NSURANCE SOCIATION **AMAICA** OF The Voice of the Insurance Industry EARBOOK

Eleventh Edition October 2021

> **OVER \$60 BILLION** PAID OUT IN 2020 **IN BENEFITS FOR** LIFE, HEALTH AND **GENERAL INSURANCE** CLAIMS

IN THIS ISSUE

- FEATURE ARTICLES
 Why It Is Important To Take The COVID -19 Vaccine
- Understanding Motor Insurance
- The Value Of Life Insurance (Testimonial)
- COVID -19 And The Jamaican Economy •
- Insurance Statistics.

Life Insurance

We've made getting the Life Insurance coverage you need super easy with **no medical** required. Just go to our website and follow these steps:

- Choose your insurance coverage
- Apply Online
- Pay with credit card



Visit sagicor.com, and select

888-SAGICOR (724-4267)

Clife Sagicor Life



FOREWORD

By Dr. Adrian Stokes, IAJ President

he Insurance Association of Jamaica (IAJ) is again delighted to be presenting this 2021 Yearbook, an annual publication which highlights the performance of the Life and General insurance sectors for the previous year. Also included are informative, educational and relevant articles by professionals that will surely be of importance to the various entities that diligently seek out information about the industry, and those who want to keep up to date with the insurance sector.

As is well known, the primary role of the insurance industry is to pay promised benefits consistent with conditions promised in the respective policies.

In this regard, the Jamaican insurance industry continues to play a vitally important role in the country's economic development and in the daily lives of numerous individuals and families through the various avenues that are protected by the Life and General Insurance sectors. It is commendable that for 2020, over \$60 billion was paid out in insurance claims.

• \$16.4 Billion was paid out in General Insurance claims, \$13.6 billion of which was related to motor insurance claims

• \$24.4 Billion in death and living benefits from individual Life Insurance policies and

• \$20.1 Billion in Health Insurance Benefits. As a result of Covid-19, the year 2020 was one beyond the ordinary as a result of the devastating effect the pandemic reeked on the lives of those who became severely affected with the disease.

The industry, like so many others, had to make serious and necessary adjustments to cope with protocols consistent with those imposed by government and others required by the industry, to ensure that business activities continue relatively smoothly.

Historically, the Insurance Association of Jamaica (IAJ) came into operation in 2005, through a merger of the Jamaica Association of General Insurance Companies (JAGIC) and the Life Insurance Companies Association (LICA). Under the



Constitution the presidency is alternated between life and general every 2 years. Recently, however, before the completion of the two year period, we have had two Life Company Presidents who have been transferred to other important areas in their group thereby enabling me who was Vice President - Life, to be elected President in June, 2021.

The IAJ is on track, effectively dealing with matters for which the association was formed with the cooperation and assistance of all its members.

My commitment is to judiciously and vigorously continue the process to ensure that the IAJ becomes an even stronger Voice of the Jamaican Insurance industry.

It is my hope that all who obtain a copy of the publication or access it on our website (iaj-online.com) will enjoy its contents.

We look forward to your continued support of the Jamaican Insurance Industry as our member companies continue to demonstrate their commitment to provide excellent service.

Table of ContentsIAJ YEARBOOK

Eleventh Edition - October 2021

ITEM	PAGE
FOREWORD By Dr. Adrian Stokes, IAJ President	3
BOARD OF DIRECTORS	5
EDITORIAL By Orville Johnson, OD, IAJ Executive Director	7-8
FORMER PRESIDENTS	9
MEMBER COMPANIES	11-12
WHY IT IS IMPORTANT TO TAKE THE COVID-19 VACCINE. By Professor Peter Figueroa	14-15
THE VALUE OF INSURANCE (TESTIMONIAL) By Tanya Powell	17-18
COVID-19 AND THE JAMAICAN ECONOMY By Dr. Andre Haughton, Economist	20-24
DIGITAL TRANSFORMATION WELL UNDERWAY IN THE INSURANCE INDUSTRY. By Lesley Miller	26
WHY LIFE INSURANCE COVERAGE IS IMPORTANT. By Markland 'Action' Edwards	28
GK INSURANCE CROP INSURANCE PROGRAM. By Jordan Tait	30-31
UNDERSTANDING MOTOR INSURANCE By Harold Wong, FCII	33-35
ROAD SAFETY IN JAMAICA. By Deiddrie Hudson Sinclair	37-39
INSURED MOTOR VEHICLE THEFTS	40-41
THROUGH THE LENSE OF THE CAMERA	42-44
INSURANCE INDUSTRY STATISTICS	45
LIFE, HEALTH AND PENSIONS	46-51
• GENERAL INSURANCE	52-58

IAJ BOARD OF DIRECTORS



Dr. Adrian Stokes President



Peter Levy Director



Sharon Donaldson Vice President-General



Eric Hosin, C.D. Director



Rosemarie Henry Vice President-Life



Karen Bhoorasingh Director



Paul Lalor Director



Orville Johnson,O.D. Executive Director



Chris Zacca, C.D., J.P. Director



Annette Robotham Corporate Secretary



"OUR RELIABILITY... YOUR PEACE OF MIND"

As we navigate through these unique times, we hope you and your loved ones remain safe and healthy.



EDITORIAL

By Orville Johnson, O.D. Executive Director

he first issue of the IAJ Yearbook was published in 2009 and contained statistical information for the insurance industry's 2008 operations along with interesting and informative articles. Since then, the IAJ Yearbook has become a much looked forward to publication by various entities that seek to keep abreast of the continued development and relevance of the Jamaican Insurance Industry.

Several entities look forward to the publication each year, which in recent years is also available on

the IAJ Website (iai-online.com).

Over the years, apart from containing informative and interesting articles, many stalwarts of the industry have been their informative and featured, giving historical assessment of the industry. For example there have been features on persons such as: Hon. R. Danny Williams, Hon. Dennis Lalor, Hon. Oliver E. Jones, Actuaries Daisy Cooke and Cathy Lyn, First IAJ President Earl Moore, Former President Andrew Levy, highly experienced Peter John Thwaites and Leslie Washington Chung, International Man Ian Rowlands, Charles Levy and many others.

In a recent conversation with Attorney At Law Monique Cohen Abott, and former Chair of the General Insurance



Underwriting and Claims Committee, who recently left the industry to head her own business, she indicated that she still cherishes her personal copy of our 2011 issue in which she was the author of a very interesting article entitled: "Procedures for Insuring Deceased Person's Assets."

We are always open to feedback and information relating to improvement of the publication and constantly seek out articles from persons with relevant, informative and interesting information.

Putting this publication together is a team effort and IAJ is grateful for the efforts of

those involved with this issue:

- Annette Robotham, IAJ Corporate Secretary, General Manager College of Insurance and Professional Studies, Chairman of the Magazine Committee.
- **Lesley Miller,** Chief Information Officer, General Accident Insurance Company.
- **Rachel Greenland,** Marketing Manager-Insurance and Investment, Grace Kennedy `Financial Group,
- **Jessica Knight-Dair, JP, I**AJ Executive Secretary, IAJ (Advertising)
- **Paulette Gordon,** Industry Statistics and Advertising
- **Tamika Johnson**, IAJ Accounting, Companies Statistics Coordinator
- **Tommy James, CLU,** Graphics, Typography, Design.

As usual, do enjoy this 2021 Issue of the IAJ

7

IAJ 2021 YEARBOOK TEAM





Orville Johnson, O,D. Executive Director IAJ - Editor

Annette Robotham Corp. Secretary, Magazine Committee Chairman



Lesley Miller



Rachel Greenland



Jessica Knight-Dair, JP



Tamika Johnson



Paulette Gordon



Tommy James, CLU

Former IAJ 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, InsuranceCompany 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. (November 2020-March 2021) General Manager, JN Life



Insurance made simple

"Can I insure my property during construction?"

This policy protects you from anything that might happen during the construction or renovation of a property. Contractor's All Risks Insurance will cover the project in two ways:

- Against material damage (such as fire, flood, earthquake or collapse) or
- Against third party liability should someone else suffer injury or damage as a result of the construction.

When it's time to build or renovate your home or office, think about Contractor's All Risks Insurance and how it could benefit you.

To learn more, watch our video on Contractor's All Risks Insurance at www.massyunitedinsurance.com or give us a call today.



Massy United Insurance Ltd. 7th Floor | The PanJam Building 60 Knutsford Boulevard | Kingston 5 | Jamaica T: 876 633 7085 You Tube O in massyunitedinsurance.com



Winsome Gibbs

Branch Manager,

Jamaica



For the latest rating, access www.ambest.com



MEMBER COMPANIES



4-6 Trafalgar Road, Kingston 5 **Tel: 876-978-3690, 1-888-OUR-AGIC Fax: 876-978-3718** www. advantagegeneral.com



Mark Thompson President & CEO



36 Duke Street, Kingston Tel: 876-922-1260, 1-888-224-2273 Fax: 876-922-4475 www.bciconline.com



Peter Levy Managing Director



58 Half-Way Tree Road, Building 1, Kingston 10 • 888-4-CANOPY / 888-422-6679



Sean Scott Chief Executive Officer

CUNA CARIBBEAN JAMACA LTD. A member of CUNA MUTUAL GROUP 2A Manhattan Road, Kingston 5 Tel: 876-929-3570-2 Toll Free: 1-888-4295-FIP (347) Fax: 876-929-1630 www.cunacaribbean.com



Rosemarie Henry Principal Officer



58 Half Way Tree Road, Kingston 10 **Tel: 876-929-8450-1** info@genac.com. www.genac.com



Sharon Donaldson Managing Director



19 Knutsford Boulevard, Kingston 5 Tel: 876-926-3204, 1-888-429-5GKG Fax: 876-968-1920 gkginfo@gkco.com www.gkgeneral.com



Chaluk Richards General Manager



19 Dominica Drive, P.O. Box 401 Kingston 5, Jamaica, W.I. Tel: (876) 926-3720 Fax: (876) 929-2727 www.myguardiangroup.com



Karen Bhoorasingh President



12 Trafalgar Road, Kingston 5 **Tel: 876-978-8815, 1-888-367-5433** guardian@myguardiangroup.com www.myguardiangroup.com



Eric Hosin,C.D. President



MEMBER COMPANIES



2 St. Lucia Avenue, Kingston 5 Tel: 876-926-9040, 1-888-920-4294 Fast Track Quotes 876-920-4294 www.icwi.com



Paul Lalor President & CEO



1b Braemar Avenue, Kingston 10 Tel: 876-656-8000 or 876-946-1595 Fax: 876-656-8001 email: info@ironrockjamaica.com www.ironrockjamaica.com



Evan Thwaites Managing Director



9 King Street, P.O. Box 395,Kingston Tel: 876-922-1460-2 1-888-225-5636 Fax: 876-922-4045 email: info@jngijamaica.com www.jngijamaica.com



Chris Hind General Manager



Jamaica National Building Society 2- 4 Constant Spring Road Kingston 10, Jamaica Tel: 876-926-.1344 Fax: 876-926-7661 Email: info@jnbs.com www.jngroup.com



Hugh Reid General Manager



53 Knutsford Boulevard, Kingston 5 **Tel: 876-926-6278, 1-888-225-5539** keyins@cwjamaica.com www.keyinsurance.com



Tamara Glaves-Hucey General Manager



PanJam Building, 60 Knutsford Boulevard, New Kingston Tel +1 876 633 7085



Winsome Gibbs Branch Manager



28-48 Barbados Avenue, Kingston 5 Tel: 876-929-8920-9, 1-888-SAGICOR Fax: 876-929-4730 info@sagicoja.com www.sagicorja.com



Christopher Zacca,C.D.,J.P. President & CEO



Duke & Port Royal Streets, Kingston Tel: 876-922-3765, 1-888-GOSJLIC www.scotiajamaicainsurance.scotiabank.com



Dr. Adrian Stokes President

Whenever you need a friend... Jou've got one!

We are here to help with all your General Insurance needs.

- 🜭 (876) 926-6784 🔢 🌐 www.youraib.com
- 26 Belmont Road, Kingston 5
 Unit 1, Fairview Shopping Centre, Bogue, Montego Bay



WHY IT IS IMPORTANT TO TAKE THE COVID-19 VACCINE

By Dr. Peter Figueroa, Professor Public Health, Epidemiology and HIV/AIDS.



The COVID-19 pandemic has turned our lives upside down. Nearly everyone knows someone who has died from COVID. Over 1600 Jamaicans have died including doctors, nurses, adults, children, and persons from every walk of life. The Delta variant of concern is spreading widely and causing a massive surge of cases that is overwhelming our health services. This is the situation throughout the Caribbean, the US, UK and across the globe. The pandemic has now caused over 220 million confirmed cases and 4.6 million deaths globally.

Most persons who become infected with SARS-Co-2, the virus that causes COVID-19, get ill and recover in a few days or weeks. However, a significant minority get severely ill and need to be admitted to hospital. Unfortunately, some of these persons die and some are left with persistent symptoms known as long COVID. With the Delta variant more young adults and children are getting ill and all the paediatric intensive care beds in Florida are occupied. Treatment of severe COVID-19 in Jamaica is mainly supportive with steroids, oxygen and blood thinners because the only treatment that actually works – monoclonal antibodies are extremely expensive and not readily available.

There is no doubt that it is better to avoid getting infected because this disease can be serious and we cannot predict who will get a severe attack and require hospitalisation. We know the elderly are more at risk as well as persons who are obese or have co-morbid conditions such as diabetes, or lung, heart or kidney disease. However, even healthy adults or children can get severe COVID-19. This is why it is so important to wear a mask when in public, avoid crowds especially indoors, keep your physical distance and to wash your hands or sanitize regularly.

The best protection against COVID-19 is getting fully vaccinated with any of the authorised vaccines that are available. This almost always protects you from getting severe COVID-19. In countries like the UK where the majority of adults are now vaccinated over 90% of the persons



admitted to hospital are unvaccinated. More than three (3) billion people have been vaccinated worldwide and the vaccines have been shown to be effective and safe.

Many persons do not realise that the search for a Coronavirus vaccine began during the 2003 outbreak of severe acute respiratory syndrome (SARS). A candidate vaccine against the Coronavirus that causes SARS was prepared but not tested. When the genome of the SARS-CoV-2 virus that causes COVID-19 was sequenced the scientists adjusted the vaccine developed against SARS and within weeks began testing it in animals and then conducted a series of clinical trials in humans. Many pharmaceutical companies got huge grants from governments and foundations to expand their capacity and conduct clinical trials.

All the WHO authorised vaccines have now been given to millions of people and have been shown to be safe and effective. These vaccines protect most persons from getting severe COVID and death. The vaccines are our best hope to control the SARS-CoV2 pandemic and restore normalcy. They are not perfect but they protect you against all the variants of concern and will keep you out of hospital. Some persons do get some local symptoms following vaccination – soreness in the arm, headache, fever or tiredness, but these symptoms are a sign that your immune system is responding to the vaccine and usually pass with in a couple days. Vary rarely an individual may get a severe allergic reaction or an unusual blood clot causing severe, consistent headache or abdominal pain. These occur approximately 1-5 times every million doses. The benefits of the vaccine certainly outweigh the risk of not vaccinating and getting severe COVID-19.

It is important that all health providers get vaccinated because they are at high risk of exposure and if they get infected they may pass the virus on to other patients or to their family members. The elderly and persons with comorbidities also need to get the vaccine as a priority because they are at higher risk of severe COVID-19. Vaccinating children 12 years and older is important so that they can resume school with much less risk. Pregnant and breast feeding women also need to get vaccinated. Persons who have COVID or are acutely ill should wait until they have recovered before getting the vaccine.

It is going to take several months to roll out the vaccines to most Jamaicans so we will have to be patient and continue to wear our masks, maintain physical distancing and other protocols for some time. The quicker we can roll out the vaccines the sooner we can return to normalcy. Meanwhile let us support each other to stay safe and be sure to get vaccinated as soon as you can.



It's a **frinily** ting!



THE BUNDLE DEAL THAT COVERS **EVERY DRIVER!**



THE BIG DRIVERS IN THE FAMILY

WHO GETS COVERAGE:

- **Any driver** who is related to you, even if they don't live in your home.
- A new driver who is related to you.
- Any non-relative driver who lives in your home and can provide proof of address, can be added to your family policy.

*conditions apply



www.gk-insurance.com/familymotor

TESTIMONIAL

The Value of Critical Illness Insurance



Tanya Powell, a breast cancer survivor took time out of her busy schedule of activities to resp0ond to some questions posed to her by IAJ Executive Director Orville Johnson.

1. What prompted you to purchase a critical illness Insurance policy?

I've been in the financial industry and knew on paper or in theory the importance of insurance but it was at the urging of my agent at time that prompted me. Truth be told, the first purchase was to 'get her off my back', and that is a narrative and behaviour that I believe needs to be changed.

2. What were the features and benefits of the

By TANYA POWELL

policy that you found attractive and useful?

I liked that payments were automatic. The premiums were not expensive for the coverage. I'm not sure I realized at the time of purchase that even a payout would have been straight to you so that was great- this was over 15 years ago!

3. You had a health challenge could you what happened to you and the effect it had on you healthwise as well as financially?

In 2019, I was diagnosed with breast cancer which healthwise meant a disintegration of the body, not only from the disease itself but also from the treatments. Real trauma on the body and mind.

Financially it was a huge hit, in fact massive. Outside of the costs for 'regular' checks, the scans, blood tests, chemo, surgery, radiation etc, two of my medication were unbelievably expensive – 1 for \$350,000+ per dose and the other \$650,000+ per dose and recommended doses were 18 each. In addition to that, I had just spent the year being my mom's care giver as she recovered from cancer, and was just heading back to the work world. So now, having not worked in a year and then presented with this was surreal. And so a part of the discussion is also about loss of income during such a time.

4. What was its impact on your family and friends?

It was devastating. As I mentioned, there were two of us in the family within a two year span. However, as a family we were determined to get through. My family and friends and friends of family were very, very supportive. Everyone figured out a role and played it well and really contributed to my healing. It was a close positive circle that was created. We focused our mindset on perfect health from the outset and that was the goal. So we created our how to thrive through adversity routine and everyone joined in so it was truly a team effort.

5. How did your Insurance policy help you to cope with your difficulties?

What I liked about the critical illness policy, was that the funds were paid directly to you to use as you needed. If you were to calculate all the costs involved, this was a small percentage, but everything added up. So, whether it was to purchase medication, pay a bill, whatever the immediate need was and that helps to bring some amount of comfort and peace of mind.

6. Apart from the financial impact how did help you to cope personally?

For me, and I am so grateful, was that with the added financial resources from my insurance, I didn't have to rush to seek employment so I could focus on my healing, at least for the first couple of months. Not many persons are able to do that. Being able to have some amount of comfort, reduce the stress levels aids tremendously in the healing process. I'm not saying that my critical illness covered all my costs, I really should have taken out more, but that every bit helps and can give you a little breathing space. I lived and continue to live in a perpetual state of gratitude.

7. What is your word to persons who do not have critical illness

In a nutshell, speak with an advisor today! As I look back, if I could change anything (obviously apart from getting sick), would be how I saw my insurance policy, my critical illness policy. I would treat it as an investment instead of an expense. When things get tight, the first thing we tend to cut out of the budget are things like our insurance or too many of us allow them to get into lapse status. However, we need to see it as a part of a long-term financial and protection plan. We also have to debunk the many myths there are about insurance and illnesses-e.g. if you buy critical illness, it does not mean you will get sick!. Some persons ask me, what if I buy and don't get sick and my response is, we don't want to get sick, but what if you do get sick and didn't buy. I encourage persons to look at the statistics which are unfortunately high and then recommend that they protect themselves. As we say 'every likkle makes a muckle' or 'one one coco full basket'. Every bit helps. Every dollar counts when you need it. I am convinced that in too many cases, it's not the disease that kills, it's the inability to afford the care, so give yourself a chance should you need to.

8. How are you doing now health-wise?

I am grateful and thrilled that I am doing really great. I have entered into what I call follow up and restoration phase. This year, 2021 has been a tremendous year for me. I share my story in the hopes of giving someone inspiration, hope or some guidance and I have been able to do that on the International stage and through 2 #1 best selling books that I have co-authored. I have learnt that everything starts in the mind, the thought and so I now pay even closer attention to, my mental, emotional and spiritual well-being.

SAVE 10% WHEN YOU RENEW YOUR MOTOR POLICY AT WWW.GENAC.COM

A Gamma

INSURE ON THE

Remember smart insurance saves.



Futureproofing tomorrow.

COVID-19 AND THE JAMAICAN ECONOMY

Interview with Dr. Andre Haughton, Economist



conomist, Dr. Andre Haughton, elequently responded to some questions about the Jamaican Ecnomy and Covid-19 posed to him by Orville Johnson, IAJ Executrive Director.

1. Dr Haughton, Jamaica's economy like all the economies across the globe has not been spared the wrath of COVID 19, what was the major impact of the pandemic on the Jamaican economy?

The Covid19 pandemic took the world by surprise. Without any immediate medical solution, most governments' first response was economic lockdown and curfews; restricting movement and slowing down business activity. Global trade and commerce declined rapidly as production slowed in the main mass-producing countries from Asia, Europe and North America that trickled to the rest of the world. The effects have been having severe negative consequences on the global economy including Jamaica and other small import dependent emerging economies. Killing millions of people and crippling hundreds of thousands of businesses, leaving many people unemployed around the world. Global Gross Domestic Product (GDP) contracted by 3.5% in 2020; 1.1% more than the original 2.4% predicted by the International Monetary Fund (IMF). Locally, the Jamaican economy contracted by 10.2% (roughly \$250 billion JMD or \$1.6 billion USD), more than three times higher than the initial forecast of 3% made by the Bank of Jamaica and twice as bad as the Global Financial crisis of 2008. The national debt that fell from 146% of GDP in 2013 to 96% of GDP in 2019 has now risen again to

110% of the GDP due to the fiscal spending and exchange rate losses arising from the effects of the coronavirus. More than 76,000 people have contracted the virus, over 1,700 people have died, hundreds of businesses have closed down and more than 75,000 people lost their jobs due to the crisis. Income levels have reduced while inflation is higher than it has been over the last 5 years, making more difficult for the poor and underprivileged to survive.

2. What sectors of the Jamaican economy were most affected by the pandemic?

The Pandemic began in the healthcare sector and spiralled to all the industries in Jamaica. Production in the goods-producing sector declined by more than 4.7 percent while the service-producing sector fell by 11.3%. Among the goods-producing sectors, Mining and Quarrying was the most severely affected declining by 21.7%, Manufacturing declined by 6%, Agriculture, Forestry and Fisheries declined by 1.2% while construction fell by only 0.8%.

Jamaica is mainly a service driven economy accounting for about 70% of GDP. Among the services. Hotel and Restaurants fell by more than 50%, the worse fallout of all industries including goods producing. Other services including healthcare and technology fell by 23.4%. The effect of the lockdown measures contributed to the 13.5% decline in the transport and communication industry. The wholesale and retail industry, the biggest employer among all the industries, declined by 8.9%. Electricity and Water supply remained important but declined nonetheless by 5.8%. Finance and insurance declining by 4.3%. Real Estate and Business Activity declined by 2.5% while producers of government services fell by 0.1% compared to the year before.

3. It is said that the pandemic has exposed some of the structural weaknesses of the Jamaican economy. Do you agree with this if so what are these weaknesses?



The Cov19 crisis has further overburdened Jamaica's struggling healthcare system. I agree that the pandemics have exposed some of Jamaica's structural weaknesses. The first is our ability to accommodate unforeseen events. Second, the lack of fiscal space in the budget minimizes our ability to put contingencies in place. The lack of fiscal space also reduces our ability to respond to the crisis. 1. Sufficient health care resources, and 2. Sufficient safety net resources to expand the fiscal stimulus packages to soften the blow for the people who lost their jobs or were not working. To counterbalance the lockdown measures the USA for example, issues thousands of dollars in coronavirus relief benefits to each unemployed and companies who lost business every month since the beginning of the crisis. While Jamaica issued a one-time payment valued at less than \$100 USD to a fraction of the unemployed, many others have not received anything. Other one-time payments were made to some companies for keeping staff but was insufficient relative to the loss of business that ensued. Many of the companies have also not received anything but are expected to survive and consume, pay bills.

PIOJ PLANNING INSTITUTE 2.3% Growth in the Economy PRELIMINARY ESTIMATES FOR JANUARY TO JUNE 2021 COMPARED WITH JANUARY TO JUNE 2020		
GOODS PRODUCING INDUSTRY	SERVICES INDUSTRY	
Increased by 3.0% Construction 13.8% (3.9%) Agriculture, Forestry (3.9%) Agriculture, Forestry (Manufacturing) (0.9%) (-3.2%) Mining & Quarying	INCREASED BY 1.4400 Image: Construction of the services Image: Construction of Communication of Communicatio of Communication of Communication of Communication of	3.6% (3.4%) (3.3%) (0.6%) (0.3%) (0.0%) (-1.7%) (-2.5%)

4. The Tourism sector was hard hit by the closing of the borders across the Globe the tourism Minister estimates that it cost Jamaica approximately 300,000 jobs directly and indirectly. Is the economy with a workforce of over 1.2 million too reliant on Tourism? Has the time come for some diversification? If so where should be the new areas of emphasis?

When the pandemic hit, there was an immediate 80% decline in the tourism industry in Jamaica. Expenditure in the industry declined from \$3.5 billion USD in 2019 to less than \$1.5 billion USD in 2020. Hotel and Restaurant industry formally employs roughly 104,000 people with a labor productivity of \$390,000 (\$2,600USD) per person per annum or \$32,000 (\$220 USD) per month. The equivalence of the average cost of 1 nights stay at a hotel on the island. Notwithstanding that among all the industries in Jamaica, the hotel and restaurant industry has remained one of the least productive industries on the island. Many of Jamaica's traditional industries including

tourism and agriculture have been less than optimally productive for decades and need to be revisited.

The rise of the digital age, eCommerce, blockchain, smart contracts and digital money has opened opportunities to better diversify the economy to meet the needs of the new world and the young people. Amazon, one of the largest eCommerce platforms in the world is now open to Jamaicans and presents a wealth of opportunities for Jamaicans to sell products. Crafty vendors can now list their goods on Amazon and with the right business support, should be able to deliver a nice carving to the tourist right at their doorstep wherever they live across the world.

Health and wellness tourism appears to be an emerging industry especially since the world is in a health pandemic people are becoming more health-conscious. Healthcare and agriculture can intertwine through the production of nutraceuticals and pharmaceuticals of high valued and valuedadded products, for example, cannabis, mushrooms etc. Cosmetic surgery is also emerging ad more people want to look and feel good. For example, the most basic surgery can cost \$4500 USD locally and upwards of \$6,000 regionally, 25% percent cheaper which can be done in less than a day.

5. The PIOJ has just done their forecast on the performance of the Jamaican economy over the second quarter of 2021, GDP grew by 12 .9 %, 7.8 % goods and 14 % services relative to the corresponding quarter in 2020. What is your assessment of the recovery so far?

The recovery from the corona virus has been volatile thus far. Based on the current pandemic containment measures there is more uncertainly about short-term business survival. Recall that when the Covid19 pandemic first arrived, the overall economy declined by 18% in the second quarter of 2020. The goods-producing sector declined by 12.7 percent. The 7.8 percent improvement highlighted in the second quarter of this year for the good sector in the economy is still 4.9% worse than it was in 2019. The service industry declined by 18.9% in the second quarter of 2020, an improvement of 14% means as well



that the economy has improved but the service sector is 4.9% worse than it was in 2019. The island-wide lockdown measures have been counterproductive. Many industries are delayed directly and indirectly through hiccups in global logistics and trade. Critical Wi-Fi and other infrastructure are needed to put the country where it ought to be.

6. When do you project we will get back to pre-pandemic growth levels, and what are the challenges....

The economy has the potential to return to prepandemic growth as early as 2023. However much of this will depend on several factors including but not limited to the government's ability to roll out the vaccination campaign. They face several challenges including vaccination shortages, discrimination, inefficiencies in the rollout campaign and inefficiencies at the vaccination sites and more importantly large percentage of vaccination hesitancy by the public. Besides the Covid19 virus continues to mutate in various forms that might hamper the effectiveness of the vaccine. The BOJ's increasing interest rate from 0.5 to 0.75% will increase the returns on investing in bonds as well as increase the cost of borrowing. This will harm investments thereby reducing economic growth.

7. The SME sector was the most badly affected by the Pandemic, with many risks being pushed back into poverty and lacking the resources to pick themselves up when the economy "tanked". What is the policy response required to assist these persons?

Whether the SMEs' are early stage, stagnant or

struggling or locally focused or established and profitable they require assistance to manoeuvre their way to recovery from the effects of the CoVid19 virus. Entrepreneurial education, startup incubators, Fiscal expansion to create venture capital funds, programs designed to help firms scale up, programs to help increase productivity, programs to help with the adoption of digital and Artificial intelligence, credit guarantee schemes and avenues to legitimize and formalize their businesses are needed. Direct stimulus injections from the government are necessary for the Covid19 relief. Invest in key modern support. Invest in business support infrastructure and services. They can contribute to the increase in investments by providing loans and grants to SME's.

8. What is your reading on the significant increase in remittances experienced by Jamaica defying the grim predictions of the Multilateral Agencies, and what does it promise for the future in terms of foreign exchange earnings?

Remittance helps a country escape immediate poverty, pay bills and increase education. Remittances contribute to a country's level of reserves. Remittances in 2020 was roughly 2.9 billion, .48 billion more than the \$2.4 billion registered in 2019 according to the Bank of Jamaica. The USA, Canada and the UK employed stimulus packages to counter the effects of the crisis giving people more disposable income that translated into more remittances. During the pandemic remittance to Jamaican increase in the first guarter of 2021, remittances inflows to Jamaica exceeded \$1 billion US dollars an increase of more than 50% compared to the corresponding period the year before. These remittances should put downward pressure on the exchange rate but there are other factors in the balance of payments that will put more upward pressure on the exchange rate. The end result, it will continue to depreciate in the foreseeable future.

9. One of your concerns has been the level of poverty in the inner cities, they also have been hit hard by the pandemic what are some of the initiatives that can change their lives positively?

Inner-city communities are very vulnerable across Jamaica and require immediate attention and care. In the short term, urban climate-smart agriculture can assist to reduce food poverty among many of these people. Income earning poverty alleviation strategies through social entrepreneurship and social enterprises are also necessary to help create a sustainable social safety net. For the medium to long, term more education and training, more high school enrolment and literacy levels are necessary. Efforts to improve social programs, sports and other engagements to integrate the citizens and reduce crime and violence.

10. As we look towards the future what are the three most critical things that must be done for Jamaica to achieve economic recovery both post COVID and despite COVID?

Economic recovery in import-dependent small island economies like Jamaica hinges on the speed of recovery of the global economy. Innate challenges of high-income inequality, a disgruntled, under-compensated labour force, poor healthcare, high crime rate, low high school and tertiary completion rate will hamper the nation's rate of recovery. The pandemic has also reduced domestic production, supply and distribution chains, which will require coordination from the private sector and the government to resurrect it. Policies to strengthen the domestic economy are welcome.

Economic recovery in Jamaica will be asymmetric across industries as it has been. Full recovery will require a collaborative effort from the public sector, the private sector and the citizens. The government through its actions has to be intentional about its contribution to economic recovery.

- Policies are necessary to improve business confidence to encourage the private sector to invest. To boost investment; the government can injecting capital into the economy through fiscal expansion or via the banking sector by lowering interest rates. The lower cost of borrowing would encourage private sector investment. However, the BOJ plan to increase interest rates is counterintuitive to the objective the country wants to achieve.
- Policies and supporting structures to promote innovation are also necessary. Similar to the Tourism Enhancement Fund, there should be an Innovation Absorption Fund. This will allow companies to use the downtime to learn more about how to use data to improve marketing or to improve efficiency, productivity, output and revenues.
- The paradigm shift caused by the covid19 crisis will require a modern type of workforce with new skills and expertise. Establishments must be in place to facilitate the training and modernization of the workforce. Institutions in Jamaica must evolve to respond to the needs of its citizens. Civil servants like nurses, doctors, teachers and the police should be better compensated to motivate them to carry out their functions effectively.

FINANCIAL SERVICES COMMISSION

WE ARE COMMITTED TO PROTECTING BUYERS OF INSURANCE, PENSION AND SECURITIES AGAINST LOSSES RESULTING FROM POOR **BUSINESS PRACTICES.**

> WE REGULATE, MONITOR AND **REGISTER MORE THAN 600 FIRMS** AND 5000 INDIVIDUALS OFFERING **INSURANCE, PENSION PLANS** AND SECURITIES TO THE PUBLIC

WE PROMOTE PUBLIC EDUCATION USING THE MEDIA, MEETINGS, **CONFERENCES AND OTHER EVENTS;** AND A ROBUST SCHOOLS' FINANCIAL EDUCATION PROGRAMME (SFEP)

WE HELP TO ADVANCE THE **GOVERNMENT'S GOAL OF FOSTERING** A SOUND, STABLE AND VIBRANT FINANCIAL SECTOR BY PROMOTING FINANCIAL EDUCATION AND **FINANCIAL INCLUSION**

complaints about the business practices of regulated entities and recommends



PROMOTING INTEGRITY IN THE JAMAICAN FINANCIAL SECTOR Website: www.fscjamaica.org | Email: inquiry@fscjamaica.org



By LESLEY MILLER, Chief Information Officer, General Accident Insurance Co.

The days where insurance policies were printed documents, signed manually and sent out via the post office are fast becoming history. Worldwide, the insurance industry is embracing digital innovation to develop new products, improve the responsiveness of customer service, facilitate flexibility and carry out a range of business functions such as marketing, quotations, accounting, claims handling and data analysis. This digital transformation is well underway in Jamaica as well.

An increasing number of routine insurance transactions can now be handled via multi-functional company websites, without the need for an in person visit to company, agent or broker. Clients can complete proposal forms, get quotations, make queries via online chat capabilities, register and track claims, review their portfolio of business and pay premiums online either via computer or smart phone access. Communication is increasingly done via electronic mail and customers can even print their own documents, such as digital Certificates of Insurance.

Online systems interface with other databases, such as motor vehicle registration, prior ownership, accident, insurance and driving history. Electronic processing and access to these databases reduces costs and premiums for insurers and drives better pricing. Many companies offer direct discounts for use of digital functionalities. Data analysis can identify fraudulent claims, uncover emerging trends in consumer behaviour and needs and thus guide new product development.

Using online services inevitably ushers in the need for data protection and security. Jamaican insurers use a range encryption tools to deliver strong security for policyholders, most often involving passwordprotected individual log-ins and a payment gateway for credit card transactions.

Other types of technological innovations are ahead. Installation of devices in motor vehicles that track driver behaviour and reward careful driving with premium reductions have already been rolled out in other jurisdictions. The same type of technology can record the sequence of events in an accident, with 360 degree, real time views recorded, helping investigators to assess liability. Dashcams are already being used to support or refute driver accounts of losses. Photographs of motor vehicles may soon be captured with video footage at inspection centres and instantly uploaded into shared databases or straight to individual policies with specific insurance companies.

For property insurance, drones are already being used to map risks according to prevailing hazards or accumulation of risk in certain areas. Drones can carry out site inspections, Drone footage can also be used to settle claims much more quickly after natural disasters such as fires, floods, earthquakes or hurricanes.

These technologies are just the tip of the iceberg for the insurance industry. Digital Transformation of the is not just about technology but most importantly providing customers with faster service, better pricing, and innovative and secure products.



Kingston: 27 Parkington Plaza, Kingston 10 | Sector 876.906.5362-4, 920.7447, 876.929.1706, 1466 | 🖶 876.968.6208 Montego Bay: Shop 22, Sagicor Shopping Centre, Howard Cooke Blvd., MoBay | Sector 876.979.6516 | 📇 876.971.7540



WHY LIFE INSURANCE COVERAGE IS IMPORTANT



Radio broadcaster Markland "Action" Edwards shares his insurance story.

lot of Jamaicans look at insurance as life after death and they believe that they are not the ones that will benefit from the policy. But insurance is for the eventuality that you did not plan for.

If I can have something to safeguard any eventuality, especially death instead of running up and down, it just makes sense to have this policy. Many times, especially in Jamaica land we love, we realize that when there is a death in the family, you have to wait on family abroad to send money through remittance services or you have to be waiting to see how you will fund your funeral.

There is a policy for everybody and at the end of the day you can take care of all of that you need to take care of.

Let's bury our loved ones with some form of dignity and one way to do that is to have insurance on hand.

Can't say I didn't warn you, get insurance!

Can't say I didn't warn you, get insurance!



Your next achievement is within easy reach

With a passion for Caribbean success and a network that spans over 21 countries across the Caribbean, Guardian Group is your partner to help bring you a world of opportunities.

and a second party of the





C

GK INSURANCE CROP INSURANCE PROGRAM





he following are responses about GK Crop Insurance Program provided by Jordon Tait, Assistant General Manager, Technical and Commercial Lines , based on questions by Orville Johnbson, IAJ Executrive Director about the program.

What prompted GKI to get into Crop Insurance?

As a subsidiary of the GK Group, being a large food manufacturing and distribution company, it is only natural that the financial services arm of the group provide solutions that are tailored to provide support that meets the needs of famers who are critical to our food business.

At GK Insurance it has always been a part of our mandate to provide an insurance solution that helps to protect farmers against the greatest risks they face, which are catastrophic risks such as excess wind, rain and drought.

When did the program start and where are farms that are covered?

For many years GK Insurance has explored and tested ways in which we can implement solutions that really provide a benefit to farmers. We started this journey over 8 years ago when we launched an initial product in Jamaica and throughout this time we reached out to the different stakeholders, including farmers, The Ministry of Agriculture, and other persons within the agriculture sector to ensure that we can develop and improve a product that fits their needs. Since the initial offering of the product we have covered farmers island wide.

We gather that this type of insurance is called parametric Insurance, explain this concept for our readers

Parametric insurance (also called index-based

insurance) is a non-traditional insurance product that offers pre-specified payouts based upon a trigger event. Trigger levels are agreed at the start of the policy period which results in a quick payout post event was the minimum trigger level is exceeded.

The major benefits of parametric insurance includes:

- 1. Replaces subjectivity with objectivity: The agreed-upon parametric trigger e.g., it's either a Category 3 hurricane or it's not brings an objective and independent measure to the insurance process. The event that triggers the payout and the mechanism used for payouts determines what will be paid to the customer, which is a clearer predetermined amount than with traditional solutions, where a claims adjuster needs to assess and determine damages.
- 2. Quick claims processing: Because the claims payouts are agreed upon ahead of time, the customer is typically paid in days or weeks, not months. Getting reimbursed sooner allows the insured to improve their liquidity and apply the funds to the postevent emergency costs, restoring their business operations sooner.
- 3. Provides a potential solution for climate

resilience: As extreme weather events occur with greater frequency and impact, many businesses can use parametric insurance to help address these challenges. As the frequency and severity of volatile weather events continue to grow, it's harder to rely on historical weather data alone to predict future conditions. Weather parametric insurance can help to address these gaps.

What are the objectives of the program and what will it do for the farmers?

To fill a gap that currently exist to support an industry that is greatly in need of financial risk management solutions to mitigate weather related risks and build resilience in support of agriculture and food security. GK Weather Protect is designed to help Farmers and Fishers ease the financial stress caused by harsh weather events by providing emergency cash so that they can resume their business quickly.

I gather this is the first program of its kind in Jamaica, where else is it practiced

Parametric Insurance is offered in Africa, South America, Puerto Rico, different parts of the Caribbean as well as in Asia.

In our quest to find solutions that will fit the needs of our market, with the help of our international partners we have done extensive research to bring products that are already available and working in other international markets to Jamaica and the wider Caribbean.

Now that you have been doing it for some time what has been the experience, specifically what were some of the challenges you faced and what were some of the major benefits your farmer policyholders received?

We have worked closely with our international partners and local farmers to refine and improve the product over time. Through this we have adjusted our triggers to ensure that farmers are able to fully reap the benefits of their weather cover. We have worked on improving accessibility for famers and fishers as well as how payouts are triggered and paid to customers. Rainfall and wind cover has been available since the product was initially offered, and has been enhanced with the new design.

How have you been able to sustain this program

given the vagaries of climate change?

We have been able to maintain this product by continuing to research and to have discussions with all the major stakeholders to refine the product and ensure it remains relevant. Through this continuous process we are also able to price the product properly to meet the needs of the farmers and fishers. We also rely on data to help guide us in our assumptions and pricing. Additionally, we are supported by large international reinsurance companies who share our long-term vision for this product.

We have not had a direct hit from a hurricane for some time since 2005 I believe, what has the impact of floods been like on your business and also the farmers.

The product is properly reinsurance on the international market, to ensure we do have proper cover for the business. We have made payouts to customers when there were heavy rains and wind in 2017 and 2018.

What does the future of the Crop Insurance look like? Do you see it being implemented all over the island?

Crop insurance in its truest form is not readily available. What we have done is create a solution with parametric insurance that will provide a benefit for farmers and fishers to get emergency cash payout to replant and repurchase supplies to recover from adverse weather conditions. GK Weather Protect is available island wide and is accessible online, and at Rada Offices, with payments accepted at BillExpress locations.

You relaunched the plan recently are there new dimensions of the plan that you can share with us?

Drought cover has been recently added to the offerings. We have also improved online access to the product as well as making the product even more affordable.

What are the main features and benefits of the plan?

GK Weather Protect offers coverage for heavy rainfall, hurricane winds and drought. This is offered in two seasons that represent the months that are more prone to severe weather. Season 1 runs from April to June, and Season 2 goes from August to November yearly. Parishes are grouped into regions with similar pricing.



PAVE A PATH TO YOUR SUCCESS

Enroll in any of our Programmes:

- Paralegal Certificate Course
- Certified Insurance Technician Course
- Certificate in Insurance Investigation
- CII Programme (In Association with the Chartered Insurance Institute)

Certificate in Supervisory Management

- Certificate in Insurance Studies
- Certificate in Loss Adjusting
- General Sales Representative Tutorials and Examinations

ONLINE TRAINING FOR ALL PROGRAMMES AND COURSES

Customised seminars and workshops offered Spacious and air conditioned lecture rooms available for rental

Registered with the University Council of Jamaica

FOR MORE INFORMATION CONTACT:

COLLEGE OF INSURANCE & PROFESSIONAL STUDIES 3a Richmond Avenue, Kingston 10. **Tel:** (876)929-3340, (876)929-6149, (876)929-6159, Digiline: (876)383-2411 **Fax:** (876)929-6117 *E-mail:* info@cipsonline.edu.jm *Website:* www.cipsonline.edu.jm *Facebook:* College of Insurance and Professional Studies



The President's theme: Building a Better Jamaica, through our World Class Advisors

UNDERSTANDING MOTOR INSURANCE



By Harold Wong FCII , Insurance Consultant, Lecturer and Author of " *"Insurance – Protection of Assets , Liability and Profits".*

Types of Motor Policies

What are the different types of motor polices.?

There are four (4) types of policies. Act Policy, Third Party Policy, Third Party Fire and Theft and Comprehensive.

What insurance cover does each provide?

Act Policy - The Act policy covers your liability for third party bodily injury/death for a limit of \$1,500,000 for any one claim and \$3,000,000 for any number of claims arising from one accident and third party property damage of \$500,000 for one claim and \$1,000,000 for any number of claims from one accident.

Third Party Policy - The Third Party policy also provides cover for third party bodily injury/death and third party property damage but the liability limits are much higher than those under the Act policy.

Third Party Fire and Theft - Your Third Party Fire and Theft policy covers loss or damage to your vehicle as a result of Fire and or Theft. Due to coverage for fire and theft a sum insured is needed to indicate the value of the vehicle. It also provides for third party liability as a result of bodily injury/death and third party property damage. Third party limits are also much higher than under the Act Policy. Each insurance company has its own standard third party limits but higher limits can be negotiated.

Comprehensive Policies - A Comprehensive policy covers accidental loss or damage including collision, overturning, fire, self ignition, theft, malicious damage and Acts of God to the insured vehicle. Coverage under this section is referred to as Section 1 or Own Damage Section. A sum insured is needed to indicate the value of the insured vehicle

It also compensates for liability to third parties due to bodily injury/ death and or damage to third party property. This Section is referred to as Section 2. Each company has its standard third party limits but higher limits are available.

Limitations of Comprehensive Insurance

The word Comprehensive and scope of cover (accidental damage) would suggest that the cover is not only wide but cover is without any limit.

Every insurance policy has limits and comprehensive only means that cover is very wide. Unlike the Act, third party and third party fire and theft polices, it provides a much wider cover as it relates to damage to the insured vehicle. However there are limitations pertaining the insured vehicle and these are:-

1.Mechanical breakdown

2.Electrical derangement

3.Damage to tyres unless this is subsequent to

overturning and or collision

4.Excess

5.Damage to the insured vehicle as a result of the driver/insured driving under the influence of alcohol and or intoxicating drugs.

Policy Excess

Excess, what's that?

It's the first X amount you are required to pay for damage to your vehicle and then the policy pays the difference. For example let's say the excess is \$20,000 and the claim is \$200,000, you would pay \$20,000 and the policy pays the difference of \$180,000. If the claim is equal to or less than \$20,000, you would be required to stand the entire cost of the claim.

Tyre Damage

Oh. So if I drop in a pothole and my tyres got damage, would my policy pay?

No. Your policy will only pay if subsequent to hitting the pothole the vehicle overturns or there is some sort of a collision such as hitting a wall, another vehicle or utility pole.

Purpose for which Vehicle is used

Why is it I am always asked to state the use to which the vehicle is to be used?

It's important that you ensure the vehicle is used for the purpose stated on the proposal form. For example it's stated that the vehicle is to be used for social, domestic and pleasure. Any use other than that stated such as using for carriage of passengers, for your own business use if you have a salon or lounge, or to do the work of your employer will give your insurer the right to deny a claim whether for own damage or third party.

Coverage of Passengers

Let's explain a recurring issue as it relates to the carriage of passengers. There are instances where an owner will join an organization which describes its business as transportation and provides the necessary infrastructure to facilitate communication to inform owners of private vehicles to pick-up customers. However the privately owned vehicle is insured for private use and in order to comply with Tax Administration of Jamaica regulation, the owners(s) need to obtain a road license in his or her name to operate as a public passenger vehicle. This is legally obligatory although the individual is a member of an organization that is incorporated and licensed to provide transport services. Coverage When Vehicle is being Repaired

Is my vehicle insured for loss or damage whilst undergoing repairs?

Your policy does not cover loss or damage whilst in the custody of any motor trader or mechanic but yo u can have the policy endorsed to provide this cover.

Towing of Vehicle

Should I tow a vehicle and there is an accident, would my policy provide any compensation?.

Your policy only provides for third party payment i.e bodily injury/death and or damage to third party property, once towing is done because the vehicle is mechanically disabled and there is no charge for towing. However, damage to the

vehicle being towed will not be paid by your policy.

Limitations

Is there any limitation under the Third Party or Section 2?

There are quite a few which is dependent on the type and use of the vehicle that is insured. For example, under a private car policy liability to employees who are carried in pursuant to a contract of employment is not covered. Under a CMC motor policy, damage to goods being carried is not covered as well as injury/death to employees

Third Parties

Who is a third party?

A third party refers to persons being carried in your vehicle (the insured vehicle) passengers, persons in another vehicles and also pedestrians. In other words, the other person(s) is always a third party and third party property refers to damage to the other person's property.

Bodily Injury

Can I claim for bodily injury under my policy if I am in an accident?

No. You and or any person driving your vehicle are not regarded as a third party. Remember third party refers to the other person.

Is there any coverage available to me if I want to be covered?

You can be covered on requesting a Personal Accident Rider which provides for injury/death as well as hospitalization to you and or the person driving. Coverage usually starts from \$100,000 to a

maximum of \$1,000,000. There is an additional premium to be paid.

Liability Explained

What is meant by liability?

Liability means that you are at fault and as a result the Law requires you to compensate for bodily injury/death and or property damage to the third party. However because you are insured your policy pays on your behalf subject to the loss limit provided under the policy. For example, let's say your policy limits are \$5 million any one claim for injury and \$7.5 million any number of claims arising from the same accident. These are the maximum amounts payable for injury/death.

What Happens if I damage my Vehicle

Would my policy pay for damage to my vehicle if I am at fault?

Your comprehensive policy provides for damage to your vehicle irrespective of whether you are at fault or not.

Damage by Uninsured Vehicle

I am informed that there are many uninsured vehicles on the road. What happens if I am involved in an accident with one and I am not at fault?

You can successfully claim under your policy but, because the third party was uninsured your insurer would not be able to recover from the third party insurer, you would lose your No Claim Discount.

You may also lose a portion or all of your no claim bonus depending on the level of the no claim bonus being earned.

However, you can request the Uninsured Motorist Rider which would pay for damages to your vehicle and your No Claim Discount would not be affected. Further you would not be required to pay any excess.

Insuring Personal Belongings

Can I get my personal belongings insured?.

Personal belongings including laptop can be covered by insuring personal effects and the laptop for individual sums insured. Condition of cover would apply however, concerning the laptop.

Garaging of Vehicle

I have a warranty pertaining to garaging my vehicle at home. What is a Warranty?

A warranty is a provision that requires strict compliance as non- compliance will permit your insurer to deny your claim. For example if the Warranty requires that the vehicle be garaged in an enclosure at nights and the vehicle is stolen whilst parked on the road, your claim will not be paid. Another example - a Warranty requiring the vehicle be fitted with a burglar alarm or other anti-theft devices and due to non- compliance the vehicle is stolen, the theft claim will not be paid.

Making a Claim

How should I go about making a claim?

Every accident or claim must be reported to your insurer and the report must be made within a stipulated period. At least a verbal notice must be provided and this to be followed by the submission of a completed claim form along with an estimate of repair. This is obligatory on your part as failure to do so gives your insurer the right to reject or deny paying your claim.

Arrangements after accident

Suppose I am involved in an accident and the third party agrees to fix my vehicle, am I required to make a report?

Third Party agreement may not work to your advantage because should the cost of repairs prove costly, the party usually backs out. This can happen after the claims notification period expires so that when you do decide to report the accident, your insurer deny the claim due to late notification. It's always advisable therefore to report the claim so that should the party refuses to settle, you will be able to claim under your policy. Repairs will only be done by your insurer only if you have a comprehensive policy.

Total Loss

Would my comprehensive policy indemnify me for the sum insured if my vehicle is a total loss?

The amount payable maybe less than the sum insured due to deprecation rate applied by the Loss Adjuster. Motor Vehicles unlike other properties such as real estate a house for example, depreciates over time and because of this it's value will be reduced. It is therefore important to have a professional valuation done at the commencement and at each renewal date as this will ensure that the sum insured reflects its replacement value. The impact of depreciation will be much less and the total loss payment should not differ substantially from the sum insured less of course the excess. However, depending on the age of vehicle and sum insured, the insurance can be arranged an Agreed Value basis and the full sum insured will be paid less the excess. In operation since 1988, the Jamaica Medical Foundation, the outreach arm of the Insurance Industry has assisted numerous institutions and individuals with medical emergencies, medical research and other situations that needed urgent attention. The foundation carries out its mandate under the banner "PROVIDING A LIFELINE TO HEALTH"

JAMAICA MEDICAL FOUNDATION







JMF donation of masks to Nurses Association of Jamaica



JMF donation to ampu

YOU TOO CAN BECOME A MEMBER OF THE JMF

- Individual Membership \$12,000 Annually
- Corporate Membership \$50,000 Annually

JAMAICA MEDICAL FOUNDATION

3-3a Richmond Avenue, Kingston 10 Website: <u>www.jamaicamedfoundation.com Email:jamedfoundation@gmail.com</u> Telephone 876-920-3385/6 or 876-906-5535

Duggan Consulting Limited



e in Jamaica Our Act

Contact Details Duggan Consulting Limited Actuaries & Consultants 6 Belmont Road, Kingston 5, 876-978-1659 astorduggan@cwjamaica.com www.dugganconsultingltd.com.



Outstanding Expertise and Experience in Actuarial Consultancy Services

OVERVIEW

Duggan Consulting Limited is a firm of actuaries and consultants. We always put our clients' interests first and we work hard to build up a good working relationship. Our top priority at all times is the quality and integrity of the advice we provide.
ROAD SAFETY IN JAMAICA



By Deidrie Hudson Sinclair, Acting Director, Road Safety Unit

Deidrie Hudson Sinclair in responses to questions by Orville Johnson, IAJ Exewctive Director, gavce a revealing view of Road Safety actions in Jamaica.

rs. Sinclair, contrary to what many persons thought, despite the presence of the COVID Pandemic, road fatalities seem to have increased relative to the previous year to date.To what do you attribute the increased carnage on our roads?

Indiscipline/ Increase appetite for risktaking/Speeding/lack awareness of the poor road conditions and impact of on crashes The number of fatal crashes during culture demonstrate a culture of indiscipline. This situation demonstrates some Jamaican's appetite for risk-taking has increased during pandemic conditions.

Our citizens believe that being caught by the police is the only potential risk, not recognizing the condition of the roads and speeding have on crashes.

Many of the persons killed during curfew hours were in single-vehicle crashes, and speed was a major factor. Many motorists are unable to recover or execute corrective measures at high speed.

Motorists and other road users don't recognize that some of the major thoroughfares are in desperate need of maintenance. Some roads don't have warning signs, lane markings, are riddled with potholes and gravel, all conditions that making speeding very unsafe. There is a misguided notion that if the road is clear of cars and people it is safe to travel at excessive speeds.

As one who has been associated with Road safety in Jamaica for some time, what do we need to focus on at this time?

- All road safety stakeholders including road designers, municipal, transport planners, safety practitioners and road users have to refocus by adopting the safe systems approach.
- Designing a safer and more forgiving



road environment so that when individuals make mistakes that result in a crash the likelihood of death and injury is less.

- Revise speed limit based on the road environment and use and type of road users who use the road environment.
- Conduct road safety audits and inspections to identify hazards and provide recommendations for routine maintenance of roadways to ensure general safety
- Early and consistent road safety education programmes at the primary and secondary and tertiary levels. Programmes should focus on promoting good road etiquette and practices.
- The increase the number of certification of learner driver institutions focusing on situational awareness and defensive driving
- Road Safety stakeholders, insurance companies, motor vehicle sales industry must promote and offer incentives to citizens to purchase safe vehicles.
- Post-Crash Care is another aspect of road safety that has not been sufficiently addressed. We need to ensure that victims of road crashes are properly transported and get the requisite care and rehabilitation.

The Road Traffic Act has been pending for some time, how its eventual enactment will assist in curtailing the mayhem on our roads:

The motorcyclists have been one of the major

areas of fatalities, but seem to be continuing with increased fatalities despite significant intervention on behalf of the NRSC where do you think we are falling short, is our culture, if so how do we handle this?

- The NRSC motorcyclist training intervention needs to be replicated island-wide, a national programme is required to address the unsafe motorcycling sub-culture that has grown over the years. In addition to this increased community intervention where motorcycling sub-culture is most prevalent. Educating the community on the importance of driving motorcycling safely.
- There are very few places for learner motorcyclists to receive training from a certified driver instructor. The development of an approved driving curriculum and the certification of driver instructors and establish approved driving institutions to provide driving instruction.
- On the matter of motorcyclist with provisional licence must have a restrictive clause that specifies the times a motorcyclist, not to engage in the commercial activity or transport persons.
- Encourage and provide incentives for businesses that sell approved DOT helmets with a motorcycle.

- Allow automatic scooters/mopeds drivers' to take driving tests and licence motorcycle drivers according to the motorcycle type.
- Ensure routine maintenance for narrow community roads that are used by motorcyclists regularly.

In your public comments we note that you have stressed the importance of providing safe roads for our road users, I note that the Prime minister who Chairs the NRSC has stressed the importance of safe roads in his message for road safety month. What in your view needs to be done to ensure the roads are safety friendly?

Road design is critical to guiding and improving road user behaviour. We can lower speed limits, however if the roadway is not designed to limit the speed, motorists will continue to travel at higher speeds. The road must include safety features such as medians, guardrails and crash cushions to lessen the impact in the event of a motor vehicle crash and prevent head-on collisions.

Engineers must implement more road safety features to protect vulnerable road users. Road safety mechanisms such as pedestrian crossings, increased pedestrians phase time at traffic signals and legal slopes for wheelchair users etc. are critical to keep vulnerable users safe.

The practice of road safety audit and inspection should be implemented consistently to identify potential road safety problems and provide solutions to mitigate issues. These solutions/ recommendations should be incorporated into routine road maintenance works.

There is a view that what is missing is lack of enforcement, how can this area be strengthened Technology appears to be one of the best tools to enhance most things these days, how can technology be deployed to assist in curbing this monster, name some specific interventions being used elsewhere

All around the world technologies have been utilized to enhance enforcement.

For context, the sheer volume of motor vehicles has increased significantly and

Jamaica has one of the largest road networks in the Caribbean, to say enforcement is difficult is an understatement. Countries like England and the United States that rely on speed cameras at traffic lights may provide viable evidence-based solutions to reduce speeding infractions. In other jurisdictions, the traffic ticketing system is linked to other regulatory agencies and authorities that have the power to revoke and or prohibit the renewal of the licence or restrict specific activities under a person's licence.

The Government of Great Britain is testing telematics devices to measure leaner drivers' skills and ability to help them to become better drivers and pass their driving test. It must be noted that the insurance companies in the GB and the US use telematics to set establish rates for insurance premiums, this scenario positively rewards drivers for what is perceived to be safe driving behaviour.

The Road Safety message at the recently concluded Road Safety Month called for a 5MPH reduction in the speed of motorists, how important is speed as a factor in Road safety?

Speeding is consistently a factor in almost all fatal crashes. Excessive speeding does not allow time for the driver to corrective or take evasive measures to avoid. High speeds increase exponentially the more likelihood for damage and increased possibility of serious injury or death.

As we look to the future what are three critical area of focus for better Road Safety for all?

The critical areas that need to be addressed are

- Better road design to encourage safe road user behaviour as well as to reduce road injury and death when a crash does occur.
- Revise our speed limit based on the roads surrounding environment and general use by all road users not just motorists.
- Consistent and well-funded educational campaigns targeting all road users especially motorcyclists.
- Improve post-crash care for victims of road crashes.

Promote and Provide incentives for purchasing safe vehicles

INSURED MOTOR VEHICLES STOLEN -2017 TO 2020



heft of motor vehicles continues to be prevalent. Statistics presented in this report relate to insured vehicles. Indications are there are lots more vehicles stolen but statistics are available for those that are registered and insured.

A total of **1,149 vehicles** were stolen in 2020 comprising 21 brands from 34 brands which were recorded. Thefts for the previous three years were:

THEFTS 2017-2019

- 2017 -- 1,159
- 2018-1,079
- 2019 1,320

There was a decrease of 171 motor vehicles stolen in



2020 from the amount of 1,320 stolen in 2019. One of the factors that may account for this reduction is the implementation of anti-theft devices and vehicular

tracking methods.

TOP FOUR MODELS STOLEN.

The Top four makes stolen for the past four years were:

- **Toyota** 627 for 2020, 722 for 2019, 568 for 2018 and 605 for 2017.
- Nissan 247 for 2020, 322 for 2019, 268 for 2019 and 279 for 2017.
- **Honda** 76 for 2020, 93 for 2019, 78 for 2018 and 93 for 2017.
- **Suzuki** 68 for 2020, 62 for 2019, 61 for 2018 and 71 for 2017.

VEHICLES WITH NO THEFTS IN 2020

The makes that experienced no thefts in 2020 were: Acura, Austin, Chevrolet, Chrysler, Daihatsu. Iveco.



JMC, KIA, Land Rover, Loncin, Mercedes-Benz.

VEHICLES WITH FEW THEFTS OVER THE PAST



FOUR YEARS

Over the past four years, Mercedes-Benz has had only two thefts in 2019. Acura and Daihatsu suffered one theft in 2018, KIA one in 2017 and one in 2019, Land Rover one in 2017 and one in 2019.

MONTHS IN JANUARY 2020 WITH HIGHEST THEFTS

Months in January that experienced the highest levels of thefts were, January 133, March 127, November 116, December 99, February 98, August 97, September and October 89 each.

HERE ARE SOME VEHICLE PROTECTION RECOMMENDATIONS

- 1. Keep your vehicle locked at all times, even while driving.
- 2. When parked, never leave your keys in the car. Close all the windows and the sunroof.
- 3. Never leave your car running and unattended.
- 4. Avoid leaving valuables inside your vehicle where passers-by can see them.
- 5. Do not leave your vehicle title in the car. Too often a car thief is pulled over and gets away from the police because he or she can produce

the auto registration. (If multiple drivers use the vehicle, the best suggestion would be to hide the registration in a secret location in the car that only the owners know.)

- 6. Know where you're going. Avoid known high crime areas even if the alternate route takes longer.
- 7. Install an anti-theft system in your vehicle if it doesn't have one. Thieves are reluctant to steal vehicles if they know the cars can be recovered quickly. Many insurers offer discounts for the types of systems listed below.
- 8. Thieves prefer to work in the dark. Be particularly cautious at night about where you park your car. Park it in a well-lit area if possible.
- 9. Look around. Be aware of your surroundings, especially in garages, parking lots and gas stations.
- 10. On an incline, leave your car in park or in gear with the wheels turned toward the curb or some other obstruction. This makes it harder for thieves to tow your vehicle.
- 11. If confronted by a carjacker, do not resist. Cars can be replaced; you can't.



IAJ PRESS BRIEFING AFTER AGM HELD ON JUNE 2, 2021

Dr. Adrian Stokes was officially appointed President of the IAJ at its Annual General Meeting held on April 30, 2021, replacing Oliver Tomlinson, JP., former General Manager of JN Life who was appointed to another senior position in the Jamaica National Group. -+ IAJ requires its President to be head of an insurance company. On June 2, 2021 JA Libeld a Press Briefing

THROUGH

THE EYE

at the Jamaica Pegasus Hotel. at which the President outlined some of the major happenings in the Jamaican insurance industry,

THE CAMERA

The Camera was in action to give a pictorial account of the Press Briefing.



IAJ Presidente Dr. Adrian Stokes at the podium delivering his address, then having a lively discussion with Rosemarie Henry, Vice President-Life and Sharon Donaldson, Vice President-General. and presenting the Past President Plaque to Oliver Tomlinson.JP.





Rosemarie Henry, VP-Life presenting an IAJ Memento to Past President vernon James while Sharon Donaldson, VP-General presents an IAJ Memento to Immediate Past President Oliver Tomlinson, JP. At microphone is IAJ Exeutive Directror Orville Johnson, OD.



Sharon Donaldson, Vice President-General responds to media representatives following questions about happendings in the General Insurance Sector.

THROUGH THE EYE



THE CAMERA

OF

The Life Underwriters and Claims Administrators Seminar held at the Jamaica Pegasus hotel on Wednesday, August ,11, 2021 was a very informative, interesting and timely event which was appreciated by all participants. Dr. Adrian Stokes, IAJ President gave the opening remarks in which he updated the gathering on some important happenings in the Jamaican Insurance Industry. Other speakers included: Dr. Nicola Charlton, Medical Officer UWR &D, Senior Vice

President Life and Health Products at Swiss Re America. at Swiss Re America Holding Corporation. **Dr. Aldyth Buckland**, General Practitioner and Family Doctor. **Dr. Opal Donaldson**, Vice President Group Analytics and Revenue Solutions at Sagicor Group and **Professor Winston Davidson**, Public Health Specialist. The function was chaired by Natalie Lumsden, Underwriting Specialist at at Sagicor while Orville Johnson, OD, IAJ Executive Director gave the closing remarks..















THROUGH THE EYE



THE CAMERA

n Wednesday, July 21 Michael Fraser, President of the Jamaica Medical Foundation (JMF) presented **Patsy Edwards Henry**, President of the Nurses Association of Jamaica (NAJ) with 300 masks for distribution as the Association considers necessary. The JMF had previously made mask donations to the JMF, taking into consideration their tremendous responsibilities especially during this Covid-19 pandemic. Several nurses from the association were in attendance at the JMF Head Office as well as several members of the JMF. These shots tell the story. The JMF, an outreach arm of the Jamaican Insurance Industry continues its corporate social responsibilities under the banner "Providing a Lifeline to Health".



JMF DONATES 300 MASKS TO THE MAJ

In recognition of the continuing fight against the Covid-19 pandemic, the Jamaica Medical Foundation, operating under the mantra 'A Lifeline to Health' donated 300 high quality masks to the Medical Association of Jamaica.

On presenting the masks to Dr. Leslie Meade, Honorary Secretary of the MAJ who deputized for President of the MAJ Dr. Andrew Manning, Chairman of the JMF Michael Fraser lauded the impact that the MAJ has on the Jamaican medical fraternity. He said the JMF was delighted to give help in an area that is of great concern to Jamaica and the world in general. The JMF Chairman indicated that since the start of Covid-19 the foundation has donated numerous masks to needy situations.

Dr. Meade thanked the JMF for its generosity and gave the assurance that the masks will be distributed in the most effective way possible. The presentation was made at the JMF Head Office.



44 ELEVENTH EDITION



YEARBOOK 2021

Industry Statistics 2020/2019

LIFE, HEALTH AND GROUP INSURANCE GENERAL INSURANCE

THE LIFE INSURANCE SECTOR

\$44.8 BILLION PAID OUT IN 2020 IN LIVING AND DEATH BENEFITS. \$24.4 BILLION FOR LIVING AND DEATH

BENEFITS AND \$20..4 BILLION IN HEALTH INSURANCE BENEFITS



LIFE INSURANCE CASH DISBURSEMENTS 2020



Health Benefits Paid Out 2020



46 ELEVENTHEDITION

SUMMARY OF LIFE, HEALTH AND GROUP INSURANCE OPERATIONS 2020/2019

The year 2020 was a challenging one for the life insurance sector as a result of protocols that came into existence as a result of the spread of Covid-19. The selling of life insurance is generally a face to face relationship although online transactions are rapidly coming into existence.

Some Covid-19 protocols included social distancing, mask wearing, sanitation requirements and other demands coupled with lock downs for certain periods imposed by government.

As a result of adjusted operational procedures, especially for those who had to see clients and potential clients by appointment, there were visible shifts in results for 2020 over 2019.

ANNUALISED PREMIUMS

Annualized premiums for new business in 2020



was \$7,086 million against \$7,331 million for 2019. This represented a -3% decline in 2020.

TOTAL PREMIUM INCOME

Total premium income for inforce business collected for 2020 was \$44.61 billion representing 0.2% increase over \$44.54 billion for 2019.

FACE AMOUNT PAYABLE

Face amount payable on new 2020 life sales was **\$322 billion** compared with **\$282 billion** for 2019, an increase of **14.2%**. This increase in Amount Payable in 2020, although annualized premiums was lower than 2019, has a bearing on many young persons acquiring more coverage for lower premiums against older persons purchasing in 2019 with higher premiums because of age.



NUMBER OF POLICIES SOLD

A total of 106,765 were sold in 2020 against 111,640 sold in 2019. This represents a -4%



decline in number of policies.

CONSERVATION OF BUSINESS

Conservation rate at 88.40% at the end of 2020 was a miniscule 0.1% decrease from 88.45% at the end of 2019.

NUMBER OF SALES REPRESENTATIVES

The number of sales representatives grew to 845 at the end of 2020 against 829 at the end of 2019 an increase of 2%.



CASH DISBURSEMENTS.

The major role of insurance companies is to pay promised benefits when contingencies covered by policies occur. In this regard the life sector paid out \$24.41 billion in policy benefits 2020. This was a 5% increase over the \$23.28 billion paid out in 2019. Categories involved were:

- **Death**, \$4,513.70 million for 2020 an increase of 19% over 3,792.35 million paid in 2019.
- **Policy Loans**, \$10.21 million against \$10.98 million for 2019 a decrease of -7%.
- Surrenders, \$5,109.02 million an increase of 17% over \$4,373.06 paid out in 2019.
- Encashments, \$\$13,497.29 million a 5% decline against \$14,149.27 encashed in 2019.
- Critical Illness, \$1,037.01 million, a 32% increase over \$786.39 million paid out in 2019.
- **Maturities**, \$169.41 million, 3% over \$165.05 paid in 2019.



• **Others**, \$74.27 million, 1,185% over \$5.78 million paid out in 2019. Others usualy includes, refunds for declined cases etc.

LIFE INSURANCE PLANS SOLD

Plans sold by the majority of companies during 2020 included:

- Term 2, 872 policies for risk premium of \$164.65 million.
- Whole Life, 5,550 policies for \$242.87 million risk premium.
- Personal Accident, 11.393 policies for \$639.00 million risk premium.
- Critical Illness, 27,181 policies for \$1,191.70 million comprised \$1,185.05 million risk premium and \$6,650.28 million investment premium–AAIP.
- Universal/Interest Sensitive, 51,113 policies for \$8,498.30 million comprising \$3,363.13 million risk premium, \$834.07 million Investment Premium – AAIP and \$4,301.09 million Investment Premium Lump Sum.
- Universal/Equity Linked, 12,669 policies for \$1,837.29 million, comprising \$724.516 million Risk Premium and \$1,112.78 million Investment Premium – AAIP.

POLICIES MARKETED BY ONLY TWO COMPANIES

- Individual Health, 763 policies for \$81.16 million Risk Premium.
- Riders, 3,609 policies for \$225.09 million Risk Premium.

HIGHEST SALES

Top five products in sales for 2020 were:

- Universal/Interest Sensitive 68%
- Universal/Equity Linked 15%
- Critical Illness 9%
- Personal Accident 5%
- Whole Life 2%

GROUP LIFE INSURANCE

The year 2019 ended with 1,871 contracts in force with number of Employees/Pensioners 259,067 with total premiums of \$700.91 million and

Annualized premium of \$3.08 million.. There was an increase of contracts amounting to 2,072 at the end of 2020 with 257,488 Employees/Pensioners with premiums of \$765.94 million and annualized premium of \$3.17 million.

HEALTH INSURANCE CLAIMS PAID OUT FOR 2020

The life sector paid out **\$20.15 billion** in Health Claims for 2020 comprising:

Hospitalization - \$2.25 billion, Surgery - \$3.07 billion, Doctor's Fees - \$1.79 billion, Lab/Xray - \$2.47 billion, Prescription Drugs - \$5.61 billion, Maternity - \$205.85 million, Dental -\$1.94 billion, Optical - \$1.61 billion,

Disability \$97.43 million and **Others** \$1.11 billion. Of the **\$20.15 billion** payout, Prescription drugs was 28%, Surgery 15%, Lab/xray 12%.



Hospitalization 11%, Doctors Fees 9, Dental 10%, Optical 8%, Others 5%, Maternity 1% and Disability 0%.

GROUP HEALTH

Number of contracts in force at the end of 2019 was 2,214 with 279,133 Employees/Pensioners and 168,686 Dependents with total lives of 451,347. At the

Group Product Level Data December 2019-2020 Group Health					
YEAR	2019	2020			
CATEGORY	Group Health	Group Health			
Number of Contracts	2,214	2,405			
Number of Employees/ Pensioners	279,133	270,059			
Single Premium/Creditor Life Only \$	NA	NA			
Number of Dependents	168,686	157,750			
Total Lives	451,347	438,409			
Annualised Billed Premium/ Fees \$	\$18,420,463	\$19,755,183			
Single Premium/Creditor Life Only \$	NA	NA			

end of 2020, number of contracts were 2,405 with Employees/Pensioners 270,059, Dependents 157,750 and total lives 438,409.

CREDITOR LIFE

Creditor Life contracts in force at the end of 2019 were 192, with 2,020,782 Employees/Pensioners, Single premiums of \$765.94 million, Annualized billed premiums/Fees \$5.58 million and Single Premium \$481,771.

Contracts at the end of 2020 were 182 with 1,953,699 Employees/Pensioners, Single Premium \$781.92 million, Annualized Billed premium of \$10.72 million and single premium of \$8.21 million.

ADMINISTRATIVE SERVICES ONLY (ASO)

Number of contracts at the end of 2019 were 13. Number of Employees/Pensioners 229,114, Number of Dependents 101,482, Total lives 330,456, Annualized Billed Premium/Fees \$8.04 million.

At the end of 2020 there were 13 contracts in force, Number of Employees/Pensioners 233,217, number of Dependents 104,928, Total Lives 338,004, Annualized Premiums Billed/Fees \$8.17 million.

PENSION FUNDS UNDER MANAGEMENT

There was a decrease of approximately \$123.49 billion decrease in Pension Funds Under Management at the end of 2020 compared with 2019. 2019 ended with 445 contracts in force. Number of employees/pensioners was 76,560 and pension funds under management was **\$369.07 billion.**

At the end of 2020 there were 391 contracts in force with number of employees/pensioners at 62,482 and pension funds under management of **\$245.58 billion**.



Group Product Level Data December 2019-2020 Creditor Life

YEAR	2019	2020	
CATEGORY	Creditor Life	Creditor Life	
Number of Contract	192	182	
Number of Employees/ Pensioners	2,020,782	1,953,699	
Single Premium/Creditor Life Only \$	765,943,749	781,924773	
Number of Dependents	N.A	N.A	
Total Lives	N.A	N.A	
Annualised Billed Premium/ Fees \$	5,580,362	10,771,867	
Single Premium/Creditor Life Only \$	481,771	8,206,378	

YEAR	2019	2020		
CATEGORY	(ASO)	(ASO)		
Number of Contract	13	13		
Number of Employees/ Pensioners	229,114	233,217		
Sum Assured	NA	NA		
Number of Dependents	101,482	104,928		
Total Lives	330,456	338,008		
Annualised Billed Premium/ Fees	\$8,039,130	\$8,169,564		

THE GENERAL INSURANCE SECTOR

\$16.4 BILLION PAID OUT IN 2020 IN GENERAL INSURANCE CLAIMS



GENERAL INSURANCE SUMMARY 2020/2019

Like all other sections of the Jamaican **Insurance Industry, the General Insurance** sector was faced with many challenges throughout 2020, some associated with adjustments which had to be made to cope with restrictions associated with Covid-19. All operators responded the challenges admirably and ended 2020 with respectable performances including benefits paid out to policy holders of over \$26billion.

GROSS WRITTEN PREMIUM

Gross written Premiums for 2020 was \$56.00 billion, 8% over \$52.05 billion written in 2019. The Categories involved were:

Property: Commercial • \$20,006,112,136, Residential \$5,976,916,025.

- Motor \$23,363,262,002.
- Liability: Employers \$776,124,205, Public and Other \$2,021,946,291.
- All Others \$3,857,117,760. After making adjustments for:
 - Proportional Reinsurance (\$34.05 billion), 11% above (\$30.64 billion) for 2019.
 - Net Written Premiums of \$ 21.94 billion, 2% above \$21.40 billion for the previous year.
 - Excess of Loss (\$1,39 billion) 11% over (\$1.25 billion) for 2019.
 - Unearned Premium Adjustments was \$113.23 million for 2020 a -137% below (\$306.92 million) for 2019.
 - Net earned premiums was \$20.66





billion, 4% above \$19.84 billion for the previous year.

- **Commission Earned** was \$6,15 billion, 22% above \$5.05 billion in 2019.
- Therefore, **Total Underwriting Income** amounted to **\$26.82 billion** for 2020, 8% over **\$24.90 billion** for 2019.

TOTAL UNDERWRITING INCOME

Total Underwriting Income comprised the following Categories:

- Property Insurance, Commercial \$2.65 billion and Residential \$1.08 billion.
- Motor Insurance \$20.31 billion
- Liability, Employers **\$609.27 million**, Public and Other **\$855.47 million**.
- All Others **\$1.29 billion**.

TOTAL UNDERWRITING EXPENSES

Total Underwriting Expenses amounted to **\$26.29 billion** for 2020 against **\$24.67 billion** for 2019 an increase 7%. This

comprised:

- Gross Claims incurred of \$16.41 billion, -2% against \$16.19 billion for 2019.
- Less: Reinsurance on Claims of \$4.03 billion a decrease of -18% against \$4.90billion for 2019.
- **Commission Outward** of \$3.57billion, 10% over \$3.25 billion for 2019.
- All operating expenses of \$10.33 billion 7% over \$9.63 billion for the previous year.

NET UNDERWRITING RESULTS

Net Underwriting Results after taking Total Underwriting Income of \$26.82 billion and Total Underwriting Expenses of \$26.29billion into consideration was \$527.19 million 2020, against \$223.01 million for 2019 an increase of 136%. Net Underwriting Results for categories were as follows:

- **Property: Commercial** (\$157.29 million), Residential \$2.55 million.
- Motor Insurance \$300.44 million.
- Liability: Employers \$36.04 million, Public and Other \$27.48 million.

All Operating Expenses by Line of Business 2019/2018



• All Others \$317.96million. SUMS INSURED

At the end of 2020 the amount of General Insurance Coverage in force was **\$3,225.69 billion**, a decrease of -29% against \$4,512.98 billion on record for 2019. Sums Insured relating to categories were as follows:

- Property: Commercial \$ 1,884.90 billion, Residential \$ 642.55 billion.
- Motor Insurance \$ 396.05 billion.
- Liability: Employers \$ 16.13 billion, Public and Other \$ 127.24 billion.
- All Others \$158.80 billion.

POLICY, RISK AND CLAIM COUNT

• Policy count at the end of 2020 was

460,424, 3% above 447,435 for 2019.

- **Risk Count** was 564,931, -1% below 569,561 for 2019.
- Claim Count was 53,535, -15% below 62,960 for 2019.

AVERAGES

- Average Size Policy \$7,005,933 for 2020, 10,086,342 for the previous year, a -31% decline.
- Average Premium per policy \$121,630 for 2020, 5% over 116,348 for 2019.

CATEGORIES RELATING TO POLICY SIZE

- **Property: Commercial** \$124,566,555, Residential \$20,460,871.
- **Motor** \$1,015,787.
- Liability: Employers \$6,254,789, Public and Other \$26,390,346.

All Others \$48,904



56 ELEVENTH EDITION





JANUARY TO DECEMBER 2020										
CATEGORY	PROPERTY	a landa d	LIABILITY					Change		
	Commercial	Residential	MOTOR	Employers	Public & Other	ALL OTHERS	DEC 24 2020	et Share %	TOTAL AS AT DEC 31, 2019	Y-O-Y
Gross Written Premiums	20,006,112,136	5,976,916,025	23,363,262,002	776,124,205	2,021,946,291	3,857,117,760	56,001,478,419	100	52,058,374,443	8
Proportional Reinsurance	(19,154,114,030)	(5,478,773,219)	(4,837,291,296)	(202,201,956)	(1,249,796,546)	(3,137,712,089)	(34,059,889,135)	100	(30,649,018,194)	11
Net Written Premiums	851,998,106	498,142,806	18,525,970,706	573,922,249	772,149,745	719,405,672	21,941,589,284	100	21,409,356,249	2
Excess Of Loss	(566,517,049)	(351,502,424)	(394,923,275)	(7,424,157)	(14,981,615)	(56,334,513)	(1,391,683,033)	100	(1,258,214,884)	11
Jnearned Premium Adj.	52,457,452	(14,263,109)	(722,803)	20,807,608	8,855,597	46,101,524	113,236,269	100	(306,927,197)	-137
Net Earned Premiums	337,938,510	132,377,273	18,130,324,627	587,305,700	766,023,727	709,172,683	20,663,142,520	100	19,844,214,168	4
Commission Earned	2,323,623,007	957,392,258	2,183,975,378	21,964,863	89,452,512	581,928,457	6,158,336,475	100	5,057,195,887	22
TOTAL UW INCOME	2,661,561,516	1,089,769,531	20,314,300,005	609,270,562	855,476,239	1,291,101,140	26,821,478,994	100	24,901,410,055	8
Gross Claims Incurred	(702 052 242)	(247 026 242)	42 676 887 883	(121.004.142)	(204.402.020)	1800 200 7075	140 442 000 5000	400	/40 COA 705 4501	
Less: Reins On	(702,852,212)	(317,936,313)	(13,676,887,892)	(424,961,443)	(394,162,028)	(896,298,707)	(16,413,098,596)	100	(16,694,795,150)	-2'
Claims	627,500,734	291,362,086	2,085,990,662	125,495,490	149,173,915	753,652,885	4,033,175,773	100	4,909,176,849	-18
Net Claims Incurred	(75,351,478)	(26,574,227)	(11,590,897,230)	(299,465,953)	(244,988,113)	(142,645,822)	(12,379,922,824)	100	(11,785,618,301)	5
Commission Outward	(1,215,707,533)		(1,531,896,709)	(61,447,884)	(139,624,757)	(298,802,854)	(3,576,019,786)	100	(3,254,635,769)	10
All Operating Expenses	(1,527,798,601)	(732,104,284)	(6,891,064,777)	(212,312,024)	(443,375,484)	(531,685,373)	(10,338,340,543)	100	(9,638,140,072)	7
TOTAL UW EXPENSES	(2,818,857,612)	(1,087,218,561)	(20,013,858,716)	(573,225,861)	(827,988,354)	(973,134,049)	(26,294,283,153)	100	(24,678,394,143)	7
ET UW RESULTS	(157,296,096)	2.550.970	300.441.290	36.044.701	27.487.885	317,967,091	527.195.841	100	223.015.912	136

Your health can become critical in a Heartbeat.

Scotia Criticare is a comprehensive insurance plan that provides you with financial support on diagnosis of a critical illness. **Talk to your Scotia Insurance Agent today.** Up to \$3 Million payable on confirmed diagnosis*. No Medical required!

*Conditions Apply.



Contact us: 888-GO-SJLIC (467-5542) website: scotiajamaicainsurance.scotiabank.com email:sjlic.services@scotiabank.com



Scotia Criticare is underwritten by Scotia Jamaica Life Insurance Company Limited.
Scotia Insurance is the marketing name for Scotia Jamaica Life Insurance Company Limited which is a member of the group of companies owned by Scotia Group Jamaica Limited. Scotia Insurance is a registered trademark of the Bank of Nova Scotia, used under licence by Scotia Jamaica Life Insurance Company Ltd.

59 ELEVENTH EDITION

BizMAX Your business,our #1 priority.

Get cover for:

- Building, Stocks, Equipment and Content
- Public Liability
- Employers Liability
- Loss of Money
- Burglary
- and Lots, Lots MORE!

One Stop, One Package, One Low Price...FOR YOU!

Insure your business with BCIC today.

Conditions apply



Visit a BCIC branch or Broker office today, orcall (876) 922-1260 for more information.