

## IAJ OFFICIAL HANDING OVER OF PRESIDENCY



**VERNON JAMES**

Following the election of **Vernon James**, Managing Director of NCB Insurance Company as president of The Insurance Association of Jamaica at its Annual General Meeting on April 29, 2020, the official handing over function took place at the Jamaica Pegasus Hotel on Friday June 25, 2020.

The new IAJ president took the opportunity to remark on the **COVID-19** situation and also to outline some of the areas that will achieve focus during his period of administration.

Regarding **COVID 19** he said,

- The COVID 19 Pandemic has forced us all to re-think almost every aspect of our lives.
- At the beginning of the year, with the Jamaican economy rebounding we were all looking forward to a very productive year in 2020.
- Many ambitious plans were laid but we have all found ourselves in a situation no one had the playbook for.
- This is not a time for handwringing as everyone is trying to figure it out how to press on regardless; the Insurance Industry is no exception. We just have to face the music, and put our shoulders to the wheel.
- One of our great advantages dealing with the Pandemic was the fact that over the years, the Insurance Industry has made significant investments in technology both in terms of our physical and our human resources,

- The Insurance Industry was able to restructure work flows to adapt to social distancing, working from home and the deployment of additional on-line digital services to accommodate our policyholders.
- Our member companies have been implementing creative solutions for policyholders as we seek to try as best as possible to keep insurance policies in force on a case by case basis.
- Our motor Insurers must be commended for the innovative way they responded to the new environment with new features such that motorists can benefit in their pockets from the reduced risks from less crashes on the road.

Regarding insurance in all its forms, the president noted that there are several areas that will receive continued attention including:

- The low penetration of Insurance of all forms in Jamaica. It is estimated that only just over 20 % of residencies in Jamaica are Insured.
- It's also a matter of great concern that only 10% of the Jamaican workforce are members of a registered Pension Scheme
- We are also under-insured with respect to health with about one third of our workforce and just over a quarter of our population having health Insurance.
- Just over 30 % of Individuals have life cover.
- Motor Insurance coverage is estimated at 70-75 % primarily because with this type of insurance the law requires everyone to be insured and still some persons refuse to buy Insurance.
- There is a need to bring more persons into the Insurance loop particularly persons with lower incomes who do not buy insurance for all kinds of reasons but certainly need it.



- The Industry has been working with our regulators and the Ministry of Finance to put Micro-insurance Legislation in place which will have the type ecosystem, for simple format policies which are easy to understand and with rules that encourage financial inclusion. This is a major objective of the IAJ as we believe these micro-insurance policies will go a long way in increasing insurance penetration and provide protection for vulnerable persons. The International Micro-insurance Conference was scheduled to take place in Jamaica in November 2020, but has been postponed to late October 2021 due to the impact of the COVID 19 Pandemic.
- In keeping with increasing Insurance penetration through more inclusion, the IAJ will this year step up its communication through an Insurance Literacy campaign to build more awareness about the role of Insurance in Financial Planning.
- The IAJ will also be focusing on improving its claims management process one of the areas of great concern by the insuring public. The Industry settles over 50,000 motor claims each year, but many times the good experiences are not shared. However, we are committed to improving this area of our customer service which is challenging given the prevalence of accidents in Jamaica.
- IAJ will be rolling out within the next two months, its Insurance Vehicle Information System (IVIS). This is a database of all the vehicles that are insured in Jamaica. This will allow the TAJ and the Police to establish the insurance status of a vehicle without requesting a physical document from the driver. IAJ will be moving its agenda forward despite IVIS so it will be better placed to service its policyholders and the public on the other side of the Pandemic.

#### PRESENTATION TO IMMEDIATE PAST PRESIDENT

Immediate Past President **Peter Levy**, Managing Director of **BCIC** expressed his profound appreciation for the tremendous support he received during his period of administration and his commitment to helping to ensure that ongoing projects come to fruition.

**Vernon James** took the opportunity to present **Peter Levy** with a plaque in appreciation of his service and a montage featuring some activities that took place during his year of administration.

#### MASKS TO HEALTH AND TRANSPORTATION SECTORS

IAJ took the opportunity to donate 4,000 masks to the Transport and Health Sectors. The donation was a demonstration of **IAJ's** sensitivity and responsiveness to Jamaica's efforts being made to prevent spreading of the Coronavirus.

## IAJ - ONE OF THE SPONSORS OF MOTORCYCLE TRAINING IN WESTMORELAND



IAJ along with other stakeholders of road safety was one of the sponsors of the road safety education training programme which took place in Petersfield Westmoreland on Sunday August 9 and Sunday August 16, 2020. Motorcyclists in Westmoreland who participated in this National Road Safety Council's (NRSC) Motorcycle Outreach and Training Programme are lauding the initiative as being helpful and life-saving.

The programme, which was held at the Petersfield Vocational Training Centre in the parish, had some 48 motorcyclists participating in training sessions in the areas of road safety, motorcycle operations and motorcycle procurement, among other topics.

For his part, a motorcyclist from Savanna-la-Mar in the parish, Steve Gosling, told JIS News that the programme was a necessary one, as riders were dying at an alarming rate in the parish because of road crashes.

"I have lost a lot of friends (to motorcycle accidents), and it makes me sad. That's why I participated in the programme, to learn about motorcycle safety, insurance and a lot of other things we didn't know about before," outlined Gosling.

Orville Johnson, IAJ'S Executive Director in a TVJ interview said "With over 50,000 motor cycles on our roads on approximately 10,000 carry insurance and this is alarming since the uninsured have no benefits forthcoming for damages or medical treatment."

The training programme has heightened awareness among motorcyclist in the western region of the necessity to take care of all relevant areas that should make motor cycling less disastrous for themselves, their families and other road users.

## HAPPENINGS IN THE INDUSTRY



### Sagicor hit by expected credit losses in Q2 but maintains profitability



**Sagicor Group's second quarterly financials were hit hard by unrealised capital losses as well as expected credit losses amounting to millions of dollars, due mainly to the downturn in the economy caused by COVID-19.**

In spite of this, the financial group was able to generate net profit attributable to stockholders of \$2.47 billion, which is a significant improvement when compared to the \$1.88 billion net profit attributable to stockholders at the end of the first quarter of 2020.

For the six-month period, January to June 2020, profits were \$4.36 billion, which was a very creditable performance, especially with the second quarter being the height of the COVID-19 lock-

down in the countries in which Sagicor operates. There were significant unrealised expected credit losses (ECL) on loan portfolios and investment securities. However, speaking at a Zoom press briefing on the second-quarter financials on Wednesday, Sagicor President Chris Zacca made the point that the ECL doesn't represent actual losses, but is a forward-looking model of what is expected to come. He explained that the unrealised capital losses were due mainly to the decline in the valuation of Sagicor's assets in the tourism sector.

"Hotel revenue has been deeply impacted since the worldwide collapse of the tourism market, resulting in declines in the valuations of our hotel businesses," Zacca asserted.

*(Excerpt from Observer article August 16, 2020)*

### Sagicor Life Now Offering Critical Illness Plan For Children



Sagicor Life Jamaica now has on the market a new critical illness insurance plan which offers coverage of up to \$10 million to children between the ages of three months to 15 years.

The Child Protector Plan, offers critical illness coverage for up to 15 conditions, including severe asthma, rheumatic fever, blindness, cerebral palsy, muscular dystrophy, deafness, major burns, stroke and Type 1 diabetes. The plan also offers a hospitalisation benefit and a limited death benefit, and carries

an investment component.

Mark Chisholm, executive vice-president, Sagicor Life Jamaica, Individual Life Division, said the new plan provides much-needed coverage to the underserved sector of the population, as children have had very limited options for critical illness insurance.

"Children are susceptible to some common critical conditions and have not been able to receive the type of support that is often crucially needed. The Child Protector Plan gives that assurance to families that their children can have the necessary protection, while also being able to meet educational goals," he said. *(Excerpt from Observer article July 19, 2020)*

## HAPPENINGS IN THE INDUSTRY



### Guardian holding posts second-quarter recovery

The property and casualty business segment increased premiums by five per cent, largely from the Dutch and Jamaican markets

**Regional financial services provider Guardian Holdings Limited (GHL) recorded net profits attributable to shareholders of TT\$201.1 million (\$4.39 billion) for the quarter ending June 30, 2020.**

This represented a 50 per cent increase over the prior quarter in June 2019 and was a reversal of the TT\$36.5 million loss recorded in the first quarter.

After a tumultuous first quarter which saw the group record fair value losses of TT\$329 million in their investment activities amid the emergence of the global shutdown, GHL's primary insurance business saw a two per cent increase in gross written premiums to TT\$1.54 billion and net result from insurance activities climb by 186 per cent to

TT\$370.2 million.

Total assets for the group have marginally increased to TT\$30.1 billion with total liabilities remaining flat at TT\$26.2 billion from the audited December 2019 results.

"The property and casualty business segment increased premiums by five per cent, largely from the Dutch and Jamaican markets, while the life, health and pension business reduced premiums by two per cent, mainly from the Trinidad business," said Hylton.

The group's life, health and pension business saw a 54 per cent decline in operating profit to TT\$164.4 million due to a sharp fall-off in net income from investing activities and increase in net impairment on financial assets.

*(Excerpt from Observer article Wednesday, August 05, 2020)*



### Scotiabank Group's insurance business holds firm during COVID-19



Dr. Adrian Stokes

Senior vice-president for Investment and Insurance, Dr Adrian Stokes disclosed that premium lapses have surprisingly been flat so far this year, given the fallout in the economy from the novel coronavirus crisis.

Speaking at a recent Jamaica Observer Business Forum, Dr Stokes reported, "We have not

seen any substantial increase in lapses; in fact, our lapses so far are flat year over year, in other words, every day I see this data I ask my team to check if its accurate, we are not seeing any fallout so far."

However, he cautioned, "It's still very early in the evolution of the crisis and so things may change but so far we have not seen any material increase in lapses so that's a very good situation from our perspective."

He pointed to the assistance programme put in place for customers, in particular insurance customers, as "the last thing you want to do in a crisis is to lose your insurance protection, especially in a health crisis and so we were proactive with lengthening the grace period that you have to pay your insurance premiums. We move that from 60 to 90 days, which was a significant assistance to our customers".

*(Excerpt from Observer article Wednesday, July 22, 2020)*

## HAPPENINGS IN THE INDUSTRY



**T**he company's new management has already agreed to and recommended the rights issue, which will be considered at a board meeting scheduled for Tuesday, September 8, 2020.

If the board approves the rights issue, it will then recommend to shareholders that they participate.

The rights issue will provide a much-needed lifeline for the financially ailing insurance company. Key Insurance was taken over by the Grace Kennedy group earlier this year which bought majority control. Five months ago a new management team was put in place.



### General Accident pushing ahead with its expansion programme

**C**oming off a record year of premium income and net profits, General Accident Insurance Company is looking to maintain momentum in the pandemic by expanding its footprint in the region.

Last year, the company earned \$10.615 billion, a 20 per cent gain that came on the heels of it acquiring a majority stake in Motor One in Trinidad & Tobago last September.

Since then, General Accident has been pushing ahead with its expansion programme, notwithstanding the sweep of the coronavirus. Since this year, the general insurer acquired another 10 per cent of Motor One, bringing its stake to 65 per cent, and announced receipt of an insurance licence to operate in Barbados, where it is looking to add to its growth through partnership with BCDL Holdings Limited.

General Accident's Chief Operating Officer, Greg Foster, told the Financial Gleaner that the two Motor One transactions amounted to \$348 million. As for Barbados, that operation launched into business four months ago from the Dome Mall in St Michaels, and is manned by a staff of three.

The team there has been making "very good progress, so far, in writing business since the early-May 2020 opening," Foster said on Friday.

The previous day at the General Accident virtual annual general meeting, the COO credited the company's regional push for last year's income gains.

"This strong performance resulted in a more than doubling of underwriting profit, where we ended the year with \$442 million," Foster told the company's shareholders at their annual general meeting on Thursday.

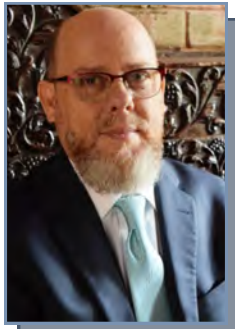
"We also saw an improvement in our investment income of 30 per cent even against the background of depressed yield on investment. Our profit before tax doubled to \$770 million, resulting in a profit after tax of \$652 million of which \$559 million was attributed to General Accident shareholders," he said.

However, Foster said that the onset of COVID-19 presented particular challenges for General Accident. Reporting on the first six months of 2020, he told shareholders that gross written premium was down slightly to \$6.21 billion compared to \$6.56 billion in the prior year. This resulted in reduced profit of \$112 million, compared to \$135 million in the prior year.

*(Excerpt from Gleaner Sunday | September 13, 2020)*

# BCIC

An affiliate of **VICTORIA MUTUAL**



PETER LEVY

**A**fter surpassing an \$11-billion mark in gross written premiums (GWP) last year, British Caribbean Insurance Company (BCIC) has been ranked by Insurance Association of Jamaica (IAJ) as the leading general insurance company in 2019.

According to IAJ statistics, this performance reflects a 28 per cent increase in GWP when compared to the previous year for the company, with

operations in Jamaica, Barbados and Turks & Caicos.

“Not only did the GWP performance lead the market, but so too did the company's profitability, with an impressive 165 per cent growth over 2018. The company's profit before tax was \$703 million,” a recent news release stated.

Peter Levy, managing director at BCIC said the secret to his company's success was based on their ability to deliver value to customers and eliminate anything that inhibits this.

<http://www.jamaicaobserver.com/business-observer/bcic-cops-200655>



**Canopy Insurance  
performing above**

**D**on Wehby (left), Group CEO of GraceKennedy and chairman of Canopy Insurance, shares a light moment with Health and Wellness Minister Dr Christopher Tufton (centre) and Sean Scott, CEO of Canopy Insurance, at the official launch of Canopy Insurance on January 16, 2020 at the Jamaica Pegasus hotel in New Kingston

**Just over a year after announcing a joint venture between the GraceKennedy and the Musson Group to enter the group health and life insurance market under the brand name Canopy, GraceKennedy Group CEO Don Wehby is signalling confidence in the investment.**

“GraceKennedy is extremely happy with Canopy's performance to date. The company is performing exceptionally well, having signed a number of clients ranging from small entities to large, blue chip accounts,” a company release quotes Wehby.

“Revenues since the company started operations in the fourth quarter of last year have exceeded projections, with the number of members covered exceeding projections by 43 per cent. We believe that this will continue to be the trend, and that Canopy will become a formidable force to be reckoned with,” Wehby said.

<http://www.jamaicaobserver.com/business-report/canopy-insurance-performing-above-expectations-197103>



## GUARDIAN GENERAL JAMAICA SUPPORTS MOTORCYCLE SAFETY

On Sunday, August 16, 2020, Guardian General Jamaica (GGJ) joined with the Insurance Association of Jamaica (IAJ) and participated in the National Road Safety Council's Motorcycle Outreach and Training Programme, held at The Heart Vocational Centre in Petersfield, Westmoreland; where scores of motorcyclists came out to gain knowledge and on the spot tips and pointers on how to operate a motorcycle safely on our roads.

GGJ is no stranger to endorsing the need for motorcyclists to uphold and practice safe and responsible commuting on our roads, with our recent involvement earlier this year in The RJR Gleaner Communications Group Cross Country Invasion, sponsoring live all day workshops across the island spanning five weeks. With the recent statistics from the IAJ indicating sharp increases in motorcycle accident fatalities; we had to get involved.

Below are some photo highlights of Anthony Thompson, GGJ insurance agent, Westmoreland; providing information and the benefits of our **MotorGuard** motorcycle insurance coverage to the riders.







**JMF DONATES \$1 MILLION TO UHWI PAEDIATRIC ONCOLOGY DEPARTMENT**



The Jamaica Medical Foundation (JMF) presented a cheque in the amount of **\$1 million** to the **Paediatric Oncology Department of the University Hospital of the West Indies (UHWI)** at the JMF head office on Wednesday May 6, 2020. The donation, earmarked for providing materials to assist with the smooth running of the department was received by Dr. Michelle Reece-Mills.

**Caption:** Dr. Michelle Reece-Mills (left) receiving a cheque for \$1 million on behalf of the UHWI Paediatric Oncology Department presented by **Cedric McDonald**, JMF Fund Raising Chairman. At Centre is **Orville Johnson**, Executive Director of the Insurance Association of Jamaica who is also a director of the JMF.

**JAMAICA MEDICAL FOUNDATION DONATES 2,000 MASKS TO NURSES ASSOCIATION OF JAMAICA**



The Nurses Association of Jamaica (NAJ) was the beneficiary of 2,000 masks donated by the Jamaica Medical Foundation on July 22, 2020 to assist with protection demands created through heightened precautionary measures implemented as a result of the potential impact of Covid-19

**Caption:** Nurse **Carmen Johnson**, President Nurses Association of Jamaica accepting 2,000 masks from **Michael Fraser** Chairman Jamaica Medical Foundation. From Left: **Orville Johnson**, Executive Director Insurance Association of Jamaica, **Oliver Jones** JMF Chairman Emeritus. First Right is Nurse **Novlette Arthurs** of the NAJ.

**JMF DONATES \$1MILLION TO KPH UROLOGY DEPARTMENT**



The Urology Department at Kingston Public Hospital recently, got a boost to purchase some well needed equipment through a donation of \$1million by the Jamaica Medical Foundation. Senior Medical Office at KPH **Dr. Natalie Whyllie** expressed deep appreciation for the donation. and indicated it will contribute significantly to the acquisition of some well needed equipment.

Consultant Urologist **Dr. Reaud Gafoor** on expressing thanks to the JMF said: “The urology clinic at KPH sees approximately 10,000 patients for follow up visits annually, and 1,800 new patients are added to the clinic every year.

**Caption:**From Right: **Dr. Natalie Whyllie** KPH Senior Medical Officer, **Dr. Reaud Gafoor**, Consultant Urologist, **Sophia MaxBrown**, **Cedric McDonald**, JMF Fundraising Chairman, **Dr. The Hon. Oliver Jones**, JMF Chairman Emeritus and **Dr. Michele Prendergast**.

## CONTACT PERSONS

- **Kadian Milton**  
Assistant Manager, Corporate Communications & Branding ,Cuna Caribbean Insurance Jamaica Ltd.
- **Rachel McKenley**, Senior Marketing Officer,  
GK General Insurance Company Limited.
- **Judith Wilson**, Marketing Manager – Advantage General
- **Sable Joy McLaren** , Corporate Accounts Specialist – Advantage General
- **Alysia White** , Asst VP, Promotions and Special Projects, Group Marketing , Sagicor
- **Simone Hull-Lloyd**  
Scotia Life Marketing Manager, Wealth
- **Juliet Bonnick** – ICWI, Quality Assurance Executive
- **Annette Atkinson**, Guardian Life, Senior Manager, Corporate Affairs and Communications
- **Natalie Henriques**, Guardian General, Marketing Associate Business Development
- **Nichole Brackett Walters** ,  
NCB Insurance Co. Ltd.
- **Sandrina Watkins**  
Production Development and Operations Manager, JN Life
- **Kayon Bernard** – Massy United Insurance, Business Development Officer
- **Lesley Miller** – General Accident, Operations & Facilities Manager
- **Terron Dewar**, Sagicor
- **Lori-Ann Glasgow** – BCIC, General Manager - Marketing
- **Javaana Brown** ,Marketing Manager, JNGI Jamaica.
- **Irene Graham** – JAIFA PR Representative
- **Orville Johnson, OD**  
Executive Director, IAJ.
- **Tommy James, CLU** , IAJ PR

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