

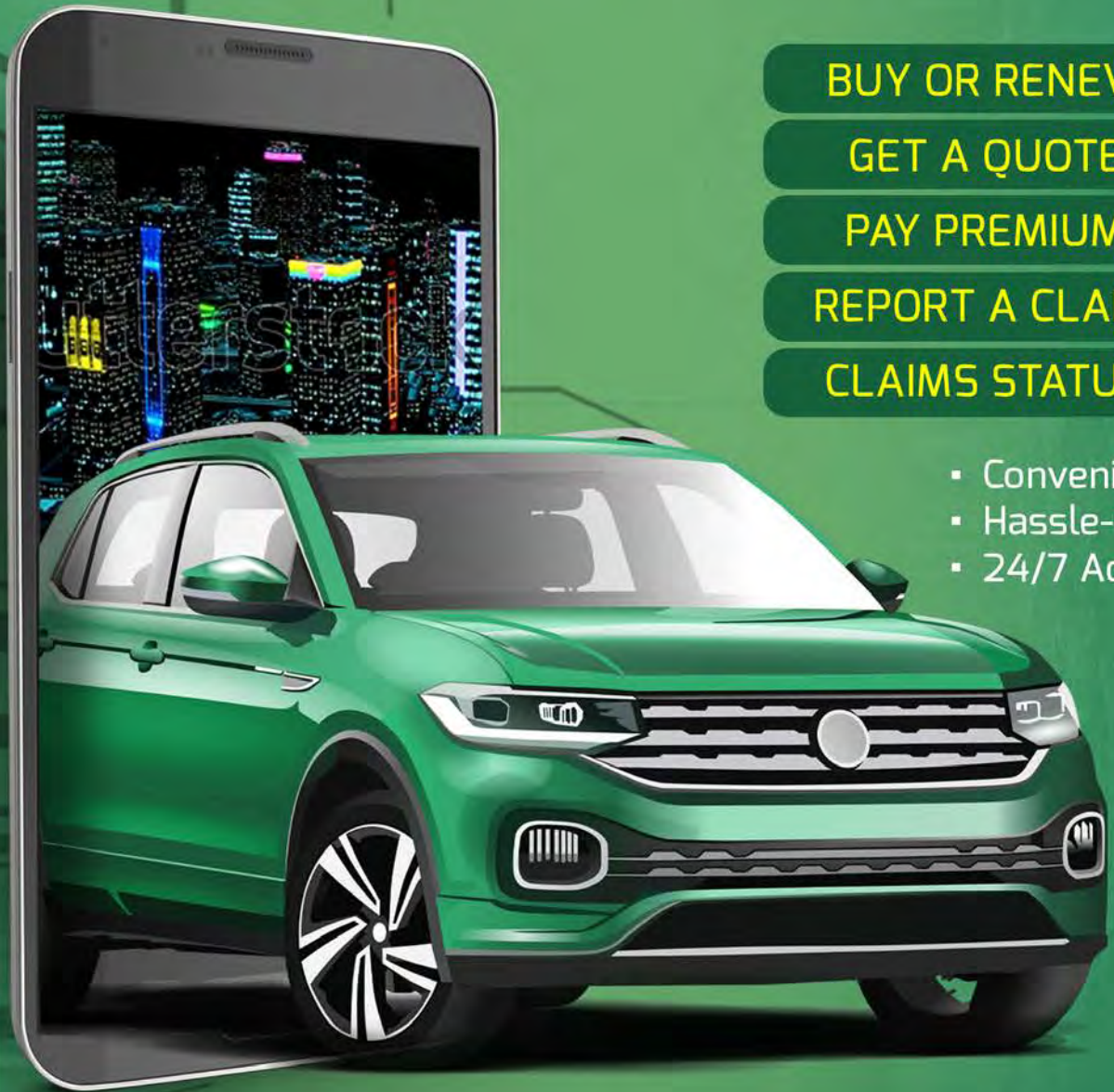


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**2022
YEARBOOK**

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INSURANCE ASSOCIATION OF JAMAICA MAGAZINE 2022

By Sharon Donaldson, President

It is a privilege for me to present the 2022 Yearbook as the Jamaican economy begins to emerge from the significant challenges of the COVID-19 pandemic during the past two years. It is no exaggeration to say that our industry struggled to adhere to changing government requirements, keep our doors open, phones answered, documents issued and our team members safe. We faced periods of serious short staffing due to illness and quarantine requirements, downward pressure on rates as our customers dealt with a decline in their businesses, or lost jobs and layoffs. We had to fast-track a digital transformation to allow our staff to work remotely. We also had to grapple with a tightening reinsurance market for the general insurance sector. On the plus side, however, we finally have regulations for the new Road Traffic Act, which hopefully will improve the very concerning level of traffic accidents. The COVID -19 pandemic increased people's awareness of the need to buy life insurance, and we saw an uptick in sales of individual life policies. News of the significant jump in death claims also added its own pressure to buy more life insurance. At the same time, we also saw critical illness claims climbing nationally as Non-Communicable Diseases such as cancers, cardiovascular issues and diabetes became Jamaica's leading cause of death.

Despite the challenges, the insurance industry continues to deliver on its mandate. In 2021, we paid out a total of \$67 Billion, a 12% increase compared to 2020. General insurance claims paid totalled \$20.9 Billion (including \$14 Billion for motor claims). We paid \$23.6 Billion in individual life claims and \$22.8 Billion in Health Claims.

Insurance - whether life, health or general - is a product everyone hopes they won't ever need. Of course, those who buy life insurance know that all lives do inevitably end. Still, more broadly, when we buy insurance, we hope we will stay healthy and that our physical assets, like our homes, businesses and motor vehicles, are protected from loss or damage, and we will never require the cover we have bought. As a result, our customers often do not fully appreciate the nature of the insurance contract at the time they purchase it. Although insurance companies have made great efforts over the years to write their policies in plain English, it is still true that far too few of our policyholders really understand what the policy says. This means that there can be unpleasant surprises at claims time.

In my time at General Accident, I have had many difficult conversations with claimants, either our own insureds or those from other companies, who complain that they did not really understand the cover they have paid for, sometimes over many years. My hope as new President is that the industry can change that by making insurance education a priority.

As Jamaica celebrates its 60th anniversary of Independence, it is my intention to improve the level of insurance literacy in Jamaica so that our policyholders begin to truly understand the role this vital industry plays in national development and commerce. In keeping with this objective, the magazine carries interviews with two of the titans of the Jamaican insurance industry, the Hon. Danny Williams for Life and the Hon. Dennis Lalor from the General Industry, both of whom played pivotal roles in the development of the home-grown insurance sector. We thank them for their vision and pioneering service and look forward to nurturing new leadership.



EDITOR'S MESSAGE

**Orville Johnson, O.D.,
IAJ Executive Director**

Despite the challenges of Covid-19, we managed to get through the year with our heads above water. We were still able to publish our annual magazine to provide valuable information to policyholders and the public at large. This year, we will reflect on the past year which saw us delivering over \$65 billion in benefits to policyholders in spite of all the dislocations arising from the Pandemic.

We provide details relating to all lines of business from our statistical data where we track the performance over the last three years. Our new President, Ms. Sharon Donaldson, has implored us to focus on Insurance Literacy this year, to ensure that more persons gain a better understanding of the value of Insurance to them and their families.

In this issue, we have featured Critical Illness Insurance, as the statistics are showing that most deaths in Jamaica are as a result of Non-Communicable Diseases. They are not death sentences, but they are expensive to treat. Insurance protection can ease the negative impacts financially and psychologically through peace of mind. We also focus on retirement income, showcasing the Tourism Workers Pension Plan, which is an innovative scheme featuring the two major Life Insurers working hand in hand for the benefit of tourism workers. We also feature a testimonial from a policyholder of a leading Jamaican Company who had a major fire and shows how insurance works to facilitate a powerful outcome after a disaster. There are also two interesting profiles from two of our outstanding insurance industry professionals: Heather Bowie, outstanding Claims Professional from the general sector and Donovan Brown, Chief Executive Officer of Chancellor Insurance Brokers who have built an amazing Insurance organisation in just 15 years. Both articles should provide inspiration especially for youngsters in the Industry.

As Jamaica celebrates its 60th Independence Anniversary, two stalwarts of Life and General Insurance Sectors - The Hon R. Danny Williams and the Hon. Dennis Lalor - reflect on the development of our industry as we played our part in helping our country on its road to economic independence; the journey is captured in these interesting interviews.

Lastly, between October 24-28, 2022, the IAJ hosted the Inclusive Insurance Conference at the Jamaica Pegasus Hotel. This is the first time that this Conference was held in the Caribbean in its 20-year history. It was a well-executed and memorable event.

Enjoy the magazine... there is something for everyone!

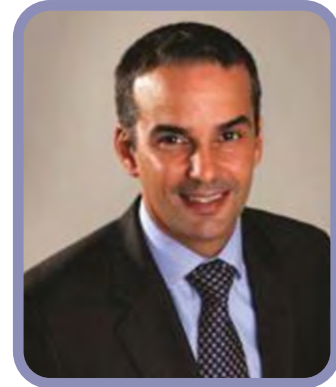
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Annette Robotham
Yearbook Committee Chairman



Lesley Miller



Judith Wilks



Shirley Daley



Rachel Greenland



Jessica Knight Dair, J.P.



Tamika Johnson

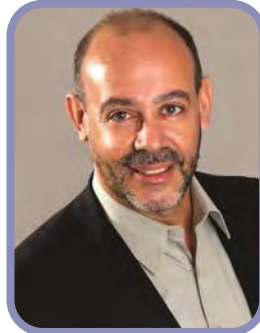


Paulette Gordon

FORMER PRESIDENTS



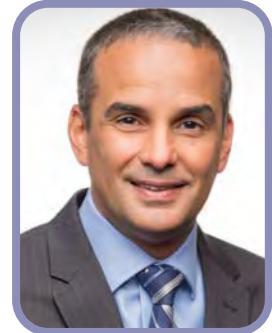
Earl Moore, C.D., J.P.
(2005 - 2007)
President & CEO,
Guardian Life



Andrew Levy
(2007 - 2009)
Managing Director, JIIC
(Now GK General)



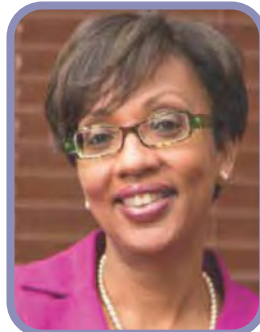
Jacqueline Sharp
(2009 - 2010)
Fmr. General Manager,
Scotia Insurance



Paul Lalor
(2010 - 2012)
President & CEO,
Insurance Company
of the West Indies



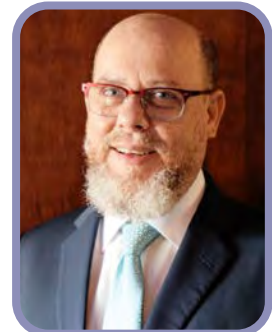
Hugh Reid
(2012 - 2014)
President,
Scotia Insurance



Karen Bhoorasingh
(2014 - 2016)
President
Guardian General



Eric Hosin, C.D.
(2016 - 2018)
President,
Guardian Life



Peter Levy
(2018 - 2020)
British Caribbean
Insurance Company
Limited.



Vernon James
(April to October 2020)
General Manager,
NCB Insurance



Oliver Tomlinson, J.P.
(Nov 2021 - Mar 2021)
General Manager,
JN Life



Dr. Adrian Stokes
(Jun 2021 - Feb 2022)
Senior VP Wealth &
Insurance, Scotia Group



**The Honourable Nigel Clarke, DPhil., MP
Minister of Finance and the Public Service**

Message from The Honourable Nigel Clarke, DPhil., MP, Minister of Finance and the Public Service

Congratulations to the Insurance Association of Jamaica (IAJ) on the publication of your statistical yearbook for 2021.

A buoyant insurance sector allows for risk transfer that mitigates loss, by providing a risk transfer mechanism. As such, the insurance sector is a significant actor in Jamaica's financial system. A growing economy translates into increased demand for goods and services, including insurance. Jamaica's improving economic conditions in the aftermath of the COVID-19 shock also means that individuals and businesses will demand additional insurance products ranging from health, life and agricultural property insurance to catastrophe cover.

The IAJ continues to utilize its platform for the growth and development of Jamaica's insurance sector. The launch of another statistical yearbook is testament to the association's commitment to providing this valuable 'public good' – data. Robust, timely data is the key to sound decision making. As we seek to deepen Jamaica's financial sector, the availability of this data will become even more critical.

The development of sound financial markets is a prerequisite for economic growth in a market economy, and markets thrive on accurate information. We remain grateful to organizations such as the Insurance Association of Jamaica who play their part in building public confidence in Jamaica's financial sector.

Congratulations on another successful publication.

Yours sincerely,

**Nigel Clarke, DPhil, MP
Minister of Finance and the Public Service**



FINANCIAL SERVICES COMMISSION

Mr Everton McFarlane
Executive Director

FSC's Message for the 2022 IAJ's Industry Statistics Yearbook

On behalf of the Financial Services Commission (FSC), it is my pleasure to send greetings in the 2022 Insurance Association of Jamaica (IAJ) annual statistical yearbook, which comes within the year that Jamaica celebrates its Diamond Jubilee, 60 years as an independent nation.

Over the six decades, insurance companies have contributed significantly to economic growth and sustainable development in Jamaica by offering insurance products that continue to

- i. assist businesses and many individuals to offset the loss arising from unfortunate events such as damage to physical assets, and**
- ii. provide income replacement and greater financial confidence and security in times of critical illness, accidents, and the passing of loved ones.**

Therefore, insurers extend financial protection and enable businesses to manage the risks to their operations, employees and plants more efficiently and effectively. Additionally, insurance companies function as institutional investors and thus facilitate financing of public and private development projects, business start-ups and expansions. At the end of the 2021 calendar year, investments by the insurance industry in assets such as equities, as well as public and private bonds amounted to approximately \$400 billion.

The FSC, while recognising its central role in standard setting, enforcement and public education, appreciates the IAJ's cooperation and constructive feedback on several policy initiatives and proposed regulatory reforms. Two noteworthy endeavours in which the FSC and the IAJ continue to collaborate are

- i. Establishing inclusive insurance - this entails the development of a conducive environment that will facilitate the development and promotion of insurance products that are suitable for low-income individuals and small businesses, and**
- ii. Staging public financial education events and outreach. The annual publication of the statistical yearbook serves as a medium to improve the public's understanding and confidence in the operations of insurance companies.**

Past collaborative projects have contributed to the growth and stability of the insurance sector, as evidenced by the industry's performance despite the challenges triggered by the Covid-19 pandemic and the Russia-Ukraine war. Equally important is the development of guidelines regarding claims handling and market conduct, as these and other such guidelines aid in offering more consumer protection to policyholders and their beneficiaries.

As we look forward to the future, it is irrefutable to the FSC the importance of continued collaboration between the FSC and the IAJ. Some emerging and prominent issues that need to be addressed include capital adequacy standards, the adoption and full compliance with International Financial Reporting Standards (IFRS) 17, cyber security and enhanced risk management requirements.

I salute the IAJ for its commitment to publishing its annual statistical yearbook, which continues to inform, educate and instil understanding and confidence among the citizenry.



Message from President, Jamaica Insurance Brokers Association

Mrs. Sharon Smith

On behalf of the Jamaica Insurance Brokers' Association I wish to congratulate the Insurance Association of Jamaica on publishing another yearbook.

The Insurance Companies, Brokers and Agents work together closely to help people financially protect themselves against life's uncertainties, and to ensure that the insuring public are satisfied. JIBA is proud to be a part of this association.

The statistics included in the yearbook will continue to provide the public with well needed information on the importance of insurance and its benefits.

We look forward to our continued association with the member-Companies as we complete yet another year of serving the Jamaican public.

In this the 60th year of Jamaica's independence we can be proud of our contribution to nation building and to the people of Jamaica.

  @icwi_jamaica

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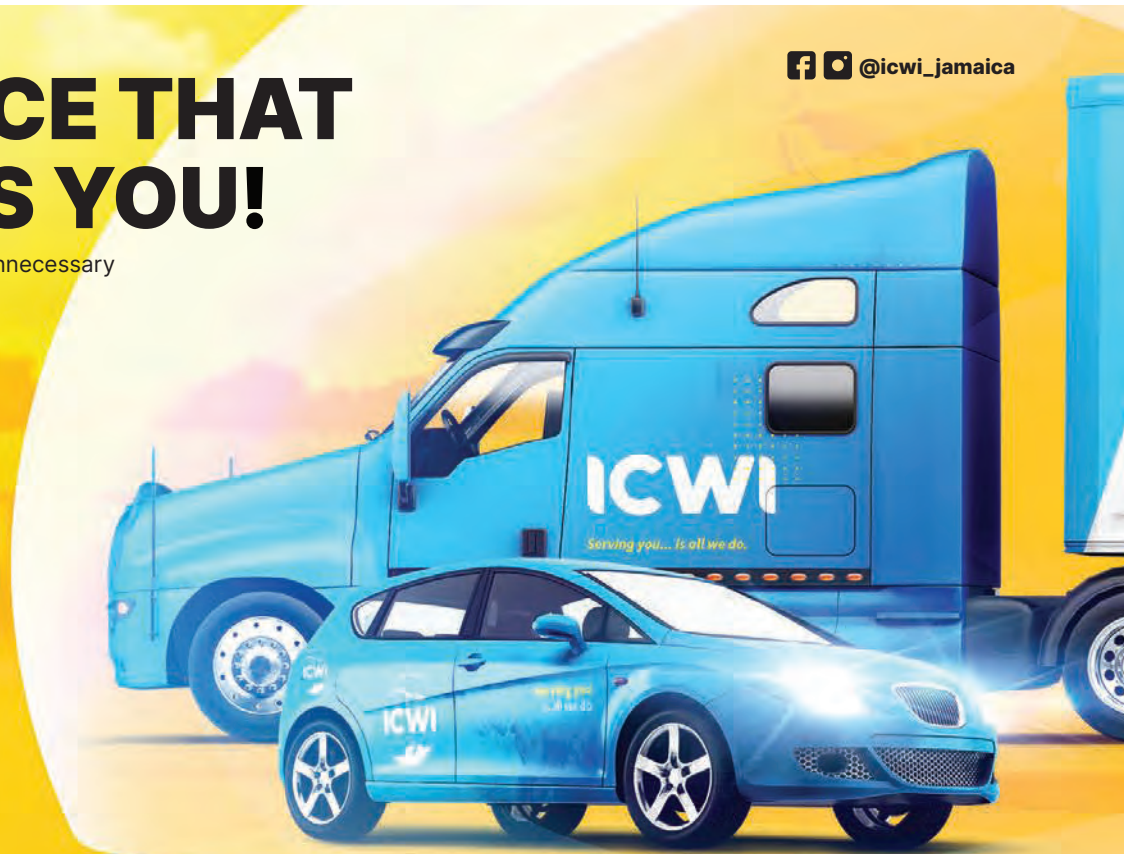
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THE ROAD TRAFFIC ACT 2018 & THE MOTOR INSURANCE INDUSTRY

Paula Fletcher, Executive Director
National Road Safety Council

THE ROAD TRAFFIC ACT (RTA), passed in December 2018 and its accompanying 2022 Regulations, provide a number of opportunities for safer use of Jamaican roads and, therefore, offer the potential for significant impacts upon the Jamaican general insurance industry.

THE ISLAND TRAFFIC AUTHORITY (ITA): RTA 2018 clarifies and significantly expands the role of the ITA by making it a statutory body and charging it with the responsibility to manage traffic on the roads and ensure safety of road users. It will be allowed to keep part of the fees it charges for certain services and this should allow the Authority to finance improvements in the quality and extent of its services. These improved services include:

- Suspending driver's licenses for accumulated demerit points
- Reactivation of Road Traffic Appeal Tribunal
- Electronic Vehicle Monitoring to facilitate electronic enforcement of the Act

RTA 2018 provides that a driver must travel with evidence of insurance coverage. Previously, evidence of insurance was required only at the time of registering a vehicle. Under the new Act, insurance evidence will also be required for licensing a vehicle. Ideally, the police's Traffic Ticket Management System (TTMS) should be able, during a traffic stop, to interrogate an insurance database, confirm insurance status and allow the police to take appropriate action before a driver leaves the scene.

DRIVER HISTORY: ITA also maintains a history on each driver including offence data, demerit points and warrants ordered by the Courts on TTMS. The 2018 Act names motor insurance companies among those authorised to receive information on drivers. This facility should allow companies to make more informed decisions at the time of evaluating the risks presented by individual drivers. Companies would be placed in a position to make rating decisions that impact individual drivers, rather than taking a broad brush to the entire portfolio of business.

DRIVER RE-TRAINING AND RE-TESTING: The ITA will have power to require driver re-training and testing in cases where a licence has been suspended or revoked in relation to impaired driving and speeding. The Court will have broad authority to order driver re-training and testing in cases where a licence has been suspended or revoked.

OLDER DRIVERS: At each licence renewal, a driver aged 70 or older must provide a medical certificate at and will be licensed for a three--year period. Some insurance companies already require medical certificates as a precondition of renewal for older drivers.

DRIVER TRAINING AND CERTIFICATION: The new Act also empowers ITA to improve driver training and testing including:

- Certification of driving schools and instructors even 'though learners will not be forced to use a certified instructor. ITA's revamped knowledge testing of applicants for driver's licenses will facilitate testing for the skills taught by its certified instructors
- A learner must pass Road Code test and be medically cleared before getting learner's permit
- Accompanying driver must have minimum three years' experience before tutoring a learner and is subject to more stringent alcohol restriction while giving instruction
- Creating offences for learners to drive with alcohol on their breath, and at speeds more than 80kph
- A learner must be offence-free during the 12 months before applying for driver's licence (DL)
- A learner must hold permit for a minimum of six months before being allowed to do driving test

- An applicant for a commercial (Class C) driver's licence must have a minimum of three years' prior experience driving on a private (Class B) DL
- A newly licensed driver is subject to additional speeding and drink-driving restrictions during the first year

COMMERCIAL VEHICLES: Commercial vehicles have been redefined as having unladen weight over 5,000 kg (whether or not used for commercial purposes), or vehicles used to carry goods or passengers. Accordingly, a large pickup or small truck would not require commercial licence unless used for commercial purposes. Also, a driver must have a commercial licence (Class C) only if engaged in commercial activities (carrying goods or persons in connection with any trade/business).

SPECIAL ZONES: RTA 2018 requires driving at reduced speeds in school safety zones and road construction zones. The fixed penalties and Court fines for speeding within these zones have been substantially increased. Damage to roadways and road furniture: Under RTA 2018, Government may recover from "any person on a road" the cost of repairs to road due to damage caused by a road crash, debris spilled on the road or burning

of garbage, oil or spilled material. Insurers may wish to consider whether it would be appropriate to offer coverage against such risks.

ABANDONED VEHICLES: In addition to providing for removal of abandoned vehicles from the roadways, the Act defines rules for deeming a vehicle "abandoned" if not claimed within a specified time, and specifies a process for disposing of vehicles removed from the road by police (or other authorities).

RESTRICTIONS ON MOBILE PHONES AND DVD PLAYERS: RTA 2018 enacts a ban on hand-held use of mobile phones while driving. Operation of video devices within the driver's line of sight, other than display from a back-up camera, is also an offence.

TRANSPORTATION OF HAZARDOUS GOODS: RTA 2018 prescribes rules for the transportation of hazardous chemicals adopting protocols based on the UN "Orange Book".

OTHER IMPORTANT CHANGES: RTA 2018 adopts an international tyre tread-depth standard of 1.6mm for motor cars and trucks, and .8mm for motorcycles. The Act also provides for the ITA to declare a vehicle "dead" whenever deemed damaged beyond safe repair, or when a vehicle can no longer be positively identified.



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TOURISM WORKERS PENSION SCHEME

In pursuit of its philosophy to live its name, Guardian Life Limited has collaborated with the Government of Jamaica to set and maintain at least one effective financial guardrail for the tourism sector.

The Tourism Workers Pension Scheme (TWPS) was established by the Tourism Workers' Pension Act, 2019 and is a Defined Contribution Scheme. It is designed to cover all workers in the tourism sector, whether directly employed, contractual, casual, or self-employed (freelance) who deliver service to the sector.

This is expected to be a game changer not just for workers in the sector, but to plug a significant gap in the island's social security architecture.

It is a well-documented fact that Jamaica, like most small island developing states relies very heavily on tourism. Along with remittances, it is by a long shot the top source of national revenue.

According to the World Travel & Tourism Council, 2021 Jamaica, tourism delivers 50 percent of the country's total foreign exchange earnings and with a population of just under three million, the travel and leisure industry in Jamaica accounts for more than 30 percent of total employment.

As a high-touch, value-added industry one would expect that the inflow of revenues, once invested wisely would also deliver not only a source of stability to the local economy, but also result in a higher quality of life for the island's citizens across generations.

There is however a huge mitigating factor that has dampened the long-term value of a sector that helps to generate the lion's share of the only approximately 11.3 percent of Jamaica's 1.35 million workforce are members of a pension scheme as at March 2022 (Fiscal Services Commission). This yields in excess of \$700 billion but falls woefully short of the aspirational full coverage.

Glendon Gordon, Vice President, Guardian Life Limited, explains his Company's strategy to reach eligible persons: "Since the launch of the Scheme in



January, we have embarked on a comprehensive public education and registration road show islandwide to sensitize eligible persons about the importance of the Scheme. We want persons to realize the importance of planning for their life after they have retired so they can "retire and relax."

Additionally, even though the government-instituted National Insurance Scheme (NIS) is ostensibly compulsory for all workers between the ages of 18 and 70, the actual uptake falls shy of half the working population at 47 percent.

For Jamaica, a middle-income country with an aging population is therefore on the brink of a deep pension crisis. ***"At the end of working life, it is what you saved and invested and not what you earned that will give financial independence. It is estimated that you need to save for 35 years minimum to have an adequate pension; it is hard to catch up from a late start,"*** explains Orville Johnson, Executive Director of the Insurance Association of Jamaica.

Another component of this conundrum is the limited spread of security provided by active pension schemes. With a large informal commercial sector out in the cold, most pension programmes are administered by human resource departments of (typically medium to large) companies. Even contractors and regular purveyors of goods and services to these entities are expected to make their own long term social security arrangements. Typically, this does not happen.

"With an estimated 40 percent of Jamaica's workforce being self-employed there are many persons who have no proper Retirement Plan. The take up on Approved Retirement Scheme that provide a mechanism for the self-employed has been anaemic," Mr Johnson adds, contextualizing the depth of the impending crisis.

He agrees that schemes such as the TWPS, is one creative solution to the retirement income and pension crisis with intrinsic value for those who work in a sector

that generates a lion share of the country's foreign currency earnings annually.

One of the best features of the TWPS is that even those workers in the sector who are already covered under an approved pension scheme, are free to transfer to the **Tourism Workers Pension Scheme (TWPS)**.

The insurance industry has been a major player in the Jamaican pension market and the involvement of Guardian Life as administrators of the Scheme, along with workers and the hotel sector, presents a great partnership and significant pension solution.

TWPS IN A NUTSHELL

The TWPS is established by the Tourism Workers Pension Act, 2019 and is a Defined Contribution scheme. It is designed to cover all workers in the tourism sector, whether directly employed, contractual, casual or self-employed who delivers serve to sector on his own behalf.

Who is eligible to join this Scheme?

- An employed or self-employed tourism worker
- Between the ages of 18 and 59
- Is ordinarily a resident in Jamaica for more than six months
- Not a member of an Approved Superannuation Fund or Approved Retirement Scheme

Required documents needed on registration to the Scheme

- A valid ID (Passport, voter's ID, driver's license)
- Tax Registration Number (TRN)
- Completed Application Form and consent form (if necessary)
- If not an ordinary resident, you are required to provide proof of your work permit or unconditional landing in Jamaica
- Proof of address for self-employed (Utility Bill, Bank or Credit Card Statement)

How to become a Member of the Scheme

Employed Tourism Worker

An eligible employee is required to duly complete and sign an enrolment form which is available at the

Members' Human Resource Department or online. This form will be the authority required for the appropriate deductions to be made according to the terms of the Scheme from the Pensionable Salary of the Member to the Fund.

Self-Employed Tourism Worker

A self-employed tourism worker shall make an application on the prescribed enrolment form available or online.

Contributions to the Scheme

Employed Tourism Worker

Mandatory contributions are payable by workers and their employers at the prescribed percentage levels.

- Until December 2022 both Member and Employer, where applicable, contributes 3% of earnings monthly.
- Thereafter, Member contributes 5% of earnings and employer matches with 5% of the member's earnings.

Self-Employed Tourism Worker

- Until December 2022 a self-employed tourism worker contributes 3% of earnings at least once annually.
- Thereafter, the Member contributes 5% of earnings.

Generally, a Member may elect to make voluntary contributions to the Scheme and the aggregate contributions to the Scheme on behalf of each member shall not exceed the limit imposed under the Income Tax Act (currently 20%).

Benefits

A. The TWPS will offer the opportunity of a pension benefit at the various retirement ages:

- Normal Retirement Age (NRA) of 65 for both male and female
- Early Retirement Age (ERA) - within 10 years prior to NRA
- Late Retirement Age (LRA) - within 5 years post to NRA
- Ill-Health Retirement Age – one is pronounced mentally or physically incapacitated

B. A death benefit to an indicated beneficiary upon the passing of a Member.

WHAT TO DO IN THE EVENT OF A MOTOR VEHICLE ACCIDENT



With the best will in the world, there are cases where you cannot avoid road accidents. The fact is, the roadways have become very hostile, and unfortunately, many accidents are caused due to indiscipline, ignorance and impatience. There is generally a lack of regard for other road users and the enforcement of the law is not at the desired level.

To this end, a lot of pressure has been placed on insurance companies to resolve contentious issues, resulting in finger pointing to an industry for not settling claims. All claims deemed to be legitimate are settled, provided there is adequate insurance coverage and no policy breaches. Difficulties, however, are sometimes encountered in the recovery process when there is lack of evidence and the parties differ, sometimes vigorously, about how the accident occurred. The disgruntled customers depend on insurers to solve these problems, a complexity we cannot always resolve. Matters may need to be referred to the Courts and this can be a lengthy and time-consuming process.

There are, however, some useful tips/information that can be done to assist the process towards speedy settlement of a claim. These are as follows:

- **Remain calm** – You do not want to make irrational decisions you may regret at a later date, and which may compromise your ability to get a fair settlement.
- **If there is bodily injury, call the ambulance/police and try to get persons to the nearest hospital or Medical Centre.** We must be careful also, we do not move the injured persons in a manner resulting in further injury.
- **Do not leave the vehicle unattended.** You cannot control the presence of bystanders, so make sure you secure your vehicle and its valuables..
- **Take photographs of vehicle positions and the debris involved before vehicles are removed.** This can easily be done if you use a camera phone. If you can, invest in a DashCam as this will give full and clear video footage of the event.
- **Take photographs of damaged areas on the vehicles** – This can prevent persons claiming additional unrelated damages at a later date.
- **Collect information on the other vehicle/s involved, that is: Name of Owner, Driver, TRN, Plate number, colour, vehicle make and model, cover note or the Certificate of Insurance.** It is best to take photos of documents to ensure accurate information is recorded.
- **Where possible, make note of the number of passengers being carried in the vehicles at the time such as: male / female / children.**
- **Collect names of any independent witness or witnesses to the accident.**
- **Get correct name of the road/intersection on which the accident occurred.**
- **Report accident to the nearest Police Station within 24 hours and ensure that you collect your report receipt.**
- **Report accident to your insurance company/Intermediary as soon as possible so that investigations can be carried out before the evidence is tampered with.**
- **Try not to make arrangements with persons to take your vehicles and promise to repair them at any unknown garage you are uncomfortable with.** See guidance from your Broker/Insurer.
- **Seek additional guidance from your Insurer as to whether to obtain an estimate from the repairer before starting repairs to the vehicle.** Your insurer will guide you on how best to proceed, but you will have to assist the process by giving the information required.
- **Give your insurer/Intermediary ALL the information you have collected including photographs taken at the scene of the accident, voice notes, WhatsApp chats and videos relating to the accident.**

Remember, all motorists, whether you have the right of way or not, have a duty to avoid road accidents where possible. Let us all endeavour to keep safe on our roads.

WISYNCO FIRE



Mr. Andrew Mahfood
Group CEO, Wisynco



- 1 We remain unsure as to what started the fire - May 26, 2016 3:50 pm. Getting ready to leave work to go to the Jamaica Observer Food Awards later that evening. We have a fire!**

Failing to plan for a disaster is planning to fail. Peril's for example – hurricanes and earthquakes are not a matter of if – but when i.e. they are going to happen to a large cross section of people and businesses at the same time. Fires are more selective – they are not a matter of when but if – i.e. they will happen but will it be you?

- 2 What was the extent of the damage to the plant and what impact it had on your business operations.**

The extent of damage was vast – our entire distribution center (260,000 sq ft) was burnt to the ground and every product in the distribution center was destroyed. All Finished goods and Raw Materials. In addition our chilled / frozen warehouse which was within the distribution center was also destroyed.



(Before the fire)

3 How much was the extent of the damage in dollars terms?

Rather keep within



(Factory on fire)

4 What was the impact of the fire on staff members, did you have to lay them off even terminate some of them?

The impact was demoralizing—all of us Wisynconians had built and developed our prized distribution center and all of us stayed there and watched for 6 hours while it burnt to the ground. Tears flowed. We met with our team the day after and assured them no one would be laid off or terminated – and that we would need them now more than ever to rebuild. They cheered and clapped and the response from our Team was enough to drive us to commence day 1 plans to regroup and rebuild.

5 How did having Insurance in place impact your business both when it had to be closed and to be able to restore the business?

Insurance was critical to our rebuilding plans. The response by our broker and our insurers

was incredible and above expectations. We were able to receive interim payments after visits to the destroyed site was validated by the loss adjusters. Coverage proceeds over our inventory certainly assisted with paying our suppliers and the payments for the building coverage assisted us in clearing the destructed site and rebuilding over a period of 12 months



(After the fire)

6 What would you say to persons in business about the need for Insurance to cover the risk of fire and other risks?

You have to expect the unexpected and ensure the business assets at risk are covered with insurance. Fire and Perils occur and our assets that are critical to the business e.g. Inventories and buildings, machines, public liabilities should all be covered at replacement cost. Failure to cover adequately can then lead to reduced amounts when a claim is made. We were adequately insured from a replacement cost point of view.

7 How could recover from the fire if you had no Insurance?

This is a question I am glad that I do not have to answer or to have witnessed how we would have recovered. We would have had to lever up the business significantly to rebuild the building and replace the inventories. Yes we would have recovered but it would have taken a longer time and the leverage required from our bankers at the time would have placed other expansionary plans on hold. There is always a limit to how much can be borrowed. Spend some time, evaluate your assets and the risk you face if such a disaster as we had in May 2016 occurs and make sure you are covered

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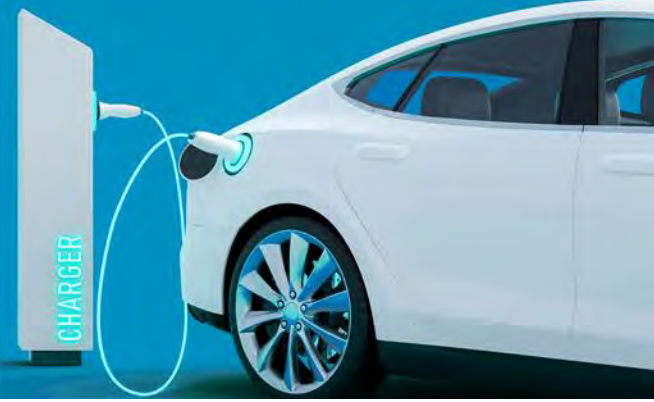
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WELCOME TO THE EV REVOLUTION!

By **David McKay**, Managing Director
MSC McKay (Ja.) Limited



The Electric Vehicle (EV) Revolution has taken the world by storm and Jamaica is one of many countries taking interest in this fascinating technology. Skyrocketing fuel prices, and concerns about the environment, have driven an increased interest in Electric Vehicles (EVs), but the average person may be reluctant to make the leap from a conventional Internal Combustion Engine (ICE) vehicle to an EV because of various factors.

A Little History

Electric vehicles have been around far longer than most persons realize. The first crude electric vehicle was built by a Scottish inventor in 1832, a half-century before the invention of the gasoline fueled automobile. It was not until the early 1890's, however, that a practical electric vehicle was built by William Morrison, a chemist who lived in Des Moines, Iowa, United States of America (USA). This electric car could carry up to six passengers and had a top speed of 23 kilometers per hour (14 mph).



The main reason why early electric cars were not successful was because they used lead-acid batteries which were heavy and bulky, and could not store much energy per unit of weight. This made these electric vehicles impractical as they had a limited range, low top speed and were far more expensive than their ICE counterparts. The introduction of the mass-produced fuel burning Ford Model T in the early 1900's assisted in

the demise of the early electric car, with very few still on the roads by the 1930's.

In the 1970's, there were signs of a revival of interest in EV's due to the energy crises, which saw the price of fossil fuels increasing dramatically. This renewed interest became more evident when state and local governments in the USA expressed concerns about air pollution and began pushing for more fuel efficient, lower emission vehicles. As a result, several large automakers including General Motors, American Motors and Toyota Motor Corporation began investing in the research and development of electric vehicles.

In the mid 2000's, Tesla Motors began development of the Tesla Roadster, with the first model being delivered to eager customers in 2008.



This Tesla Roadster was the first mass produced all-electric car to use lithium-ion battery cells. It was also the first production car to travel more than 320 kilometers (200 miles) on a single charge.

Other major car manufacturers such as Toyota, Nissan, Volvo, Honda, Chevrolet, BMW and Ford all released EV models, with varying degrees of success. As time went on and more was invested in research and development, the practicality of an EV versus an ICE vehicle increased. EV prices became more affordable and the range and performance increased dramatically. With China entering into the EV market in a big way, sales of EV's surpassed the one million unit per year mark in 2016. Worldwide EV sales have since increased to over 6.6 million vehicles in 2021.

Types of Electric Vehicles:

There are three main types of electric vehicles available to consumers:

- 1. Hybrid Electric Vehicles (HEVs)** combines a conventional ICE with an electric motor and battery pack to aid in reducing fuel consumption. The batteries in HEVs cannot be recharged by plugging into an external power source. Instead, the batteries are charged through what is referred to as “regenerative braking”, where when the car is slowing down or the brakes are applied, the electric motor acts as a generator sending charge to the batteries, while helping to slow the car.
- 2. Plug-In Hybrid Electric Vehicles (PHEVs)** also combines a conventional ICE with an electric motor and battery pack. The difference with the PHEVs is that it can be connected to an external power source to recharge the batteries. Typically, PHEVs can travel between 10 to 50 miles using electric power only. Once the electric power has been depleted, the conventional engine takes over and operates in the usual manner. For short trips, it is possible to use battery power only without burning any fuel whatsoever. PHEV models also utilise regenerative braking to assist in recharging the batteries.
- 3. Battery Electric Vehicles (BEVs)**, also known as full-electric or pure electric vehicles, are powered entirely by electricity. They are built without a conventional engine, fuel tank, or exhaust pipe. BEVs are charged by plugging into a public or at home charge point and accessing energy from the grid. Regenerative braking is also employed in BEVs to assist in charging the batteries while driving.

Pros and Cons of Owning an Electric Vehicle

Before making the decision to move to an EV, there are some important factors to take into consideration:

PROS	CONS
<ol style="list-style-type: none">1. EVs are less costly to run than conventional ICE vehicles and require less maintenance. In full Electric Vehicles, there are no oil and filter changes as required with ICE vehicles and there are far fewer moving parts.2. EVs contribute to a cleaner environment due to considerably reduced or non-existent harmful emissions.3. EVs contribute to reduced noise pollution, particularly in urban areas.4. Advances in Lithium-Ion battery technology has resulted in lifespans of anywhere between 10 to 20 years before replacement is required. Most EV manufacturers offer warranties on batteries of between eight to 10 years or 160,000 kilometers (100,000 miles).5. For any electric car to be sold, manufacturers have to comply with specific design regulations to ensure that their vehicle is safe enough for drivers. Electric cars are put through the same rigorous crash testing as conventional ICE vehicles, with specific attention paid to the safety of the batteries and electrical system in the event of an accident.6. The driving range of EVs has increased dramatically in recent years, making them practical for all types of journeys. Several EV charging stations have been installed at various locations islandwide, with many more scheduled to be installed in the near future.	<ol style="list-style-type: none">1. The initial cost to purchase an EV is usually higher than that of a comparable ICE vehicle.2. The mining of the minerals required to manufacture Lithium-Ion batteries used in EVs and the incorrect disposal of depleted batteries can lead to the creation of other environmental hazards.3. The low level of noise produced by an EV can pose a risk to pedestrians or cyclists, particularly in low-speed urban areas where pedestrians are crossing the road.4. Lithium-Ion batteries in EVs can be costly to replace when it has reached the end of its useful life.5. The average cost to insure an EV is currently higher than that to insure a comparable ICE vehicle.6. A main concern of potential purchasers of full electric vehicles is what is referred to as “range anxiety”. This is where the EV driver may worry that their vehicle will power down before getting to their destination or getting to a charging station. Recharging the batteries on a full electric vehicle will also take considerably longer than refuelling a conventional ICE vehicle.

As the next generation of EVs hit the market, it is likely that they will be even more practical and cost-efficient than their gas-guzzling counterparts. If you’re considering buying one yourself, do your research to make sure that whichever one you choose matches your driving habits.




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10 REASONS YOU NEED CRITICAL ILLNESS INSURANCE

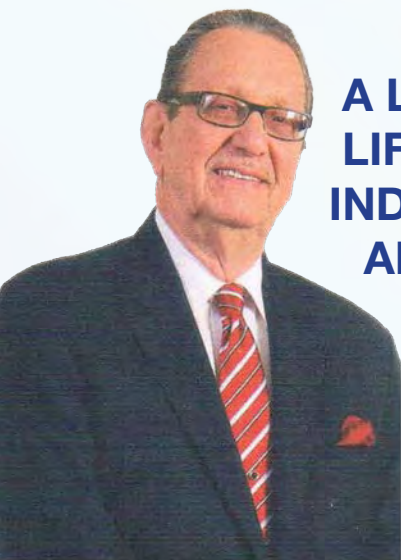
By: Shirley E. Daley,
MBA/CLU Branch Manager,
Chancellor Insurance Agency

We are all open to unexpected illnesses, some more critical than others. Critical illness insurance provides a cash benefit in the event that you are diagnosed with illnesses like cancer, heart attack, major burns among others. The amount paid can be used to take care of health-related costs and other financial obligations including looking after business and family. This helps the insured to freely focus on safe and sound recovery.

Here are 10 reasons you need critical illness insurance:

- Peace of mind**
1 No need to worry about being a burden to family and friends if you are diagnosed with a critical illness. Cash is available to take care of related expenses and having peace of mind will increase your ability to recover faster
- Pre-disposition to a critical illness**
2 Due to family history with members having critical illness, you could develop a critical illness
- Confidence in taking preventative measures**
3 You are more confident to do regular medical checks when you have critical illness insurance
- Risk is higher than you think**
4 A healthy lifestyle (eating the right foods, exercise, rest) is in your control but based on statistics and anecdotal evidence (personal stories), the risk of being diagnosed with a critical illness is increasing daily. Critical illness (CI) now represents 25% of new policies sold. CI claims: 2019 - \$0.786 B; 2020 - \$1,077 B; 2021 - \$1,562 B* Do not be a statistic!
- Loss of wages**
5 How long will your savings last if you are unable to work? If diagnosed, critical illness insurance will help to mitigate loss of income
- Healthcare is expensive**
6 If diagnosed, without critical illness insurance, medication, surgery, in-home/after care and other unexpected expenses can be costly even if you have a 100% health benefits package at work
- Wealth protection**
7 If you are independently wealthy and are the brain behind creating this wealth, can you afford to be critically ill? Smart financial planning suggests that you include critical illness insurance to help protect your wealth
- Buy now while you are young**
8 Critical illness insurance premiums are lower when you are younger
- Buy now while you are healthy**
9 Like a house on fire, if you are diagnosed, when you need critical illness insurance, you cannot qualify to get it
- Cash Back**
10 Critical illness plans offer cash back if you are never diagnosed. Consider it as a way to save!!!

NCDs are the leading cause of premature death in the Caribbean Loop News April 6, 2022 03:07 AM ET



A LOOK AT THE LIFE INSURANCE INDUSTRY BEFORE AND AFTER JAMAICA'S INDEPENDENCE

By: Dr. The Hon. R. Danny Williams,
OJ, CD, JP, Hon. LL.D.(UTech)
Hon. LL.D.(UWI)

1. How would you describe the state of the Life Insurance Industry in Jamaica before Jamaica's Independence in 1962?

A. The life insurance industry in Jamaica was largely unregulated. There were branches of several North American companies operating in the country. Companies such as North American Life, National Life, Confederation life, Crown Life, Manufacturers Life, American Life, Maritime Life, among others.

Jamaica Mutual Life Assurance Society which was established in 1844 was the prominent locally-owned insurance company.

As far as the foreign entities were concerned, all premiums collected had to be forwarded to the overseas head offices. Very little by way of investment in Jamaica was made by these companies. A few of them did make mortgages available to preferred clients.

In these local operations, there was no need for actuaries, investment officers, risk assessment personnel, lawyers, and other professionals, because full operations were conducted by the overseas head offices. We were basically sales offices and nothing more.

In this regard, the Jamaican economy was at a loss because of the outflow of cash to overseas entities who found it more profitable to invest in their own environment.

Before Jamaica's Independence, there was no specific Government legislation governing the selling of life insurance. The behavior of field personnel was governed largely by the Code of Ethics of the then Life Underwriters Association of Jamaica (LUAJ), which was founded by the late Lister Mair in 1932. Government's intervention regarding life insurance operations did not come into effect until the Insurance Act of 1971 when the Office of the Superintendent of Insurance required licensing exams

for salesman and operational requirements for insurance companies in Jamaica.

2. Did Independence immediately bring about a change in the operations of the life insurance industry in Jamaica?

A. Independence did not bring about an immediate change in operations of the foreign companies. Business continued as usual, but the spirit for local acquisition and innovation began to intensify. Proper administration of a life insurance company is not something that can be put in place overnight.

Life of Jamaica Limited, which was officially launched in 1970 as a scratch local company with a share capital of \$2.5M, was the first local company to be launched. It was listed on the Stock Exchange.

"A locally owned entity" meant having your own board of directors, actuaries, investment team, underwriting personnel, accountants, legal department and much more.

3. What inspired the move towards localization of the industry?

A. Pride of ownership; and the desire to have an entity that functions to the benefit of Jamaicans, and which contributes to the growth and development of the Jamaican economy are some of the primary drivers for localization. The concept of accumulating funds in Jamaica which would be invested in the Jamaican economy was also a prime motivation towards localization of the industry.

4. What impact has the life insurance industry had on the Jamaican Economy?

A. It has had an enormous impact. Job Creation is obvious. Numerous persons have gained employment in multiple sections of the industry.

As funds became available for investment, the insurance industry became more aggressive in developing real estate - both financial and commercial. For example, there is a wide range of commercial real estate development in New Kingston, and indeed all over the island attributable to the industry. In addition, numerous individuals were able to obtain mortgages to own their own homes through the industry's expansion of its mortgage portfolio. The industry also established several shopping centres. I could go on and on.

Significant investments were made in Government Bonds, the Unit Trust and the industry's involvement in the Jamaica

Stock Exchange was heightened. The Unit Trust was also another beneficiary of the localization of the insurance industry.

5. What impact did the financial meltdown of the 90's have on the life insurance industry?

A. The financial melt-down of the 90's had a devastating effect on the life insurance industry. Property values and other investments owned by the companies decreased significantly, thereby making them technically bankrupt and thus requiring Government intervention to restore their solvency.

The melt-down also led to the merging of some companies through the Government's Financial Adjustment Company (FINSAC). The Government later sold the interest in the companies they assisted. This is why today, Sagicor Life Jamaica Limited and Guardian Group Limited have significant overseas ownership of their shares.

However, the objectives of localization have not been diminished. The life insurance industry is fulfilling the objectives that motivated localization. Investment strategies are still very beneficial to the Jamaican economy and the regulator - the Financial Services Commission - has effective regulatory guidelines which guides the activities of the life insurance industry in Jamaica.

6. What prospects do you see for the life insurance industry as the years continue to unfold?

A. The life insurance industry in Jamaica will continue to go from strength to strength because what it represents is vital to the survival of growth of the economy, families, and numerous other aspects of successful living.

For example, in the year 2020, the Life Sector paid out \$24.41 billion in Policy Benefits, comprising: Death Benefits, Policy Loans, Surrenders, Encashment, Critical Illness, Maturities and others. \$20.15 billion was paid out in Health Claims, comprising: Hospitalization, Surgery, Prescription Drugs, Lab/X-ray, and Maternity, Dental, Optical, Disability and Others. There was also \$245.58 billion of Pension Funds under management of the insurance companies.

This type of service by the life insurance industry is tremendous and will only strengthen as the years progress.

Currently there are five life insurance companies operating in Jamaica: Cuna Caribbean Insurance, Guardian Life Limited, JN Life, Sagicor Life and Scotia Life. From all indications they are poised for growth with the aim of satisfying the needs of policyholders and the Jamaican economy.

The interviewer was Tommy James, CLU

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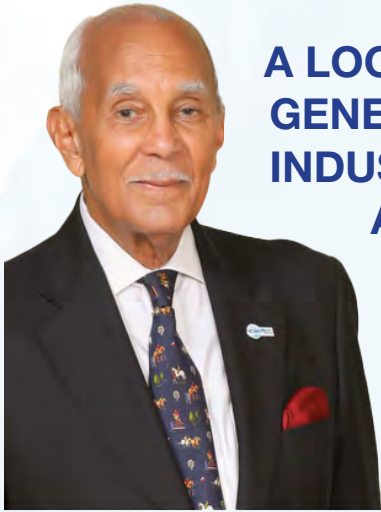
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A LOOK AT THE GENERAL INSURANCE INDUSTRY BEFORE & AFTER JAMAICA'S INDEPENDENCE IN 1962

By: Dr. The Hon. Dennis H. Lalor,
OJ, LLD (Hon.), ACII.

1. What was the general insurance scene like before Jamaica's independence in 1962?

A. The first recorded fire insurance agent in Jamaica was appointed by a British Company in 1807, and thereafter, other agents were appointed mainly from among the merchant class and later solicitors, now known as attorneys.

In 1873, the Jamaica Co-operative Fire and General Insurance Co. Ltd., a locally incorporated Company was formed. The first meeting of that Company was held in August in the office of Mr. Samuel Constantine Burke, one of its founders and a legend in Jamaica's history of the period. Mr. Burke was elected Vice Chairman. Dr Lewis Bowerbank, whose statue for many years adorned the bottom of King Street by the Victoria Pier, was elected Chairman. Bowerbank, like Burke, was born in Jamaica and his connection with the insurance industry is of more than passing interest. He was an outstanding physician and was appointed Custos Rotulorum of Kingston in 1862.

The first recorded risks accepted by 'Jamaica Co-operative' were for £1,000 on stock at premises owned by Messrs Cripps Scott and Cox and for £550 on premises at Denbushires Wharf at No. 1 Lower East Street.

This was the first attempt that anybody had made to operate a local general insurance company, and as can be appreciated, the entry of this neophyte into what was until then the prerogative of the British companies was not enthusiastically received by all. Perhaps the attitude towards the new company was summed up by the Morning Journal of July 15th, 1873, which commented inter alia: "We know nothing more about the projected fire insurance company other than the fact that the names put forward in the prospectus are names of good report..."

At the time of the incorporation of the Jamaica Co-operative, there were several British companies engaged in the fire insurance business in the island. Jamaica Co-operative Company was strongly insular in design and was formed with the avowed objective of reducing the rates of

fire insurance premiums in the island, and of retaining a part of what was then regarded as a large amount of money annually sent off the island as premiums.

It was also the intention to retain profits that might accrue to shareholders from participation in the business of fire insurance. Further differences between the Jamaica Co-operative and the British companies in Jamaica were that it was a mutual company and shared profits between shareholders and insureds.

A fire tariff for the West Indies was issued from 1867, but the Jamaica Cooperative commenced with a lower tariff and up to the year 1882, had twice reduced its tariff. After five months of business, Jamaica Co-operative had sold 4,152 shares to 114 shareholders, issued 75 policies covering 189 risks and had invested some of its paid-up capital and premiums in the debentures of the Rio Cobre Canal Company. This Company was then undertaking one of the most important public works and to fully appreciate the scenario of the time, it must be recalled that in 1873 the railway did not extend beyond Old Harbour. This was two years after the first fire brigade had been established and only one year after the capital of the island had been moved from Spanish Town to Kingston. In 1873, the streets of Kingston were first lit by gas lamps and in that year also piped water was first brought to Kingston and irrigation water made available in St Catherine.

By 1883, there existed in Jamaica 15 agencies for English and Scottish companies with Jamaica Co-operative still being the only Jamaican fire insurance company.

The cover was mainly against fire only and rates charged varied from 10 to 30 shillings per £100 for fire-proof buildings; 15 to 60 shillings per £100 for non-fireproof buildings; 10 to 20 shillings per £100 for estates and 126 to 170 shillings for trash houses. In all cases, the lower rates were those of the Jamaica Cooperative.

By 1893, the total fire insurance effected by all companies doing business in Jamaica was not much in excess of three million pounds, which even allowing for the great difference in value of money now, and then would only represent the sum insured in one of our medium-sized risks today. The total fire premium of all companies amounted to £32,000 in that year. Insurance against perils such as lightning, hurricane and earthquake which are now standard cover was not provided, but one of these exclusions, earthquake, was to be the subject of three test cases which had a significant impact on the development of fire insurance in Jamaica.

In January 1907, Kingston was devastated by earthquake and fire, resulting in over 1,000 persons losing their lives and tremendous damage being done to property. Up to that time, policies issued locally had special clauses exempting companies from liability in the case of damage by either earthquake or fire caused by earthquake. The position adopted by the industry was that no liability existed to make good the damage.

The Directors of the Jamaica Co-Operative were advised by their lawyers soon after the earthquake that the Company was

not liable to compensate insureds under the terms of their policies and that it was not within the power of the Directors to arrange for any compromise, without being personally liable, unless they had the consent and co-operation of the shareholders.

One of the advantages of a local Board of Directors and management was now revealed. While the non-resident companies acted on the formal legal opinion they received and awaited the outcome of the test cases before the courts, the Directors of Jamaica Co-Operative were responsive to a proposal made to them "by several leading solicitors of the city representing a large number of policyholders". They put the proposal to a special general meeting of shareholders who authorized the Directors to settle on compromise all adjusted claims against the Company on the basis of 55% of the adjusted claim. Thirty percent of each adjusted claim was paid in cash and the balance satisfied by premium credit notes and paid-up shares in the Company.

Of the three test cases, the first was tried in England and the Court decided that the fire destroying the building was the result of the earthquake and that under the exclusion clause exempted the insurance company from liability. The second case was tried in Mandeville because of the high feeling running in Kingston, but on the strength of the evidence of eyewitnesses who claimed they saw smoke and fire in the city before the earthquake (probably banana trash being burnt at the railway), the jury gave an award against the insurance company. Following this decision, the insurance companies offered compromises to policyholders and most claims were settled by payment of 80% of the amount of the loss, plus costs.

For two years after the earthquake, the insurance market was very confused in its rate structure which was not rationalized until 1910. In that year, a fire tariff for Jamaica was agreed, standardizing rates for certain types of risk and resulting in a doubling of premium rates by the English and Scottish companies. The inclusion of 'extra perils' for an additional premium followed. The extra exposure introduced the need for greater reliance to be placed on reinsurance protection and in 1924, Jamaica Co-Operative concluded its first Reinsurance Treaty as we know it. Two years later, the reinsurer - Commercial Union, acquired a controlling interest in Jamaica Co-Operative thus ending the brave experiment of a Jamaican-owned and operated fire insurance company. The standardization of rates saw the formation of the Jamaica Fire Insurance Association which was, and still is, affiliated to the Fire Offices Committee (Foreign) of London. This association rose steadily in importance until the decade of the sixties when its membership was approximately 70 in number but has since experienced a sharp decline with a current membership of less than 10.

The manner in which fire insurance was sold to the public continued in much the same way until 1934 when the Insurance Company of Jamaica Limited emerged.

While in the years after the 1907 earthquake Kingston concentrated on rebuilding what had been destroyed, in the 1920's and 1930's the city was expanding fast. Between 1921 and 1943 the number of people in Kingston and St Andrew more than doubled.

This was part due to the burgeoning banana trade - Jamaica was the world's leading supplier until the late 1930's and the fact that most of the exporting was withdrawn from the smaller ports around the island and focused in Kingston. The extension of the railway in 1913, 1921 and 1925 meant that much more freight could be brought to the Kingston wharves and that employment increased there.

Other factors which attracted the population to Kingston were the extension of its educational facilities, greater ease of transport by the increasing use of motor cars and the building of cinemas. In 1925, Kingston College and St Andrew High School were founded.

The Directors of the Insurance Company of Jamaica Limited had impeccable credentials and were household names in every section of the society. Chairman of the Board was Mr. Lewis Ashenheim, a highly respected lawyer who was also Chairman of the Gleaner Company Limited. The initial approach of the Insurance Company of Jamaica (ICJ) was somewhat different to that of the Jamaica Co-operative. Possibly because so much of the Jamaican businesses were controlled by the Directors of the company, there was no need to enter the market with lowered rates as did Jamaica Co-operative.

Nonetheless, during its first year of operation, ICJ had sold 896 policies of fire insurance. This meant that an average of between three and four persons brought new business to its offices each working day.

Having secured itself in Jamaica, the ICJ established agencies in British Honduras, Haiti and Trinidad. Eventually it assisted by way of technical help and equity participation in the formation of Trinidad & Tobago Insurance Co. Limited.

During the two decades 1931 to 1951, over 70 companies were offering fire insurance in Jamaica with all but two being foreign. It was not until 1951 that the third Jamaican General Insurance Company was formed. The origins of Motor Owners Mutual General Insurance Association Limited are of special interest as it provides an example of the direction in which the society had moved in a relatively short period.

The founder of Motor Owners, Mr. John Williams, was a life insurance salesman who enjoyed a large clientele among the ranks of the Jamaica Civil Service. Because of the increasing poor results being experienced by insurers, motor insurance was becoming relatively expensive and proving to be a burden on the pockets of most persons in the society.

No doubt because of his close association with members of the Civil Service, Mr. Williams determined that a company formed to write majority of the motor insurance available could do so profitably and thereby maintain rates at reasonable

levels. The idea was to form a mutual company whereby the policyholders were the shareholders and for some time after its launching, all new policyholders of Motor Owners had to purchase shares.

Eventually the mutual idea was abandoned although it is still retained in the name of the company. The original directors though not being unknown in their respective fields did not command the social or financial heights of those who directed the affairs of either Jamaica Co-operative or the Insurance Company of Jamaica Ltd.

Nonetheless, Motor Owners was seen to be providing a need and it was well supported. Eventually the Company commenced seeking fire and other classes of business and today, although motor remains the largest single class, it has a substantial fire premium volume. The decades of the 60's and 70's brought about the most dramatic changes in the history of fire insurance in Jamaica.

2. How did Jamaica's independence in 1962 affect the General Insurance Industry?

A. Whereas in the previous 80 years only three Jamaican Fire Insurance Companies were formed, the 60's saw the formation of Dyoll Insurance Company Ltd., British Caribbean Insurance Co. Ltd., Jamaica General Insurance Co. Ltd., Central Fire & General Insurance Co. Ltd. and The Insurance Company of the West Indies Ltd. With the exception of Central Fire, all of these companies had one thing in common, they rose out of former agencies of overseas principals and like Jamaica Co-operative and The Insurance Company of Jamaica Ltd. were formed for nationalistic purposes.

The Insurance Act 1971 was to have been the forerunner of Government interest in the insurance industry. To be sure, in the past, there was legislation affecting certain classes of insurance business. There was the Road Traffic Act, the Motor Vehicles Insurance (Third Party Risks) Law, the Consumers Compensation Act and the National Insurance Act. With the exception of the deposit requirement introduced in 1964 under the Motor Vehicles Insurance (Third Party Risks) Law, none of these Acts of Parliament really affected the conduct of insurance generally.

The Insurance Act changed all of this. For the first time insurance companies had to seek registration, have a minimum paid up capital, meet prescribed solvency margins and comply with a host of regulations. For those companies not doing a large volume of business in Jamaica it was preferable to withdraw rather than comply with the Act and the number of companies operating in Jamaica was reduced as a consequence. The Insurance Act was followed in 1977 by the setting up by Government of an "Insurance Expert Committee" to advise the Government on the future course that the industry should take.

This resulted in a Ministry Paper being laid in Parliament stating inter alia that all insurance companies operating in Jamaica would be expected to have at least 51% local ownership within three years.

3. What was the result of this operational requirement by Government?

A. The immediate results of this requirement were further withdrawals from Jamaica of overseas companies with relatively small portfolios of business and/or mergers between overseas and local interests. The number of fire insurance companies doing business in Jamaica was thereby reduced from a high of over 70 in the 60's to under 20.

Although for reasons quite separate and apart from those events, the three pioneers - Jamaica Cooperative, The Insurance Company of Jamaica and Motor Owners Mutual - all experienced dramatic change.

In 1978, the Jamaica Co-operative was acquired by Dyoll Insurance Company Ltd. with which its operation was merged and following a name change, the Jamaica Co-operative no longer existed.

The Insurance Company of Jamaica Ltd. was acquired in 1978 by The Insurance Company of the West Indies Ltd., which in 1980 also acquired a controlling interest in Motor Owners Mutual.

4. Are there any outstanding developments between the 60's and 70's?

A. Other developments taking place between 1960 and 1977 included the advent of local insurance brokers and this brought about a significant change in the method of distribution of insurance to the public.

The move towards the localization of the industry also meant the transfer of decision making from overseas to Jamaica. This together with the increasing complexity of the risks to be insured has created for Jamaicans job opportunities far outside the scope of anything that could have been contemplated by our predecessors. While in 1893 the total fire premium in Jamaica was approximately £32,000 and the total sums insured £3 million, by 1983, the total fire premium was of the order of \$60 million and sums insured exceed \$4 billion.

5. How did the financial meltdown of the 1990's affect the General Insurance industry?

A. The financial meltdown, had a lot to do with the collapse of the Jamaican Stock Market. While the Life Sector had huge investments in the Stock Market because of their investment strategies to benefit policy holders, the General Insurance sector was not affected by the Stock Market demise.

6. What future do you envisage for the General Insurance Sector as the years continue to unfold?

A. Currently there are 11 General Insurance Companies operating in Jamaica. They are: Advantage General Insurance Company Limited, British Caribbean Insurance Company Limited, Canopy Insurance Limited, General Accident Insurance Company Limited, GK Insurance Company Limited, Guardian General Insurance Company Limited, Insurance Company of the West Indies Limited, Iron Rock Insurance Company Limited, JN General Insurance Company Limited, Key Insurance Company Limited and Massy United Insurance Company Limited.

In 2020, the General Insurance Sector paid out \$16.41 billion in claims for the following categories: Commercial Property, Residential Property, Motor Vehicle, Employers Liability, Pulic and Other Liability and All Others. This is an indispensable service to the General Insurance buying public and a plus in the Jamaican economy. Gross Written Premium for 2020 was \$56 billion.

In my view, companies will have to expand to meet General Insurance needs. By expansion I mean the net worth of the respective organizations as it is only by increasing the value of capital and surpluses that more financial risk can be entertained

Increase in net worth can be achieved either by the injection of new capital which is always a technique favoured by shareholders or by increasing surpluses out of retained profits.

We need to continue regarding insurance as being part of the financial system of Jamaica and manage it as such. By way of example, we need not only to sell policies but to do so at rates which will ensure profitability. We need also to collect the premium promptly and to invest it quickly and wisely. Additionally, we need to so administer our offices that the work is streamlined, and overhead expenses contained. It is only obeying those rules that as an industry we shall expand and take on the rightful place in the system.



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INTERVIEW WITH HEATHER BOWIE

Insurance Consultant

1. What prompted you to enter the Insurance Industry

Response: In 1980, after completing my Diploma at Shortwood Teachers College, my longtime friend Karen Buchanan, who was employed to ICWI at the time, told me about the company recruiting individuals to work, due to the impact of Hurricane Allen on the island. I completed and submitted the application form, and the rest is history.

2. What were your early impressions of the Insurance Industry?

Response: I found the industry very interesting. I started out in the industry working in claims and had an early exposure to legal documents and policy wordings which were initially “foreign” to me. However, my supervisor at the time - Delores Brooks saw my potential and interest and was very helpful in explaining the terms, conditions and all the technical information seen in the Loss Adjusters Reports, which I had to read in detail.

3. How long did you stay in the industry and what was it that kept you there?

Response: I am still in the industry; this is actually my 42nd year. I am now working on a part time consultancy basis. Having spent so long and becoming quite adept in it, it did not cross my mind to leave the industry, but rather I sought to pursue Insurance studies at the highest level.

4. What was the Industry like in the early days and how does it compare with what obtains now?

Response: In the early days, persons were more committed to the industry. The College of Insurance and Professional Studies, previously named the Insurance College of Jamaica, was the place to go. Companies sent their staff to the College to gain technical knowledge on the insurance industry and we felt privileged to be sent to the college. In the earlier days, there was significant interest generally, to pursue the professional qualification, The Associateship of the Chartered Insurance Institute (London) ACII. Today, many persons are pursuing other business-related qualifications from the multiplicity of educational institutions now available. The industry today is now inundated with so many options of study and I find that persons, though working in the Industry, are seeing it as having a job, rather than a career.

5. Who were the persons who influenced you positively in your industry journey and how did they impact your career?

Response: Jennifer Cox of ICWI interviewed me. Initially I felt intimidated by her, but the wise words and encouragement she gave, I felt encouraged and ready to take on the journey in insurance.

Mr. Sonny Gobin, the then founder and Managing Director of Key Insurance Company, also encouraged me to continue my insurance career, having seen my interest and potential.

There are of course many more persons, but I would get in trouble if I were to name some and not all.

6. What effect does an insurance education such as completing the ACII have on a person's progress in the Industry?

Response: If you make a decision to remain in the Insurance Industry, it is important to become qualified and competent in your chosen career. The ACII will aid in your development and promotion, as it shows you made a choice in insurance and allows you to access managerial positions.

7. You were recently Chairman of the College of Insurance Professional Studies (CIPS) what role do you see them playing in the industry going forward. What are the three critical things they should focus on?

Response: CIPS must be the College of choice for insurance education if one has chosen insurance as a career. Other colleges and universities may offer aspects of Insurance but not the complete programme of courses.

i. The College must position itself in the market as the main provider for persons wishing to pursue an education in Insurance. It's good that they take part in the Career Day activities at various schools and universities, but it should also be an option for school leavers. This way, the College can create a data bank of persons for insurance entities to choose from when needing employees.

ii. CIPS should also endeavor to find more course offerings for the Insurance Practitioners and encourage more senior and competent members of the industry to give of their talent, by volunteering to be Lecturers.

iii. CIPS could also give free ongoing webinars targeted towards members of the public to get a better understanding of coverage under various Insurance Policies. This should include Non-Motor Insurance.

8. The slow turnaround of motor claims continues to put the Industry in a poor light with the Insuring public. What are the three things we should do to change the current situation?

Response: First of all, the companies need to outfit the claims departments with competent, qualified and committed personnel who take their work seriously. They must also be properly compensated and go through rigorous training to include customer service/customer relations. Too often members of the claims department do not get the level of recognition and encouragement as some of the other departments. More time must also be spent at the Orientation Level. They are not to be immersed into the field without the proper directive and ongoing guidance. The employees must also be trained to understand that their actions, or lack thereof, can significantly affect the profitability of the organization.

One of the complaints made by the general public is the lack of continuous updates of their claims. Regular communication with the insuring public, would give them some reassurance that we care, hence we must be committed to the task.

Secondly, we must, at the onset, advise the customer of the claims process and all the documentation required. It is frustrating to the customer when they are called on a regular basis to submit information which they should have been informed of from day one.

Thirdly, regular public education is important, so we must always have a presence and be available to respond to the complaints and queries. We are already seen as dishonest by some, though this is not a fair assessment, hence we must do all we can as an industry, to change that. I am happy that the IAJ has been taking steps to improve the level of service to the public.

9. What advice do you have for young persons now thinking of entering the insurance industry and to those who are now in it?

Two years after entering the industry, I had the desire to start the ACII. I was told that I am new to the industry, was not ready, and did not yet have the competence to take and pass the exams. At that time, you had to pass all three subjects to go to the next level. That was my motivation to show naysayers that I had the potential. I put in the work and to the surprise of many, I passed all three.

When I decided to pursue an MBA in Finance with the Manchester Business School in England, someone in the Industry who was also doing the same degree, told me it is hard and I should do another MBA. I thought to myself, how selfish. So, you have the potential and I don't? I say all this to say, we must encourage those entering and who are currently in the Industry, to do their best in their studies and we must be willing to give assistance when required. The Bible reminds us in 1 Thessalonians 5 vs 11 that we must encourage one another and build each other up. The same chapter also reminds us to always strive to do what is good for each other. We must never be too busy to help each other. We must not see their achievement as a threat, but a means of contributing to their personal development and the development of the Industry.

10. You are now retired what do you miss most about the Insurance Industry.

I am not fully retired, however, the industry has become far more demanding and challenging and somewhat, unforgiving. I do not miss that. I do however miss the interaction with some of my Industry colleagues and the vibrant discussions at various levels that contribute to my development and the development of the Industry.

I'm happy to say at this time that retirement presents a great privilege and opportunity for me to spend more time with family.

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**INTERVIEW WITH DONOVAN S. BROWN,
JP, PRESIDENT AND CEO OF CHANCELOR
INSURANCE AGENCY**

1. What led you to get into Insurance Sales?

Whilst working at Wyndham Hotel as an Accountant, I was impressed to see Insurance Agents well-dressed whilst visiting the hotel for meetings and conferences. Being a man who likes to dress well, it really had an impact.

As a young married man, with a three-weeks-old daughter, I was desirous of earning more money to take care of my family. I then began to heavily fixate my thoughts on selling life insurance. I was contacted by Neville Henry of Island Life based on recommendation from my neighbour. After successful fulfilling the recruitment process, I became a life insurance Salesman and the rest is history.

2. How did you transition from your previous job as an Accountant?

The transition was very easy. It was something I wanted to do. My experience as an Accountant was of great assistance in helping me to easily understand and appreciate the benefits contained in the various plans of insurance. This was a plus factor for me in helping my clients to understand fully, the plan of insurance they were purchasing. Another plus factor for me was the ability to organize my selling activities in ways that would maximize my effectiveness in the marketplace.

3. Was your experience as a Salesman like and what were some of the highlights?

My experience as a salesman was wonderful. Having been able to organize my activities to maximize my effectiveness, I was able to make numerous sales accomplishments, including Century Club Member, Caribbean President's Council, Mega Producer on numerous occasions, Caribbean Quality Award and the Caribbean Sales Achievement Award. I also became a member of the highly acclaimed and prestigious Million Dollar Round Table.

4. What would you say to someone contemplating a career in insurance sales from your own experience and what are the attributes they need to have to make it a success of this venture?

One should possess passion when transitioning into the profession. Passion leads to success and high levels of achievement. When a person spends a lot of time contemplating, there are doubts and fears which will be impediments to success. My advice to anyone wishing to enter the life insurance business in the area of selling, you must have a desire to do well. It is requisite and necessary to succeed in selling. There must be a desire to be helpful to the people with whom you do business and a desire to see their plans come to fruition. Having a passion to succeed in that chosen field is a key to success.

5. Transitioning from Sales into Sales Management is a significant process in the Life insurance industry what was your experience like and what is your guidance to those who desire to make this move?

The move into Management was very easy. When I became a Unit Manager it was easy for me to guide my agents because I had firsthand experience of what is necessary to build a good clientele. I also knew what to look for in a recruit or a potential sales champion, as I prefer to call them. Being a Unit Manager, enabled me to see the possibilities of moving to higher levels. Realistically, it is the possession of a vision of upward movement that ultimately creates further success. I would advise anyone who desires to move upward to equip themselves with the required tools for success and this includes a positive vision of a brighter future.

6. What prompted you to start your own company and what was the thinking behind the name?

Having had success in Unit Management, I felt confident that I could operate an Agency. I felt that I had the determination, vision, and energy to build a successful establishment and I took the plunge. Whilst watching the evening news mention was made about the Chancellor of the Ex-Chequer of Britain which is the name of the British Finance Minister. After visiting the Companies Office several times with names that bounced, I decided to use the name Chancellor which connotated Power and Money and this propelled me to the name Chancellor Insurance Agency.

7. You have built your company to have an islandwide footprint, was that always the plan and what was the rationale for growing beyond the corporate area?

My aim was to create a successful Agency and to then branch off to areas in which profitable operations can exist. The good thing about having several branches is that it provides opportunities for adjustments to be made for forward movement. For example, if there is difficulty in one area those can be analyzed, and steps can be taken to avoid such occurrences in other areas. In addition, the competitiveness that exists between the various branches tends to stimulate growth.

8. You sell both Life and General insurance products, how have your sales people been handling the combination of product lines and what has it done for your company in this competitive market place?

Our salespeople have been handling the duality very well as we have separate departments that focuses on life and general insurance products. Our services have been growing and excelling over the years as we have received outstanding recognition from both Life and General Insurance Companies.

9. What is the difference in your mind that Chancellor brings to the Jamaican Insurance Marketplace?

The success of Chancellor Insurance Agency has created a sort of awakening in the Agency Business. Indications are that several persons are now interested in setting up agencies. This is a plus factor for the distribution system. A large portion of our population is still without insurance coverage and if there are more avenues with committed salespeople then more persons will be able to participate in the benefits of having adequate insurance coverage.

10. What drives you on your journey what gets you going each morning and keeps you energize to pursue your mission?

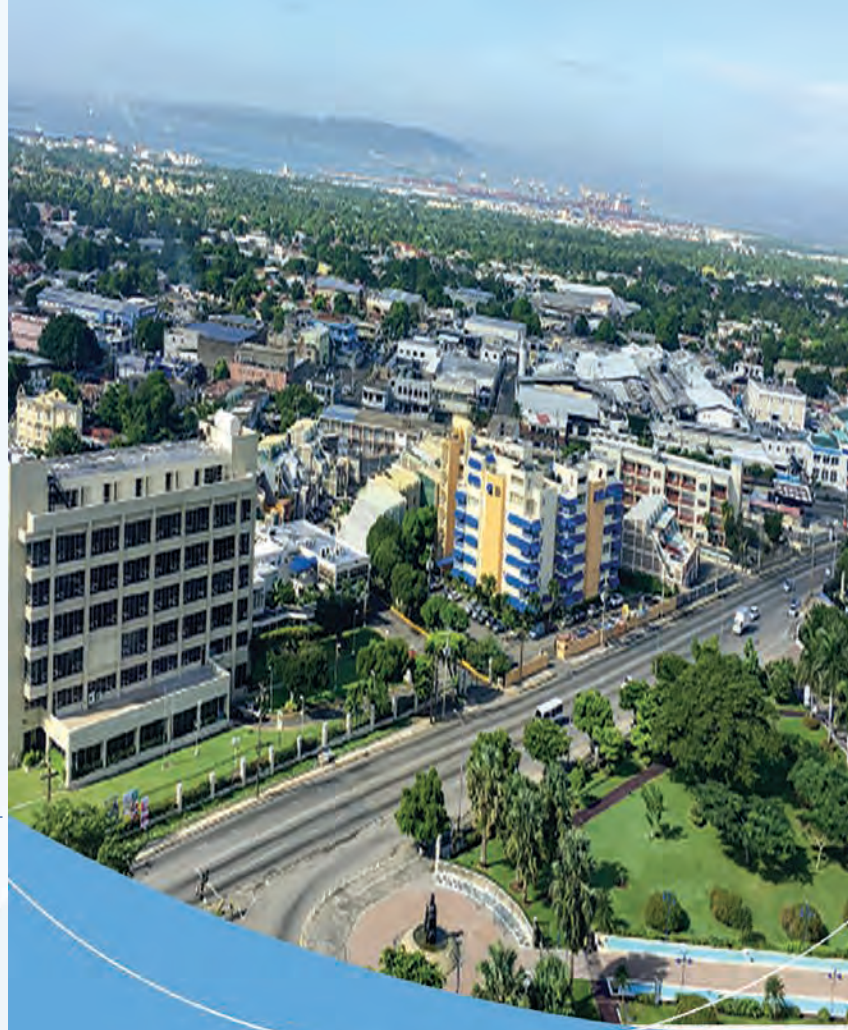
What drives me is the fact that I have not yet reached the zenith of my aspirations. There is always something to be done to achieve perceived goals. There is always room for improvement and this desire to have everything functioning very well is a daily challenge, which keeps me very active.

11. Where do you want to take your company over the next 5-10 years? Is the extending into the Caribbean on the cards?

My eyes are wide open to opportunities. I am willing to grasp opportunities wherever they exist if they have potential for profitability. Therefore, if opportunities are seen in other Caribbean territories or even in the diaspora, then every effort will be made to grasp those opportunities.

12. You have just been awarded the Industry Person of the Year, congratulations! Were you surprised? What does this award mean to you?

The Man of the Year Award was a surprise for me. I did not know I was under consideration until a few hours before the function was held. It is an honour to be recognized by members of the industry for work well done. I am thankful to the Jamaica Association of Insurance and Financial Advisors (JAIFA) for bestowing this prestigious award on me. It is to be noted that though I am the face of the company, I have to thank my team for their contribution in the quest for continued excellence.



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Frequently Asked Questions (FAQ's)

What is the policy excess?

The excess is the first portion of claim you pay when making a claim. It is specified as a percentage of the value of the vehicle. The excess must be paid whether you are at fault or not. Your insurance policy covers any amount over the excess up to the sum insured.

What is a no claim discount (NCD)?

This is discount which is earned by an individual for having a claim-free /accident-free period of insurance. Every year of claim free driving increases your NCD until it reaches maximum.

A No Claim Discount (NCD) cannot be borrowed, loaned, or transferred to another individual. It is earned separately for each vehicle owned and can be transferred from one vehicle to another with identical ownership. Once there is a claim, whether you are at fault or not, your NCD may be affected.

If I am insured under a private motor cover, can the vehicle be used for business?

The vehicle can be used for your business purposes if the insurance company has been notified of the change. This cover will attract additional premium.

Why do I need to insure my property at full replacement value?

If you insure your home for less than the full replacement value, in the event of a partial loss you would be subjected to the CONDITION OF AVERAGE. Under this condition if you have a claim for partial loss, what you would receive from the Insurance Company would be the same percentage of your loss as your sum insured is to the full replacement value, minus any excesses that are applied under this policy.

E.g. your sum insured is 50% of the replacement value, you would be paid 50% of the loss, minus the excess.

What do I do if I sell my car? Can I sell my insurance?

The coverage provided is for you only, you cannot sell or transfer your insurance policy. Should you dispose of your vehicle by whatever means, whether sale or gift to a friend you must do the following:

- Advise your insurance company immediately of the sale and change ownership of the vehicle,
- Surrender the Insurance Certificate or Cover note to your Insurer,
- Request that the coverage on the vehicle be terminated.

YEAR IN REVIEW - PICTORIAL

IAJ ANNUAL GENERAL MEETING 2021



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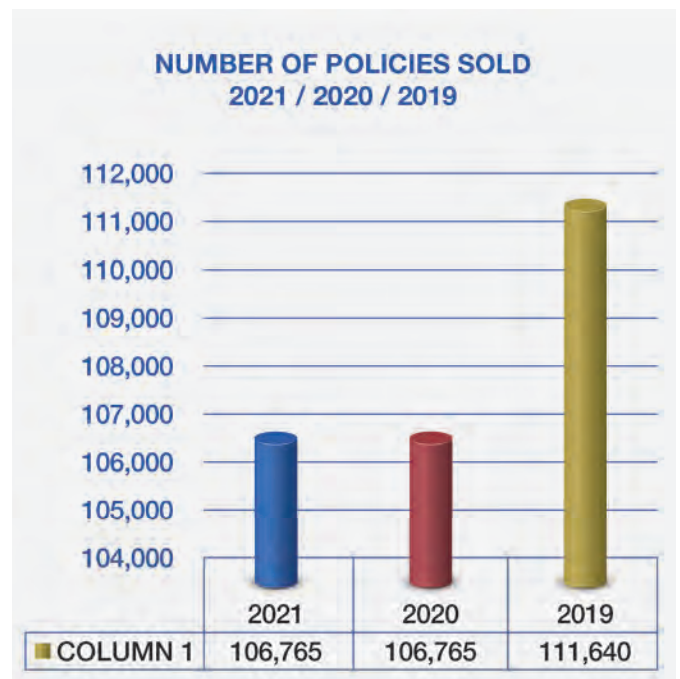
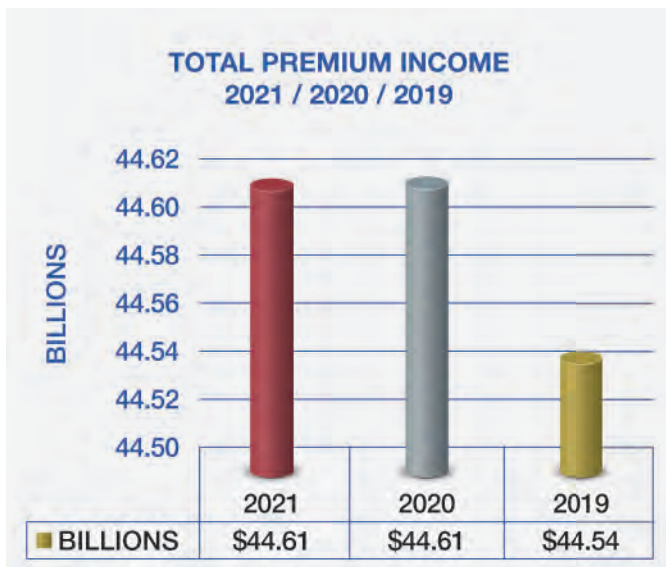
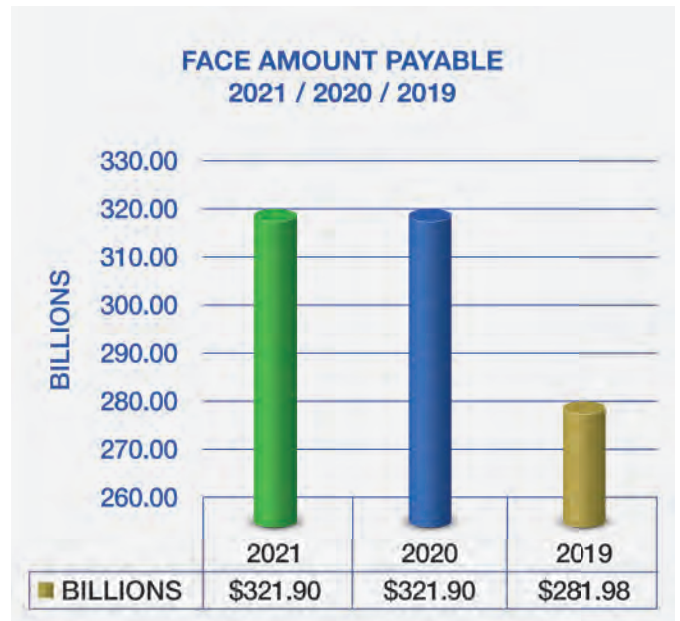
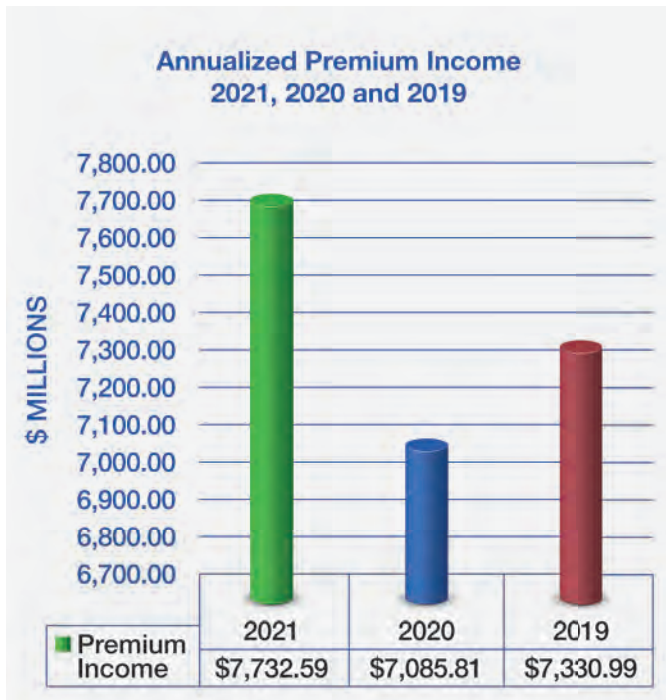


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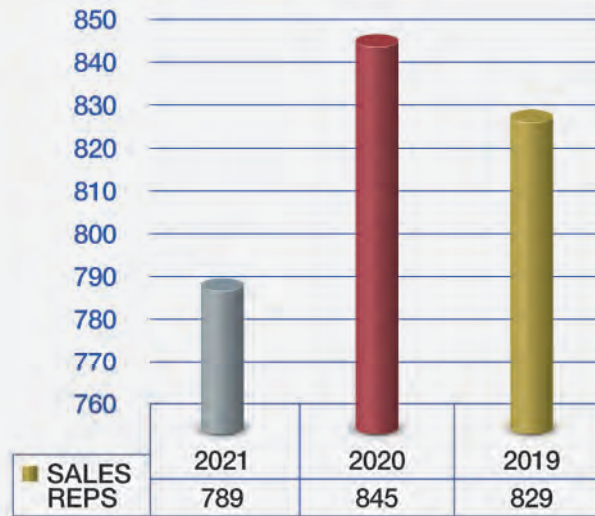
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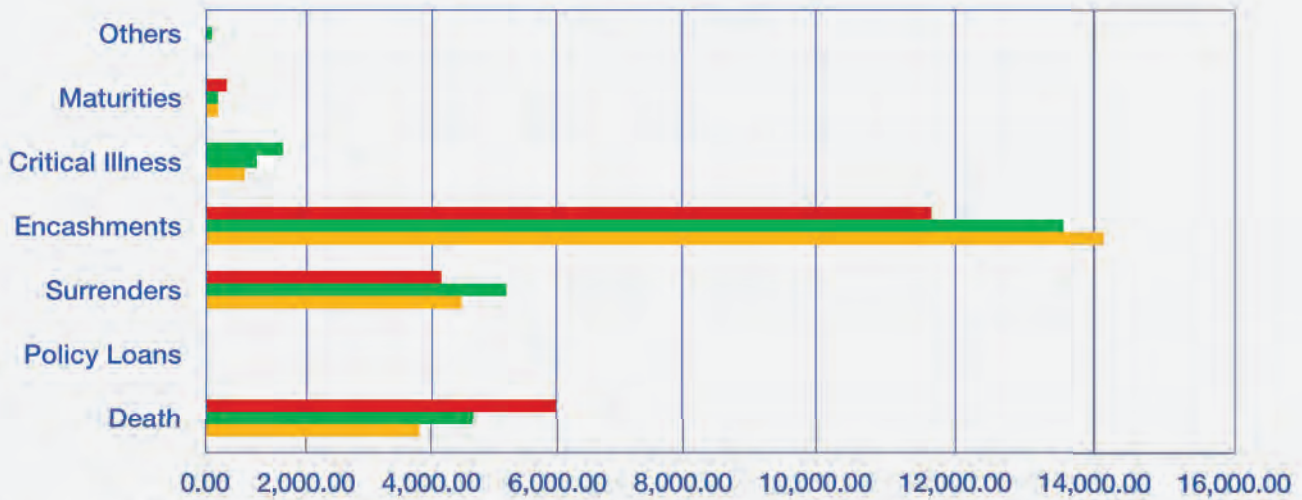
LIFE INSURANCE STATISTICS 2022 OVER 2021



**NUMBER OF SALES REPRESENTATIVES
2021 / 2020 / 2019**



**LIFE INSURANCE CASH DISBURSEMENTS
2021 / 2020 / 2019**



	Death	Policy Loans	Surrenders	Encashments	Critical Illness	Maturities	Others
■ 2021	6,006.96	8.99	4,100.20	11,580.84	1,562.95	341.66	23.52
■ 2020	\$4,513.70	\$10.21	\$5,109.02	\$13,497.29	\$1,037.01	\$169.41	\$74.27
■ 2019	3,792.35	10.98	4,373.06	14,149.27	786.39	165.05	5.78

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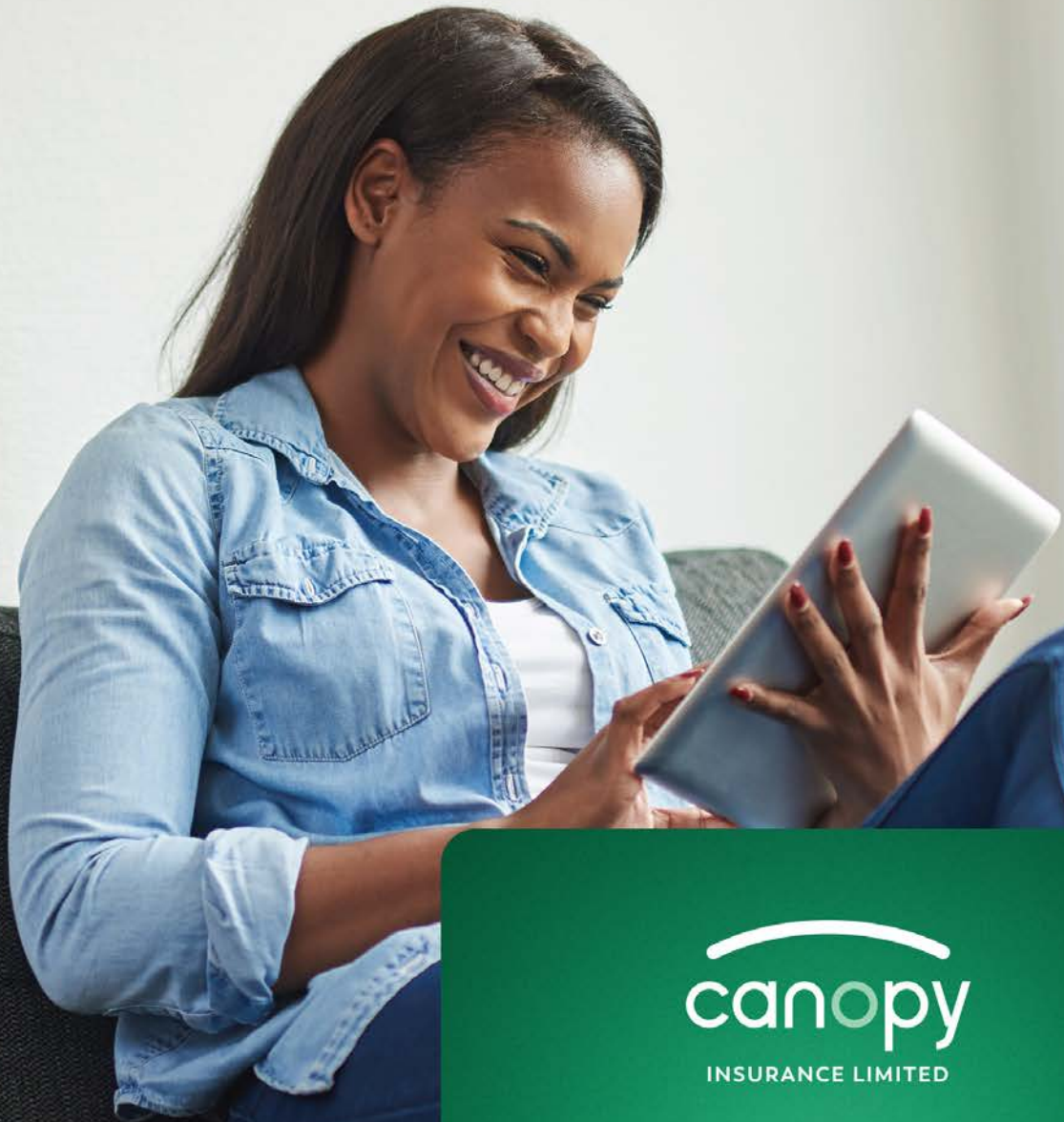
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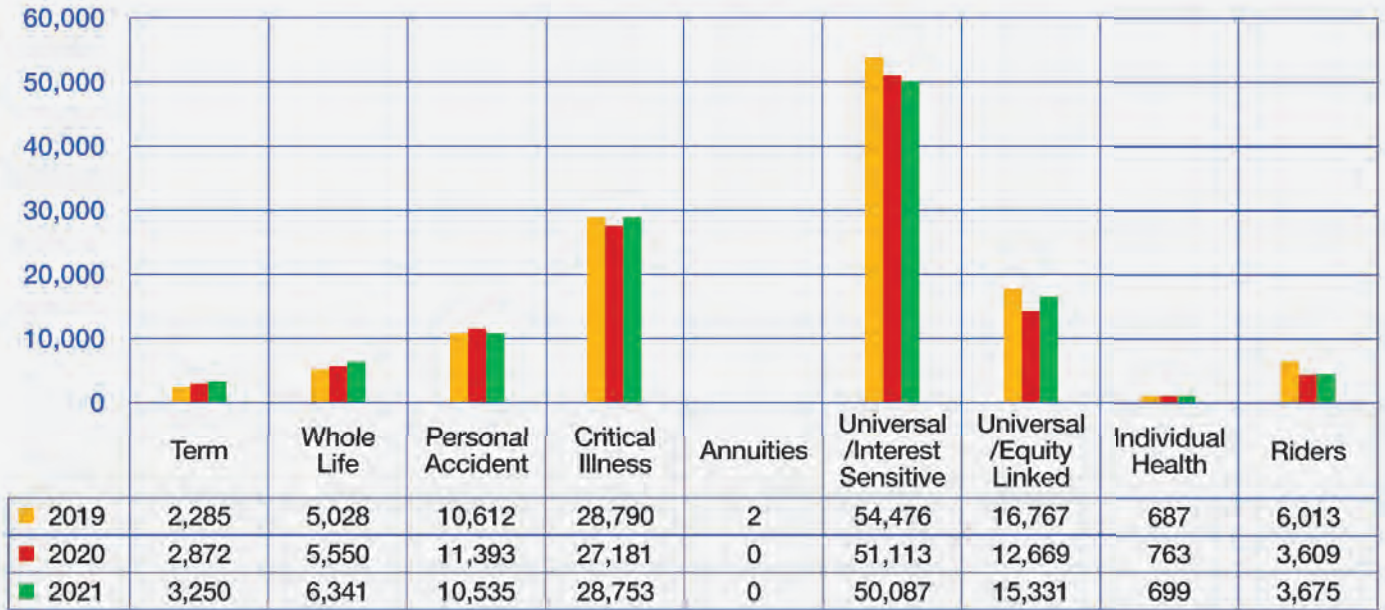



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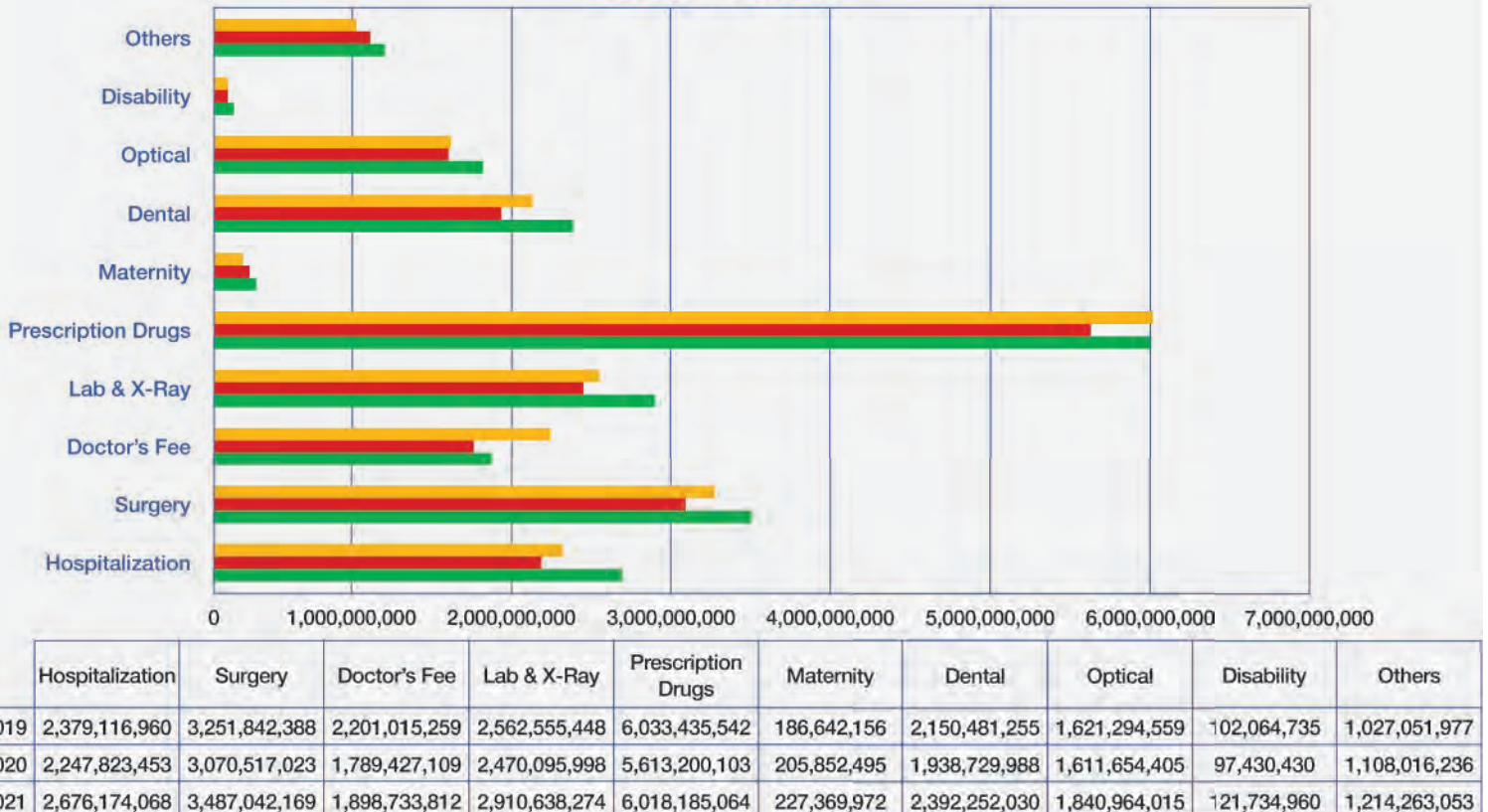
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**Number of Policies Sold by Category
2021 / 2020 / 2019**



**Health Benefits Paid Out
2021 / 2020 / 2019**



ADMINISTRATIVE SERVICES ONLY (ASO)			
YEAR	2019	2020	2021
CATEGORY	(ASO)	(ASO)	(ASO)
Number of Contract	13	13	11
Number of Employees / Pensioners	229,114	233,217	233,551
Sum Assured	NA	NA	NA
Number of Dependents	101,482	104,928	106,940
Total Lives	330,456	338,008	352,055
Annualised Billed Premium / Fees	\$8,039,130	\$8,169,564	\$37,869,680

GROUP PRODUCT LEVEL DATA 2019 / 2020 / 2021 GROUP HEALTH			
YEAR	2019	2020	2021
CATEGORY	Group Health	Group Health	Group Health
Number of Contract	2,214	2,405	2,530
Number of Employees / Pensioners	279,133	270,059	278,468
Number of Dependents	168,686	157,750	154,098
Total Lives	451,347	438,409	446,439
Annualised Billed Premium / Fees	\$18,420,463	\$19,755,183	\$19,978,753

GROUP PRODUCT LEVEL DATA 2019 / 2020 / 2021 GROUP LIFE			
YEAR	2019	2020	2021
CATEGORY	Group Life	Group Life	Group Life
Number of Contract	1,871	2,072	2,235
Number of Employees / Pensioners	259,067	257,488	284,412
Number of Premium / Creditor Life Only	700,919,268	705,454,855	722,321,659
Number of Dependents	N.A	N.A	N.A
Total Lives	N.A	N.A	N.A
Annualised Billed Premium / Fees	\$3,081,322	\$3,169,315	\$3,086,244

**GROUP PENSION - FUNDS
UNDER MANAGEMENT 2021 / 2020 / 2019**



■ 2021	\$266,357,693,000.00
■ 2020	\$245,584,187,000.00
■ 2019	\$369,072,535,000.00

**SUMMARY OF LIFE INSURANCE PRODUCT LEVEL DATE
JANUARY TO DECEMBER 2021**

CATEGORY	No. of Policies	%	Risk Premium	%	Investment Premium - AAIP	%	Investment Premium - Lump Sum	%	TOTAL	%
			\$		\$		\$		\$	
Term	3,250	3	190,915,260	3	0	0	0	0	190,915,260	1
Whole Life	6,341	6	310,728,568	4	0	0	0	0	310,728,568	2
Personal Accident	10,535	9	699,822,659	10	0	0	0	0	699,822,659	5
Critical Illness	28,753	25	1,379,358,826	19	18,236,224	1	0	0	1,397,595,050	11
Annuities	0	0	0	0	0	0	15,275,638	100	15,275,639	0
Universal / Interest Sensitive	50,087	44	3,547,570,606	0	692,609,386	0	3,928,114,233	0	8,168,294,225	63
Universal / Equity Linked	15,331	13	1,018,629,655	14	1,221,427,119	0	0	0	2,240,056,774	17
TOTAL	114,297	100	7,147,025,574	100	1,932,272,729	100	3,943,389,871	100	13,022,688,175	100
Individual Health	699		81,777,021						81,777,021	
TOTAL	763		81,777,021	100					81,777,022	100
Riders	3,675		237,619,830						237,619,830	100
TOTAL	3,675		237,619,830	100					237,619,831	100



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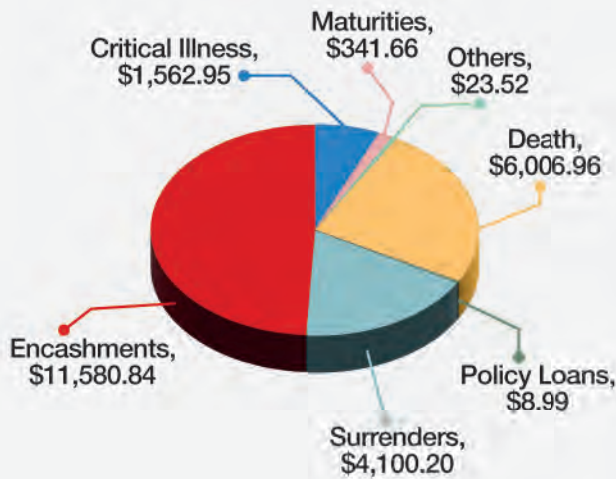

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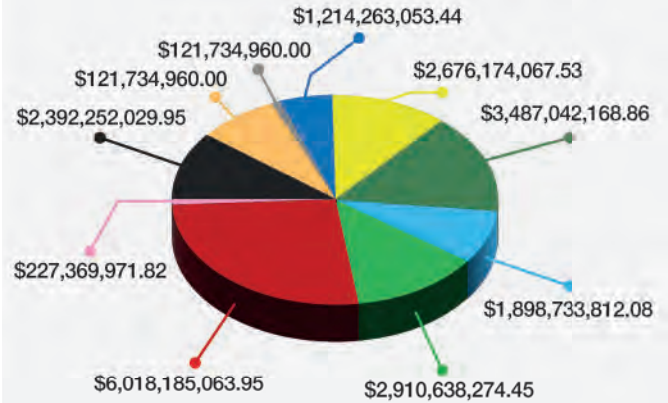
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**LIFE INSURANCE CASH DISBURSEMENTS
2021 (\$ MILLIONS)**



**GROSS WRITTEN PREMIUM PERCENTAGE
BY LINE OF BUSINESS 2021**



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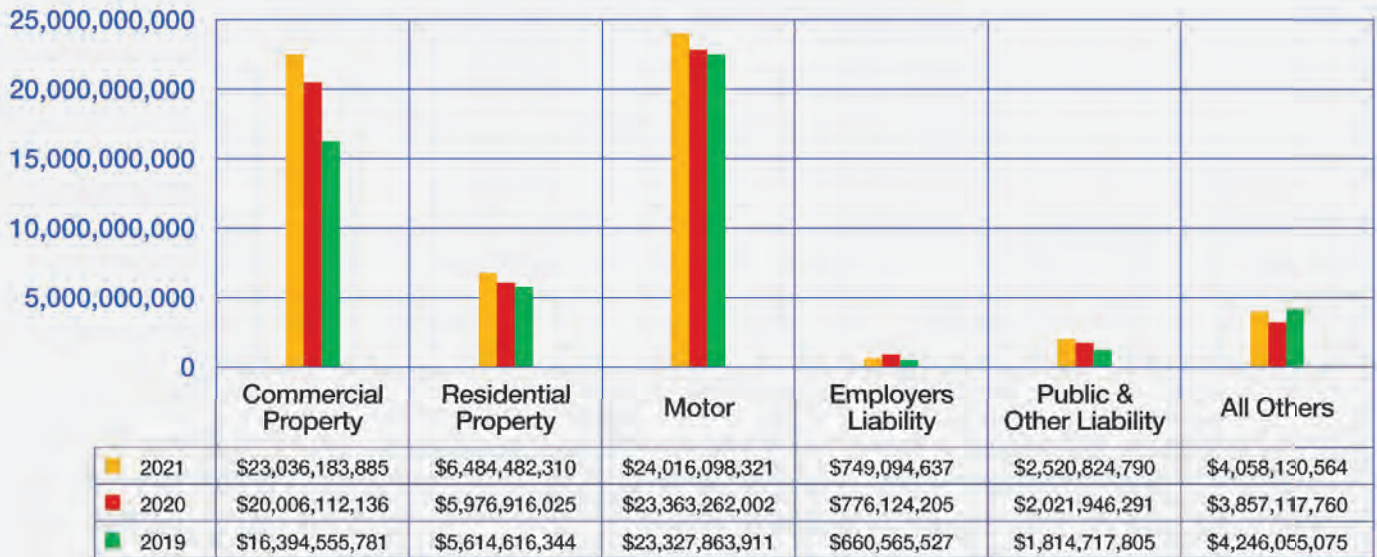
Website: www.jamaicamedfoundation.com Email: jamedfoundation@gmail.com

Telephone 876-920-3385/6 or 876-906-5535

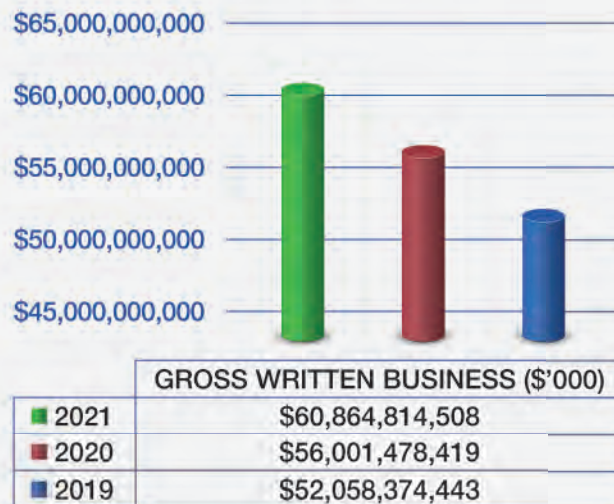
GENERAL INSURANCE

2021, 2020, 2019

**GROSS WRITTEN PREMIUMS
BY LINE OF BUSINESS 2021 / 2020 / 2019**



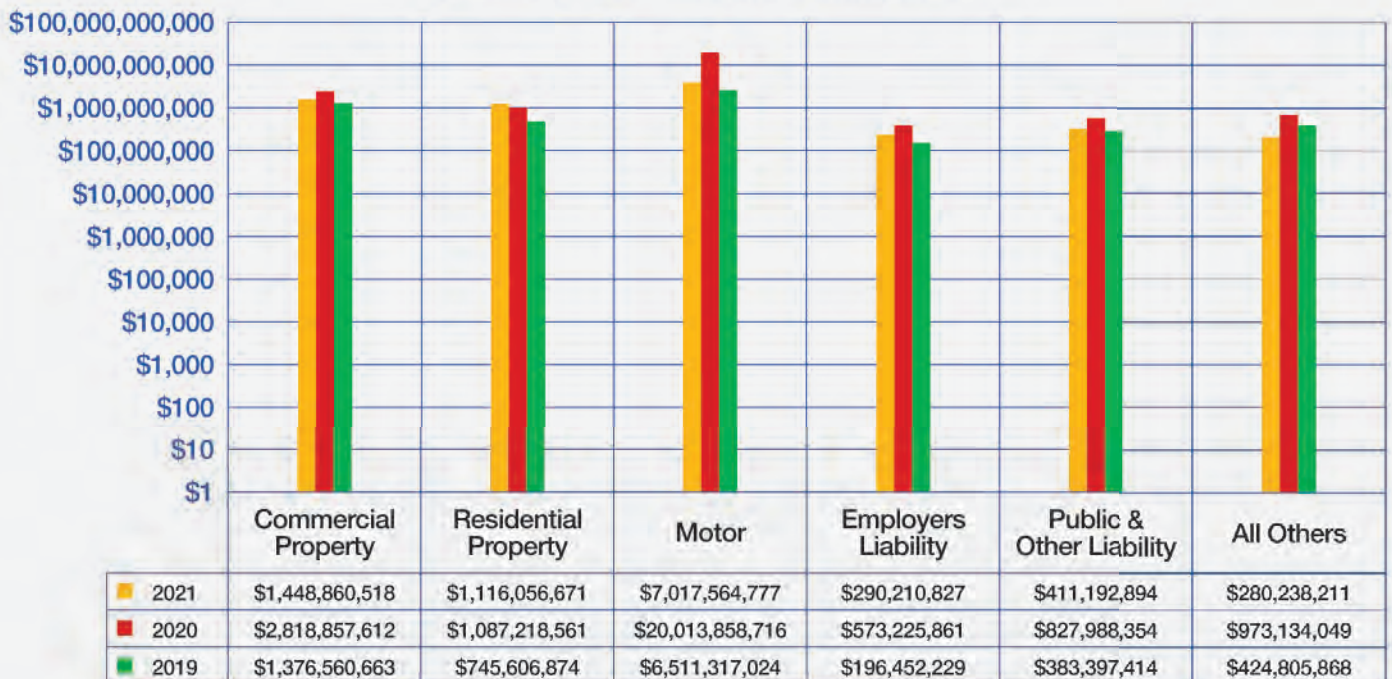
**GROSS WRITTEN BUSINESS
2021 / 2020 / 2019**



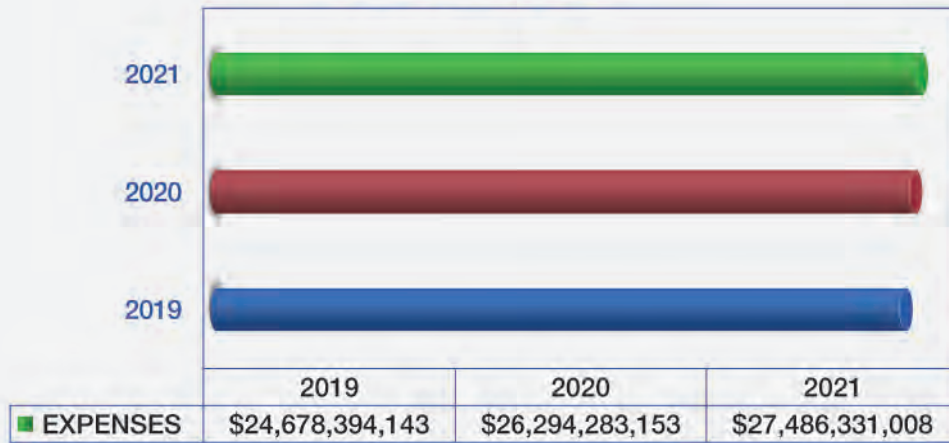
**GROSS CLAIMS INCURRED
2021 / 2020 / 2019**



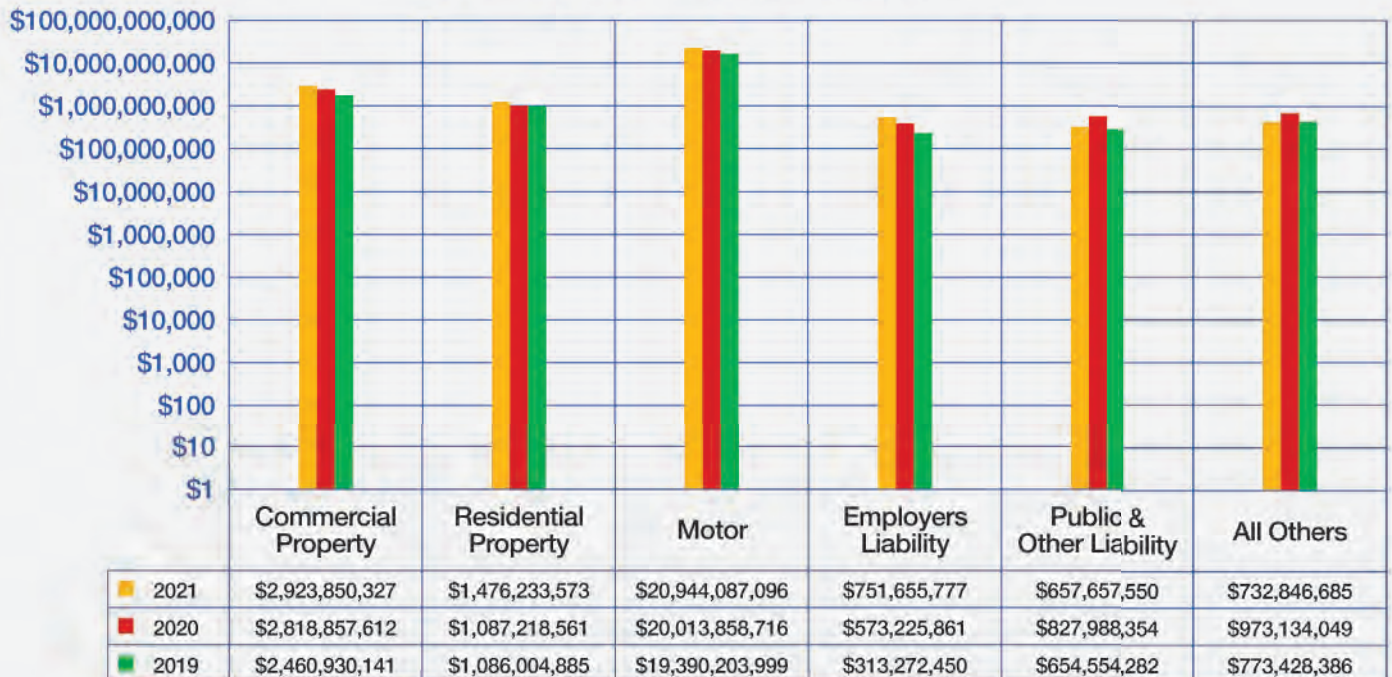
**ALL OPERATING EXPENSES
BY LINE OF BUSINESS 2021 / 2020 / 2019**



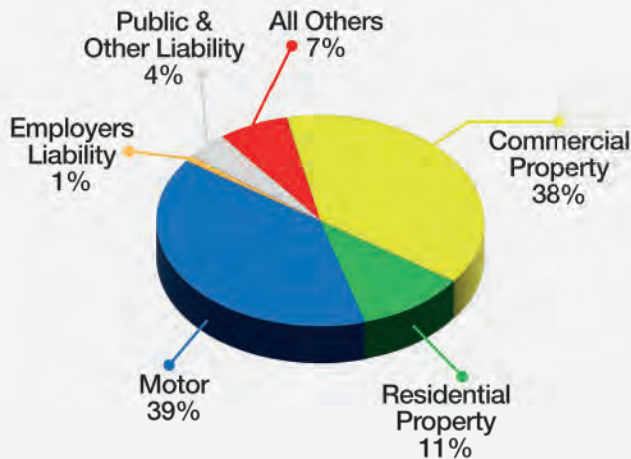
**TOTAL UNDERWRITING EXPENSES
2021 / 2020 / 2019**



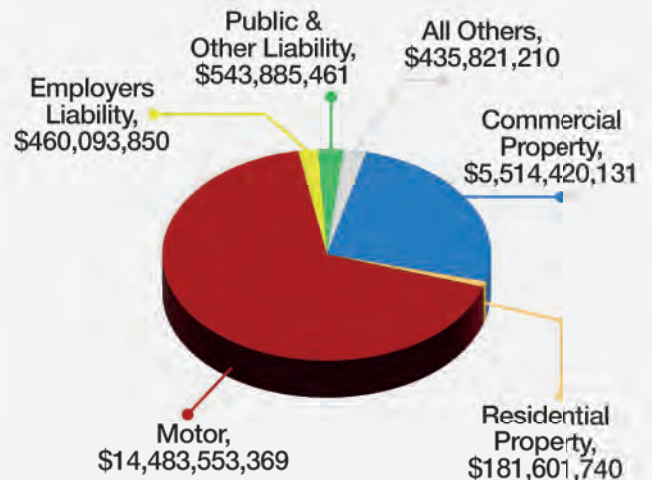
**UNDERWRITING EXPENSES
BY LINE OF BUSINESS 2021 / 2020 / 2019**



**GROSS WRITTEN PREMIUM PERCENTAGE
BY LINE OF BUSINESS 2021**



**\$21.6 BILLION CLAIMS IN 2021
BY LINE OF BUSINESS**



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OVERVIEW

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