but they are saying, “Well, we are paying that. What we getting?” But they get—health care is free in the general public. So they do get a lot of assistance and a lot of support. Some might not get as much health care as others, but there is the work of the public health institutions to give the best care that they can.

So the National Health Insurance System, where employers contribute a certain amount, employees contribute a certain amount, the Government contributes for the indigent population and there should be a pilot project at some part of the country to begin this NHIS. So this is something that I wanted to bring out at a previous occasion and, of course, it was not a debate on the health sector at that time and you, Madam Speaker, rightly indicated that that was not a time for that at that time.

Madam Speaker: Your time is now spent.

Dr. T. Gopeesingh: I am finished.

Madam Speaker: Member for Port of Spain North/St. Ann’s West. [*Desk thumping*]

The Minister in the Office of the Attorney General and Legal Affairs and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam Speaker. Madam Speaker, it is indeed a privilege and a pleasure to rise to contribute to this very important piece of legislation, this Bill that has come to us via a report from a Joint Select Committee. And at the outset, Madam Speaker, I would like to take the opportunity to congratulate the Minister of Finance and the Attorney General for finally bringing [*Desk thumping*] this important piece of legislation to Parliament, and hopefully for us to get it through with passage this evening. As we have heard every single Member admit prior to this contribution, this particular piece of legislation is long overdue and is very necessary to regulate an industry that plays such an important part in the set-up of Trinidad and Tobago.

And on that note, if I might be permitted to just remind the population of what the Minister of Finance told us in his opening with respect to the importance of the insurance industry and, in particular, the role that it plays in our national economy. The insurance and pensions industries are long-term investors in

projects, businesses, the country's infrastructure, Madam Speaker, and facilitates sustainable growth and economic development. The assets of the insurance industry total \$49.4 billion as at September 30, 2017. So that is \$50 billion the insurance industry's assets contribute to Trinidad and Tobago and it also accounts for approximately 33 per cent of the GDP of Trinidad and Tobago. Assets under management for the pension sector totalled \$51.4 billion and account for 34 per cent of the GDP. So right there we have 67 per cent of our GDP between the insurance companies and the pension holding funds companies, and \$100 billion, of more than which one-third is invested in Government securities.

Madam Speaker, I say that at the outset to put it in context as to the importance that this piece of legislation carries for over 67 per cent of the GDP of Trinidad and Tobago. There are many, many gaps and inefficiencies in the current legislation and one that immediately jumps to mind that has been for many years taken advantage of by those who come to invest in the insurance industry—and I would like at this moment to just pause and say really what we have to do here as legislators is to protect the policyholders and as my friend for Caroni East was articulating a short while ago, those who are affected by the gaps in the insurance industry.

So he was talking about from a general insurance point of view and in particular, a motor insurance point of view, and persons who are affected by motor vehicular accidents, which touches a very wide spectrum, a number of people in Trinidad, and how we must regulate this industry to make sure that they are properly protected, the pension holders—I will get to Clico in a short while—and also those persons who have been fleeced by fly-by-night insurance companies that have come and have gone, and in particular the policyholders.

So as it currently exists, all that is required for long-term insurance companies is a share capital of \$3 million. Madam Speaker, there may have been a time in Trinidad and Tobago where \$3 million in an asset base was significant, but in today's world, one claim can very easily exceed \$3 million. General insurance companies under the current legislation are only required to have a share capital of \$1 million. This gap in the legislation has led to mismanagement, has led to an abuse of the insurance system, especially by general insurance companies, and many policyholders and persons in public in Trinidad and Tobago have been negatively affected.

What this Bill before us seeks to do, amongst many other purposes, is to close some of these gaps and measures—and I will get to it in a short while—to ensure now that insurance companies have sufficient assets, the type of assets that can be

used to cover their liabilities, the statutory fund, but in particular, the share capital of insurance companies has now been greatly increased to ensure that should something untoward take place they would have the balance sheet to back up and not just crumple at the knees, as we say.

Madam Speaker, speakers before me have referred to the whole Clico debacle and in various forms and fashions. I would like to, at this stage, use the opportunity to just add to it and then to go to parts of the Bill that I think have been created specifically to close the gaps that we found that happened with the whole Clico debacle, which we are still reeling from nine years later, because we intervened in 2009. Madam Speaker, the Clico debacle affected many of our citizens of Trinidad and Tobago and there were many warning signs way in advance. So for example, one of the things this Bill does under the governance provisions of the Bill is it now deals with making it mandatory for auditors to be approved by the Central Bank, but also for there to be an audit committee that has been approved. And it sets out for the first time specific liability for the board of directors of insurance companies outside of the Companies Act, as the hon. Attorney General referred to a short while ago. So at clause 67 it deals now with the duties of directors of insurance companies and puts on them the statutory duty:

“For the purpose of discharging his duty”—a Director of an insurance company must—“act honestly and in good faith with a view to the best interests of an insurer or a financial holding company a director or officer thereof shall take into account the interests of the insurer’s policyholders.”

So, Madam Speaker, what we are seeing here now being put expressly into the statute is protection for policyholders and holding the board of directors personally liable to the policyholders. And that did not exist before, and this is a step in the right direction of good governance.

This part of the Bill goes on to say what applies to the boards of directors and the applicability and their responsibilities for the first time in a statutory form and manner. If I may at this stage refer to the audit committee because we found that one of the things that failed Clico and that whole group, was the lack of a proper working audit committee. It just simply did not exist in certain instances. Where it existed, they did not take their responsibility seriously, and now we have for the first time an Act establishing a mandatory requirement for insurance companies to have an audit committee. At clause 68 it says:

“The board of directors of an insurer shall appoint from among their number an audit committee, which shall consist of at least three directors—”

And it importantly says, Madam Speaker:

“(a) a majority of whom shall be independent directors—”

So, again, this is a very, not only forward-thinking, but actually current thinking piece of legislation because it establishes the whole concept of independent directors in the law.

Of course, if they had sufficient independent directors who took their duties and responsibilities seriously enough, we might not, as taxpayers and as citizens, have been facing the \$25 billion problem that we did. If there were properly operating audit committees at Clico we could have held them responsible if we had this legislation in place. Because this goes on to say at 68(2):

“The chair of the audit committee shall be an independent director and a financial expert.”

Recognizing that you just cannot put anybody willy-nilly to chair these audit committees. So the days of shams, the days of these billion-dollar empires taking policyholders’ money and doing as we now know what they did, because there was a very long, drawn-out commission of enquiry into the Clico and the CLF collapse, and we heard there of all of the inter-company transactions taking place. And this legislation now deals with inter-company transactions as well, but focusing on the audit committee and the need for audit committees. And I think my friend for Caroni Central was telling us during the break that at the time he sat on the audit committee—

Hon. Member: Seriously?

Hon. S. Young:—and the importance of the functionality of the audit committee. And if I remember his testimony correctly at the time, he was one of the first people, or one of the persons who raised a warning as to what was going on. But it has been some time so I cannot properly recall now.

Clause 70 of this Bill, in my opinion, deals exactly with what went on in Clico and CLF. Clause 70 deals with policies and procedures for transactions with connected party and employees. Again, if this had existed at the time, Madam Speaker, and if it was being properly regulated and implemented, it could have prevented what we are now picking up the pieces and cleaning up, hopefully for the last time. It says:

“The board of directors of an insurer shall—

- (a) establish and maintain written policies for all transactions between the insurer and—
 - (i) connected parties;
 - (ii) connected party groups; and
 - (iii) employees; and
 - (iv) review annually transactions referred to in paragraph (a) to ensure compliance...”

Because what you found going on with these insurance companies and that group in particular, Madam Speaker, is a lot of shifting of pieces of paper. So to be able to provide the policyholders with high rates of return, what they were doing is they were just shifting pieces of paper and assets around and a lot of inter-company balances, saying that one company would pay another \$100 million but there was nothing backing that piece of paper, et cetera.

So this legislation is now seeking to regulate those types of situations. It also now provides that the Central Bank shall ensure that the insurer or a financial holding company will appoint annually an audit entity to the satisfaction of the Central Bank. So one of the claims—one of the allegations—that came out afterwards is the regulator, i.e. the Central Bank at the time, was not doing a sufficient job in regulating the Clico entity. And another allegation was that the auditors of the company at the time were not reflecting the audits accurately.

So this legislation now is seeking to bring all of those entities, all of those various moving parts of insurance, under the umbrella of regulation and they are giving the Central Bank the responsibility to even approve the auditors. That is a move in the right direction, Madam Speaker. Interestingly enough, it also now provides for whistle-blowing and is providing that:

Auditors or former auditors of the insurance company and other persons, actuaries or former actuaries, can actually provide to the Inspector or the Central Bank any information they want without fear of persecution, prosecution, victimization et cetera.

Again, a very important element in this Bill that is before us. Because if this had existed at the time, it may have saved the taxpayers billions of dollars.

Madam Speaker, I was referring a short while ago to the whole capital requirement and the inadequacy of the current regime and the current legislation when it comes to the capital requirement of insurance companies. At part G of this Bill, it deals with prudential requirements, restrictions and prohibitions, and says what can take place now and what is an adequate capital and adequate and appropriate forms of liquidity. Because what we also found coming out of that, Madam Speaker, is an over-valuation of certain assets, properties, et cetera, that were just shoved into the statutory fund without any proper oversight as to the real value.

So clause 83 now talks about adequate assets. Again, I laud this Parliament, this House, for passing this type of legislation because it is now requiring an insurer carrying on insurance business through overseas branches, to maintain and hold adequate assets to support its liabilities to foreign policyholders. Because as we all know, some of our friends in the Caricom are now making claims on the Trinidad and Tobago Government for the liabilities of Clico and some of its other subsidiaries or associated companies. And if there was this type of provision in place, it would have been specifically to cover foreign policyholders. It also says that:

“An insurer shall maintain”—and hold—“adequate assets...”to support its liabilities to Trinidad and Tobago policyholders.”

Again, a very express clause that would have dealt with a situation such as which we faced post-2009. It talks about at clause 85 the type of assets that can be invested in, and says:

“An insurer shall invest in assets in Trinidad and Tobago an amount equal to at least seventy per cent of its policy benefit liabilities, other insurance and contract liabilities and the surplus of which is derived from participating policies denominated in Trinidad and Tobago dollars...”

It goes on to talk about 10 per cent of policy benefits. So what it is doing is providing the ratios of the type of assets that can be held by insurance companies, again, a move in the right direction to ensure that if there is a collapse, for example, in equities markets, et cetera, it does not pull the whole rug out from underneath insurance companies, recognizing, Madam Speaker, that we must protect policyholders in the case of a downturn with respect to the investments of these insurance companies.

Interestingly at clause 86, it talks about investments to be made in corporate name. Again, what we have learnt out of that whole episode is that the investments sometimes were not held in the name of the company, in the name of Clico, but

held in other company names. And of course now there are disputes, or there were disputes as to proper ownership, et cetera. So this seeks to protect against such instances.

Madam Speaker, at the outset, what this Bill is seeking to do is provide the Central Bank with the power and with the authority to properly regulate an industry that I said comprises over 65 per cent of our GDP in Trinidad and Tobago, and an industry that carries over \$100 billion of value in Trinidad and Tobago. So now the citizens will know that the Central Bank is charged with that responsibility and also the regulator—the Inspector—has been given more powers and more authority to deal with some of the things that may happen. And that is under Part II, Administration. Clause 7 says:

“The Central Bank shall be responsible for the general administration of this Act and the supervision of registrants, and shall have the powers and duties conferred on it by this Act, and the Central Bank Act.”

So this evening when we pass this and when it is proclaimed, we have now put the Central Bank squarely in charge of that whole \$100 billion industry and we are giving them the powers—and certain powers for the first time to ensure that what happened in the past should be made to be unlikely to happen in the future.

We have also given the Inspector a list of duties and powers. At clause 10:

“The Inspector shall have the powers and duties conferred on him by this Act.

(2) The Inspector shall examine all applications for approvals, registration and permits to be granted or issued under this Act and make recommendations thereon to the Central Bank.”

—shall cause to be examined a whole number of things and a host of things. And the Inspector is given powers, some for the first time, Madam Speaker, to ensure that he or she properly regulates this industry.

The Central Bank is also charged with the duty and responsibility at clause 12 to collect statistics in relation to insurance business. And we know this is something that takes place now, but it is a useful power and also useful for good governance and transparency, that we, the citizens, can look at those statistics and see what is going on in the industry.

I am hearing my friend for Caroni Central saying that it forces the insurance companies to comply. It all comes down to the implementation of the powers we are giving them. I agree with him. For the first time, or on this occasion we are

giving them a lot more powers to properly regulate the industry but also putting responsibility and duties that never existed before on the board of directors. So they must take responsibility for that which falls under them, and when it collapses, not run for the hills and claim that they did not know what was going on, et cetera, because they now will have personal liability.

Part D talks of ownership of insurers. Again, Madam Speaker, I would like to suggest, this is a very important provision because there are instances of persons who have lots and lots of cash in their possession looking to purchase smaller insurance companies and the whole fit and proper comes into play here, but also this now talks about who can own insurance companies, who should own insurance companies and who, importantly should not own insurance companies.

Madam Speaker, clause 88, again is a very important provision that I would like to draw attention to. It is the approval of certain transactions and it says:

“An insurer shall not without the prior approval of Central Bank—“

So again, Central Bank is the body that has been charged with the responsibility of protecting policyholders’ interest. And it says:

“An insurer shall not without the prior approval of the Central Bank—

(a) directly or indirectly establish or acquire a subsidiary in, or outside of Trinidad and Tobago;”

Madam Speaker, what we have learnt coming out of the debacle is that very often the policyholders’ money was used and abused by those who were in charge of the insurance company to just go out for personal ego, gratification, whatever it may have been, and purchase subsidiaries or companies that made no sense to the core business of insurance, and God alone knows what was the reason. But with the whole collapse the people that were affected were the policyholders and those who had put their life savings there: the pensions; the credit unions, other persons who invested.

So now we are saying Central Bank must approve the establishment or the acquisition of subsidiaries. Central Bank must also approve—they must get the prior approval of Central Bank to enter into an agreement for sale or other transfer of any of the subsidiaries or insurers for controlling or significant interest in a financial entity; and that an insurer shall not, without the prior approval of the Inspector enter into an agreement for sale or other transfer of 10 per cent or more of its assets, the assets of any of its subsidiaries.

So again this is done to limit the whole inter-company set of transactions that were found to have been taking place, and may also have limited or made illegal and easier for the State what we know took place post 2009 where the shareholders ran off and sold some of its subsidiaries without the approval of the intervening government.

Madam Speaker, the whole of part H gets into judicial management, suspension and winding up, makes it a more effective, or provides the opportunity for it to be a whole more effective set of procedures in instances where, unfortunately, insurance companies are wound up found to be bankrupt or in receivership. And we have had quite a few within our 20 or 30 year history in Trinidad and Tobago.

It deals with at Part IV, “Intermediaries” and says that:

“No person shall in respect of any class or type of insurance business, carry on business as an agency or brokerage unless”—registered.

Again, this is trying to provide some sort of oversight—statutory oversight and registration process for all of those who participate in this insurance industry that we know is valued at over \$100 billion.

Part V talks about the types of financial statements and returns that are now going to be required in law, and the auditors and the responsibility that will be placed on the auditors. It also provides for the first time—and again, I suspect this came out of what we had to deal with in the whole Clico scenario: unsatisfactory financial statements and returns. Because remember, up to 2009 these companies were getting audited financials signed off by auditing firms, and now we are providing that where there are unsatisfactory financial statements and returns—we are providing penalties and offences—criminal offences—with how those should be dealt with. It also deals with no comingling of funds at clause 150, which is an important provision. It says:

“An insurer shall not comingle the funds of its insurance business with the funds of any other business.”

That single sentence found at clause 150 can pretty much sum up what drove the Clico group into the difficulties that it found itself in. And the whole comingling of funds from insurance policies, EFPAs, STIPs and all of these types of investment paper, and the way that the insurance company that should have been investing in proper assets and other bases to provide return, but what they did is they comingled the funds all over the place. They went investing in—

Dr. Gopeesingh: Rum.

Hon. S. Young: I was about to say that. They went investing in liquor all over the place, in Europe, in Jamaica and all of these places turned out to be bad deals, Miami properties in Brickell, and all of these instances, and the only people that suffered at the end of the day were the policyholders and that is why the Government had to step in and again, thankfully it is this administration that has finally brought it to a head, and this administration that is now cleaning it up. [Desk thumping]

5.45 p.m.

Madam Speaker, this administration took a decision in the middle of last year when they were being forced by some bad advice from attorneys and some bad advice from former Ministers as to how the shareholders should deal with the Government and they forced us into court and as we all know now, the whole CLF Group, it has been put in the hands of joint liquidators and this Government, finally, from 2009 to now, this administration is taking responsibility and for the first time going to recover all of the money owed to the taxpayers of Trinidad and Tobago. [Desk thumping]

And this legislation here, Madam Speaker, if it were in place prior to 2009, may have gone some way to prevent what we now face. It provides at Part VI “Compliance Directions and Injunctive Relief”. Again, the injunctive relief is a first time for this type of legislation and it says:

“Where the Central Bank...”

So again, we see all the authority for regulatory powers and also for just overseeing the whole industry is placed on the Central Bank.

“Where the Central Bank reasonably believes that a person is in violation of this Act, or is engaged in any activity or course of conduct described under section 155(1), the Central Bank may in addition to, or in lieu of other actions authorized under this Act—

- (a) seek a restraining order or other injunctive or equitable relief, to prohibit the continued violation or prevent the activity or course of conduct in question or any other action; or
- (b) pursue any other remedy...”

Madam Speaker, this is a very important power. What we learnt is that the Central Bank had tried to intervene on a number of occasions into Clico and were prevented from doing so because there were questions as to the exact amount of

JSC Report (Insurance Bill, 2016)
[HON. S. YOUNG]

Friday, February 16, 2018

power it had as the regulator. So again, you are giving it the heart and the title of regulator but not the teeth to do anything, and this would have been an important provision because this would have allowed the Central Bank to get restraining orders or any other injunctive or equitable relief. Madam Speaker, I recall that time, as I stand here making my contribution, I remember the hat that you were wearing at the time and that you had to face some of these instances as the then Attorney General of Trinidad and Tobago.

So, Madam Speaker, now these years later, it is indeed fitting to be looking at this type of legislation and the powers now being given having learned from our mistakes. As a Parliament, we can have a great sense of pride here today because this is one of the instances where as a country, we have learnt from our mistakes. And again, I thank the Minister of Finance and the Attorney General for bringing this type of legislation to protect the policy—to protect policyholders and to really provide the regulators with the authority and the ability to properly regulate a hundred billion-dollar industry. I will ignore the commentary I am hearing to my left. [*Laughter*]

Madam Speaker, it also deals with pension fund plans at Part IX of the Bill and again, this is an important provision. Because what happens, the pension holders and the pension policyholders went through quite a lot of anxiety and that is one of the reasons why the Government had to step in in this instance, and one of the bigger arguments in 2009 as to why Government had to intervene because, of course, persons who have worked hard for their whole life, saved and invested in their pension funds, were about to just see it disappear from underneath them. So hopefully now, this legislation, if properly implemented and applied, will protect, going forward, the pension policyholders.

Madam Speaker, in conclusion, I would really like to thank those who participated on both sides to this product that we found, [*Crosstalk*] that have participated in this, and I would just like to point out for the members of the public those who did, to bring this piece of legislation importantly to the House today and hopefully to have passage. It was chaired by Mr. Colm Imbert, we had Attorney General Faris Al-Rawi, Mr. Fitzgerald Hinds, Miss Marlene Mc Donald, Mr. David Lee, Dr. Surujrattan Rambachan, Mr. Stephen Creese, Wayne Sturge, Lester Henry, Daniel Dookie, Clarence Rambharat and Jennifer Raffoul. Some who participated more than others, I am told, at these meetings. But on behalf of the citizens of Trinidad and Tobago—[*Interruption*]

Madam Speaker: Member for Port of Spain North/St. Ann's West, your original 30 minutes are now spent. You are entitled to 15 more minutes if you wish to avail yourself of it.

Hon. S. Young: Thank you very much. So, Madam Speaker, I was in the process of thanking this Joint Select Committee for the work that it did. I am thanking all the Members of the House who have participated in the debate, and Madam Speaker, I hope that this now will provide the right umbrella, the right safety net, the right regulations, regulatory body and authority with a proper implementation, because the insurance industry as well as the policyholders have been screaming out for this piece of legislation.

Thank you very much, Madam Speaker. [*Desk thumping*]

Mr. Ganga Singh (Chaguanas West): Thank you, Madam Speaker. There is a meeting of the minds today on this Motion and it is reflective of, perhaps, the mood today in the post-Carnival period, because earlier today, Members of the Opposition and Members of the Government met on the Anti-Gang legislation and we expect the same kind of continuum and progress to be made in that area. [*Desk thumping*]

Madam Speaker, when I listened to the hon. Member for Port of Spain North/St. Ann's West, it is as if the spectre of the ghost of that \$25 billion bailout is embedded in this legislation. The fact of the matter is that this is not only reactive and responsive to that debacle but it is also a systemic change that is taking place. And one would have thought that in the spirit of continuum of the governance process, you would not have confined your utterances to only the members of the 2016 Joint Select Committee.

And just for purposes of the record, Madam Speaker, because the hon. Member for San Fernando West did, in fact, say so but for the record, that the Insurance Bill has been laid in the Parliament on several occasions. It was introduced in 2011 in the House of Representatives on November 25, 2011, where it lapsed on June 26, 2012. The Insurance Bill, 2013, was introduced on May 28, 2013, in the Senate. On this occasion, it lapsed in the House of Representatives on July 10, 2013. The Insurance Bill (No. 2), 2013, was introduced on November 19, 2013, in the Senate, however it lapsed on July 30, 2014. The Insurance Bill, 2015, was introduced in the Senate on 21 April, 2015, and lapsed in the House of Representatives on June 17, 2015. And merely for the record, merely to reiterate the position taken by the hon. Attorney General, Member for San Fernando West, that he sat on all the Joint Select Committees under Minister Dookeran and Minister Howai and under, also now, the Minister of Finance, the hon. Member for Diego Martin North/East. Madam Speaker, so I want to congratulate all Members of the House and all Members of the Parliament who sat on these Committees, [*Desk thumping*] and that therefore, it is clear that when there is a continuum in Government, the society progresses and the Parliament—it redounds to the benefit of the country. [*Desk thumping*]

Madam Speaker, when the hon. Member spoke, he spoke of the importance of the insurance industry to the economy of Trinidad and Tobago, and he pointed out that the hon. Minister of Finance, in his opening remarks, pointed out to the fact that some 33 per cent of the country's GDP flows from this sector. So, Madam Speaker, it is in that context, I want to read from a report, with your indulgence, called the Oxford Business Group:

“Trinidad and Tobago's insurance sector adapts to a changing operating environment,”—Trinidad & Tobago 2016.

At page 1, Madam Speaker, dealing with “Industry Structure” and I quote:

“The Central Bank of...”—Trinidad and Tobago—“regulates the insurance industry. Companies are registered with the CBTT in three categories: life insurers, general insurers and composite companies, which provide both life and general insurance products and services. The CBTT also registers other players, such as loss adjusters, brokers, sales staff and agents, described as insurance intermediaries. At the end of 2015 there were seven active life insurance companies, 17 active general insurance companies and seven active composite companies registered.

According to figures from the Association of...”—Trinidad and Tobago—“Insurance Companies (ATTIC) which represents most insurance companies operating in the country, gross written premiums...received by its general insurance reporting members in 2014 stood at TT\$3.58bn...an increase of 7.1% on the preceding year, but still below the TT\$3.69bn...registered in 2012. Of this total, TT\$1.76bn...or 49.2% related to property lines, TT\$1.22bn...or 34.1% to motor and TT\$177.4m...or 4.9% to general accident/ casualty.” The—“Measured by...”—gross written premiums—“in that year, the largest companies operating in...”—Trinidad and Tobago—“were Guardian General Insurance with a 40.3% share of the...”—gross written premiums—“followed by Tatil (9.9%), Colonial Fire & General Insurance (COLFIRE) (8.2%) and Beacon (6.9%).”

For the life sector, Madam Speaker, the gross written premiums totalled \$3.24 billion in 2014, of which Guardian Life of the Caribbean held the largest market share at 45.8 per cent. This was followed by Sagicor with a 16 per cent market, Scotia Insurance with 11.9 per cent, Pan-American Life Insurance with 9 per cent and Maritime Life with 6 per cent of the share.

So, Madam Speaker, we recognize the importance of this sector and we recognize that this legislation filtered, nurtured and groomed to reach the stage where it has reached is important for this country. And the importance of this was stated by the

Chairman of the inquiry into the Clico/HCU Commission Inquiry Sir Anthony Colman when he stated and I quote. And I want to just merely for the records indicate and I am reading from the newspaper of June 23rd, 2016:

“Colman report knocks Central Bank in Clico, HCU fiasco: Regulatory control seriously lacking”

Madam Speaker, at page 9 of that statement said:

“Colman was commissioned under the past People’s Partnership cabinet in November 2010 to probe and ascertain the reasons for the failure of CL, Financial CL Investment Bank, British American (T’dad) Ltd, Caribbean Money Market Brokers Ltd...and the Hindu Credit Union Co-operative Society Ltd. Recommendations were also sought.

Proceedings began in March 2011 ending in May 2013. It involved five million pages of documents and 77 lawyers.

In yesterday’s statement, read by Gonzales...”—who was the Secretary to the Commission—“Colman referred to the captains of Clico and HCU in seeking to identify the one characteristic which linked the collapse of HCU with that of Clico and its associated companies. Colman said...”

And I quote:

“...It was repeatedly claimed that the one motive that drove both Harry Harnarine and Lawrence Duprey to ever bigger deals was ‘vision’. Yet, in spite of all the warnings received from the Central Bank and the auditors, they went on, like Icarus, only to be destroyed by the sun of their own vision.

Firstly, the powers of regulatory control of the insurance industry by the Central Bank are found to be fundamentally deficient.

That deficiency was starkly shown by the autocratic style of management of Clico and the CLF Group...and by the cavalier manner in which it treated attempts by the Inspector of financial institutions to deploy such limited regulatory control tools as were then available and ignored to a large extent the recommendations as to the management of PricewaterhouseCoopers the corporate auditors of the CLF Group and of Clico.

He added: The problem lies with the inadequate regulatory scope of the Insurance Act which in recent years has not received substantive amendment to the regulatory powers of the Central Bank.”

Madam Speaker, the commissioner, the Chairman of the Commission then went on to speak about the draft Act then as being an impressive Act. That Act has been further fine-tuned, so that is why today, there is that commonality of support for this Motion before us which contains the Insurance Act, 2016.

So today, Madam Speaker, as indicated by other speakers, we are arming the Central Bank and the regulator, the inspector of insurance, with the necessary weapons to deal with errant insurance companies. But even as I say so, Madam Speaker, I wish to add, later on in my contribution, the recognition that whilst the law remains an excellent piece of legislation—when I read it, I was not a member of the select committees but I felt good about the legislation recognizing the cure it was seeking to bring about and it is a good piece of legislation. It is a good feeling piece of legislation. But the cynic in me seeks to address: How can we now ensure that this is really acting in the interests of the consumer of this piece of legislation? Because the solvency part, as my friend for Port of Spain North/St. Ann's West indicated, the adequacy of the capital ratios, the risk management, the auditors, the liability of directors, all deal with the whole question of credential and solvency requirements. That is fine. But notwithstanding that, I have a real concern that in this piece of legislation, what we have left missing is the whole question of the consumer and how the consumer is going to deal with what has emerged in the insurance sector. [*Desk thumping*]

Madam Speaker, you know, insurance started back in the time of Babylon, 5,000 years ago. You know, Madam Speaker? When the merchants found investors who agreed to accept the risk of cargo lost at sea in return for a payment; a transaction that would develop into marine insurance. Today, the insurance sector is a worldwide, a global industry, multi-trillion dollar industry. I just indicated the extent and the hon. Minister, in his presentation, indicated the extent of 33 per cent of our GDP is dependent upon that. You see, Madam Speaker, the necessity of insurance—because there is a necessity for insurance. The world is an uncertain place. You get up in the morning and you hear about terrorists in Trinidad and Tobago. But you have the release of those terrorists because there is no evidential basis to charge them thus far, so it is a very uncertain place. So therefore, bad things happen. Sometimes bad things happen to good people and bad people. So “yuh house burn down, yuh vehicle crash, hurricanes pass through yuh country, rip off yuh coastline” and then you are left with a situation where everything is gone.

So, in the language of insurance, the bad things that happen and can happen are known as risks and therefore it is understood that having regard to the uncertainty associated with life and the loss that can come about, that risk might or might not

take place but if it does, someone will suffer a financial loss and that is where insurance comes in. The purpose of insurance is to ameliorate the financial consequences of risk by transferring that risk from an individual to a group and sharing the cost of that risk that come along and to pass it and to share it amongst members. Madam Speaker, so insurance works when the insurance company honours a simple promise. Insurance is not a product, it is a promise. [*Desk thumping*] When a policyholder files a claim, the company will pay what it owes, no more but no less. Insurance does not work when the company breaks its promise in order to increase its profit.

So now, Madam Speaker, I am going to deal with a concept that has emerged in the 1990s, Madam Speaker, with the large American companies as a result of the intervention of that management company, McKinsey consulting. McKinsey consulting, in an article entitled the: “Factory and Firm The Future of Claims Handling”. So this is the consulting company, the guru of management in the world, and I am sure that the acting Chief Whip, Dr. Rambachan, will be quite familiar with them. So what McKinsey did was to make the claim centre of an insurance company a profit centre. So it is no longer a processing system, it is no longer a due diligence system, it made that a profit centre. So what they did was that they could not predict the frequency of things happening but they could prevent the severity of its impact on the company. So, Madam Speaker, what happened in a situation like that, immediately the formula came up: first delay, deny and defend. [*Desk thumping*]

So that therefore what emerged is that when you make your claim, the delay starts. Anybody who has experience with an insurance company will know that when you make your claim, they delay. Whereas processing the claim is a basic requirement. Why do you delay? The delay helps the company’s bottom line because they take your premium, they invest your money and then when they delay, the investment continues to accrue and your premium continues and you get nothing. [*Interruption*] You get nothing. Wait. So that therefore every dollar and every day passes, Madam Speaker, the insurance company that fails to pay means that they have more profits on the investment side of the ledger.

Madam Speaker, and many claimants and this is where I feel there is—and I am hoping that the regulator, as the Inspector of Banks, deals with this principle here in the regulation to come because I am very satisfied with the legislation but for this area. Many claimants are vulnerable and they need to be paid. An injured accident victim needs money for doctor’s bills and may be also out of work. A homeowner, after a fire, wants to rebuild his house. [*Crosstalk*] Well, that is going

JSC Report (Insurance Bill, 2016)
[MR. SINGH]

Friday, February 16, 2018

to court, hold on. I want to deal with that because that is the “defend” part of the mechanism. So remember it is delay, deny and then defend. So the legislation says 40 days, in clause 267 I think, 40 days after judgment, you must get paid but there is a whole process, and then of course, you have a convergence between delay, denial and litigation in Trinidad and Tobago because when “yuh go tuh court, crapaud smoke yuh pipe. Yuh hata wait four and five years before yuh matter comes up.” So the justice here is very facilitative; very, very facilitative, Madam Speaker.

So delay increases the pressure on the claimant to take what the insurance company offers so that they can meet their immediate financial need and get on with their life. So you understand the psychological pressure? And then I will come shortly, Madam Speaker, to deal with lowballing and stonewalling. So that is part of all the practice that takes place in the insurance industry and that is the market conduct that whilst we have a Schedule dealing with market conduct, it does not deal with the operational market conduct in this country or elsewhere. [*Desk thumping*] So, Madam Speaker, the longer the delay, the greater the pressure. So that therefore, the delay may take many forms. You might stall, stall and roll things over. Stall and they ask for different reports and that report, stall. And then other times, they have a delay by investigating a claim. So there is an investigation and they investigate excessively by procuring more and more information that is not really necessary for resolving the claim. Dragging things out after often exasperating the claimant into submission and then they might even claim statute of limitations.

But you see, Madam Speaker, the point is that nowhere in the legislation, they address the issue so far, nowhere. So you delay, you drag it on. And, Madam Speaker, you have to apply things when you—it is a similar exercise carried out by Government enterprises to pay contractors. Very, very similar. First, they delay, they delay and you have to submit again, again, your purchase orders. Your purchase orders, you submit—[*Interruption*]

Madam Speaker: Member, relevance please.

Mr. G. Singh: Yeah. Madam Speaker, these contractors have their insurance premiums outstanding [*Desk thumping and laughter*] and the delay for their payments, they are unable to meet their commitment so as to secure their property and the wherewithal of their families. [*Desk thumping*] Madam Speaker, so you deny the valid claims and after you deny the valid claims, some companies have turned denying the valid claims of persons into an art form. They find different

ways and different mechanisms into denying you. So denying is a logical successor to delay and it is a precursor to litigation and that is the point. Precursor to litigation so you delay, you deny and now you defend.

Now, when the ordinary consumer, when the ordinary customer of an insurance company has to go to court, you are already denied, you paid your premiums, you delayed, you denied, you are a few years down the road so that therefore—and as I indicated previously, when you think in the context of the courts of Trinidad and Tobago to get justice so what could be a simple claim processing, you cannot achieve that because when you go into the court, that is the arena of the insurance company, Madam Speaker, not the arena of the poor man in this country. [*Desk thumping*]

6.15 p.m.

Madam Speaker, so tactics of denial, as I indicated, are often referred to as lowballing and stonewalling. Lowballing is when the company makes a minimum settlement offer thereby signalling that the insurance company is willing to fight the claim and to lower the claimant's expectations. So they go down low, they frustrate you.

Stonewalling is defined as refusing to negotiate settlement because the claimants often have limited resources and mounting medical and legal bills. Stonewalling puts psychological and financial pressure on such a claimant. Stress, so you increase stress.

Madam Speaker, pursuing an insurance claim is often like a marathon or an obstacle course. And for those who do not drop out or are diverted along the way, the final obstacle is the programme of litigation that can wear down and defeat all but the hardiest.

So, Madam Speaker, when we look at what the legislation says, 40 days after judgment, how does that make sense? When you look at the market conduct in Schedule 12, it deals with—and it is good, it is an improvement—full disclosure, it makes against any kind of fraudulent misrepresentation and it deals with matters of that nature. But I am concerned about the practice in this country.

You see, Madam Speaker, I asked someone in the industry, Madam Speaker, to give me an appreciation of what really happens, and he indicated to me, that: “Look, you have very good insurance companies, well good insurance companies, very good insurance companies, but you have, as the Central Bank Governor indicated, rogue insurance companies” and what is really required and the point made by the Member for Caroni Central and the Member for Port of Spain

JSC Report (Insurance Bill, 2016)
[MR. SINGH]

Friday, February 16, 2018

North/St. Ann's West, and the Member for San Fernando West and the Member for Caroni East that the Central Bank now is pivotal for the effectiveness of this legislation, [*Desk thumping*] Central Bank and the inspector of insurances.

The Central Bank, Madam Speaker, I am told, is given—with the authority to regulate insurance currently, is aware of the manner certain local insurers operate and do little to correct them. There are insurers who operate fairly with their customers and third parties and on the other hand there are few insurers who are noted for dispensing pain both to their insured and third parties. Some of the unethical practices include:

- (a) Refusal to sign for a letter containing statement of claim.
- (b) Claiming not to have received reports from their insured so they cannot settle third party claims.
- (c) Always offering third party settlements, based on contributory negligence.
- (d) Shorter opening hours in the claims department than the rest of the company.

Madam Speaker, this is what is happening. This is our reality. This is not the aspirational goals. This is our reality.

- (e) Offering third party limits in accordance with Act.

The limits under the Act are very low and ought to be increased. Many insurers do offer limits that are much higher than the Act requirement. This is an area in law that urgently requires amending so as to increase the limits that have now become inadequate in current times.

- (f) Request contribution on third party claims when in many instances it is incorrect so to do.
- (g) Insist that a third party completes a claim form even though he may have supplied copy of the one given to his own insurer.

You see, delay.

- (h) Not responding to letters written to them.
- (i) Frequently claiming not to have received correspondence.
- (j) There is an insurer that has a clause in the policy that allows them to pay the amount of a claim less the salvage to their insured.

So the insured has to dispose of their wreck after a total loss claim.

- (k) You own a car from new, so you have a certified copy of ownership that may be three years old, some insurers require one that is less than six months old.
- (l) Certain insurers owe other insurers millions in recovery matters where these insurers have paid their insured.

So, Madam Speaker, you see in a practical sense what is happening in this country. You have delay, deny and defend.

I will deal with the whole question of recommendations for the regulator subsequently, Madam Speaker.

Madam Speaker: Hon. Member for Chaguanas West, your original 30 minutes are now expired. You are entitled to 15 more minutes if you wish.

Mr. G. Singh: I will take my extended time.

Madam Speaker: You may proceed.

Mr. G. Singh: Thank you, Madam Speaker. I want to deal now with our reality, because you see, two things. What has emerged with respect to our contractors, is that they will need—every time there is a change in regime and I want to project into the future—to buy political risk insurance, [*Desk thumping*] because in the current situation, that is what is in fact required.

Madam Speaker, clause 80, mentioned by both the hon. Attorney General and the Member for Port of Spain North/St. Ann's West, deals with protection for whistle-blowers and the clause is very clear, so I would not go into that within the time frame. So that, whistle-blowing is an important element, and the hon. Member for Port of Spain North/St. Ann's West indicated in his lamentation that legislation was not available back in 2009, when the systemic risk was so great and it led to the collapse, and that whistle-blowing ought to have been there. But it is here now.

Madam Speaker, I want to read into the record a letter written to one Mr. Patrick Solomon, Inspector of Financial Institutions, Central Bank of Trinidad and Tobago, Eric Williams Plaza and so on, and so on, dated the 25th of January, 2018.

JSC Report (Insurance Bill, 2016)
[MR. SINGH]

Friday, February 16, 2018

Dear Inspector,

I have noted with great concern, your letters dated November 27, 2017 and January 22, 2018, and I feel compelled to respond on an individual basis. Both letters speak to an uncertainty by Central Bank of Trinidad and Tobago in the honesty and integrity of the board of directors and management of a particular insurance company.

CBTT has also served notice that the assessment of key personnel to meet the standards of fitness and propriety, in accordance with the fit and proper guideline, is an issue of concern.

I write to express my concern over the day-to-day management of this particular company or the lack thereof.

But what struck me in this letter, Madam Speaker, is the re-emergence of two of the principal characters in the HCU/Clico Financial debacle, and I would want to read the letter, because it is shocking to say the least.

One of the fundamental concerns I have always had, and continue to do so, is the influence that both Mr. Carlton Reis and Mr. Harry Harnarine continue to have on the day-to-day operations of this company. Their physical presence on the compound is further aggravated by the fact that I believe that Mr. Carlton Reis has been removed both as a Director and Chairman of ICD on the instructions of CBTT. I am also aware that Mr. Reis is unable to get fit and proper approval from the CBTT. I have expressed my concerns repeatedly to the MD and about the fact that Mr. Reis continues to issue directives to the Chairman, Mr. Robert Hannan and the MD. I have repeatedly known my views, that as instructed by CBTT, the board must operate independently.

So, Madam Speaker, there is a series of issues, all that we talk about audit—*[Interruption]* I will get to there.

There is a definitive absence of proper corporate governance in Motor One, since the appointment of the MD in April 2017. This is in direct contravention to the required practices as outlined by the CBTT.

And he went on to elaborate:

Management meetings, failure to have that; failure of the MD to consult the board on policy issues; internal auditor, well the MD has consistently refused to fully pursue the appointment of internal auditor, despite my having advised him on many occasions that we are in breach of CBTT guidelines.

So when we talk corporate governance in this legislation, we recognize that the reality out there, this is 25 January, 2018. This is what is happening, internal audit committee. So it went on to talk about the audit committee and they have yet—“dey get” rid of the auditor. And now they refuse. They are only interviewing auditors. Investment committee, the law provides for the investment committee, the composition and methods of investment, the Bill before us. But nothing is happening.

A reduction in revenues from agencies.

I am just reading the headlines, and so on, and various other malfeasance taking place in this area. And this is—and I want to close this letter by indicating and they go on, Madam Speaker, I do not have the time to read the whole thing.

I trust that this makes perfectly clear to the Central Bank of Trinidad and Tobago my position in all of this and I will not be painted with the same brush as that for Mr. Ali, Mr. Hanan, Mr. Reis, Mr. Harnarine and Mr. Million.

This is Harry Harnarine.

Signed Wayne Ian Lewis,

Director Company Secretary,

Motor One Insurance Company Limited.

Madam Speaker, so we have live, we have before us, we have within the embrace of the Central Bank, a whistle-blower before us. So, whilst we are very supportive of this legislation, there is need for action to be taken in that context, Madam Speaker. So you see, we must not make law aspirational, we must make law connected to the reality of our society. [*Desk thumping*]

Madam Speaker, how much time do I have? Madam Speaker, so how can—I come back to delay, deny and defend—the consumer protect themselves? You will see the consumer, the policyholder in this particular insurance company is totally naked from any kind of protection. And that, therefore, how can we, as we move forward with legislation, as we empower the regulator and the Central Bank, which is pivotal to the effectiveness of this legislation, how can we do that? How can we make the cut? First thing we have to do, Madam Speaker, is to make the consumer aware, information. The regulator has to provide information to look at the company’s claim practices so that when you are shopping for insurance, you can take that into account when they shop for their insurance.

JSC Report (Insurance Bill, 2016)
[MR. SINGH]

Friday, February 16, 2018

If you do not know the claim practices of a particular company—you know, B & L, “Bounce and Lose”, other areas, you know. So that therefore, anecdotal evidence is not appropriate in the 21st Century. You have to get the regulator to provide that information to the customers [*Desk thumping*] and we want to see that. Secondly, Madam Speaker—[*Interruption*]

Dr. Gopeesingh: Publish the information.

Mr. G. Singh: Yes. They must be made available by publication, so that the consumer does not buy, for want of a better term cat in bag, or insurance in bag.

Secondly, we must ensure that the rules of the road in the context of claim-handling is well known and that the Central bank and the regulator enforce those rules.

And thirdly, Madam Speaker, that when all policyholders are filing their claims and where accident victims are filing their claims, they must have the ability to hold the insurance companies accountable when the companies delay, deny or defend.

Madam Speaker, it is clear that we have reached a certain juncture in our society. That juncture requires us to deal with our economic reality and that is a juncture in which all institutions must be held accountable to the people; that, therefore, the legislation that deals with the service commissions and the service commissions now have to appear before a select committee accountable to the representatives of the people.

Similarly, Madam Speaker, the Central Bank must recognize that they are accountable to the people [*Desk thumping*] because when we as the representatives of the people give you this power, with power comes accountability. [*Desk thumping*] So that therefore you cannot be like a harlot, you know. You want power without responsibility. Power must come with responsibility and accountability, and the regulator and the inspector of banks must be in that category.

So, Madam Speaker, with these few words I point a future direction for the regulator and the Central Bank whilst we are fully supportive of the current legislation. I thank you. [*Desk thumping*]

Madam Speaker: Member for Couva South. [*Desk thumping*]

Mr. Rudranath Indarsingh (Couva South): Thank you, Madam Speaker, as I join this debate on this Motion to adopt the report of the Joint Select Committee to consider and report on the Insurance Bill of 2016.

Madam Speaker, after having listened to my colleague from Chaguanas East, I feel that I have been exposed to a doctoral thesis here this evening [*Desk thumping*] on the insurance industry. And, more importantly, Madam Speaker— [*Interruption*] the Member for Laventille West, if you want to join the debate, you can feel and exercise your right following my contribution.

But more importantly, Madam Speaker, we have heard a number of technical terms and technical issues being dealt with during this debate on this particular Motion on capital requirements, the role of audit committees, the power of inspectors and the role of the Central Bank, and so on, Madam Speaker.

This legislation, in terms of the report and the legislation, is a very thick and what you would call voluminous report which has been presented through the Joint Select Committee. And, what is important, as it relates to this report and the legislation for me, is the impact and the relevance to the ordinary man in the society and based on my previous background, in relation to the trade union movement, the labour movement, the workers of Trinidad and Tobago, and more importantly too, the people who have contributed to the well-being of the credit union movement in this country.

Madam Speaker, it has been established by all speakers on both sides of the debate that this is a very important report and piece of legislation because it has tremendous implications as it relates to insurance companies regulating the insurance businesses and, more critically, privately-administered pension funds in Trinidad and Tobago, Madam Speaker.

And we have heard about the history and where we were in 1980 and where we are today in 2018, and we are here today in 2018 in great part because of the commitment of the People's Partnership Government under Kamla Persad-Bissessar [*Desk thumping*] to deal with the regulation of the insurance industry in Trinidad and Tobago.

Madam Speaker, from my angle and from being a Member of Parliament, and a man in the streets throughout Trinidad and Tobago, I have been exposed to the pain, the suffering and the trauma. [*Desk thumping*] I have heard it personally in relation to persons who have invested their blood, sweat and tears into these insurance companies and in relation to their pension funds, expecting a yield on their investments and better days, in terms of their winter days and so on, Madam Speaker.

Madam Speaker, we have all heard about the word “collapse”; we have heard about ITL and Winsure and Clico and HCU and CL Financial, and so on, Madam Speaker. The very fact that we have arrived at this juncture here today, Madam

JSC Report (Insurance Bill, 2016)
[MR. INDARSINGH]

Friday, February 16, 2018

Speaker, it has been recognized by all for the need to have more robust legislation to address the weaknesses of the industry, and as I have said, to protect the very people who are indeed the backbone of this industry, Madam Speaker.

Madam Speaker, in that regard, a number—especially the Member for Port of Spain North/St. Ann’s West, during his contribution, he referred to the Clico debacle at large and he spoke about the importance of the protection of policyholders and holding directors personally responsible, and also he focused on the lack of a proper working audit committee existing at Clico and so on. And, Madam Speaker, this leads me to a statement that was made by the Prime Minister of Trinidad and Tobago on the first of the seventh month, 2016, as it relates to the Colman Commission of Enquiry and the Prime Minister indicating that he was authorized by the Cabinet to make the following statement, as it relates to enquiry into the failure of CL Financial Limited, Colonial Life Insurance Company (Trinidad) Limited, Clico Investment Bank Limited, British American Insurance Company (Trinidad) Limited, Caribbean Money Market Brokers Limited and the Hindu Credit Union Co-operative Society, with a view to ascertaining why such events occurred and to make such findings, recommendations, observations arising out of its deliberations as the Commission may deem fit.

Madam Speaker, the Prime Minister, during his statement, went on to point out the sequence of events, and quoting directly from *Hansard* the Prime Minister indicated:

“The Commissioner delivered his second report on CL Financial/Clico to his Excellency the President on the 22nd of June, 2016.

The following morning, on the 23rd of June, 2016, the Cabinet was apprised of the receipt of the report and the Cabinet agreed that the sealed electronic copy shall remain sealed and be forwarded forthwith to the Director of Public Prosecutions for his immediate and I quote:

Consideration and comments or advice on the time on which this document could be made publicly in its entirety or partially.

This was expressed to the DPP accompanied by a letter, which was handed to him along with the sealed electronic copy of the report at 4.47 p.m. on Thursday, 23 June, 2016.”

And I go on to quote the Prime Minister when he indicated:

“I must note Madam Speaker, that by Friday, 24th June, the day after the DPP received the report under the instruction of the Cabinet with the utmost dispatch, my colleagues on the other side were already spirited in condemnation invoking the spectre of conspiracy and cover-up on the report on the part of the Government

Clearly, mistakenly, this Government was being wrongly judged by the standards of unacceptable conduct of others well-known to us. This country should rest comfortably in the knowledge that the Government of Trinidad and Tobago, which I have the honour and responsibility to lead, will do nothing to impede the flow of justice in this or any matter.”

Madam Speaker, I ask that question, or I am quoting directly from the statement, as it relates to the Prime Minister, because the policyholders, all those who have invested their hard-working cash into Clico and CL Financial, are still awaiting justice in this particular debacle, Madam Speaker. And probably in the context of the bipartisan approach that we have seen, that we would expect the Prime Minister and his Cabinet to continue to work in the interest of ensuring that justice prevails in this particular issue.

Madam Speaker, also the Prime Minister indicated in his said statement, and I further quote:

“Whilst in the last five-year administration, the management of Clico, CLF and the associated companies were shrouded in secrecy by the UNC administration, this...Government has no intention of operating in that manner. This Government will operate in an open, transparent and accountable manner as it has been doing, and once the Minister of Finance has completed his on-going audit, he will come to Parliament and tell the citizens of Trinidad and Tobago the exact amount ...expended by the Government with respect to the said bailout...”

And so on, and we look forward to the transparency and the accountability that the Prime Minister promised in this particular instance, Madam Speaker.

And also, in giving a sense of hope and to ease the pain and suffering, Madam Speaker, the Prime Minister, and from the point of view as we go on to address the loopholes and the weaknesses in the system, Madam Speaker, and from the bipartisan approach that has been demonstrated, in terms of the Joint Select Committee Report and the commitment on both sides to give support to this particular report and the legislation, the Prime Minister indicated too that—*[Interruption]*

Madam Speaker: Member for Couva South, I have given you a lot of leeway. This is not a debate on the statement of the Prime Minister. This is not a debate on the Colman Report. This is a debate on the particular report of the Joint Select Committee dealing with the Insurance Bill. I have given you leeway to see where you are going. I would ask you to very quickly make it relevant; if not, move on to your next point, please.

6.45 p.m.

Mr. R. Indarsingh: Thank you, Madam Speaker, and I am guided in regard—I was just merely indicating or attempting to make the point, Madam Speaker, in relation to the commitment to ensure that, with respect to commissions of enquiry, that persons are brought before—

Madam Speaker: Member, I have given you—as I said, you started at 6.32, you have had 15 minutes, all right. Please move on to your other point if you cannot tie this to the Bill that is before us.

Mr. R. Indarsingh: Thank you, Madam Speaker, and I am guided in relation to your direction, Madam Speaker. And it leads me to the very important point in my opening remarks where I indicated that this particular report and also Part IX of this particular Bill focus on the issue of pension fund plans.

And I am sure that based on what we have witnessed over the last 28 months in Trinidad and Tobago, in terms of the number of persons who have lost their jobs, the number of companies that have been closed and also, in relation to persons from time to time who may visit constituency offices and in particular my own. They have attempted to find out the status of, for example, the pension plan as it relates to Caroni (1975) Limited, old BWIA, and even TELCO and TEXTEL and so on.

Madam Speaker, it is important to note, and I am sure that the trade union movement will be very pleased that Part IX of this particular legislation, under clause 216(1) that:

“No person may establish or operate a privately administered pension fund plan...in Trinidad and Tobago unless the plan is registered under this”—particular—“Part.”

But more importantly, Madam Speaker, what is of importance to persons who would have been employed, for example, in state enterprises that are no longer functional, from an operating point of view or even those persons who have found

themselves on the breadline over the last 28 months, is that clause 219(1) which speaks to an amendment in relation to registered pension plans not being valid until they are registered, and 219(1) states very clearly that:

“An amendment to a trust deed or Rules, or both, of a registered”—pension—
“plan shall not be valid unless the amendment is registered.”

And additionally, clause 219(2) focuses on:

“Where an application for the registration of an amendment is made in accordance with section 218(5), the Central Bank shall register the amendment, where it is satisfied –

(a) that the trust deed or the Rules, or both, as amended would not have disqualified the plan from registration under this Part; or”—in—

“(b) in the case of a plan which should be harmonised with the system of national insurance established under the National Insurance Act, that the plan otherwise complies with the requirements of any Regulations made under that Act for the purpose of harmonization.”

And in relation to the issue of closures of companies, Madam Speaker, from time to time we have always heard from workers who have found themselves on the breadline: Who took the decision to windup my pension plan? What are my benefits? What am I entitled to? For example, when ArcelorMittal ceased operations, Madam Speaker, and up till today, persons have been visiting my constituency office, attempting to enquire on the status of their pension benefits and in addition, who took the decision in relation to what is the status and where the plan is going?

Hon. Member: Roget.

Mr. R. Indarsingh: Madam Speaker, the Member for Laventille West wants to offer some advice to the former employees of ArcelorMittal—

Mr. Hinds: My advice.

Mr. R. Indarsingh:—by indicating that they should go to Roget.

But, Madam Speaker it is clearly and it offers a sense of comfort in relation, or of knowledge that under clause 221(1):

“The registration of a registered plan shall not be cancelled unless the plan has been wound-up.”

And in addition, Madam Speaker, it goes on to say in subclause (2) that:

JSC Report (Insurance Bill, 2016)
[MR. INDARSINGH]

Friday, February 16, 2018

“The decision to wind up a pension plan shall be recorded by board resolution.”

And in addition, subclause (3) indicates that:

“The Central Bank, trustees and management committee shall be informed of...”—the—“intention to wind-up a plan, in writing, within twenty business days of the board resolution and such notification to the Central Bank, trustees and the management committee shall be done simultaneously and accompanied by a copy of the relevant board resolution.”

And, Madam Speaker, this establishes as I said, a trail and a sense of information to workers and trade unions who have the responsibility to represent the interest of workers from a pension plan point of view. And in addition to that, Madam Speaker, it is very important too that from an investment point of view, in terms of where the funds, or workers’ or employees’ contributions, and even where there is a part contribution from employer and employee that the trustees of the pension plan, they have a responsibility to invest assets of the plan in “securities as may be allowed in Schedule 7; and...in any other manner as prescribed by the Regulations” which are clearly spelt out, as I said, in Schedule 7 and under clause 228(1) of the legislation, Madam Speaker, and in addition to that:

“(2) No trustee may invest the assets of a pension fund in the equity, debentures or other evidence of indebtedness of the employer or any subsidiary or associate of the employer or of any company of which the employer is a subsidiary or an associate.”

So, it gives a sense of protection as it relates to willy-nilly decisions or persons just getting up in the morning and deciding that we will take the assets, the financial assets and contributions of workers and simply put it into schemes that are not sanctioned by the Securities and Exchange Commission, for example, in Trinidad and Tobago.

And I think that this is very important, Madam Speaker, and also from the point of view of clause 226 which focuses on annual accounts and balance sheets to be submitted and also for clause 227 as it relates to actuarial investigations.

Madam Speaker, because again these are two very important issues from the point of view of knowing where my contributions are, knowing where my investments are, and from the point of view of the history of how the trade union movement and also how the credit union movement has grown in Trinidad and

Tobago over time. Both movements have taken their funds and so on over time, and have invested in pension funds in Trinidad and Tobago and I think that from a transparency and an accountability point of view, it is of critical importance that this kind of information continues to be transmitted [*Desk thumping*] to all and sundry.

Mr. Hinds: Sun dry!

Mr. R. Indarsingh: And Madam Speaker, as I said, so I am very heartened from the point of view that Part IX of this particular piece of legislation focuses very clearly on pension plan funds and so on, and it would give a sense of comfort to where we are today.

Madam Speaker, the issue will continue to “haund” all of us, in terms of what happened at CL Financial.

Hon. Member: Haunt.

Mr. R. Indarsingh: Arima, let us “doh” go there this evening, before I have to remind you—

Madam Speaker: Member for Couva South, please do not be distracted, direct your contribution this way, [*Laughter*] please.

Mr. R. Indarsingh: Thank you, Madam Speaker, my friend from Arima, from time to time—

Mr. Hinds: Focus on the Speaker.

Mr. R. Indarsingh:—enjoys trying to distract me during my contribution. But, Madam Speaker, as I indicated that what has happened at CLICO and CL Financial, and HCU and so on, will continue to haunt us. But we must ensure that this is not repeated in the future, and it has been established, especially by my colleagues the Member for Caroni Central and Chaguanas East and so on, of the need to go beyond the legislation. Passing the legislation is important and it is laudable, but it is what we do after the legislation is assented to, as it relates to giving that sense of hope to the policyholder, to the person who pays his or her premium and at the end of the day, they want to feel that the fine print in policies and so on, do not get the better of them and they are protected, Madam Speaker.

And that leads me to the very important issue of ensuring, because during his contribution, my colleague from Tabaquite, during his sterling and incisive contribution established the fact that between 2008 and 2011 there have been over 2,000 cases against insurance companies in Trinidad and Tobago, and that was between 2008 and 2011.

JSC Report (Insurance Bill, 2016)
[MR. INDARSINGH]

Friday, February 16, 2018

We are in 2018, Madam Speaker, and I am sure that the figure probably would have doubled, would have tripled in terms of cases that are currently before the Supervisor of Insurance and, in that regard, Madam Speaker, we hope that the Minister of Finance, through the Central Bank and the regulator, will ensure, and I know that we have explored this in terms of manpower levels, the support systems and so on that are needed, and to ensure that persons or policyholders get their just due.

And, Madam Speaker, while I know it is not in the report, or it is not in the relevant clauses of the legislation, my colleague from Chaguanas East touched on it, in relation to communicating with the stakeholders. Just as we would have invited submissions and the Joint Select Committee would have brought stakeholders and so on, before its meetings and so on, I would implore too, that in giving a sense of follow through to this particular report and also to the legislation when it is assented to, that there is effective communication to stakeholders and the citizens of Trinidad and Tobago [*Desk thumping*] in relation to this particular piece of legislation in terms of its benefits, Madam Speaker.

7.00 p.m.

The Government must not only take out full-page ads as it relates to FATCA—and I see my colleague, my friend, the Member for Diego Martin Central is not in the House at this particular point in time—but the Minister of Sport and Youth Affairs and the Ministry of Sport and Youth Affairs took out a full-page ad boasting of its achievements.

Madam Speaker: Member, I think you were going fine, please get back on track. Leave that point, move on to your next point please.

Mr. R. Indarsingh: Madam Speaker, and it is very important that we educate the public [*Desk thumping*] and we inform the public in a very truthful and transparent manner as it relates to whatever is passed in this particular place, and also from the point of view of governance and ethics in Trinidad and Tobago, Madam Speaker. [*Desk thumping*] And, Madam Speaker, as I said that it is important—and I hope that the Minister of Finance, working with the Central Bank, will ensure that there is effective and relevant communication as it relates to the importance of this legislation. [*Desk thumping*]

Madam Speaker, we have all heard of the role of the Central Bank and what is needed, and it is my fervent hope—and I am sure that on both sides of the divide here today that we will all implore that the regulator must not fall down on the job [*Desk thumping*] and the Cabinet of Trinidad and Tobago, like any other

stakeholder in this country, has an important and relevant role, and it must not take a soft approach if anything is red-flagged going forward as it relates to the people's investment in Trinidad and Tobago. And we must ensure too, at all levels of this particular system, that persons who are deemed to be not fit and proper, we must take a very hard line and weed them out at every level of the institution and insurance companies that may—[*Desk thumping*]—[*Interruption*]

Madam Speaker: Member for Couva South, your original 30 minutes has now expired. You are entitled to 15 more minutes if you wish to avail yourself of it.

Mr. R. Indarsingh: Yes, Madam Speaker, but I would not detain the House too long in relation to my taking some additional time. And, Madam Speaker, as I said, we must remove directors, we must remove officers and we must not flinch in our responsibility, because this Parliament has a responsibility to the people of Trinidad and Tobago [*Desk thumping*] first and foremost, Madam Speaker. And that is why when the People's Partnership Government was there, under Kamla Persad-Bissessar, we understood people-centred development and improving the quality of life on all levels [*Desk thumping*] and this is why we focused on the need to deal with the regulation of the industry and addressing the issue, and I am sure that going forward from a bipartisan approach, we can indeed address the issues affecting the people of Trinidad and Tobago, and the Opposition will continue to support legislation that is in the interest of the people and will always be patriotic to the people of Trinidad and Tobago. I thank you, Madam Speaker. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam Speaker. I will not be long. I would just like to respond to some of the issues raised by hon. Members opposite. The Member for Caroni East had asked for some information on pension funds. The Member for Port of Spain North/St. Ann's West gave some information that I had given in my introduction, but for clarity, the total amount of money invested in pension funds is approximately \$50 billion—\$51 billion actually—in Trinidad and Tobago, at this time—[*Crosstalk*]—all pension funds, \$50 billion. And if you want to know who the managers of pension plans are, you can go on the Central Bank's website and you will see an actual list of matters dealing with pensions. I actually did a count while we were speaking here, and there are over 175 pension plans active in Trinidad and Tobago, at this time—almost 200 active, over 175. Almost 200 active pension plans at this point in time—[*Crosstalk*]

Dr. Gopeesingh: What is private?

Hon. C. Imbert:—all pension plans that are regulated by the Central Bank at this point in time. So it is very significant, a very significant sector.

Now, hon. Members opposite made the point that there is insufficient redress for persons who are not satisfied with the service that they get from insurance companies or the payments they get from insurance companies, but that is not entirely correct. There are provisions in this Bill that are new and I, for example, will read from clause 34, which now allows the Central Bank to revoke the registration of an insurer in respect of a number of breaches, but one of them is if the Central Bank—and the terminology used is the board, but that is the Board of the Central Bank—if the board is satisfied that the policy and practice of the insurer in dealing with claims are unfair or that there is unreasonable delay in the settlement of claims payable under policies issued by it.

So now, with this legislation, if the Inspector of Financial Institutions—because that is the authority under this legislation—investigates an insurance company based on complaints from the public or on its own volition and determines that their policy and practices are unfair or there is an unreasonable delay, that is grounds to revoke the licence of the insurance company, and that leads me now to a point made by the Member for Caroni Central, whether the Central Bank has the capacity and the resources to handle these responsibilities. Well, they do not have it at this time. They have some capacity, but with their new responsibilities—this is why we have a proclamation clause in the Bill. I suspect it will take about three months for the Central Bank to acquire the necessary resources and to put its house in order so that it can enforce the provisions in this legislation.

There is also a clause in the Bill, clause 155, where it says that:

“Notwithstanding any other action or remedy...if the Inspector reasonably believes that any person including the principal representative of a foreign insurance company—

- (a) has committed, is committing, or is about to commit an act, or is pursuing or is about to pursue any course of conduct, that is an unsafe or unsound practice;
- (b) has committed, is committing, or is about to commit an act, or is pursuing or is about to pursue a course of conduct, that may directly or indirectly be prejudicial to the interest of policyholders;”

That is some of the conditions:

- “(e) is unlikely to meet the liabilities due to policyholders of the insurer;
or
- (f) is likely to continue in business that would result in a loss to the policyholders of the insurer, the Inspector may direct the person to—
- (i) cease or refrain from committing the act, pursuing the course of conduct, or...
 - (ii) perform such acts which, in the opinion of the Inspector...are reasonably necessary to remedy the situation or minimize the prejudice.”

So that the Inspector can now issue compliance directions to insurance companies if the Inspector is of the view that insurance companies are not acting in the best interest of their policyholders or their customers, can also revoke the licence of a company, can get injunctive relief and so on. So that the Inspector of Financial Institutions and the Central Bank now have tremendous powers under this legislation which they did not have before. [*Crosstalk*] Well, this is the responsibility now of the Government to ensure that the Central Bank does what it is supposed to.

One of the things that the Central Bank would be required to do under this legislation is to issue a guideline with respect to the settlement of claims, because there is, believe it or not—this may be hard to believe, some may not wish to believe this—but the Central Bank since September 2008 issued a guideline with respect to the resolution of claims and the settlements of claims and the processing of claims and so on, but it is obvious that this was either not enforced or that the powers of the Central Bank with respect to these guidelines were not strong enough.

One of the things that would happen now—and that is why I read clause 155—but the fact of the matter is with the new clause 155, the Central Bank can now intervene and take the necessary action. I can assure you that, I expect that this Parliament and the Ministry of Finance will be closely monitoring the Central Bank with their new powers and the new regime for insurance companies. [*Crosstalk*]

The Member for Chaguanas West complained about questionable practices at an unnamed insurance company although the Member to my right named the insurance company.

Mr. Singh: I read it. [*Crosstalk*]

Hon. C. Imbert: I see you are not—[*Crosstalk*]

Mr. Singh: I read it. I read it.

Hon. C. Imbert: Or, you read it. Okay. I did not realize you read it.

Mr. Singh: He jump the gun.

Hon. C. Imbert:—where it is alleged that there are persons who are not fit and proper running the company. This is the allegation—that there are persons who are not fit and proper running the company and also engaging in questionable practices to the detriment of shareholders, policyholders and so on. Again, once this Bill becomes law, that sort of thing should be a thing of the past. The Inspector of Financial Institutions should be able to move in and under the fit and proper criteria which does not only apply to directors, but it implies to senior management. So that under this new regime, the Inspector of Financial Institutions will have the authority to move in and deal with a company of this nature that has these questionable characters—so it is alleged—running the business. It is alleged. I have no policies with that company. I do not know what is going on there, but I trust that the information put into the Parliament by the Member for Chaguanas West is accurate. And it is quite shocking to learn that there are persons—those particular individuals—who are persons of interest to the authorities are, in fact, in charge of that particular insurance company.

Madam Speaker, I do not think it is necessary for me to engage in repetition with respect to the purpose of this Bill, but I would simply read from the very well put together Bill Essentials, put together by the Parliament, and I would simply reiterate that what this Bill seeks to do is:

- “reform the law relating to insurance companies;
- regulate insurance businesses;
- regulate privately administered pension funds;
- strengthen prudential requirements, including the introduction of ...capital and financial standards;
- introduce more stringent corporate governance requirements for insurance companies;”
- give—“the Central Bank”—the necessary—“regulatory authority...
- improve public disclosure with a view to promoting market discipline;

- provide the Central Bank with a wide range of preventative and corrective measures; and
- bring the legislation into conformity with...”—international standards.

The Bill requires a three-fifths majority. [*Crosstalk and laughter*] I want to say and I want to put on record, I want to thank the Member for Tabaquite, [*Desk thumping*] the Member for Chaguanas West for your comments and I wish to thank all Members of the Independent Bench, the Opposition Bench who participated in the Joint Select Committee. I got no trouble from anyone. I got maximum cooperation. [*Desk thumping*] Whether it is because as you would like to say, that when I am in these committees I have a different persona, whether that is so or not, it is more important that I got maximum cooperation from everybody. They were diligent, they attended the meetings. We went through clause by clause.

We got tremendous support from the Central Bank. We got tremendous support from the Office of the Chief Parliamentary Counsel, tremendous support from my own Treasury Solicitor's Unit and I must, in particular, compliment the representatives from the CPC. We put them under a lot of pressure, Madam Speaker. We gave them deadlines and we gave them a lot of work to do. There are hundreds of amendments to the various clauses in the Bill, and they rose to the occasion every time we asked them to interpret the comments for us, to interpret the issues and to come up with suitably drafted amendments to address the issues raised, not just by members of the committee but by stakeholders, the people that we interviewed. I also would like to thank everyone who came before the Committee—the insurance companies, the brokers and everyone else who contributed. This, for me, was a very gratifying experience.

I would also like to compliment Members of the Government who took up their time. We are all extremely busy. I would like to compliment the Attorney General, in particular, for his valuable, useful work, not just in this version of the Bill, but in its earlier incarnations as it went through all these joint select committees when we were in Opposition. So that everybody pulled their weight with respect to this legislation, Madam Speaker. Everybody did their work.

I think we have come up with a very good and workable piece of legislation. It will transform the insurance industry. It will go a long way to ensuring that the fiasco that occurred with the CLF and Clico group does not occur again. It gives the Central Bank—there will be no excuse now for the regulator to say that they

JSC Report (Insurance Bill, 2016)
[HON. C. IMBERT]

Friday, February 16, 2018

do not have the teeth and the intervention powers that they require to deal with an errant insurance company. There will be no excuse. [*Desk thumping*] They now have the authority and power to intervene.

So, Madam Speaker, I simply, at the end of all of this, again, want to reiterate my thanks, my gratitude, congratulations to all Members of the Joint Select Committee—Government, Opposition and Independent—and I beg to move. [*Crosstalk*]

Dr. Gopeesingh: That was your best contribution. Sorry. [*Laughter*]

Question put and agreed to.

Resolved:

That this House adopt the Report of the Joint Select Committee appointed to consider and report on the Insurance Bill, 2016.

Question put: That the Bill be now read a third time.

Madam Speaker: This Bill requires a three-fifths special majority.

The House voted: Ayes 31

AYES

Robinson-Regis, Hon. C.

Rowley, Hon. Dr. K.

Al-Rawi, Hon. F.

Imbert, Hon. C.

Young, Hon. S.

Deyalsingh, Hon. T.

Hinds, Hon. F.

Cudjoe, Hon. C.

Garcia, Hon. A.

Crichlow-Cockburn, Hon. C.

Forde, E.

Dillon, Hon. Maj. Gen. E.

Webster-Roy, Hon. A.

Gadsby-Dolly, Hon. Dr. N.
Smith, Hon. D.
Francis, Hon. Dr. L.
Jennings-Smith, Mrs. G.
Olivierre, Miss N.
Antoine, Brig. Gen. A.
Leonce, A.
Rambachan, Dr. S.
Charles, R.
Tewarie, Dr. B.
Newallo-Hosein, Mrs. C.
Gopeesingh, Dr. T.
Gayadeen-Gopeesingh, Mrs. V.
Indarsingh, R.
Padarath, B.
Bodoe, Dr. L.
Ramdial, Miss R.
Singh, G.

Question agreed to.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, I beg to move that the House do now adjourn. Madam Speaker, next Friday is Private Members' Day and I would like to ask the Chief Whip, the Member for Tabaquite, if he could indicate which matter we will be doing next Friday, please.

Dr. Rambachan: We are going to continue with the Motion that we were debating on diversification.

Hon. C. Robinson-Regis: What is that? [*Laughter*]

Adjournment

Friday, February 16, 2018

Dr. Rambachan: The same matter that we were debating on the last time.

Hon. C. Robinson-Regis: Thank you very kindly. [*Crosstalk and laughter*]

Madam Speaker: Hon. Members, before I put the question on the Motion, there are two matters that qualify on the Motion for the adjournment. I now call upon the Member for Tabaquite.

**Minister of Works and Transport
(Failure to attend to Urgent Matters)**

Dr. Surujrattan Rambachan (*Tabaquite*): Thank you, Madam Speaker. Madam Speaker, I rise to deal with a matter which is entitled simply, the failure of the Minister of Works and Transport to attend to urgent matters including collapsing bridges, landslips and the condition of several roadways in the constituency of Tabaquite, including and in particular Caratal Road, Section One.

Madam Speaker, I thank you for allowing me to raise this matter on the adjournment, because on a daily basis my constituents in Tabaquite are faced with great distress due to the condition of roadways, bridges and, in particular, a number of landslips which have recently occurred in the constituency. Almost all of these require some urgent attention. For example, along the Caratal Road there are now eight landslips and four of these have developed over the last 12 months, in particular, because of the heavy rainfall.

Within the last six months, four new landslips have also developed on the Brasso Tamana Road between Brasso Venado and Los Atajos, and this is where the weather tracking station is and, therefore, it is extremely important that this particular roadway be developed because you do not want to lead to a situation where the tracking station is cut off.

I need not say that there are other landslips on the Caratal Road. Section Two on the Mayo Road and on the Moon Wash Quarry Road. Vehicles are being damaged. Believe it or not, emergency vehicles and taxis are refusing to sometimes pass through these roads, and there is a dilemma faced by residents who have to go to the groceries, to go to school and, in particular, those returning home with groceries now have to pay almost twice—two times and sometimes three times—the normal price of a taxi in order to get their groceries home.

[MR. DEPUTY SPEAKER *in the Chair*]

Madam Speaker, a couple years ago—Mr. Deputy Speaker, the St. Fabien Road, in another area of my constituency, suffered tremendous land movement. That was in 2012 and we had to relocate 25 families whose homes collapsed—25

homes collapsed in that area due to landslips—and I am trying to bring it to the attention of the Minister that a similar situation does not occur especially along Caratal.

Mr. Deputy Speaker, I have written several letters to the Ministry of Works and Transport addressing these issues since most of them fall under the jurisdiction of the Ministry of Works and Transport. Mr. Deputy Speaker, I would tell you one very interesting fact. For the period January 2016 to the period December 2017, I have written a total of 538 letters to Ministries.

Dr. Rowley: In two years?

Dr. S. Rambachan: In two years.

Dr. Rowley: You have no work to do. [*Laughter*]

Dr. S. Rambachan: Mr. Deputy Speaker, the Prime Minister said I have no work to do. I am working on behalf of my constituents. [*Desk thumping*] That is what I am doing. [*Crosstalk*] But, Mr. Deputy Speaker, the Prime Minister would not like to know—[*Crosstalk*]

Dr. Rowley: Five hundred letters?

Dr. S. Rambachan: Five hundred and thirty-eight letters.

Dr. Rowley: You are serious?

Dr. S. Rambachan: Yes. And I have all just for the Ministry of Works and Transport. But you know, Mr. Prime Minister, you probably would not like to hear this, but of the letters written to the Ministry of Works and Transport in 2016—[*Crosstalk*]

Dr. Rowley: Five hundred!

Dr. S. Rambachan:—59 of that—538 letters of that 354 letters in that year was to the Ministry of Works and Transport, only 18 were answered and in 2017, 39 letters were to the Ministry of Works and Transport and only 16 were answered or 41 per cent. What is more distressing is that while, Mr. Hinds, as Minister, used to write me letters, sometimes very, very insulting letters—I have them all here—very insulting. I would not put them on the record—but from January 2017 to December 2017, I have gotten several letters in reply to my letters from the Office of the Ministry of Works and Transport signed by Louise Leotaud, Advisor to the Minister. All the letters say the same thing, the same thing, and generally it says:

Failure to attend to Urgent Matters
[DR. RAMBACHAN]

Friday, February 16, 2018

With this letter, we hereby acknowledge receipt of your letter as the subject refers which you submitted to the hon. Minister—and so on.

Your letter has been forwarded to the respective division in accordance with our procedure, and they shall proceed with the enquiries and examination of your issues and requests in accordance with your letter. Upon completion of our internal procedures you will be contacted both verbally and written, advising of the Ministry's position.

Please be guided in this matter.

/s/ Louise E. Leotaud (Ms.)

Advisor to the Minister [*Desk thumping*]

7.30 p.m.

This was January 23, 2017; January 23, 2018, has come and gone. I have neither been contacted verbally nor have I been contacted by letter to say what has happened to this. I should have brought my 538 letters and put them here on the table to understand the kind of contempt with which the Members of the Opposition are being treated on these matters. [*Desk thumping*]

Let me just say one thing, Mr. Rohan Sinanan is a decent Minister. He has attended to matters in my constituency. I want to be fair to him. Mr. Hinds made promises but did nothing and, therefore, the Prime Minister had every right to move him from that position because he was a non-performer. [*Desk thumping*] But the time has come for me to say to the hon. Minister, Mr. Sinanan, that look, there are matters that require urgent attention and you have to prioritize. You cannot keep saying that we do not have funds, we do not have this and we do not have that; you have to prioritize in order to get things done. And when homes are being threatened, when the lives of people are being threatened, when like in Light Bourne where we visited, Mr. Minister, and there were two bridges which are now collapsing at the base, and nothing is being done about them, then you cannot expect me not to come before the Parliament and let the Parliament know, which is my only recourse now because I am not going to engage in any kind of demonstration. I am not going to light fires; I am going to come where it belongs, the House of the People [*Desk thumping*] and make the representation here. That is what is important.

So, you know, I do not mind, Ms. Louise will continue writing me every day, every day—[*Interruption*] Yeah, I am writing the Minister. [*Crosstalk*] I write the Minister and I get a response—from January 23, 2017, and now February 23,

2018, has come and there has been no resolution. You cannot tell me 13 months, 13 months and some simple matters are not being resolved in constituencies. That shows that you are facing a Government of non-performance. [*Desk thumping*] You are facing a Government who cannot not only solve the big problems in the country, but they cannot even solve the small problems in the country; [*Desk thumping*] the ones that matter to people in terms of life and limb, Mr. Prime Minister. [*Crosstalk*] Mr. Prime Minister, you can thwart me as much as you want by your comments, but you will not deter me from making my point here that your Government Ministers are failing to deliver to the people of the country. [*Desk thumping*]

Mr. Deputy Speaker: Member for Tabaquite, address the Chair.

Dr. S. Rambachan: Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Member for Diego Martin West. [*Interruption*]

Dr. S. Rambachan: Five hundred and thirty-eight letters in two years, I wrote them.

Mr. Deputy Speaker: Hon. Member, you have one more minute.

Dr. S. Rambachan: What the Prime Minister wants me to do is not represent my people, but I want to disappoint him, unlike how you may represent your people in Diego Martin West, [*Desk thumping*] Mr. Prime Minister, I represent my people in Tabaquite, and I will continue to do that. You are the Prime Minister and you have access to all the resources. With a snap of the finger you can get the resources, I have to come here to the Parliament and ask the Parliament to take this matter at hand and to note the matter. [*Crosstalk*]

Mr. Deputy Speaker: Members.

Dr. S. Rambachan: Mr. Deputy Speaker, the hon. Minister visited with me on July 29, 2017. He paid a visit to my constituency, and to date the bridges that we visited, the ones that are collapsing, Mr. Minister, nothing has been done about them. In several of the letters that your advisor sent back to me, matters were referred to the Drainage Division, and the letter said they will contact me. I will give you all the letters if you wish, but no member of the Drainage Division has ever contacted me.

Mr. Deputy Speaker, there is a road called Gran Couva that passes on the Gran Couva Road onto Brasso, and that road is a road used by residents all the time. The road has now narrowed to less than five feet. We had fixed up to a

Failure to attend to Urgent Matters
[DR. RAMBACHAN]

Friday, February 16, 2018

certain point, and we are due to fix the rest under the PURE programme, but that road, Hardbargain, and so on, if that road collapses, the only contact you have to come back onto the highway, unless you pass all through Gasparillo, is through that Gran Couva Road. [*Interruption*]

Mr. Deputy Speaker: Hon. Member, your 10 minutes has been spent. You got an extra minute injury time. I will now call on the Minister of Works and Transport. [*Desk thumping*]

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, based on the Motion before us today, which speaks to establish whether there is a failure by the Minister of Works and Transport to attend to urgent matters, including the collapsing bridges and the condition of several roadways in the Tabaquite constituency, including Caratal Road, Section No. 1, I am duty bound to respond once again to this honourable House on this concern expressed. In my response to this Motion, I will attempt to show and to ensure that the population does not go away with the belief that according to the statement made, the hon. Minister has failed to attend to these urgent matters.

Mr. Deputy Speaker, I was a bit surprised by the Motion in the first place, because just about two weeks ago I was accosted by the Chairman of the Member for Tabaquite's party who told me, and I quote his words, "Like you fraid Suruj, because anything Suruj ask for" he does get. Again, I openly endorse, he said, "I asking you for so much and I ent getting nothing, but Suruj getting everything".

Mr. Deputy Speaker, it is important to note, firstly, that the Caratal Road, Section No. 1, referred to by the Member of Parliament for Tabaquite, does not fall under the jurisdiction of the Ministry of Works and Transport, it falls under the Couva/Tabaquite/Talparo Regional Corporation. [*Crosstalk*]

Mr. Deputy Speaker: Members. Members.

Sen. The Hon. R. Sinanan: Mr. Deputy Speaker, the Tabaquite constituency consists of the following roads which fall under the purview of the Highways Division, the Ministry of Works and Transport: the Bonne Aventure Road, the Corosal Road, Guaracara Tabaquite Road, Guaracara Quarry Road, Mayo Road, Pascal Road, Piparo Road, Poonam Road; that is in the Victoria West district. And in the Caroni district: the Mamoral Road, Brasso Caparo Station Road, Guaracara Tabaquite Road, Mayo Road—time is running out, I would not go into all the roads, but I do know all the roads the Ministry of Works and Transport is responsible for.

Based on the last road conditions survey conducted, the Ministry of Works and Transport, in 2016, there were sections of the roadway that were very poor to critical in the condition. Some of these roads were identified to originally have been agricultural roads that were developed without adequate road foundation. Many of these roads would have also been constructed on the ridge of the hill. This, coupled with the high clay composite in the natural soil, has resulted in frequent failures of sections of the roadway. The Ministry's evaluation recommends that reconstruction is required in these instances.

Mr. Deputy Speaker, it should be noted that the Guaracara Tabaquite Road was reconstructed over the last 10 years. Our surveys reveal that this road is subjected to extra heavy axle loading which is related to quarrying activities at the extreme eastern end of the roadway, which is the main road. This has significantly resulted in damage to the roads apart from where there had been heavy challenges with WASA leaks, which resulted in further deteriorations.

Mr. Deputy Speaker, the Highways Division, in going through the exercises over the last 12 months, has brought remedial work in several roads, unlike the report that is presented by the Member for Tabaquite. Repair work went on in the Brasso Road, the Caparo Village, Brasso Road; Solomon Hochoy Highway, which is part of the Tabaquite constituency; Corosal Road, Mayo Road, Bonne Aventure Road, Guaracara Tabaquite Road, Garth Road, Piparo Road, and several other roads. However, in addition to the work undertaken by the Highways Division, the Programme for Upgrading Roads Efficiency (PURE), between September 2015 and August 2017, completed rehabilitation and slope stabilization work on 12 roads in the constituency of Tabaquite. I am sorry, Members, I have sold myself out.

Mr. Deputy Speaker, just to indicate, I just want to apologize to the Members on this side, but between 2011 and 2015, under the PURE programme in the Tabaquite constituency, \$230 million was spent. And if I compare that to the Minister of Finance, who has to give me the financing to fix the roads now in the constituency, over the same period \$18 million was spent in Diego Martin. As a matter of fact, in the entire three Diego Martin constituencies \$71 million was spent. Compare that with Tabaquite where \$230 million was spent in one constituency. [*Crosstalk*] Some of the roads that were completed between 2015 and 2017 in the Tabaquite constituency: Springland Road—I would not go into the 12 roads because I know my time is running out. And despite most of these roads were under the regional corporation, the Ministry of Works and Transport under the PURE unit still went ahead to ensure that the roads remained completed.

Failure to attend to Urgent Matters
[SEN. THE HON. R. SINANAN]

Friday, February 16, 2018

The PURE unit in 2017-2018 highlighted 21 major works to be undertaken, which mainly consist of road rehabilitation for further programme of work in the Tabaquite constituency. Mr. Deputy Speaker, I know the time is running out, but the Member spoke about my visit to the constituency, and the bridges. In relation to the bridges, I can firmly state that most of the bridges along the road are in good condition in the Tabaquite constituency. There were 77 bridges overall. During my tour to the constituency last year I identified one bridge located along Garth Road which showed signs of failure, and has been included in the BLT programme. The two other bridges are in good condition, however, because of their narrowness they have been included in the BLT programme. [*Interruption*]

Mr. Deputy Speaker: Member, you have two more minutes.

Sen. The Hon. R. Sinanan: Yeah. Mr. Deputy Speaker, in the constituency of Tabaquite we opened one bridge in 2017, and there are an additional two bridges to be completed and opened in this fiscal year.

The Ministry of Works and Transport is currently completing a list of bridges and landslips spread across Trinidad that are in urgent need of repair and reconstruction. As a result of this, 23 landslips have been identified and have been added to the BLT list for construction. Mr. Deputy Speaker, notwithstanding the many challenges the Ministry of Works and Transport continues to be proactive in fulfilling its mandate with its limited resources. I thank you. [*Desk thumping*]

Mr. Deputy Speaker: I recognize the Member for Fyzabad.

**Landslip at Light Pole No. 69, Thick Village
(Failure to Repair)**

Dr. Lackram Bodoë (Fyzabad): Thank you very much, Mr. Deputy Speaker, for the opportunity to raise this matter which is of grave concern to the constituents of Fyzabad, namely the failure of the Minister of Works and Transport to repair the landslip in the vicinity of Light Pole No. 69, Thick Village, Siparia Road, which is threatening to close the roadway that serves as a major connection between Fyzabad and Siparia.

Mr. Deputy Speaker, this is a problem that occurred some five months ago in October of last year. I am bringing it to the attention of the Minister because it is currently posing tremendous traffic hazard. The location is a blind corner, which is making it accident-prone. In addition to that, Minister, there is a 30-foot drop into a precipice which, of course, can endanger life and vehicles. Also, I am very concerned that there are no lights at night; there are no reflectors on the current

road, and poor road marking. There is also the situation where recently there has been further collapse of this landslip and, in fact, it is threatening now that the entire roadway can be closed off.

There is also another issue here which is the issue of causing delays. Of course, that road is frequently used; it is the main road from Fyzabad to Siparia, so it creates a problem in terms of traffic for school children. It is also a roadway that is used when patients from the Fyzabad Health Centre have to be referred to the Siparia District Health Facility, so it can create a situation in terms of emergency medical care. One of the other issues as well, Minister, is the fact that it is also creating a health hazard. Because of the collapse there is now a big pool of water, stagnant water, and that in fact is creating the risk of diseases like dengue, for example, because there is the breeding of mosquitoes. And what I have actually received is a letter from a resident here, and if you will permit me, Mr. Deputy Speaker, just to quote from the resident. The resident says that:

For a lengthy period of time, since 2015, there has been a severe landslip that has occurred in the vicinity of my home.

This is someone who lives very close to the landslip.

The landslip has caused an accumulation of water which is breeding mosquitoes that is currently affecting my household, including two young children. The water is serving as a breeding ground for mosquitoes which pose a risk of dengue and other viruses that my children can be hospitalized for.

In addition to the mosquitoes there are large caimans, alligators that have inhabited the water that has accumulated.

So that is another hazard. So it, indeed, is a dangerous situation.

The other issue why I had to raise this as an urgent matter as well is that in the event that this road collapses completely, Minister, the alternate routes also pose some problems. One of the alternate routes will be the Murray Trace that is presently closed off because of a collapsed roadway, as you would probably be aware, and the other roadways would be the ones that you would have to go through the fields, and so on. *[Interruption]*

Dr. Rambachan: Timital Road.

Dr. L. Bodoë: Yeah, and Timital, but through the field roads which are very narrow roads, very lonely roads, and they can create a hazard for crime, and so on. So, Minister, I do have to acknowledge the fact that in response to my letter of

Landslip at Light Pole No. 69
[DR. BODOE]

Friday, February 16, 2018

January 15th your office did respond, again promising an investigation into the matter and to get back to us, but in view of the lack of action I am calling upon you. So if I may, Mr. Deputy Speaker, if I can implore on behalf of the constituents, the residents of Fyzabad, and many of those outside of the constituency of Fyzabad who use this roadway on a frequent basis, if I can ask for the Minister to intervene urgently to deal with this matter. I thank you.

Mr. Deputy Speaker: I now call on the Minister of Works and Transport.
[*Desk thumping*]

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, only because the start of the Motion was the failure of the Minister of Works and Transport based on the Motion before us today, which states the failure of the Minister of Works and Transport to repair the landslip in the vicinity of LP 69, Thick Village, which is threatening to close the roadway that serves a major connector between Fyzabad and Siparia, I am compelled to respond once again on the concerns expressed there. In response to this Motion I will attempt to show and to assure the population that based on the statement made, there has been no failure by the hon. Minister.

Mr. Deputy Speaker, on October 25, 2017, several reports were received of a landslip which occurred on the previous night along the Siparia Road in the vicinity of 8.5 kilometres and nine kilometres. The Highways Division conducted a site visit and it was observed that there was a rubble masonry retaining wall which had fallen. In addition, in this matter the tender documents were prepared by the end of October. So on the 25th it happened, by the end of October the tender documents were prepared. The project was tendered out on November 14, 2017. To date, the tenders were received by the Ministry and are currently being evaluated.

Mr. Deputy Speaker, based on our constant monitoring, it is observed that the wall has moved further away from the road since the initial failure in October 2017. However, let it therefore be established that the Ministry continues to monitor the landslip for further activities or movement to ensure that there are no further threat to safety. Mr. Deputy Speaker, I wish to reiterate that the tenders are currently being evaluated for repair, and it is anticipated that by the end of March 2018, work will commence to ensure such repairs are completed during the dry season. I thank you. [*Desk thumping*]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.50 p.m.