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CONTENTS

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NOTICES

No. 25

The following STATUTORY INSTRUMENTS are circulated with this Gazette and form part thereof:

STATUTORY INSTRUMENTS

No. 42 of 2020, "Registered Land (Filing Fees) Order, 2020

6pp Price $2.60

No. 43 of 2020, "The Companies (Amendment) Regulations, 2020

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No. 44 of 2020, "Business Names (Amendment of Fees) Order, 2020

6pp Price $2.60

Financial Services Regulatory Commission Notice

FINANCIAL SERVICES REGULATORY COMMISSION

ANTIGUA & BARBUDA

GUIDANCE NOTE:

REINSURANCE ARRANGEMENTS AND SOUND PRACTICES AND PROCEDURES

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GUIDANCE NOTE:
REINSURANCE ARRANGEMENTS AND SOUND PRACTICES AND PROCEDURES

1.0 INTRODUCTION

1.1 Reinsurance plays a crucial role in preserving the financial soundness of an insurer and forms a vital part of an insurer's risk transfer strategy. Reinsurance is also an important risk management tool available to an insurer, which can be used to reduce insurance risks and the volatility of financial results, stabilize solvency, make more efficient use of capital, better withstand catastrophic events, increase underwriting capacity, and draw on reinsurers' expertise. However, an extensive reliance on reinsurance support exposes the insurer to greater risk of financial strain in the event that reinsurers are unable to fulfil their financial obligations when they fall due.

1.2 Reinsurance exposes an insurer to other risks, including operational, legal, counterparty and liquidity risks, and the combination of these risks can make reinsurance complex and challenging to implement effectively. Inadequate reinsurance risk management practices and procedures can materially affect an insurer's financial soundness and reputation and can ultimately contribute to its failure.

1.3 The use of reinsurance by insurers should be looked at as part of an overall risk assessment of the insurer and not merely with reference to a single type of risk and whether that risk has increased or decreased. It is therefore the responsibility of the insurer to design its reinsurance programme in line with its exposure and business portfolio, taking into account, among other things, the insurance risk profile and concentration of business.

2.0 PURPOSE AND OBJECTIVES

2.1 These guidelines have been developed in order to assist insurers in the preparation of their reinsurance programme to ensure prudence and professionalism.

2.2 These guidelines also set out the Financial Services Regulatory Commission's (the "Commission") expectation for effective reinsurance practices and procedures and should form an integral part of an insurer's overall reinsurance risk management policy, practices and procedures.

2.3 The objectives of these guidelines are to ensure that insurers:

2.3.1 set standards for the use of reinsurance and other forms of risk transfer;

2.3.2 have a framework to manage the selection, implementation, monitoring, review, control and documentation of reinsurance arrangements that are used to contribute to the insurer's ability to meet its obligations to policyholders; and

2.3.3 adequately control and transparently report their risk transfer programmes.

3.0 SCOPE OF APPLICATION

3.1 These Guidelines apply to all regulated insurers including long-term insurers and general insurers, domestic insurance companies and foreign insurance companies in respect of their insurance business in Antigua and Barbuda, reinsurers, and micro insurers (collectively referred to as insurers), that are party to reinsurance cessions, retrocessions, and, where applicable, to assumption reinsurance transactions.

These Guidelines are not intended to be prescriptive but represent the minimum requirements and does not prevent an insurance entity from instituting enhanced policies and procedures.

3.2 The Commission will assess an insurer's reinsurance risk management policy, practices and procedures against these guidelines and, where considered necessary, will require remedial action or impose penalties.

4.0 DEFINITIONS

"assume" means to accept all or part of a cedant's exposure to insurance or reinsurance risk;

"assumption reinsurance" means a form of reinsurance whereby the reinsurer is substituted for the ceding insurer and becomes directly liable for policy claims;

"automatic treaty" means a reinsurance agreement under which the insurer cedes those portions of a specified class of risks that exceed the retention limits set by contract (treaty) with the reinsurer, which must accept all risks ceded to it under the treaty with the insurer;

"binding" means that the parties are bound to the terms and conditions of the contract;

"broker" means a reinsurance intermediary who negotiates contracts of reinsurance on behalf of the cedant, receiving a commission based on the ceded premiums;

"cede" means to transfer an insurance risk from the primary insurer to a reinsurer;

"ceding insurer" or "cedant" means either a ceding insurer or a ceding reinsurer, as the context requires, where a ceding insurer is a primary insurer that transfers a portion of the risk to a reinsurer and a ceding reinsurer is a reinsurer that transfers a portion of the underlying reinsurance to a retrocessionnaire;

"cession" means the insurance coverage transferred to a reinsurer by a ceding insurer. A cession may be all or a portion of a single risk, a group of defined policies, or defined portions of a policy;

"cover note" or "slip" means a reinsurer's or broker's confirmation to a cedant that coverage has been effected. It is usually a one or two-page summary of the coverage, and is provided pending issuance of a formal reinsurance contract;

"credit rating" means the risk rating of a reinsurance counterparty as reported by A.M. Best, Fitch, Moody's, Standard & Poor's or any other such credit agency acceptable to the Commission;

"cut-through clause" means an endorsement to a reinsurance agreement that requires that, in the event of the cedant's insolvency, any loss covered under the reinsurance agreement be paid by the reinsurer directly to the insured (or a third-party beneficiary);

"facultative reinsurance" means reinsurance of individual risks by offer and acceptance wherein the reinsurer retains the ability to accept or reject each risk offered by the ceding company;

"Financial Services Regulatory Commission" means the Commission continued under the Financial Services Regulatory Commission Act, 2013 (as amended);

"fronting" means an arrangement whereby an insurer issues a policy on a risk with the intent of reinsuring all or most of that exposure to another insurer for a fee or a share in the profits;

"funds-withheld arrangement" means a method of providing security to a ceding insurer in which the ceding insurer retains funds from the reinsurer in an amount equal to the outstanding loss reserves and/or unearned premium reserves;

"insolvency clause" means a provision in a reinsurance contract that states that should the cedant become insolvent, the reinsurer will pay recoveries under the contract to the ceding company or to its liquidator, receiver or statutory successor, on the basis of the reinsurer's liability under the policies reinsured, without diminution because of the insolvency. Where there are multiple related cedants, the clause usually also prohibits set-off of cedant balances;

"insurance exposure" means the sum insured for which insurance coverage is provided;

"loss ratio" means incurred losses divided by earned premium for an accounting or treaty period. Loss ratios can be calculated on an accident year, calendar year, or policy year basis;

"primary insurer" means the insurance company that initially originates the business;

"retention" means the amount of insurance exposure a company retains for its own account on a risk;

"retrocedant" means a reinsurer that cedes a portion of the business it assumes to another reinsurer;

"retrocession" means the transfer of assumed reinsurance to another reinsurer;

"retrocessionaires" means a reinsurer that assumes reinsurance from another reinsurer;

"risk appetite" refers to the total level and type of risk exposure that an insurer is willing to undertake to achieve its objectives. Risk appetite can be a qualitative assessment;

"risk tolerance" refers to specific parameters and limits on the level and amount of risk an insurer is willing to accept or retain, such as maximum retention; and

"treaty" means a legal contract between the cedant and the reinsurer(s), usually for one year, that sets out the terms and conditions applicable to the reinsurance.

5.0 REINSURANCE RISK MANAGEMENT POLICY

5.1 An insurer should formulate a written reinsurance risk management policy (RRMP) that is sound and comprehensive, subject to the oversight of the insurer's Board of Directors and implementation by senior management.

5.2 The RRMP should be approved by the insurer's Board or the reinsurance committee designated by the Board.

5.3 The RRMP should form an integral component of the insurer's overall enterprise-wide risk management plan.

5.4 The RRMP should reflect the scale, nature and complexity of the insurer's business, and have regard for its risk appetite and risk tolerance.

5.5 The insurer should define and document in the RRMP all aspects of reinsurance management, including but not limited to:

5.5.1 setting out the objectives of and key factors in formulating the policy for reinsurance management;

5.5.2 identifying the parties involved and their roles and responsibilities in relation to the reinsurance management framework (e.g. for approving, monitoring and reviewing the RRMP and managing reinsurance arrangements); specifying how those responsibilities may be delegated and details of any Commission limit and the process for ensuring that the RRMP is updated to reflect changing market conditions;

5.5.3 describing the process for setting, monitoring and reviewing its risk tolerance level, including the key factors considered (e.g. business strategy, financial strength and cost of reinsurance);

5.5.4 describing the process for determining the most appropriate types of reinsurance arrangements and the risk retention levels to manage the insurer's risk exposure with regard to its risk tolerance level;

5.5.5 describing the process for selecting and ongoing monitoring of reinsurers, including the criteria for evaluating the creditworthiness and diversification of reinsurers and assessing the need for reinsurance deposits and collateral;

5.5.6 describing the process for identification and monitoring of credit risk exposure to reinsurance counterparties;

5.5.7 describing the process for identification and monitoring of liquidity risks to cover any timing mismatch between payment of claims and receipt of reinsurance recoverables;

5.5.8 describing the process for identification and monitoring of aggregation of risks (e.g. relating to a particular industry or geographical region) for relevant insurance business (e.g. property and casualty);

5.5.9 describing the process and control for managing reinsurance arrangements (e.g. reinsurance placement, reinsurance recovery collection and audit examination);

5.5.10 describing the involvement of reinsurance brokers, if any, in the procurement of reinsurance and the selection criteria of the brokers;

5.5.11 describing the process for ensuring accurate and proper documentation or reinsurance arrangements; and

5.5.12 describing the criteria and process for the use of facultative reinsurance, which should be secured before the insurer accepts a risk that exceeds its capacity and/or risk appetite.

5.6 The RRMP should document the significant elements of the insurer's approach to managing risks through reinsurance, including the purpose and objectives for seeking reinsurance, risk diversification objectives, risk concentration limits, retention limits for each class of business, ceding limits, and the practices and procedures for managing and controlling its reinsurance risks.

5.7 Appropriate concentration limits should be based on premiums, expected claims, amount of risk, and possible future exposures (at time of inception or renewal of policy), on a consolidated basis, to individual counterparties, groups of individual counterparties or related entities and counterparties in a specific geography.

5.8 An insurer should document the manner in which it determined the retention limits for each class of business, including the assumptions underlying such determination.

5.9 The RRMP should document the steps taken by the insurer to assess the adequacy and effectiveness of the reinsurance arrangements to ensure that exposures to large and catastrophic losses are adequately addressed. This may require stress testing of exceptional but plausible scenarios to determine if the reinsurance arrangements entered into are adequate at mitigating losses to acceptable levels in accordance with the insurer's risk appetite and risk tolerance.

5.10 The Board or the designated reinsurance committee should review and approve the RRMP at least annually (in the case of a life insurer, possibly less frequently) and when there are material changes to the insurer's circumstances, its underwriting and risk management strategies or the credentials of its major reinsurer.

6.0 IMPLEMENTATION OF THE RRMP

6.1 Senior management has the responsibility of ensuring that the RRMP is operationalized through the dedication of adequate resources and is implemented by the risk management and business line officers and managers charged with the day-to-day responsibility for the RRMP.

6.2 It is the responsibility of the Board and senior management to ensure that appropriate policies, procedures, and internal controls exist to monitor the effectiveness of, and operational compliance with, the RRMP on an on-going basis.

6.3 Procedures and internal controls should ensure that matters including, but not limited to, the following are dealt with appropriately:

6.3.1 Insurance exposures in excess of the retention limits are not accepted unless reinsurance arrangements are in place;

6.3.2 Reinsurance arrangements are documented and the documentation is filed in an organized manner;

6.3.3 Reinsurance premiums or considerations are paid in accordance with the terms of the reinsurance arrangements;

6.3.4 Claims related to insurance exposures that have been reinsured are reported to the reinsurer(s) in a timely manner and in accordance with the terms of the reinsurance arrangements;

6.3.5 Amounts due from reinsurers are collected on a timely basis;

6.3.6 Accounting for amounts payable to or receivable from reinsurers follows the terms of the reinsurance arrangements; and

6.3.7 Amounts payable to reinsurers and amounts receivable from reinsurers are reported separately in the insurer's financial statements.

6.4 The insurer must have in place written procedures in respect of:

6.4.1 Timely payments of reinsurance premiums to reinsurer; and

6.4.2 Timely recovery of reinsurance claims.

6.5 A senior officer of an insurer should make an annual reinsurance declaration to the Board to confirm that the insurer's reinsurance risk management practices and procedures meet, except as otherwise disclosed in such declaration, the standards set in these guidelines. The declaration should include an attestation that the insurer's reinsurance arrangements effect a risk transfer and that they are accounted for in the appropriate manner.

6.5.5 When a deviation from these guidelines has taken place over such year, the nature and extent of the deviation, and the measures taken or proposed to correct or otherwise mitigate the risk associated with such deviation, should be documented and disclosed to the Board and to the Commission in full.

7.0 REINSURANCE COUNTERPARTIES

7.1 An insurer should perform proper due diligence measures for selecting participating reinsurers during reinsurance placement and on an on-going basis to ensure that the insurer is aware of its counterparty risk and is able to assess and manage such risk.

7.2 The selection process should take into account factors such as the reputation, financial soundness, expertise and counterparty risks of reinsurers. The insurer should have its own methodologies of assessment for counterparty risks of reinsurers and should not solely rely on third parties, including rating agency assessment or broker analysis and recommendations. Prudent practice dictates that an insurer should conduct its own due diligence on the financial strength and capabilities of all reinsurance counterparties.

7.3 An insurer should evaluate the ability of all current and prospective reinsurance counterparties to meet their liabilities under exceptional but plausible adverse events on an on-going basis. The level of an insurer's due diligence on any reinsurance counterparty should be commensurate with its level of exposure to that counterparty. The level of due diligence should not be any less thorough if the counterparty is a related party of the insurer.

7.4 When performing its due diligence, an insurer should give consideration to, among other things, the reinsurance counterparty's:

7.4.1 legal and regulatory status, particularly that the reinsurer is authorised to carry on reinsurance business in other countries and that the reinsurer has complied with the financial requirements of the home country. Also, that the reinsurer is legally and geographically entitled in accordance with its articles of association to accept the business ceded;

7.4.2 credit worthiness and claims payment record;

7.4.3 methods of valuation of technical provisions- the provisions in relation to the business written and its risk exposure (e.g. in long-tail business) should provide an indication whether the reinsurer is able to fulfill its obligations at any time;

7.4.4 expected future claims obligations;

7.4.5 financial standing and balance sheet strength, in terms of asset size and the types of assets, premiums, solvency margin, technical provisions and profitability record of the reinsurer for at least the preceding five years should be analysed;

7.4.6 funding sources, including its level of and access to capital, and form, amount and sources of liquidity;

7.4.7 the quality of its governance practices and procedures, including independent and fit and proper management; and

7.4.8 retrocession arrangements and the direct or indirect impact they may have on the insurer's own arrangements with the reinsurer. If a cedant insurer is aware that a reinsurance counterparty relies significantly on retrocessions, the cedant should seek greater visibility of the identities and financial standing of the retrocessionaires.

7.5 An insurer that is a reinsurer should, commensurate with its level of exposure to a cedant, conduct its own due diligence on the risk management and risk assessment criteria of the cedant.

7.6 An insurer should update its evaluation of each of its reinsurance counterparties throughout the life of the reinsurance contract. In cases where there may be material exposures to incurred but not reported losses, the evaluation should continue beyond the expiration date of the contract to ensure that the insurer assesses potential reinsurance recoverables from expected future claims.

7.7 The Commission expects robust due diligence by an insurer in respect of any current or prospective reinsurance arrangement with a reinsurer or with a cedant that is not regulated by the Commission. This assessment of counterparty risk should include an assessment of the quality of the regulatory and supervisory regime, compliance with international standards and best practices, and the adequacy of the insolvency laws governing proceedings in the home jurisdiction of the counterparty.

7.8 The Commission may prohibit an insurer or insurers from transacting reinsurance with a particular counterparty if, in the opinion of the Commission:

7.8.1 An insurer has not performed adequate due diligence on such counterparty; or

7.8.2 The transaction of reinsurance with such counterparty would pose unacceptable risk to the insurer or insurers.

7.9 An insurer shall be required to transact insurance business with reinsurers having a minimum investment grade rating of BBB+ or equivalent provided by an international ratings agency such as A. M. Best, Standard and Poor's or the equivalent.

.0 SPREAD OF REINSURERS

8.1 An insurer is expected to have policies and procedures that describe and set concentration limits for credit risk exposure to reinsurance counterparties based on their risks appetite and maintain an appropriate system to monitor these exposures.

.0 REINSURANCE CONTRACTS

9.1 The terms and conditions of each reinsurance arrangement should be set out in a reinsurance contract, which should provide clarity and certainty on reinsurance coverage.

9.2 An insurer should have processes and procedures in place to ensure that comprehensive, reinsurance contracts which are duly signed by both the insurer and reinsurer are in place prior to the effective date of the contract. To achieve clarity and certainty on reinsurance coverage, a reinsurance contract should be unambiguous, and there should be complete and final agreement of all material terms and conditions of the contract, documented in writing, by all parties prior to the contract's effective date.

9.3 The Commission recognizes that there may be situations where a comprehensive reinsurance contract is only duly executed by all parties after the effective date. In such circumstances, historical practice has been that the reinsurance coverage during this interim period is usually set out in a less formal document such as a slip, cover note, letter of proposal or binding letter of intent, hereinafter referred to as the "summary document". If an event were to occur within this interim period, lack of certainty relating to the terms and conditions of the reinsurance coverage in the summary document could result in actual operational and reputational risks for both the insurer and the reinsurer. In an effort to mitigate these risks, the Commission expects insurers to:

9.3.1 obtain contractually binding summary documents prior to the effective date of the reinsurance coverage, including, but not limited to electronic copies, or original hard copies, of signed documents that set out:

(a) the premium or consideration paid by the insurer;

(b) the percentage of risk assumed by each reinsurer;

(c) the risk(s) reinsured;

(d) the duration of the coverage;

(e) where applicable, any exclusions to terms of coverage; and

(f) any standard clauses that are to be relied upon or incorporated by reference into the reinsurance contract;

i. address, within the summary document, any material issues most likely to arise, including all variable or unique agreement terms; and

ii. ensure that all comprehensive reinsurance contracts, including any amendments, are duly signed by both the insurer and reinsurer within a relatively short time frame, having regard to the complexity and materiality of the agreement.

9.4 Generally, a reinsurance contract should stand on its own, providing the necessary clarity and legal certainty on reinsurance coverage. The Commission acknowledges, however, that there may be situations where it is necessary and appropriate for an insurer to enter into a supplemental or subordinated reinsurance contract, a side letter, or other types of arrangements that are ancillary to, and form part of, the main reinsurance contract. In addition to ensuring that these arrangements meet the requirements of this directive, the insurer should be transparent with stakeholders about these arrangements, ensure that such amendments are appropriately reflected in its financial statements, and ensure that they do not adversely change the terms or conditions of the original contract to the detriment of policyholders.

9.5 The terms and conditions of a binding reinsurance agreement should provide that funds will be available to cover policyholder claims in the event of either the cedant's or reinsurer's insolvency. No policyholder in the (re)insurance chain should be adversely affected, including the cedant and its policyholders. To this end, reinsurance contracts should include an "insolvency clause", and particular attention should be paid to the appropriate use of "off-set" or "cut-through" clauses, the structure of "funds withheld" arrangements, and other such types of terms or conditions that may frustrate the scheme of priorities under the winding-up legislation.

9.6 Ceding insurers should ensure that all reinsurance contracts contain an insolvency clause clarifying that the reinsurer must continue to make full payments to an insolvent cedant without any reduction resulting solely from the cedant's insolvency. Such a clause provides greater certainty that reinsurance receivables remain within the overall general estate of the insolvent ceding company, rather than being allocated toward the payment of specific claims of creditors or policyholders.

9.7 Reinsurance contracts should not contain other types of terms or conditions that may limit a troubled or insolvent cedant's ability to enforce the contractual obligations of a reinsurer, or that may adversely affect the treatment of any claims in respect of the cedant's policyholders.

9.7.1 Off-set and cut-through clauses are prohibited if they would give preferential treatment over other claims under the winding-up of a cedant.

9.7.2 If a reinsurance contract provides for a funds withheld arrangement, the contract must clearly provide that, in the event of the cedant's or reinsurer's insolvency, the funds withheld, less any surplus due back to the reinsurer, must form part of the property of the cedant's general estate.

9.8 All reinsurance contracts should stipulate a choice of forum, a choice of law, and the appointment of agents for service of legal processes. These are necessary to ensure the reinsurance contract and any disputes arising from such contract are subject to the laws and courts of Antigua and Barbuda or another legal jurisdiction of, in the reasonable opinion of the insurer, equivalent or greater reliability and certainty which has a natural connection to the transaction.

9.9 Ceding insurers are encouraged to ensure that any treaty reinsurance contract provides for the possibility of renegotiating its terms and conditions if the average loss ratio experienced under such treaty during an appropriate period, for example, the three most recent years, is lower than a level set out in the treaty, which is reasonable in relation to the nature of the reinsurance coverage provided under the treaty.

10.0 PROHIBITED PRACTICES

10.1 An insurer shall not establish a retention limit for any class of business that exceeds five percent of the lesser of:

10.1.1 The total of its paid-up capital and retained earnings, as reported in its most recent audited financial statements; and

10.1.2 Its available capital for solvency purposes, as determined in accordance with any relevant directive issued by the Commission, unless such retention limit has been explicitly approved by the Commission.

10.2 An insurer shall not accept insurance exposures in excess of its retention limits unless reinsurance arrangements are in place.

10.3 An insurer generally should not, in the normal course of its business, cede all, or substantially all, of its risks in the main areas in which it conducts business.

Absent extenuating circumstances, such an arrangement could weaken the underwriting standards and discipline at the ceding insurer.

11.0 SUPERVISORY INFORMATION

11.1 An insurer shall provide the Commission, with the following documents within thirty (30) days of the commencement of each underwriting year:

11.1.1 a copy of its RRMP or any material changes made to the RRMP;

11.1.2 a complete description of all of its reinsurance arrangements, including levels of reinsurance, any alternative risk transfer (ART) mechanism and due diligence performed on reinsurance counterparties;

11.1.3 copies of reinsurance contracts;

11.1.4 the proportion of cessions to reinsurers as per Form D6 (Reinsurance Details) of the Annual Returns; and

11.1.5 amounts outstanding from reinsurers, including amounts in dispute.

11.2 An insurer shall inform the Commission, promptly if it anticipates that a problem is likely to arise, or has arisen, out of its reinsurance arrangements that may affect it or its reinsurers current or future capacity to meet their obligations.

11.3 An insurer shall have processes and procedures in place to provide the Commission with information, on the appropriateness of its reinsurance protection, the company's financial position, the level of risk affected or any other problems that might arise, after a major catastrophic event.

12.0 ALTERNATIVE RISK TRANSFER (ART)

12.1 The Commission is aware that other forms of risk transfer exist which may seek to achieve the same objectives a traditional reinsurance e.g. catastrophe bonds, industry loss warranties and finite reinsurance[1]. Such contracts should not be considered to mitigate insurance risk (underwriting risk and timing risk) unless there is a genuine and significant transfer of this risk. A genuine transfer of risk implies that the reinsurer assumes all the significant risk of the reinsured portions

[1] Also called "financial reinsurance", "structured reinsurance", "non-traditional reinsurance" or "loss-mitigation reinsurance" is a generic term that is used to describe a wide spectrum of reinsurance arrangements that transfer limited risk relative to aggregate premiums that could be charged under a contract.

of the underlying insurance contracts and that these risks are not negated by contract provisions.

12.2 The insurer should be aware of any contractual features that may limit the amount of insurance risk to the reinsurer or delay the timely reimbursement of claims by the reinsurer.

12.3 It is essential that these transactions are accounted for appropriately. An insurer should put in place a robust framework for managing and monitoring ART arrangements. Only contracts that have transferred sufficient insurance risk as required by the relevant accounting standards should be accorded "insurance accounting" treatment. If the reinsurance contract does not meet the insurance risk transfer requirement it should be accounted for as a financing agreement similar to that of a loan or a deposit.

13.0 REINSURANCE DECLARATION

13.1 A senior officer of the insurance company should make an annual declaration to the Board of Directors to confirm that the insurer's reinsurance risk management practices and procedures are met, except as otherwise disclosed in such declaration, the standards set out in these guidelines.

13.2 The declaration should include an attestation that the reinsurance arrangements convey a true transfer of risk, the reinsurance arrangements are properly documented and binding and that all reinsurance arrangements with related parties are on terms and conditions at least favourable to the insurer.

13.3 When a deviation from these guidelines has taken place, the nature and extent of the deviation and the proposed plans to address such deviations should be disclosed in full to the Board and the Commission.

14.0 PENALTY

14.1 Where an insurer fails to comply with the provisions of these guidelines, the Commission may give a directive in accordance with the provisions of the Insurance Act to ensure compliance.

15.0 COMMENCEMENT

This Guidance Note shall come into effect this XX of XXX, 2020.

Issued by:

Financial Services Regulatory Commission