TRINIDAD AND TOBAGO
NATIONAL REPORT

1. The Actuarial Profession

There are 8 actuaries in Trinidad and Tobago, 4 of whom are in Consulting Firms, 3 in Life Offices and 1 is a Senator and a Cabinet Minister. Actuarial services are also provided from overseas by Life Offices and Consulting Firms linked with the local ones. Trinidad and Tobago in turn provides actuarial advice to a number of the other English-speaking Caribbean territories.

2. Economic Background

The economy is dominated by the oil industry which refines crude petroleum from overseas as well as recovering and processing the country's own oil and gas. An industrial complex based on natural gas and including storage and loading facilities, an aluminium smelter, a steel mill, two fertiliser plants and petrochemicals is being constructed financed partly by external loans and partly from the present surplus in the economy.

The Retail Price Index is kept low by price controls and Government subsidies on food and fuel. A better guide to the rate of inflation is perhaps given by the Minimum Wage Index: figures derived from both indices incorporating the latest available Minimum Wage Index figure are shown below.

Date	Retail Price Index	Increase Over Year %	Minimum Wage Rate Index	Increase Over Year %
Nov. 1976	113.3	–	100.0	–
Nov. 1977	126.5	11.2	117.0	17.0
Nov. 1978	138.6	9.6	131.8	12.6
Nov. 1979	Not Available			

The acute shortage of local securities means that new issues are usually heavily over-subscribed and there is virtually no market at other times with the result that quoted prices based on the latest dealing are not reliable guides to current interest rates. In November 1978 the Government issued three new stocks as follows:

Term	Gross Redemption Yield %
3 Years	6.25
10 Years	7.5
20 Years	8.0

The quoted prices of all Government stocks have remained unchanged since then.

Most institutions hold large portfolios of private mortgages and also tend to make extensive use of fixed deposits in order to absorb the funds they cannot invest in other securities. The rates of interest available on fixed deposits in November 1979 varied from 7 to 10 per cent.

3. New Developments: Employee Benefits

Since the last IACA conference, the Industrial Benefits branch of the National Insurance social security scheme, the last sector of the system established by the National Insurance Act of 1972 to come into full operation, has started to pay benefits.

Severance pay up TT$18,000 (US$7,500) has been exempted from income tax which suggests that more strenuous efforts may be made to collect the tax due on the remainder than has been the case in the past. Whether this will lead to increased provision of other forms of superannuation benefit remains to be seen.

The proposed changes in National Insurance described in the national report to the last IACA conference are to be introduced shortly. The review of public service pensions has not yet been completed.

The pension plans for the daily-rated employees of the oil companies have been the latest to follow the trend from career average to final-salary type pensions formulae. A few companies provide increases to pensions after retirement on an ad-hoc basis, as does the Government; these increases usually fall short of full indexation and are often awarded on an ex-gratia basis payable from the employer's current revenue rather than through the pension fund.

4. New Developments: Insurance

The reinsurance Company of Trinidad and Tobago Limited wrote its first business in 1978; four-fifths of the shares are held by the Government and the remainder by local insurance companies. At the moment it is concerned primarily with general insurance and has not yet expanded into long-term business. It also manages the claims arising from accidents involving Government vehicles, which the Government self-insures, and acts as Government broker for the general insurance risks which are not self-insured.

An expansion of general insurance may be expected from the heavy industries now in course of development but the effect of this had not been felt in the local market by the end of 1977, the latest year for which figures are available.

The Government's policy of localising the life insurance industry has resulted in the re-establishing of some Companies on a local basis and in the transfer of local portfolios from others. The industry is still adjusting itself to the effect of these changes and no other new developments worthy of note have occurred.