

ANNUAL REPORT 2020

OFFICE OF THE SUPERVISOR OF
INSURANCE & PRIVATE PENSION

MINISTRY OF FINANCE



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Message from the Supervisor of Insurance, International Insurance & Pension

Supervision of the insurance and private pension sector in Belize has transformed over the years. In Belize, prudential supervision of the insurance sector is transitioning from a rules-based approach into a risk-based approach. The current hybrid supervisory approach has allowed both OSIPP and the insurance sector to start adapting to the new system without causing disruptions in the conduct of business and affecting the interests of policyholders. The private pension sector remains under a rules-based supervisory system for the moment.



The “traditional challenges” of both the insurance and private pension sectors were compounded by the onset of the Covid-19 pandemic which changed the mode of doing business in Belize. Insurance companies were not included in the list of essential services during the first ever “emergency lock down of the country” in April of 2020 so the companies were unable to open their doors for business. In fact, the hurricane season started while the insurers’ offices were closed. Despite the inability to open their offices for business, insurance companies were forced to innovate rather quickly and transition into a virtual business environment using the technology available. OSIPP, like the rest of the Government Offices was forced to work from home to protect staff. With the encouragement and support of the Central Information Technology Office “CITO”, OSIPP has been transitioning into an electronic business environment. It is through this medium that OSIPP continued to work without interruption. During this period all services were rendered, except for on-site inspections. OSIPP moved all meeting virtually for the protection of staff. Complaints were managed electronically and for those that were not able to have access to submit a complaint electronically, OSIPP implemented a walk-in complaint process for those persons.

The Supervisor’s nightmare of a “double whammy” realized itself in 2020 with a pandemic and natural disaster. Luckily, the Belize insurance sector remained resilient and was able to handle both incidents without creating a shock to financial stability. The long-term of effects of the pandemic is yet to be seen, so this is being monitored very closely.

The private pension sector was also affected by the pandemic. Delays with filing documents with the General Registry resulted in delays with completing the registration of pension plans. The lock down and social distance protocols affected the audits and actuarial reviews. The effect of unemployment is yet to be reviewed in the pension membership.

Despite the uncertainty, the OSIPP Team remains steadfast with their duties, looking to a positive outlook for better days to come.

Office of the Supervisor of Insurance & Private Pensions

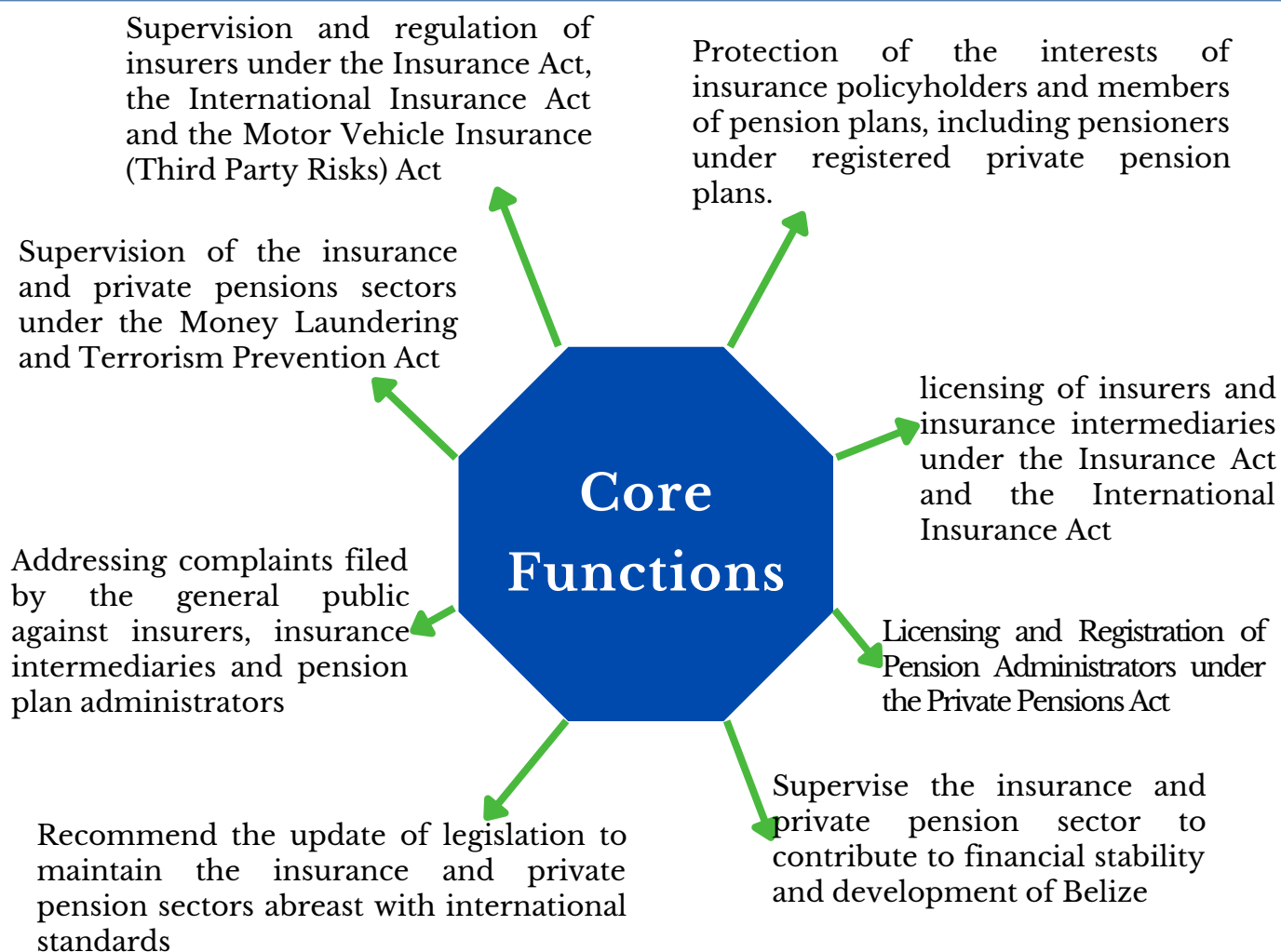
Core Values & Functions

»» *Mission*

- Our mission is to protect the interests of insurance policyholders and members of private pension plans by striving to maintain the insurance and private pension sectors financially stable, operationally viable and sustainable.

»» *Vision*

- We will proactively internalize international best practices in the supervision and regulation of the insurance and pension sectors applying proportionality for the benefit and financial inclusion of all members of society.



DOMESTIC INSURANCE SECTOR

The Supervisor of Insurance administers the Insurance Act, (Chapter 251, R.E. 2011) and the Motor Vehicle Insurance (Third Party Risks) Act (Chapter 231, R.E. 2011) with their accompanying Regulations. These pieces of legislation apply to the domestic insurance sector.

LEGISLATIVE UPDATES

AMENDMENTS TO THE INSURANCE ACT:

- **Act No. 4 of 2014** – introduced Fit and Proper Provisions, among other amendments
- **Act No. 11 of 2014** – expanded Corporate Governance Provisions and addressed shareholding and control provisions
- **Insurance (Amendment of Schedules) Order 2018, Statutory Instrument No. 69 of 2018:** This amendment order expanded the list of assets where insurers can invest for purposes of the statutory fund.

REGULATIONS:

- **Insurance (Electronic Accounts & Forms) Regulation 2018, Statutory Instrument No. 9 of 2018:** These regulations replaced the 1998 Insurance (Accounts & Forms) Regulations. The new regulation allowed for the expansion of statutory financial reporting whereby more financial data must be submitted in a standardized manner. In addition, this statutory filing is done electronically eliminating paper submissions. The audited financial statements are also submitted in hard copy in addition to the online filing.
- **Harbors Equity and Merchant Shipping (Water Taxi) Regulations, 2019, Statutory Instrument No. 29 of 2019:** Includes provisions for mandatory third-party risks insurance for water taxis like that of the Motor Vehicle Insurance (Third Party Risks) Act.

COMPOSITION OF THE DOMESTIC INSURANCE MARKET

The domestic insurance market has practically maintained the same players. Except for the special license issued to the Holy Redeemer Credit Union for micro-insurance, all other insurers are full insurance companies. Lloyds is licensed as an Association of Underwriters.

The Insurance Act prohibits the licensing of new composite insurers; however, to promote financial inclusion the Insurance Act was amended to allow companies to carry on insurance business as a composite if the products the company carry is an approved micro - insurance product.

Insurance Licensees in 2020	
Local Life Insurance Companies	Foreign Life Insurance Companies
RF&G Life Insurance Company	Sagicor Life Inc.
	Scotia Insurance Caribbean Limited
Local General Insurance Companies	Foreign General Insurance Companies
RF&G Insurance Company	Guardian General Insurance Limited
Insurance Corporation of Belize Limited	Massy United Insurance Company
Local Composite Insurance Companies	Association of Underwriters
Atlantic Insurance Company	Lloyds
Home Protector Insurance Company	Special Insurance Licence
	Holy Redeemer Credit Union

Table 1: Insurance Licenses in 2020

All licenses are only valid for a year and must be renewed annually. The Insurance Act prohibits the cancellation of an insurance license if the insurer continues to carry insurance liabilities. The company must make arrangements for the transfer of the insurance portfolio or liquidation of the insurance portfolio before it is allowed to windup.

The Holy Redeemer Credit Union (HRCU) was issued with a special insurance license to conduct micro-insurance in Belize. This was done to foster financial inclusion within the insurance sector. It should be noted; however, that HRCU's license does not allow it to offer the approved insurance products to non-members of that credit union. The credit union is also required to file reports and set up the statutory fund similarly as the insurance companies.

Table 2: Composition of the Domestic Insurance Sector 2014-2020

Composition of the Domestic Insurance Sector 2014-2020								
	Local Life	Foreign Life	Local General	Foreign General	Local Composite	Association of Underwriters	Special License	Total Insurers
2014	1	6	2	2	2	1		14
2015	1	3	2	2	2	1		11
2016	1	2	2	2	2	1		10
2017	1	2	2	2	2	1		10
2018	1	2	2	2	2	1		10
2019	1	2	2	2	2	1	1	11
2020	1	2	2	2	2	1	1	11

Insurance intermediaries are required to be licensed. The insurance license of the insurance agents is tied to that of a licensed insurance company. The ultimate responsibility of the agent's activities lies with the insurer.

Insurance agents can be licensed in one of three categories – Corporate Agent, Individual Agent, or Sub-agent. Insurance brokers can only do business with licensed insurers in Belize.

Domestic Insurance Intermediaries 2011-2020				
Year	Individual Agents	Corporate Agents	Sub - Agents	Brokers
2011	112	9		1
2012	107	11		1
2013	117	9		1
2014	107	9		1
2015	111	9		2
2016	108	7	3	2
2017	107	7	2	2
2018	96	7	2	2
2019	91	10	5	2
2020	86	9	5	2

Table 3: No. of Insurance Intermediaries licensed

PRODUCT DISTRIBUTION

Insurance products are provided from the insurer's head office or branch office within the country. Except for Lloyds and HRCU, the insurance companies use agents for distribution of the products. The insurance sector has been using technological advances for marketing, thus allowing customers to solicit quotations for insurance coverage via email or web applications. Claims notifications is also obtained using the web applications.

With the onset of the Covid 19 Pandemic in March 2020 in Belize, the domestic insurance sector was forced to close their offices as insurance was not included in the essential services list. During this period the companies were forced to make alternative arrangements to work from home using the technology available to them. There were companies who were unable to adapt and lost business during the shutdown period. The latter was forced to introduce technology to navigate through the pandemic. Some companies developed web applications allowing their clients access to their policies to facilitate application for insurance and renewal of policies for those policyholders with insurance.



Belmopan, 30th March 2020

PRESS RELEASE

PROOF OF MOTOR VEHICLE INSURANCE DURING COVID-19 PANDEMIC: CERTIFICATE OF INSURANCE

In an effort to ensure that motorists adhere to the requirement of holding compulsory third-party motor vehicle insurance during the COVID-19 pandemic, the general insurance companies in Belize will be providing continued service, whether by limited office interactions or only by non-face-to-face contact, including telephone, email or WhatsApp communication.

Insurers will require that clients/policyholders provide the required documents for processing the application of insurance including copies of identification, licensing and title ownership and pay their premium. Any person, for the purpose of obtaining the issue of a certificate of insurance makes any false statement or withholds any material information, is guilty of an offence and is liable on summary conviction to a fine not exceeding four hundred dollars or to imprisonment for a term not exceeding six months, or to both such fine and term of imprisonment.

Once an application has been approved, the Insurers will issue the certificate of insurance and insurance disc by electronic means in a PDF version which the policyholder can print or hold as an image on his/her telephone for presentation to Law Enforcement (Police or Transport Officer) if requested at any checkpoint or at any time while the Law Enforcement Officer is in uniform. If any person issues a certificate of insurance which is to his knowledge false in any material particular, he is guilty of an offence and is liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding four hundred dollars, or to both such fine and term of imprisonment.

Motorists are reminded that the onus of ensuring that the vehicle is insured rests with the Registered Owner of the vehicle and that proof of insurance must be provided to any Law Enforcement Officer in uniform (Police or Transport).

The general public is reminded of section 13 of the Motor Vehicle Insurance (Third Party Risks) Act which provides for fines and conviction where persons, with the intention to deceive – forges within the meaning of the Criminal Code or alters, or uses or lend to or allows to be used by any other person a certificate of insurance or makes or has in his possession any document so closely resembling such certificate of insurance as to deceive he shall be guilty of a misdemeanour and shall be liable to conviction on indictment to imprisonment for two years.

The Electronic insurance policies issued in PDF will only be done for the period of the COVID-19 Pandemic and in the first instance for the months of April to June 2020.

ALMA D. GOMEZ (MS.)
Supervisor of Insurance

With the agreement of the Transport Department and the Police Department, the Supervisor of Insurance allowed domestic insurers providing motor vehicle insurance to temporarily issue electronic decals to persons renewing motor vehicle insurance during the period in which insurers could not open their offices which was from April to June 2020. This measure had to be taken as third-party motor vehicle insurance is compulsory in Belize and the insurer’s offices were closed.

Insurance agents continued engaging with their clients using telephone, emails, and social media. Advertisement increased in social media and to mitigate any risks, several insurers conducted training sessions for both their staff and agents on ethics, conducting business over the internet, and internet security. This type of training allows the sector to adapt to technological advances. While the pandemic has restricted physical meetings, so agents and many insured preferred the in-house meeting.

INDUSTRY PERFORMANCE

The domestic insurance sector has been growing at an average of 5.5% since 2012 and for the first time in 2020, it reported a decrease in gross premium income of 1.97%. The decrease in gross premium income is mainly attributed to the economic downturn created by the Covid- 19 pandemic.

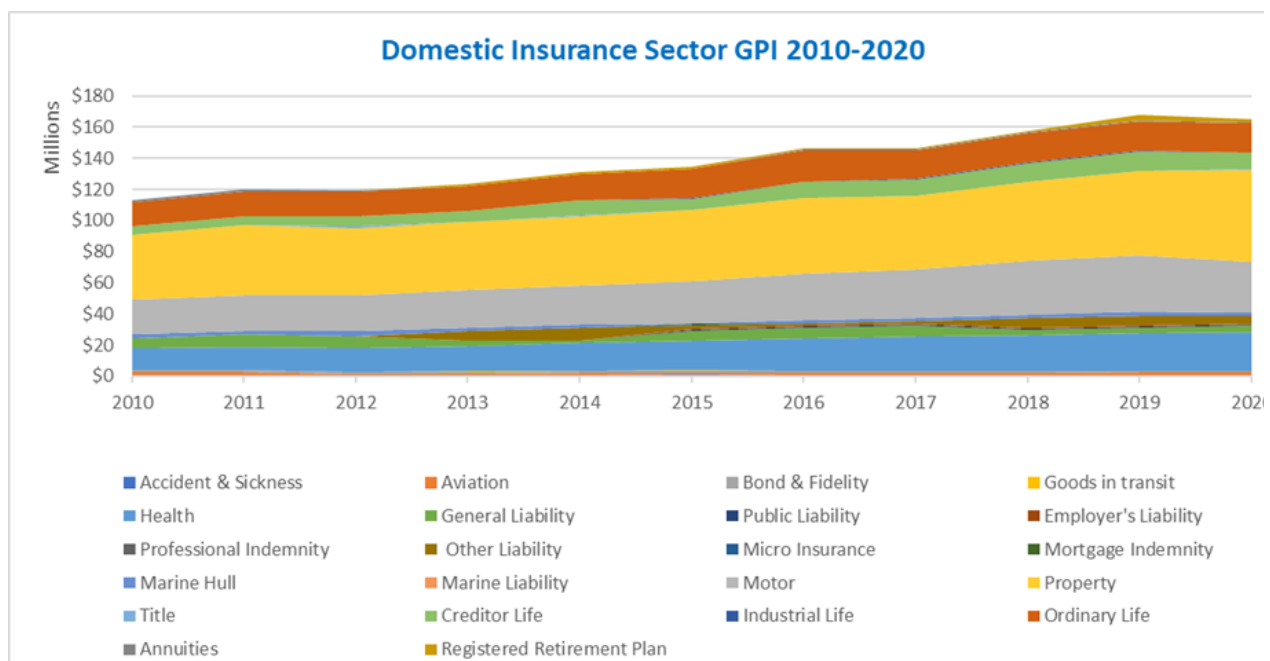


Figure 1: Gross Premium Income 2010-2020

While there are various classes of insurance business in the domestic sector, the four major classes are property insurance, motor vehicle insurance, ordinary life insurance and health insurance. Statistics of all classes of insurance are in [Appendix 1](#).

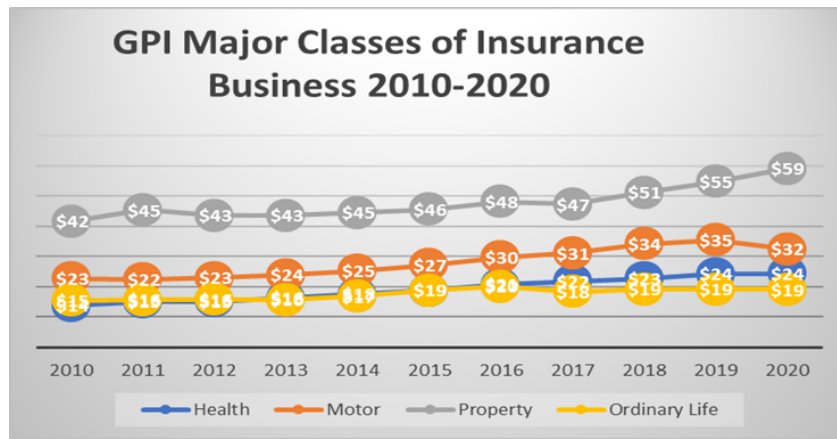


Figure 2: Gross Premium Income of Major Classes of Insurance Business 2010-2020

PROPERTY INSURANCE

Gross premium income for property insurance has been increasing steadily. The increase is attributable to an increase in premium (price) and to large real estate/property developments throughout the country. In 2020, some companies allowed their insured to pay the insurance premium for property insurance in instalments, thus lowering the pressure to pay a full premium when in some cases the property owner was either unemployed or working at a lower salary. The banking sector requires that property used as collateral for loans be insured, so this also contributes to a higher demand for property insurance



MOTOR INSURANCE

Although third-party motor vehicle insurance is compulsory in Belize, motor insurance suffered the largest decline of 8% in gross premium income. From the onset of the pandemic, insurers reported that the tourism sector either converted their comprehensive motor vehicle insurance to third party insurance or cancelled the policies. The limited movement of vehicles and unemployment also contributed to lower GPI in the sector.



Insurance companies were not allowed to open their offices for the period of April to June as they were not listed as essential services. During this period, insurance companies had to operate remotely where special dispensation was given for provision of “electronic motor insurance decals” as proof of motor vehicle insurance.

HEALTH INSURANCE

Health insurance GPI has been increasing steadily mainly due to higher premiums. Insurers keep complaining about the higher medical bills obtained once the person advises that s/he has health insurance.



There was an attempt made to introduce a new health insurance policy for health care service providers in 2020 but the product design was not completed. An increased demand for health insurance has been observed, but the high-cost limits accessibility. Some persons have sought to purchase health insurance from foreign insurers not licensed in Belize.

LIFE INSURANCE

Except for Industrial life insurance, all other life insurance products are placed in the ordinary life category for statistical purposes. This class of business has seen a slight decline in GPI. Companies reported policies lapses, conversion of policies and cancellation of policies

There were cases where the policy could not be kept as some policyholders were unable to maintain the policy in force. Many group life insurance policies were affected due to the unemployment generated by the shut down and downsizing of businesses in 2020. Creditor Life was most affected as it saw multiple cancellation of policies but also saw new application for policies due to the refinancing of loans.



INVESTMENT

Asset-liability matching is a vital element for insurers. For a life insurance company, asset-liability management is fundamental for its long-term paying strategy while for a general insurance company, liquidity is key to settle short-term claim obligations.

Apart from their own investments, insurers are required to maintain both a statutory deposit and a statutory fund to meet the insurance liabilities of the company.



Figure 3 lists out the type of investments done by the domestic insurance sector. Some of the assets are either specific to the statutory fund or to own investments. Insurers are free to invest in any assets for own investment but are restricted by the Third Schedule of the Insurance Act for assets assigned to the statutory fund.

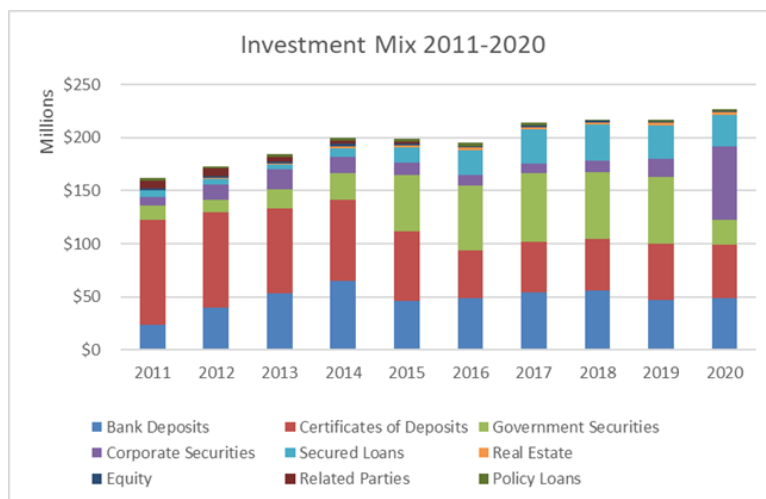


Figure 3: Investments by Domestic Insurance Sector 2011-2020

Bank deposits include cash held in bank, current, and saving accounts as opposed to certificates of deposits. In many instances the insurance sector pays the banks a fee to hold their money. A charge of 1%-3% of the value of the certificate of deposit (“CD”) is also charged just to set it up for purposes of the statutory fund. Despite the fee charged, the interest paid on the CD is sometimes below 1%.

One life insurer has been providing mortgage loans to its policyholders, while carefully monitoring for non-performing loans, which have been very limited. These loans are not only backed by property collateral but also by a life insurance policy.

Apart from the Treasury Bills and Treasury Notes, debentures issued by statutory bodies and corporate entities have been very limited. In 2019, the National Gas Company made bonds available for investment which the industry happily took. The Belize Water Services (BWS) debentures of 2020 also provided insurers with investment diversification.

This eventually led to a drastic change in the type of investments made by the domestic insurance sector as there was a major shift from government securities and bank certificate deposits to corporate bonds. In 2020, company bonds, debentures and other company securities grew by 301% when compared to the previous year. This is the first time that investments in corporate securities became the largest investment asset by industry. Holistically, this line accounted for 30% of total investments making it the single largest investment asset across the industry’s investment portfolio.

There is still considerable concentration in commercial banks since the combined CDs, TDs, cash, and bank deposits accounted for 44% of investment assets and 28% of total assets across the sector. While investment in government securities decreased, it still accounted for 10% of investment assets and 6% of total assets. Government securities are being replaced by corporate securities as the latter is providing a higher rated or return and variation in duration. Lastly, secured loans, especially mortgages slightly decreased in 2020 by approximately 5%. Mortgages accounted for 13% of investment assets and 8% of total assets.

STATUTORY FUND

While the statutory fund forms part of insurers investment assets, these funds are earmarked to cover policyholder liabilities and are ring-fenced. The statutory fund has a direct correlation with the insurance policy liabilities and as such forms an integral part in the protection of policyholders. In addition to the establishment a statutory fund for each class of insurance business, each insurer is also required to establish a statutory deposit equaling to 15% of the previous year’s net premium income. The deposit forms part of the statutory fund. The Insurance Act provides a wide range of security types where insurers can invest assets of the statutory fund; however, not all these security types are available in Belize. There is a maximum cap of 20% investment in foreign approved assets.

Asset liability matching is essential in the insurance business for meeting policyholder’s liabilities. Both the duration and interest rate of the assets can affect an insurers statutory fund calculation. Actuarial results for the life insurers demonstrate that most of the life insurance policies are sensitive to changes in interest rates especially in cases where most of the policies were designed during a period of high interest rates. Over the last six years, life insurance liabilities have been affected by low interest rates resulting in higher statutory fund reserve requirements.

The composition of the statutory funds varies slightly from the total investment mix due to the restriction on approved securities. The three major assets of the statutory fund are Treasury Notes, Treasury Bills and Certificates of deposits. The insurance sector lost its possible investment in Treasury Bills when the commercial banks were allowed to use these assets as part of their reserves.

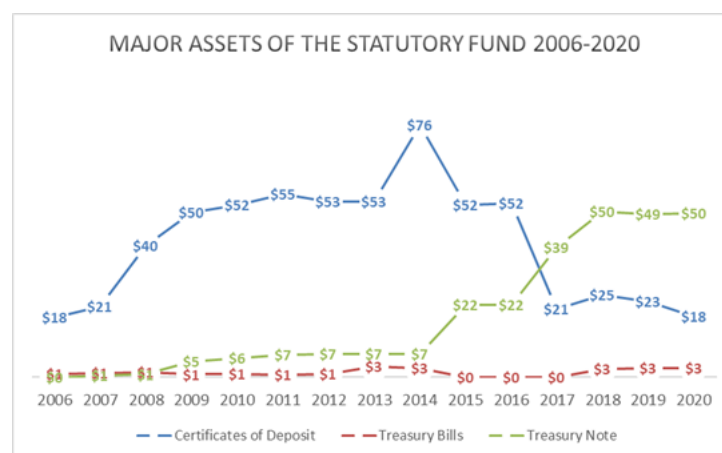


Figure 4: Major Assets within the Statutory Fund of Domestic Insurance Companies

Apart from those major assets, the insurance sector invests in corporate bonds and debentures available on the market. Real estate is accepted as an approved security on the condition that it must be replaced by other approved securities within 2 years. This has proven to be a bit difficult due to the lack of available securities. One company has invested in US Mutual Funds using the foreign investment option available.

Composition of the Statutory Fund 2015-2020						
Type of Securities	2015	2016	2017	2018	2019	2020
BEL Debentures	\$6,055,000	\$6,055,000	\$6,050,000	\$7,580,000	\$8,000,000	\$8,000,000
BWSL Debentures	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Certificates of Deposit	\$52,046,617	\$52,430,551	\$20,687,114	\$24,788,418	\$22,951,867	\$18,318,105
Real estate	\$6,287,756	\$6,287,756	\$9,310,819	\$9,310,819	\$10,206,080	\$10,176,224
Treasury Bills	\$0	\$0	\$0	\$2,500,000	\$2,805,000	\$2,805,000
Treasury Note	\$21,926,000	\$21,926,000	\$39,326,000	\$49,918,000	\$49,311,000	\$49,511,000
Floating Rate TN	\$0	\$0	\$2,893,000	\$3,893,000	\$2,200,000	\$2,200,000
Municipal Bonds	\$5,800,000	\$5,800,000	\$6,800,000	\$3,500,000	\$3,500,000	\$3,500,000
SCA Bond	\$0	\$0	\$250,000	\$250,000	\$250,000	\$250,000
US Mutual Funds	\$0	\$0	\$709,177	\$716,077	\$1,039,933	\$1,000,000
National Gas Company Bonds	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
TOTAL	\$92,115,372	\$92,499,306	\$86,026,110	\$102,456,314	\$105,263,880	\$102,260,330

Table 4: Composition of the Statutory Fund 2015-2020

In 2020, the commercial bank with the largest amount held in the statutory fund held approximately 3% of the total term deposits. Two other banks accounted for 25% of total term deposits each whilst the remaining banks held 10% amongst them. The decrease in the investments in banks has lowered the contagion risk between banks and insurers.

CLAIMS

Belize was affected by Tropical Storm Amanda/Cristobal and Hurricane Nana in 2020. Although Tropical Depressions Eta and Iota did not cross the country, their proximity to Belize along with the rainfall they left in Guatemala led to flooding in certain areas of Belize. These tropical systems generated losses to road infrastructure, property, and agriculture. The road infrastructure and agriculture produce were uninsured and there was limited insured property in the areas affected by the floods.

General insurance claims would normally increase drastically in a “hurricane year” whenever a tropical cyclone would affect Belize. The tropical cyclone events of 2020 increased claims but not to the extent as that of 2016 when Hurricane “Earl” made a direct landfall in Belize.

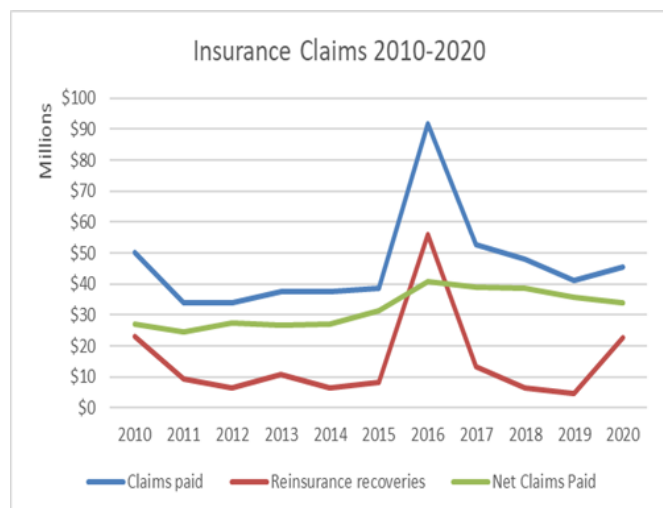


Figure 5: Total Insurance Claims 2010-2020



Figure 5: Hurricane Nana advisory

Since the general insurance sector is heavily reinsured, reinsurance recoveries, for the most part follow the trend of the gross claims. In 2016, Hurricane “Earl” generated not only property insurance claims but also motor vehicle insurance claims, where the motor vehicles were insured against hurricane and flood. The 2020 tropical events mostly generated property insurance claims.

Claims Arising From Tropical Events											
Tropical Depression "ETA"				Tropical Depression "IOTA"				Hurricane "NANA"			
ZONE/ DISTRICT	Number of Claims Received	Number of Claims Below Deductible	Total Amount Claimed (BZD)	ZONE/ DISTRICT	Number of Claims Received	Number of Claims Below Deductible	Total Amount Claimed (BZD)	ZONE/ DISTRICT	Number of Claims Received	Number of Claims Below Deductible	Total Amount Claimed (BZD)
Belize	76	15	\$970,341	Belize	28	2	\$604,257	Belize	6	3	\$60,102
Cayes	16	7	\$688,800	Cayes	1	0	\$176,673	Cayes	14	1	\$3,545,772
Corozal	2	1	\$10,000	Corozal	4	0	\$164,090	Corozal	0	0	\$0
Orange Walk	2	0	\$10,500	Orange Walk	0	0	\$0	Orange Walk	0	0	\$0
Cayo	40	1	\$1,662,270	Cayo	0	0	\$0	Cayo	1	1	\$0
Stann Creek	18	4	\$956,201	Stann Creek	0	0	\$0	Stann Creek	30	7	\$1,215,527
Toledo	0	0	\$0	Toledo	0	0	\$0	Toledo	0	0	\$0
TOTAL Property	154	28	\$4,298,112	TOTAL Property	33	2	\$945,020	TOTAL Property	51	12	\$4,821,401
ALL Motor	3	0	\$143,000	ALL Motor	2	0	\$48,055	ALL Motor	4	0	\$36,000
ALL Marine	2	0	\$90,000	ALL Marine	1	0	\$56,500	ALL Marine	0	0	\$0
TOTAL CLAIMS			\$8,829,223	TOTAL CLAIMS			\$1,994,595	TOTAL CLAIMS			\$9,678,802

Table 5: Claims Arising from Tropical Events in 2020

The life insurance sector has not been affected by natural disasters but can be affected by a pandemic. Historically, major accidents and unemployment have affected the claims paid by life insurance companies.

Surrenders of life insurance policies contribute to the claims paid by life insurance companies. During economic downturns, insurers report a higher-than-normal surrender or cancellation rate. The Covid 19 pandemic started in March 2020 and while it was expected that the life insurance sector would be directly impacted, the results in 2020 were minimal with only \$50,000 in claims in life insurance and \$275 in health insurance reported because of Covid-19.

OSIPP feared the manifestation of a “double whammy” in the insurance sector, where a hurricane would occur during the pandemic. The double whammy did manifest itself with Hurricane Nana affecting Belize during the pandemic. Fortunately, the insurance sector demonstrated its resilience and maintained its financial stability. The sector was not negatively affected by the double whammy in 2020.

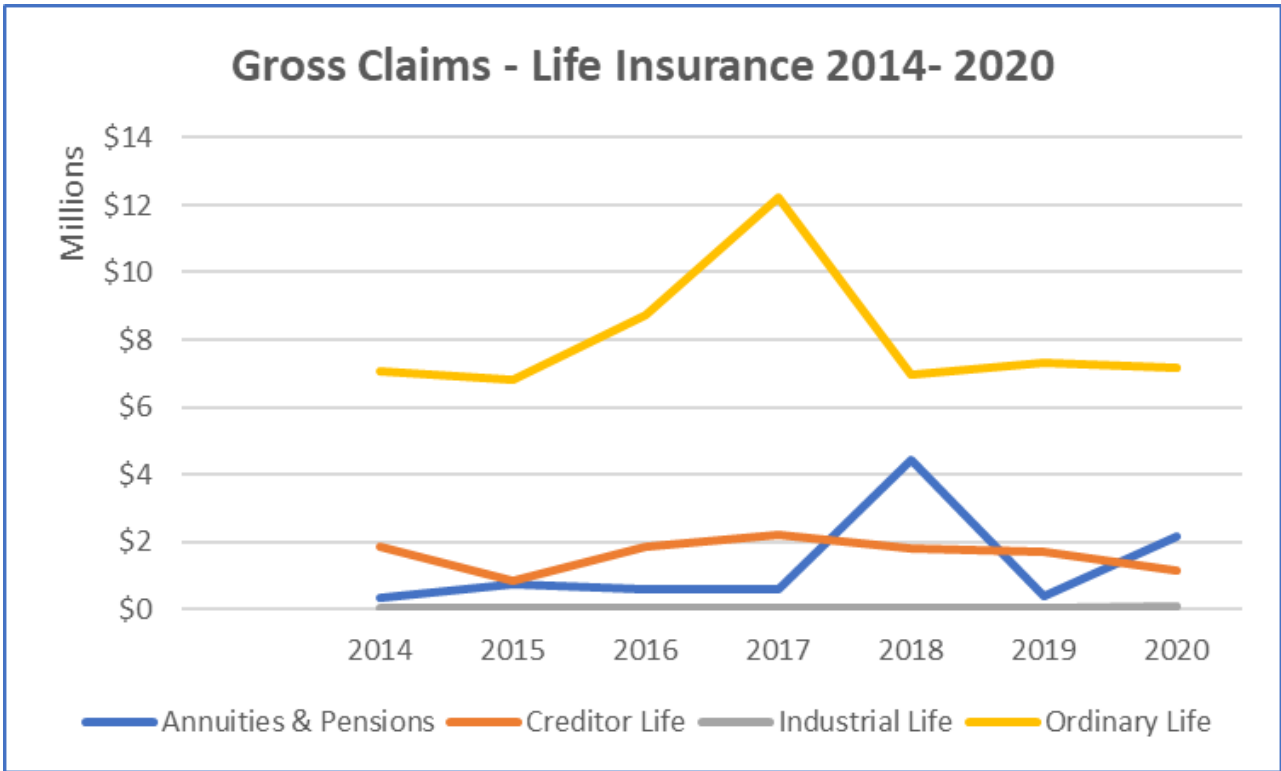


Figure 6: Gross Claims – Life Insurance 2014-2020

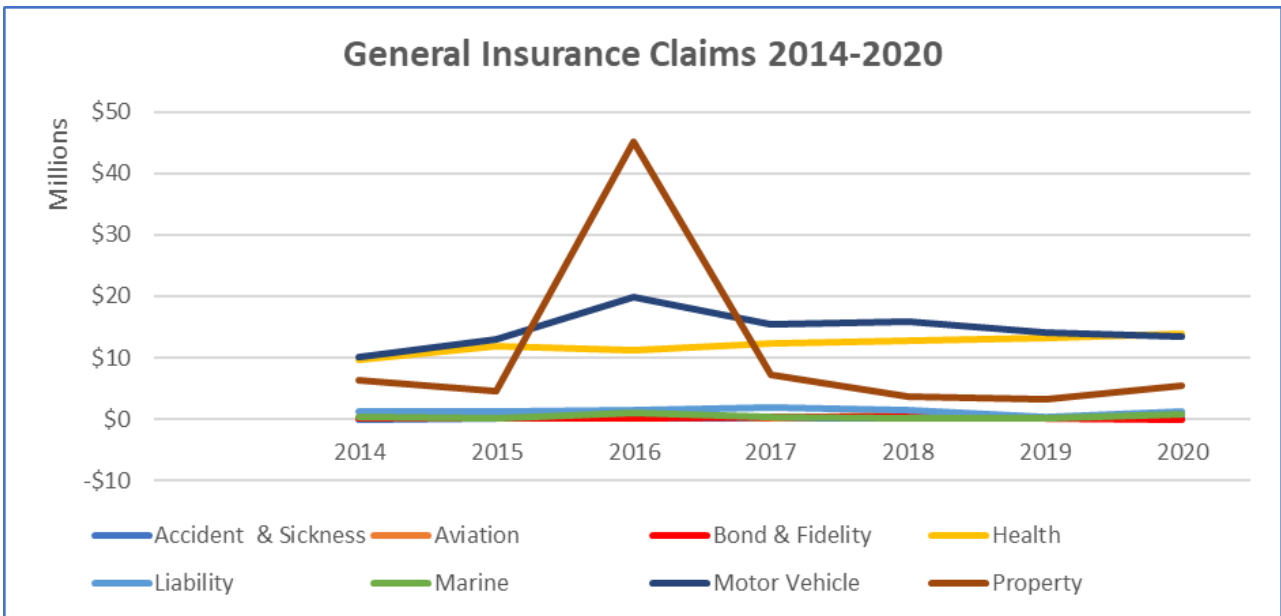


Figure 7: General Insurance Gross Claims 2014-2020

INTERNATIONAL INSURANCE SECTOR

The international insurance sector is supervised under the International Insurance Act, Chapter 269 of the Laws of Belize, R.E. 2011. This Act was only amended in 2016 to allow for the introduction of International Insurance Brokers

The Act requires that before an international insurance company is registered, that it has an Insurance Manager appointed. The Insurance Manager is also required to be registered under the International Insurance Act. The Principal Insurance Representative is also available under the International Insurance Regulations.



<i>Composition of the International Insurance Sector 2015-2020</i>						
Type of Registration	2015	2016	2017	2018	2019	2020
Insurance Manager	2	1	2	2	2	2
Principle Insurance Representative	4	4	1	1	1	1
International Insurance Broker	0	0	3	4	3	3
International Insurance Company	2	2	2	2	2	2
International Reinsurance	7	4	1	1	1	1
Captive	15	8	5	5	0	0

Table 6: Composition of International Insurance Sector 2015-2020

Insurance Act was implemented, and the entities licensed under the Act were requested to update their records. Various entities failed to update their records as they found it invasive. In some cases, the shareholders did not have identity documents and in other cases, the shareholders were not aware that their captive was registered in Belize. Despite the challenges raised by a few companies, there were companies that willingly provided the updated records and were able to maintain their registration.

The Act requires that insurers file financial statements four months after the end of the financial year. This has been an area where companies would only file their financial statements at the end of the year along with the application for renewal of registration. For the most part, the insurers would blame the auditors for late completion of financials.

After the liquidation of Choice Bank and Atlantic International Bank, the companies lost confidence in Belize’s international banking system and preferred to redomicile. A reinsurer requested a cancellation of its registration late in 2020 as it refused to place its paid-up capital in Belize.

In 2020, the international insurers were registered for life insurance and the reinsurer was registered for general reinsurance.

PRIVATE PENSION SECTOR

The Belize Private Pension Act, (Act #4 of 2016, Act #19 of 2017) came into effect on 1st January of 2017. The purpose of the Private Pensions Act is to provide better protection of pensioners by registration and supervision of private pension plans.



IMPLEMENTATION OF THE PRIVATE PENSIONS ACT AND REGULATIONS

At commencement of the Act, a public notice was issued advising administrators of private pensions to register themselves and the pension plans by 30th June 2017, which was the 6-month period allowed by legislation to regularize the status of the pre-existing pension plans.

Several discoveries were made during the 2017-2019 in respect to private pension plans:

- To avoid registration, some employers dissolved their “pension plans” and set up individual savings accounts for each of their employees. This move defeated the purpose of maximizing investments for better returns/benefits putting the employees in a worse situation than had they kept their pension plan intact.
- The pension plans that were administered by most employers contained a provision for only a lump-sum payment, which is not allowed under the Private Pensions Act. The lump-sum payment defeats the purpose of salary replacement at retirement.
- Employers could deduct from the pension benefit, any money owed to the employer, whether the funds were loans or amounts due to fraud or theft. The Private Pensions Act protects the “pension benefit/contribution” of the member/pensioner from execution, seizure or attachment.
- There are pre-existing pension plans that have named trustees that are no longer in the company/organization or are not resident in Belize or cannot be located. This has prevented the plans from being registered as updates on the trust deed are required

- Trust deeds establishing the pension plans were not registered with the Registrar at the General Registry in compliance with the Trust Act. Some trust deeds are registered at the Lands Registry even where land is not held by the trust
- Trust deeds establishing the pension plans were not registered with the Registrar at the General Registry in compliance with the Trust Act. Some trust deeds are registered at the Lands Registry even where land is not held by the trust
- The vesting period in the pre-existing plans differed from what is allowed under the Private Pensions Act. In some cases, a 10-year vesting period existed.
- Pre-existing pension plans only allow for salaried employees. The Act allows for inclusion of the part-time employees to be covered thus expanding coverage to a wider sector of the employed population.
- The pension plans administered by the insurance companies allowed for a combination of a lump-sum payment to a maximum of 25% and an annuity at retirement.

PENSION ADMINISTRATOR

Administrators can be registered where the administrator is the Employer or a Board of Trustees. Administrators can also be licensed if the Administrator only administers a pension plan as a business, for example, an Insurance Company or Pension Administration Company or a licensed Financial Institution administering a Financial Institution Pension Plan.

<i>Private Pension Administrators</i>					
Year	2017	2018	2019	2020	Total
Employer	0	6	2	0	8
Board of Trustees	1	9	1	2	13
Licensed Administrator	1	1	0	1	3
Financial Institution	0	0	0	0	0

Table 7: Types of Pension Administrators Registered/Licensed 2017-2020

In Belize, most administrators of pension plans are Board of Trustees. The main challenges for registration of these types of administrators were instances of unregistered trusts or outdated list of registered trustees. Many trust deeds did not follow through with updating of trustees or registering of the trust deeds as per Trust Act Amendment of 2013. In some cases, no signed trust deed exists. All these issues are being addressed and it has limited the registration process of the pre-existing private pension plans. In some cases, the updated were welcomed and once done, the administration has continued without any impediments.

In 2020 there were 21 Registered Administrators and 3 Licensed Pension Administrators.

PRIVATE PENSION PLANS

Pension Plans can be registered as defined contribution, defined benefit, or combination. Multi-employer plans are also allowed as these could provide better investment returns through the maximization of diversification of assets for larger pension funds. No Financial Institution Pension Plan (“FIPP”) has been licensed yet.

Year	2017	2018	2019	2020	Total
Defined Contribution	1	8	3	0	12
Defined Benefit	0	0	1	1	2
Combination	0	0	0	0	0
Financial Institution Pension Plan	0	0	0	0	0
Exempted Pension Plans	2	0	1	1	4

Table 8: Registered Private Pension Plans 2017-2020

Several applications for registration have been received but are yet to be registered due to the pending registration of the trust deeds at the General Registry.

Type of Plan	Membership	
	2019	2020
Defined Contribution	898	455
Defined Benefit	224	223
Combination	40	49
Exempt plans registered in foreign jurisdiction	18	16

Table 9: Membership of Registered Pension Plans

Private pension plans can also be exempted from registration if those plans are registered in another jurisdiction that is acceptable to the Supervisor and the employer provides such undertakings as required by the Supervisor. Three (3) pension plans have been exempted under this provision where in all cases the pension plans are for multi-national companies and the Belize membership is minimal. The companies file reports on an annual basis.

One year after registration, pension administrators are required to file annual statements on the pension plans and in some cases, audited financial statements and actuarial evaluations. The first filings of audited financial statements received were in 2020 which included information on the 2019 financial year.

The Private Pension Act allows the Supervisor to exempt a pre-existing pension plan (a plan established prior to the commencement date of the Act) from the application of certain provision of the Act, or to specify a transition period for compliance with certain provisions of the Act.

Type of Plan	Total Assets	
	2019	2020
Defined Contribution	\$37,135,386	\$43,760,126
Defined Benefit	\$25,569,151	\$26,509,824
Combination	\$6,424,793	\$6,922,818

Table 10: Assets held by Registered Pension Plans 2019-2020

Under this provision, the Supervisor has provided exemptions to several pre-existing plans as per Table 11. Each Administrator had to explain the reason for wanting to keep the existing provision within the plan and thus requiring the exemption. Each case is reviewed individually as the pension sector covers a wide area of the economy and society.

Exemptions granted to Pre-existing Private Pension Plan at registration	
Exemptions from Provisions of the Act for Pre-existing Pension Plans	# of Plans
Vesting period in excess of 5 to a maximum of 10 years	5
Lump-sum payments allowed for persons already in the plan with recommendation that new employees having to follow the provisions of the Act;	5
Lump-sum payments of 25% of benefits as per plan rules.	9
Retirement ages later than 70 years	1
Lump-sum payout at termination of membership	6
Actuarial Report to be submitted every 4 years instead of every 3 years for smaller plans	2
Early retirement age being after 55	2

Table 11: Exemptions granted to Pre-existing Pension Plans

WIND-UP OF PENSION PLANS

Since the commencement of the Private Pensions Act, 2 pension plans have wound up in accordance with the Act. In 1 case the plan was wound up due to liquidation and the other due to non-contribution for a long period of time. In both cases the wind-up was orderly. Both plans were unregistered, but they followed the legislation, which prevented members from complaining or being disenfranchised from the wind-up. There has been a partial wind-up within a multi-employer plan, currently registered which also went smoothly and did not require OSIPP's intervention

Pension Plans Wind up	
Year	# of Plans
2017	0
2018	1
2019	0
2020	1

Table 12: Wind-up of Pension Plans

COMPLAINTS

OSIPP receives and process complaints received from the general public in relation to the sectors supervised.

DOMESTIC INSURANCE COMPANIES

Every year complaints are received against insurance companies where the insurer is either denying the claim or offering lower compensation from the amount claimed. For the most part insurance denials are based on one of the various factors outlined below



1. Denial of liability by the insured party
2. Insured party refusing to report or sign report on the accident
3. Quantum for repairs or parts is considered unreasonable
4. Fraudulent claims

The most common dispute in quantum lies in the difference between the Replacement Value and the Current Value in assessing the property damage.

Where OSIPP is unable to resolve the complaint, the matter is sent for arbitration under the Arbitration Act or the parties are recommended to take the matter to court. There are cases where one of the parties would advise the Supervisor that the matter would be taken to court. Once the matter is placed before the court, the Supervisor does not intervene in the matter but would follow up on the resolution of the matter to update the files. There have been cases where policyholders or third parties would go to the court directly for a resolution of their claim.

<i>Insurance Complaints 2015-2020</i>						
Class of Insurance Business	2015	2016	2017	2018	2019	2020
Domestic Insurance						
Creditor Life	0	0	0	1	1	0
Group Life & Health	0	0	0	2	0	0
Health	1	2	2	2	5	0
Life	0	0	0	1	2	1
Motor Vehicle	11	16	6	16	20	10
Property	0	1	1	0	1	0
Total Complaints	12	19	9	22	29	11

Table 13: Complaints filed against Insurers

For the period 2015 to 2020 various complaints have been filed against insurance companies. For the general insurance sector, majority of the complaints related to motor vehicle insurance, with only 2 being for property insurance. One of the property insurance claims was resolved under Arbitration proceedings under the Arbitration Act.

In the case of life insurers, most of the complaints were in health insurance. One of the complaints ended up in court where the company had to reinstate the insurance policy. Of the 2 creditor life complaints received, 1 was resolved by the court.

INTERNATIONAL INSURANCE COMPANIES

In the case of international insurance, complaints received have been minimal. There have only been 2 complaints where in one case a company not registered as an international insurer was offering annuity products. The second complaint involved a registered insurer where the insurance policy wording was challenged at the end of the contract period.

International Insurance	2015	2016	2017	2018	2019	2020
Life Insurance	0	0	0	0	0	1
Annuities	0	0	1	0	0	0
Total Complaints	0	0	1	0	0	1

Table 14: Complaints in International Insurance Sector

PRIVATE PENSION ADMINISTRATORS

In the private pension sector, complaints have been received since the inception of the Private Pensions Act.

Private Pensions	2017	2018	2019	2020
Salary Deductions towards pension	2	0	0	0
Annual Statement	0	1	0	1
Unfair treatment	0	0	0	1
Underpayment of Benefits	0	1	0	0
Total Complaints	2	2	0	2

Table 15: Complaints Received against Pension Administrators

1. Staff members of an unregistered plan complained about salary deductions being made towards pension contributions, but the staff were aware that the pension plan had not been properly set up and was unregistered.
2. Members of a plan claim that they were underpaid the amount due at retirement.
3. Former Members of a plan complained that the annual statements they should be receiving were not issued.
4. Former member of a plan not registered in Belize complained about unfair treatment. This complaint was forwarded to the Home Supervisor for attention.

ANTI-MONEY LAUNDERING/ COUNTERING FINANCING OF TERRORISM

As a financial sector, the insurance sector is required to observe the FATF 40 Recommendations on Anti-money laundering and Terrorism Financing (AML/CFT). The sector is supervised for AML/CFT under the Money Laundering and Terrorism (Prevention) Act.

OSIPP, as the Supervisor of the insurance sector participated in the National Risk Assessment (“NRA”) conducted by the Financial Intelligence Unit in 2016. The NRA was conducted using the World Bank’s NRA methodology which maps the money laundering threat rating and the money laundering vulnerability rating on a risk map. The insurance sectors were consulted during the first NRA exercise.



Figure 8: Presentation of the NRA to Insurance Sector

The country’s overall money laundering risk was rated as medium high. Specifically, to the insurance sector for the period 2011-2016 the domestic insurance sector in Belize is assessed to have a medium-low level of ML vulnerability while the international insurance sector is assessed to have a medium level of ML vulnerability.

Consultations were held with the insurance sector during the NRA and prior to the completion of the NRA Report. At the completion of the National Risk Assessment, OSIPP prepared its Strategic Plan to address deficiencies identified during the exercise.

The Belize National Risk Assessment Report can be located on the website of the Belize Financial Intelligence at <https://fiubelize.org/publications/nra-report-belize/>



Figure 9: Insurance Sector Representatives at NRA Presentation

AML REPORTING FORMS

OSIPP introduced the AML Reporting Form in June 2018 where the insurance companies were to file monthly data relating to the money laundering monitoring done. In 2019, with the assistance of CITO, an application was created for the AML Reporting Form which allows the companies to file their reports directly into an electronic application. This application is password protected for access and input to maintain confidentiality and integrity of the reports. At the beginning there were some companies who were late in their monthly submissions, but overtime compliance has been steady providing useful information.

SUSPICIOUS TRANSACTION REPORTS

The insurance sector is mandated to file suspicious transaction reports (“STRs”) directly to the FIU. The FIU provides OSIPP with feedback on typologies generated from STRs it receives.

AML/CFT TRAINING

All OSIPP staff have participated in AML/CFT training, with some staff participating in training along with the FIU under technical assistance programs offered to Belize.

The Organization of the Insurance Companies of Belize (“ORINCO”) has in 2017 and 2019 contracted external presenters to provide training to the insurance sector and inviting other financial sectors to participate in the training.

Compliance Officers have started conducting internal AML/CFT training for the insurer’s staff and agents.



Figure 10: Mr. Patrick George providing AML/CFT training to the Insurance Sector

In one case, an insurer has a built-in compulsory training program for its staff and agents. In other instances, companies would seek training from the FIU or other consulting agencies for internal AML/CFT training.

As part of the agents licensing requirement, the agents must demonstrate having taken an AML/CFT training session at least every two years. Some companies have made it mandatory for staff and agents to participate in at least one AML/CFT training on an annual basis. There are still a few companies, that would wait for external training to become available to provide training for their staff and agents. In 2020 all AML/CFT training was done virtually for both the supervisory staff as well as the industry staff and agents.

NAVIGATING THROUGH THE COVID-19 PANDEMIC

O.S.I.P.P.



Since the onset of the Covid 19 Pandemic in Belize in 2020, OSIPP was able to continue operations uninterrupted. The only item that could not be conducted were the on-site inspections as these required physical meetings

OSIPP had starting using an electronic filing system mirroring the manual system. This allowed staff working from home to continue working as if at the office, even during the national shut down in April 2020. Services continued using electronic documents. Hard copies of the documents were filed at the end of the year, after sanitation.

Revenue collection also went interrupted with OSIPP and the Treasury Department agreeing to a tracking system which allows payees to pay online, submit proof of payment and then the Treasury Department issuing the Treasury Receipt. The process still needs improvement, but it has served well for revenue collection and provision of services to OSIPP's clients.

Technology allowed OSIPP to continue participating in meetings and training uninterrupted. Since March 2020, all meetings and training were held virtually using TEAMS, Webex, or Zoom. Time differences for global meeting presented a challenge where staff would attend meetings as early as 5:00 a.m. and as late as 11:00 p.m. The online sessions allowed for increased participation in committee meetings which would normally not be attended due to physical presence requirements that included foreign travel

INSURANCE INDUSTRY

To mitigate possible impacts from the pandemic, domestic insurance companies were required to provide frequent reports and to update business continuity plans as they navigated through this period of uncertainty. Most companies complied and filed BCPs monthly tracking their activities and challenges. Two companies failed to report and ended up facing challenges with adjustments.

The second part of a gap analysis assessment on the insurance sectors' readiness for IFRS 17 was placed on hold in 2020 given the uncertainty of activities and the economy while navigating through the pandemic.



FFigure 12: IFRS 17 Consultation December 2019

The International Association of Insurance Supervisors (“IAIS”) monitored the impact of the pandemic through the Individual Insurance Monitoring (IIM) and the System Wide Monitoring. The Belize domestic sector participated in the IIM and provided the data. Apart from OSIPP monitoring the effects the pandemic would have on the sector, the insurance companies also had the opportunity to monitor their own situation as they navigated through the uncertainty.

Insurance Companies were required to redo their 3-year business plan for the period 2021-2023 taking into consideration COVID-19 Pandemic. Except for 3 companies, all other domestic insurance companies were able to submit their updated Business Plans by the end of December 2020.

Extensions for the submissions of audited financial statements were provided to both the insurance and pension sectors. Auditors reported challenges in completing their audits due to the lack of physical presence and the social distance rules issued due to the pandemic. The delay in the insurance sector did not go beyond the extra 2 months afforded by legislation.

INTERNATIONAL INSURANCE INDUSTRY

Throughout the pandemic, the international insurance sector was quiet. One license was cancelled in 2021 as the international insurer lost all its clients, reportedly due to the pandemic. There were also delays with the completion of audits.

PRIVATE PENSION SECTOR

The pension sector experienced longer delays with both actuarial reports and filing of audited financials. The pension plan that windup in 2020 was a small one where contributions were returned to the members of the plan as the benefits were below the locking-in provisions. The Administrator advised that the benefits of the pension plan could assist members affected by the economic downturn due to the Covid-19 pandemic.



ANNEX: STATISTICS 2015 – 2020

CAPITAL COMPOSITION AND OWNERSHIP COMPOSITION

Figure 1: Table Showing Capital Composition and Ownership Composition for 2015

2015	Local Life	Foreign Life	Local General	Foreign General	Composite	Association of Underwriters	Total
No. of Insurers	1	3	2	2	2	1	11
Jurisdiction of Incorporation	Belize	Barbados USA	Belize	Barbados Trinidad	Belize	Uk Worldwide	
Origin of Capital	Belize	Barbados Canada USA	Belize	Barbados Trinidad	Belize	Uk Worldwide	
Owner's Equity \$BZD	\$ 9,381,988	\$49,175,961	\$ 20,534,118	\$ 7,918,082	\$ 15,412,805		\$102,422,954

Figure 2: Table Showing Capital Composition and Ownership Composition for 2016 - 2020

2016-2020	Local Life	Foreign Life	Local General	Foreign General	Composite	Association of Underwriters	Total
No. of Insurers	1	2	2	2	2	1	10
Jurisdiction of Incorporation	Belize	Barbados	Belize	Barbados Trinidad	Belize	Uk Worldwide	
Origin of Capital	Belize	Barbados Canada	Belize	Barbados Trinidad	Belize	Uk Worldwide	
Owner's Equity (2016) \$BZD	\$ 8,019,749	\$51,676,164	\$ 19,558,353	\$ 5,347,899	\$ 16,143,330		\$100,745,495
Owner's Equity (2017) \$BZD	\$ 9,940,175	\$49,751,696	\$ 19,930,948	\$ 6,109,730	\$ 16,671,039		\$102,403,588
Owner's Equity (2018) \$BZD	\$ 9,491,430	\$42,733,820	\$ 22,478,019	\$ 2,075,290	\$ 17,649,999		\$ 94,428,558
Owner's Equity (2019) \$BZD	\$10,871,392	\$44,436,401	\$ 25,295,075	\$ 6,977,133	\$ 22,533,284		\$110,113,285
Owner's Equity (2020) \$BZD	\$11,057,861	\$44,832,548	\$ 29,022,902	\$ 13,715,873	\$ 23,824,675		\$122,453,859

TOTAL INDUSTRY REVENUE REPORT OF INSURANCE BUSINESS 2015-2020

Figure 3: Entire Industry Total Revenue Account 2015 - 2020

Description	2015	2016	2017	2018	2019	2020
Gross Premiums Written	134,516,848	146,220,157	146,432,413	157,341,145	168,155,626	164,851,220
Reinsurance Ceded	61,444,541	64,332,459	64,992,439	70,232,637	72,800,115	77,228,259
Net Premiums Written	73,072,307	81,887,698	81,439,974	87,108,508	95,355,511	87,622,961
Reserve for Unearned Premiums B/F	37,833,042	41,501,063	46,976,106	47,509,502	45,036,744	56,515,063
Reserve for Unearned Premiums C/F	41,360,757	46,790,606	47,509,474	47,162,350	53,890,168	57,260,836
Net Premiums Earned	69,544,592	76,598,154	80,906,606	87,455,661	86,502,087	86,877,188
Claims Paid (For Life Companies- Deaths)	38,780,593	91,798,144	52,580,028	48,143,617	41,235,333	45,517,703
Claims Outstanding B/F	5,938,930	7,551,300	13,928,192	13,796,106	10,305,635	9,900,380
Claims Outstanding C/F	6,786,127	12,617,013	13,027,857	11,113,720	9,641,783	19,696,894
Claims Incurred But Not Reported B/F	675,033	718,798	927,553	1,513,272	1,274,716	1,359,434
Claims Incurred But Not Reported C/F	818,579	880,914	1,436,447	1,393,850	1,320,645	2,713,404
Incurred Claims (Gross)	39,771,337	97,025,972	52,188,588	45,341,809	40,617,410	56,668,187
Reinsurance Recoveries	8,310,382	56,180,150	13,222,713	6,666,884	4,830,969	22,644,638
Incurred Claims (Net)	31,460,955	40,845,822	38,965,875	38,674,925	35,786,441	34,023,549
Change in life insurance and annuity provisions	- 2,904,537	97,939	- 1,352,072	1,201,606	856,738	476,384
Total claims and policy holder benefits expense	28,556,418	40,943,761	37,613,803	39,876,531	36,643,179	34,499,933
Commissions paid	8,212,326	6,977,235	7,039,140	7,130,658	7,224,312	7,685,922
Reinsurance commissions received	9,857,777	10,020,250	9,882,750	10,384,317	10,614,505	12,910,937
Net Commission Expense	- 1,645,451	- 3,043,015	- 2,843,610	- 3,253,658	- 3,390,193	- 5,225,015
Management Expenses	34,052,508	38,842,501	38,854,407	40,996,132	44,190,631	41,580,930
Total Underwriting Expenses	61,058,225	76,743,247	73,624,601	77,619,004	77,443,617	70,855,848
Underwriting Income (Loss)	8,486,368	- 145,093	7,282,006	9,836,657	9,058,470	16,021,340
Investment Income	4,473,273	6,136,479	6,546,179	6,987,399	7,575,499	1,575,867
Other Revenue	447,675	1,763,842	550,847	123,430	884,262	534,783
Net operating income	13,407,316	7,755,228	14,379,032	16,947,485	17,518,231	18,131,989
Net Income before tax	13,407,309	7,755,228	14,379,032	16,947,485	17,518,231	18,131,989
Tax	3,727,198	3,548,766	3,528,655	3,902,032	4,232,519	3,911,911
Net Income after tax	9,690,428	4,206,462	10,850,377	13,045,453	13,285,712	14,220,081
Transfer to retained earnings	9,690,428	4,206,462	10,850,377	13,045,453	13,285,712	14,220,081

Figure 4: Life Class Total Revenue Account 2015 - 2020

Description	2015	2016	2017	2018	2019	2020
Gross Premiums Written	27,755,578	32,090,268	30,761,999	32,379,919	36,175,323	31,785,178
Reinsurance Ceded	9,429,210	9,726,902	10,600,362	10,811,731	11,361,603	9,934,922
Net Premiums Written	18,326,368	22,363,366	20,161,637	21,568,188	24,813,720	21,850,256
Reserve for Unearned Premiums B/F	21,905,773	24,058,721	28,151,695	29,385,072	28,061,563	34,689,868
Reserve for Unearned Premiums C/F	24,058,721	28,164,263	29,385,072	28,061,563	34,689,868	37,160,112
Net Premiums Earned	16,173,420	18,257,825	18,928,260	22,891,697	18,185,415	19,380,012
Claims Paid (For Life Companies- Deaths)	7,805,286	11,911,621	14,935,760	12,897,470	9,616,356	10,892,989
Claims Outstanding B/F	17,804	769,848	1,414,394	1,557,050	1,874,523	1,758,602
Claims Outstanding C/F	569,848	91,909	1,557,050	1,874,523	1,758,602	1,469,047
Claims Incurred But Not Reported B/F	30,040	4,150	-	-	-	-
Claims Incurred But Not Reported C/F	59,999	- 35,489	-	-	-	-
Incurred Claims (Gross)	8,387,289	11,194,043	15,078,416	13,214,943	9,500,435	10,603,434
Reinsurance Recoveries	1,605,572	2,435,792	5,955,193	2,028,768	1,863,707	1,598,517
Incurred Claims (Net)	6,781,717	8,758,251	9,123,223	11,186,175	7,636,728	9,004,917
Change in life insurance and annuity provisions	- 2,937,740	- 258,496	- 663,499	1,053,164	876,164	380,615
Total claims and policy holder benefits expense	3,843,977	8,499,755	8,459,724	12,239,339	8,512,892	9,385,532
Commissions paid	2,874,538	3,019,150	2,765,729	2,668,809	2,493,979	2,437,086
Reinsurance commissions received	1,695,882	2,152,636	2,104,105	2,270,607	2,446,470	2,339,240
Net Commission Expense	1,178,656	866,514	661,624	398,202	47,509	97,846
Management Expenses	8,177,661	8,578,390	8,135,149	8,884,416	8,712,211	8,100,724
Total Underwriting Expenses	13,200,294	17,944,659	17,256,497	21,521,957	17,272,612	17,584,102
Underwriting Income (Loss)	2,973,126	313,165	1,671,764	1,369,740	912,803	1,795,910
Investment Income	2,323,180	4,351,424	4,782,632	4,999,311	5,876,918	- 396,606
Other Revenue	- 51,512	77,054	22,803	- 254,093	134,590	- 78,462
Net operating income	5,244,794	4,741,643	6,477,199	6,114,959	6,924,311	1,320,842
Net Income before tax	5,244,787	4,741,643	6,477,199	6,114,959	6,924,311	1,320,842
Tax	1,001,881	835,630	798,500	902,459	1,032,945	882,054
Net Income after tax	4,242,909	3,906,012	5,678,699	5,212,500	5,891,366	438,788
Transfer to retained earnings	4,242,909	3,906,012	5,678,699	5,212,500	5,891,366	438,788

Figure 5: General Class Total Revenue Account 2015 - 2020

Description	2015	2016	2017	2018	2019	2020
Gross Premiums Written	106,761,270	114,129,888	115,670,414	124,961,226	131,980,303	133,066,042
Reinsurance Ceded	52,015,331	54,605,557	54,392,077	59,420,906	61,438,512	67,293,337
Net Premiums Written	54,745,939	59,524,331	61,278,337	65,540,320	70,541,791	65,772,705
Reserve for Unearned Premiums B/F	15,927,269	17,442,341	18,824,411	18,124,431	16,975,181	21,825,195
Reserve for Unearned Premiums C/F	17,302,036	18,626,343	18,124,403	19,100,787	19,200,300	20,100,724
Net Premiums Earned	53,371,172	58,340,330	61,978,346	64,563,964	68,316,672	67,497,176
Claims Paid (For Life Companies- Deaths)	30,975,307	79,886,523	37,644,267	35,246,147	31,618,977	34,624,714
Claims Outstanding B/F	5,921,126	6,781,452	12,513,798	12,239,056	8,431,112	8,141,778
Claims Outstanding C/F	6,216,279	12,525,104	11,470,807	9,239,197	7,883,181	18,227,847
Claims Incurred But Not Reported B/F	644,993	714,648	927,553	1,513,272	1,274,716	1,359,434
Claims Incurred But Not Reported C/F	758,580	916,403	1,436,447	1,393,850	1,320,645	2,713,404
Incurred Claims (Gross)	31,384,048	85,831,929	37,110,172	32,126,866	31,116,975	46,064,753
Reinsurance Recoveries	6,704,810	53,744,358	7,267,520	4,638,116	2,967,262	21,046,121
Incurred Claims (Net)	24,679,238	32,087,571	29,842,652	27,488,750	28,149,713	25,018,632
Change in life insurance and annuity provisions	33,203	356,435	- 688,573	148,442	- 19,426	95,769
Total claims and policy holder benefits expense	24,712,441	32,444,006	29,154,079	27,637,192	28,130,287	25,114,401
Commissions paid	5,337,788	3,958,085	4,273,411	4,461,849	4,730,333	5,248,836
Reinsurance commissions received	8,161,895	7,867,614	7,778,645	8,113,710	8,168,035	10,571,697
Net Commission Expense	- 2,824,107	- 3,909,529	- 3,505,234	- 3,651,860	- 3,437,702	- 5,322,861
Management Expenses	25,874,847	30,264,112	30,719,259	32,111,715	35,478,420	33,480,206
Total Underwriting Expenses	47,857,931	58,798,588	56,368,104	56,097,047	60,171,005	53,271,746
Underwriting Income (Loss)	5,513,241	- 458,259	5,610,242	8,466,917	8,145,667	14,225,430
Investment Income	2,150,093	1,785,055	1,763,547	1,988,087	1,698,581	1,972,473
Other Revenue	499,187	1,686,788	528,044	377,522	749,672	613,245
Net operating income	8,162,521	3,013,585	7,901,834	10,832,526	10,593,920	16,811,147
Net Income before tax	8,162,521	3,013,585	7,901,834	10,832,526	10,593,920	16,811,147
Tax	2,725,317	2,713,136	2,730,155	2,999,573	3,199,574	3,029,857
Net Income after tax	5,447,519	300,449	5,171,678	7,832,953	7,394,347	13,781,293
Transfer to retained earnings	5,447,519	300,449	5,171,678	7,832,953	7,394,347	13,781,293

Figure 6: Structure of the Financial System from 2015 to 2020

	Structure of the Financial System					
	2015	2016	2017	2018	2019	2020
Number of Institutions						
Domestic Banks	5	5	5	5	5	5
International Banks	5	5	5	4	3	3
Credit Unions	11	11	8	9	9	9
Domestic Insurance Companies	10	10	10	10	10	11
Other Financial Institutions	1	1	1	1	1	1
Financial System Assets (\$mn)	5,597	5,575	5,621	5,400	5,440	5,811
Domestic Banks	3,210	3,230	3,187	3,350	3,519	3,817
International Banks	1,203	1,061	1,095	603	417	377
Credit Unions	827	907	943	1,045	1,097	1,142
Domestic Insurance Companies	253	272	287	293	300	360
Other Financial Institutions	104	105	109	109	107	115
Assets as percentage of Total Financing System (%)						
Domestic Banks	57.4	57.9	56.7	62.0	64.7	65.7
International Banks	21.5	19.0	19.5	11.2	7.7	6.5
Credit Unions	14.8	16.3	16.8	19.4	20.2	19.7
Domestic Insurance Companies	4.5	4.9	5.1	5.4	5.5	6.2
Other Financial Institutions	1.9	1.9	1.9	2.0	2.0	2.0
Assets as percentage of GDP (%)	162.6	155.8	151.2	140.9	137.2	170.3
Domestic Banks	93.2	90.2	85.7	87.4	88.8	111.8
International Banks	34.9	29.6	29.5	15.7	10.5	11.0
Credit Unions	24.0	25.3	25.4	27.3	27.7	33.5
Domestic Insurance Companies	7.3	7.6	7.7	7.6	7.6	10.5
Other Financial Institutions	3.0	2.9	2.9	2.8	2.7	3.4
Memorandum Item:						
Nominal GDP (\$mn)	3,443	3,579	3,717	3,832	3,965	3,413
Sources: Central Bank of Belize, Supervisor of Insurance and SIB						

BALANCE SHEET FULL YEAR 2015-2020

Figure 7: Table Showing Form B.1: Balance Sheet Full Year 2015 -2020

Balance Sheet: Total Industry						
Description	2015	2016	2017	2018	2019	2020
ASSETS						
Cash on Hand, Fixed Deposits and Savings	46,447,507	48,676,683	54,004,620	56,170,082	46,757,659	49,186,635
Certificates of Deposits and Term Deposits	65,320,246	45,448,667	48,222,324	48,532,709	53,532,492	45,848,020
Government Securities	55,403,280	62,301,872	64,753,893	63,106,150	62,659,211	60,197,361
Company Bonds, Debentures and Other Company Securities	9,251,904	8,040,971	8,361,068	10,883,052	17,130,091	36,125,695
Secured Loans (Including Mortgages)	14,071,343	23,628,589	32,166,872	33,748,705	31,838,578	30,185,240
Investments in Real Estate	1,900,828	2,434,828	2,521,828	2,070,000	2,028,000	2,129,000
Shares (Preferred or Ordinary Shares)	1,484,270	1,478,280	1,478,280	1,478,280	1,478,280	1,478,280
Unit trusts and mutual funds	-	-	-	-	-	-
Equities (stock)	124,611	124,611	126,064	125,956	98,856	98,856
Investments in Related Parties	2,000,000	-	-	-	-	-
Policy Loans	2,762,362	2,998,736	2,628,660	1,048,254	1,500,866	1,848,910
Other Investments	-	-	-	-	-	-
Total Cash, Loans & Investments	198,766,351	195,133,236	214,263,608	217,163,187	217,024,033	227,097,997
Re-insurers' share of insurance provisions	7,053,253	10,635,263	10,821,560	6,988,770	5,278,307	20,378,226
Accounts Receivable	4,516,154	8,125,879	2,481,827	4,577,354	4,567,474	5,119,960
Premiums Due	8,356,816	9,893,942	12,606,360	13,651,944	13,314,226	15,560,596
Amounts Due from Affiliates, Agents and Staff (Loans)	5,044,303	9,025,165	10,626,376	10,426,796	32,366,884	33,376,922
Prepayments and Deposits	1,336,343	1,198,471	1,573,955	1,496,175	1,461,385	1,786,076
Intangible Assets	9,002,041	8,658,467	8,438,534	8,849,037	8,587,517	8,384,737
Fixed assets	25,926,009	26,050,452	26,798,755	28,637,497	39,240,532	42,801,997
Accrued and deferred assets	142,912	404,228	211,691	387,423	126,530	442,214
Other assets (Specify) (I.e. Other Accounts Receivables etc)	2,183,447	2,828,780	3,323,966	3,350,769	2,729,634	4,986,112
Total Assets	262,327,629	271,953,884	291,146,632	295,528,952	324,696,522	359,934,837
LIABILITIES						
Unearned Premium Provision (Ref C10a)	17,475,654	19,302,597	20,749,683	22,503,424	24,700,269	25,775,757
Unexpired Risk Provision (Ref C10b)	-	-	-	984,676	720,190	977,057
Claims Provision (Claims outstanding reserves + Claims IBNR)	10,651,332	13,745,080	15,695,618	11,398,343	10,556,056	21,375,325
Catastrophe Provision	1,300,000	-	-	-	-	-
Life Insurance and Annuity Reserves	47,970,608	52,591,515	53,105,738	52,129,807	60,136,240	62,561,274
Deposit Administration Funds	1,266,604	1,424,942	1,616,139	1,681,839	1,769,770	1,798,354
Other insurance liabilities	573,933	644,694	184,435	187,702	199,361	200,734
Total Insurance Liabilities	79,238,132	87,708,828	91,351,612	88,885,791	98,081,886	112,688,501
Accounts Payable (Trade Payables, Commissions Payable, Tax Payable, Etc.)	13,912,123	14,991,216	13,473,913	13,941,842	15,977,031	18,501,211
Accruals and Other	1,128,135	1,300,329	3,580,026	3,019,042	3,847,323	3,689,902
Amounts Due to Related Parties	40,653,013	44,963,821	55,327,672	8,583,752	7,093,427	11,080,143
Bank Loans and Overdrafts	4,353,110	5,467,046	4,816,558	3,977,177	3,301,262	5,180,899
Other Liabilities (Specify)	18,868,512	16,777,151	20,193,262	23,872,526	23,863,619	29,691,283
Total Liabilities	158,153,024	171,208,392	188,743,042	142,280,130	152,164,548	180,831,939
Share Capital	25,060,716	25,060,716	25,060,716	25,120,586	25,120,586	25,120,586
Retained Earnings	63,105,574	60,137,884	61,293,889	57,250,744	61,261,259	70,345,788
Contributed Capital	592,325	609,526	627,093	640,370	678,222	704,024
Share Premium	1,107,225	1,107,225	1,107,225	1,107,225	1,107,225	1,107,225
Equalization Reserves	4,100,000	3,489,694	5,087,194	5,600,000	6,100,000	6,100,000
Re-valuation Reserves	2,127,121	2,127,121	2,127,121	2,965,778	7,767,956	7,767,956
Share Subscription	-	-	-	-	-	-
Accumulated Gains/Losses	8,081,642	93,154	111,663	(88,482)	76,350	(103,676)
Head Office Account	-	8,120,175	6,988,687	60,652,601	70,420,376	68,060,995
Total Capital and Reserves	104,174,603	100,745,495	102,403,588	153,248,822	172,531,974	179,102,898
Total Liabilities and Capital	262,327,628	271,953,887	291,146,630	295,528,952	324,696,522	359,934,837

ANNEX: ORGANIZATIONAL STRUCTURE

