



IAC NEWS

THE NEWSLETTER OF INSURANCE ASSOCIATION OF THE CARIBBEAN, INC.

ISSUE 1/20, APRIL - JUNE, 2020

President's Message - COVID 19

Welcome to the first edition of the revamped IAC Newsletter.

The coronavirus (COVID-19) pandemic has thrust the world and our industries into unknown territories. This is indeed an unprecedented time for all of us, with many of our consumers, businesses and communities facing the negative health and economic impacts.

Although this is not the world's first pandemic, it is by far the first of this scale that any of us would have seen in our lifetimes. It is not often that one is aware that they are in the midst of a historical moment as it is happening, but this unfortunately, is one of those times.

In the last few weeks, all of us have put in place tools to ensure that our employees have what is necessary for them to work remotely and securely. We have all come to recognize the value of having reliable digital products and operations to ensure that our daily operations continue as smoothly as possible as the business environment is turned upside down. Even with business continuity plans in place, none of us was prepared for extended lockdowns and quarantine

periods and the inability to communicate with staff and clients as we are accustomed to.

At the present moment, it is hard for anyone to say how and when this will all end. Even when this is over, we will be left in the aftermath of a virus that would have caused collateral damage on both a personal and economical level.



Musa Ibrahim - IAC President

These effects may possibly last longer than the outbreak itself.

Our industry is one that provides peace of mind to households and businesses and I know that when function is restored and our societies move on from this period of suffering, our profession will do what it does best by continuing to protect our clients' health and wealth, while helping to maintain their standard of living.

Although the Association, like many others, faces a number of trials, IAC remains committed to promoting and fostering the advancement of the Caribbean Insurance Industry as well as creating regional harmonization and integration in the industry. We cherish your support as we try to undertake this venture in these trying times.

I would like to thank you, the members, for your continued support throughout the year. I would also like to thank the Board of Directors for their efforts and enthusiasm, and the IAC Secretariat for their support and hard work in the quest to ensuring that the IAC continues to represent the needs of our members.

This time of uncertainty will truly bring us together – as an industry and as an association – by showing us how connected we are, and how much we depend on each other. We are all in this together.

On behalf of the Board of Directors and from staff of the secretariat, we extend best wishes to each of our members, their families, and extended families, and urge you to take care of yourselves and your communities. Please stay safe.

IAC Welcomes New Members

The Insurance Association of the Caribbean is pleased to welcome to the Association its three new members. Below are brief profiles on our new members.

NAGICO



The NAGICO Group has been in existence since 1982 and provides a myriad of property and casualty as well as life products and risk solutions to its customers, who are situated throughout the Caribbean; it is a dynamic and versatile group.

Through an exceptional understanding of the insurance business, our customers' needs and the environment within which we operate, combined with the excellent support of our most valuable assets: our intermediary relationships, staff and reinsurance partners, the NAGICO Group has established an impressive and formidable presence in the Caribbean; operating within 21 territories.

Its promise and commitment from inception has been and remains to deliver fast and fair service to its customers and to always be there for them; a promise it has delivered on consistently over the years. This is the NAGICO way.

NAGICO is a financially strong and stable group due to risk management being at the core of its decision making, it is a preferred provider in the region and #1 in many of the islands, due to its reliability, trustworthiness and friendly service - its core values.

The NAGICO Group became even stronger when it gained Peak Reinsurance Company Limited, an A-Excellent rated entity by AM Best and maintaining >\$800m in equity, as one of its shareholders. NAGICO is poised to achieve even greater success and remains focused on its 2020 vision: To be the most trusted insurer in the Caribbean.

Website: <https://www.nagico.com/>

New Paradigm Underwriters



New Paradigm Underwriters is at the forefront of efficiently facilitating the transfer of peak catastrophe insurance and reinsurance risk to the most efficient capital providers. New Paradigm can deploy tremendous capacity to provide affordable first dollar catastrophe cover for items that are difficult to impossible to insure traditionally. New Paradigm utilizes proprietary parametric triggers for wind and flood that can result in a claims settlement process significantly

quicker than traditional insurance.

Website: <http://www.npuins.com/>

Redbridge Insurance Company, Ltd.



Redbridge Insurance Company, Ltd. (RICL) is an insurance and reinsurance company founded in 2010 in Barbados, and is part of Redbridge Holding Inc., a conglomerate specialized in the administration of insurance and reinsurance worldwide.

Redbridge Insurance Company, Ltd has a credit rating of AM Best from B ++.

Its main line of business is health insurance, with a complete network of operations that has allowed it to reach an outstanding position in the Latin American and Caribbean market.

Your business portfolio also has life insurance, both individual and group. RICL also has a general insurance license and has the ability to develop innovative products that cover a wide range of needs of its insured internationally.

Website: <https://www.redbridgeinsurance.com/>



Insurers expect motor claims to decline under COVID-19



Andrew Levy - President,
Insurance Association of Jamaica

KINGSTON, Jamaica, April 10, 2020

President of Insurance Association of Jamaica (IAJ), Peter Levy says the industry is anticipating a decline in motor claims due to conditions caused by the spreading coronavirus (COVID-19).

Levy, who also serves as managing director of British Caribbean Insurance Company (BCIC) told **Loop News** that the expectation is that motor claims could decrease, both here and abroad, as long as the current conditions persist.

He also noted changes in the international life insurance industry, with mortality rates on the decline.

“Mortality rates from Europe do not show a significant increase over average levels. In fact, in some countries, they are down. It is thought that offsetting factors (for example fewer traffic fatalities) may be softening the overall impact of COVID-19,” Levy said.

Meanwhile, Levy said Jamaican members of the insurance industry are keenly watching developments under COVID-19, but remain optimistic that government efforts to contain the impact of the virus will be successful.

So far, there has been no meaningful impact on health insurers.

“The effective managing of the pandemic by the Jamaican government has kept the number of cases down, so there has been no meaningful impact on health insurers,” Levy said.

He added: “The industry is watching the developments keenly, and anticipates that the impact will be well within its capacity.”

There are 17 operational insurance companies in Jamaica, but three-quarters of the sectors’ assets fall within the life insurance segment.

The Financial Services Commission (FSC) for its part, said it is closely monitoring its licensees amid the COVID-19 pandemic.

Insurers are regulated by the body.

The regulator said it is keeping a close watch on the pandemic and the possible impact the actions and responses to this situation will have on the securities, insurance and private pensions sectors.

The body said that where appropriate it will exercise its discretion in the manner permitted by its statute, and

will also implement enhanced monitoring if required.

Asked how insurance companies’ premium revenue will be impacted as people lose jobs and income, Levy said: “We are watching the economic developments closely, and are taking measures to be able to deal with an economic downturn.”

He added, “We support the government in the crucial efforts to flatten the curve, and the sooner that we can feel confident of having done so, the less will be the impact on the economy. In the meantime, the healthy capital position of the industry coming into this crisis gives us confidence for the future.”

FSC data show that aggregate total assets for life insurance companies increased by 4.9 per cent to \$338.9 billion as at September 30, 2019. Combined capital, surplus and reserves increased by 15.1 per cent over the amount seen at the end of December 2018 to \$105.7 billion.

The total assets of general insurance companies in Jamaica totaled \$88.5 billion as at September 30, 2019. This represents a growth of 8.9 per cent over the amount recorded at December 31, 2018.

Source: Loop News Jamaica



SAGICOR jobs safe for now

Source - Caribbean Business Report

With the jobs of thousands across the Caribbean in jeopardy due to disruptions in business activity caused the COVID-19 pandemic, one of the Caribbean's leading financial companies has assured its employees their jobs are safe for now.

Sagicor Financial, which originated in Barbados and is now headquartered in Toronto, Canada, said as it seeks to navigate business operations in the region, it remained committed to maintaining jobs "for the next few months".

Admitting that the company has taken a hit because of rapid and widespread job losses of many clients, Marguerite Estwick, executive vice president of human resources with Sagicor Life, told a recent virtual town hall meeting the company gave its workers an assurance their jobs were safe "for the next few months" as it moved its operations on-line with all team members and management now working from their homes.

"We moved 100 per cent of our teams out of what we had determined as an evolving and dangerous environment, into the safety of a work-from-home programme."

"We reached out to staff to assure them, most of all, and this is quite significant for us as a company, across the

region, giving them the mental security that their jobs were safe for the next few months.



Sagicor Life executive vice president of human resources, Marguerite Estwick

"This is a phenomenal thing for a company to do. And by putting our staff in the mental space where they did not have to worry about the well-being of themselves and their families, they were in a comfortable place to provide and support our customers through what is an unusual business period for anyone across the entire world.

"We have looked after the safety of our staff, we made sure they were prepared and well placed to continue to deliver good customer service," Estwick stated.

The senior Sagicor executive also disclosed that ensuring the safety of employees and continuity of the business throughout the crisis were paramount, and so putting systems in place for

employees to work from home was crucial.

"It was quite a phenomenal experience and it showed how agile our staff were and how prepared we were to roll out what we had originally conceptualised as a pilot project.

"We moved 100 per cent of our teams out of what we had determined as an evolving and dangerous environment, into the safety of a work-from-home programme. That was done over a two-week period. It was a phenomenal achievement and we have to celebrate what we were able to do.

"It spoke to the preparedness of our staff and the training we had done in getting them familiar with the technology and the ability to transform and move from the situation we were faced with to move to the platform where we delivered most of our services via an e-platform."

As employees shifted operations to their homes, Estwick said the company continued to provide training and mental health support.

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INSURANCE
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As region eases restrictions on fighting coronavirus, PAHO expresses concerns

Source - Miami Herald

By Jacqueline Charles, Jimena Tavel, Jim Wyss and Nora Gamez Torres

Major U.S. cities are now the only ones in the region that are starting to open up. All across Latin America and the Caribbean this week, governments have started to ease restrictions and gradually reopen their economies.

But the Pan American Health Organization is continuing to issue warnings that the global pandemic, which has infected more than 1.4 million people and killed some 80,000 in the region, still has not peaked in many countries.

“It has now been three months since the first cases of COVID-19 were reported in the Americas,” Dr. Carissa Etienne, director of PAHO said at its weekly press briefing Tuesday. “Three months is a long time, and there is growing debate about when countries can start to reopen, when can they ease social distancing and resume regular activities.”

Etienne said regional health experts have learned a lot about COVID-19, from the experiences of countries around the world, and “we must use what we’ve learned and the data we’ve gathered to make smart choices that will impact the next phases of the pandemic.”

PAHO’s tracking and analysis of the deadly respiratory disease caused by the novel coronavirus has shown that

there are many areas of the region where the number of cases is doubling in just a few days. In the US, Canada, Brazil, Ecuador, Peru, Chile and Mexico, they are doubling in four days or less.

“This is a concerning indicator that tells us that transmission is still very high in those countries, and they should implement the full range of public health measures that are available—extensive testing, contact tracing, isolating cases and, of course, social distancing,” Etienne said.

Other trends noticed by PAHO, include: community transmissions in the North American countries of Mexico, the U.S. and Canada, and in Panama in Central America. Reiterating her call for expanded testing, she said it will “ensure a clearer picture of the situation”

In South America, seven out of 10 countries are experiencing community transmission. Some of the countries in the region are battling outbreaks in big cities, such as Guayaquil, Ecuador; and Manaus and Sao Paulo in Brazil. There is growing concerns about more cases being reported in smaller towns where hospital capacity is limited.

In the Caribbean, while Cuba has reported more than 1,000 cases, the Dominican Republic

is leading with community transmission surge — it has more than 8,800 infections — and fueling concerns about Haiti where a weak government has not been able to enforce social distancing measures. The country has recorded only 182 laboratory confirmed cases but 15 deaths, as of May 9, giving it one of the highest death rates in the Caribbean at 8 percent.

With the surge in Haiti expected to hit later this month or early June, Etienne said, the country is headed for “a perfect storm,” with 55,000 Haitians expected to cross the country’s closed border with the neighboring Dominican Republic. COVID-19 could well unleash an even deeper humanitarian crisis in the country and social unrest.

Etienne, who is originally from the island of Dominica in the eastern Caribbean, said most Caribbean nations are still in the early stages of their outbreaks.

“We are following the numbers daily and keeping alert for any changes in the trends of new cases,” she said. “It is important to highlight that small island states have implemented very strict public health measures including air travel restrictions, which is having a positive impact in slowing the spread within their borders.”

Parallel threats of COVID-19, climate change, require ‘brave, visionary and collaborative leadership’: UN chief

Source - UN News

To combat the COVID-19 pandemic and the “looming existential threat of climate disruption”, the only credible response is “brave, visionary and collaborative leadership” anchored in multilateralism, the UN Secretary General António Guterres, said on Tuesday, during an international discussion focused on climate change.

And against the backdrop of threatened lives, crippled businesses and damaged economies, the UN chief warned the Petersberg Climate Dialogue in Berlin that the Sustainable Development Goals (SDGs) are also under threat.

“The highest cost is the cost of doing nothing”, he spelled out, underscoring the need to urgently “strengthen resilience and cut greenhouse gas emissions to limit global temperature rise to 1.5 degrees” above pre-industrial levels, to mitigate climate change.

Political will required

Heartened by technology and public opinion, especially among the younger generations, he observed that many cities and businesses are taking action.

“But we still lack the necessary political will”, he said, advocating for “significantly more ambition”

on mitigation, adaptation and financing.

On mitigation, all countries must commit to carbon neutrality by 2050. And developing countries - least responsible for climate change but most vulnerable to its impacts - need resilience-building support. This requires adequate financing, beginning with a promised \$100 billion dollars a year for mitigation and adaptation efforts, added Mr. Guterres.

‘Profound opportunity’

In planning the coronavirus pandemic recovery, there is “a profound opportunity” to steer the world on “a path that tackles climate change, protects the environment, reverses biodiversity loss and ensures the long-term health and security of humankind”, the Secretary-General said.

“By making the transition to low-carbon, climate-resilient growth, we can create a world that is clean, green, safe, just and more prosperous for all”, he emphasized.

“I encourage the European Union to continue showing global leadership by presenting, by the end of the year, a Nationally Determined Contribution in line with its commitment to become the first climate neutral continent by 2050”, he said.

“The key to tackling the climate crisis is the big emitters”, upheld Mr. Guterres.

Noting that the world’s 20 leading economies collectively account for more than 80 per cent of global emissions and over 85 per cent of the global economy, he flagged that “all of them must also commit to carbon neutrality by 2050”.

“Without the contribution of the big emitters, all our efforts risk to be doomed”, he conceded.

“Let us use the pandemic recovery to provide a foundation for a safe, healthy, inclusive and more resilient world for all people”.

Actions for a climate-positive recovery

1. Deliver new jobs and businesses through a green and just transition while accelerating the decarbonization of all aspects of the economy.
2. Use taxpayers’ money to create green jobs and inclusive growth when rescuing businesses.
3. Shift economies from grey to green, with using public financing that makes societies more resilient.
4. Invest public funds in the future, to projects that help the environment and climate.
5. Consider risks and opportunities for your own economy, as the global financial system works to shape policy and infrastructure.
6. Work together as an international community to combat [COVID-19](#) and climate change.

Coronavirus: Lloyd's of London says claims to be biggest since 9/11

Source—BBC News

Insurance market Lloyd's of London has said it expects coronavirus-related claims to cost it \$3bn to \$4.3bn (£2.5bn to £3.5bn).

That means its biggest payout since the 11 September 2001 attacks in the US.

The losses could rise further if the current lockdown continues into another quarter, Lloyd's said.

Insurers around the world have been hit by the cost of the pandemic, although many would-be claimants have found the virus is not covered by their policies.

Lloyd's said its payout on coronavirus claims would also equal the combined impact of hurricanes Harvey, Irma and Maria in 2017.

Those three hurricanes brought devastation to the Caribbean and parts of the US, in what is reckoned to be the costliest year for storms on record.

Lloyd's chief executive John Neal told the BBC "it could be two years before everyone really gets their arms around the true cost of this pandemic".

"We estimate that government borrowing could be as much as \$10trn globally to protect the economy for the losses that we've seen," he added.

He also implied that between \$1bn-\$1.4bn has been paid by Lloyds members for business interruption claims because of

coronavirus, despite the fact that the vast majority of businesses "don't have the right cover and the right protection in force for this type of event".

Mr Neal said that there were "some pretty harsh lessons" to take away from the pandemic, and that the insurance market would need to structure policies and covers differently in future so that businesses are "protected more completely".

"Importantly, these natural catastrophes were geographically contained events, occurring over the course of hours and days - vastly different in nature to the global, systemic and longer-term impact of Covid-19," Lloyd's said.

Economic shock

Mr Neal said the global insurance industry was paying out on "a very wide range of policies" to support business and people affected by the pandemic.

He added: "What makes Covid-19 unique is not just the devastating continuing human and social impact, but also the economic shock.

"Taking all those factors together will challenge the industry as never before, but we will keep focused on supporting our customers and continuing to pay claims over the weeks and months ahead."

Nearly a third of the insurance losses are expected to come from the cancellation or

postponement of major events around the world, including the Tokyo Olympics, which are now due to take place in 2021.

Other major categories include business interruption claims on property insurance.

Many small businesses in the UK are at loggerheads with insurers who they say have denied them payments for disruption. The insurers say most small business policies do not cover the pandemic.

One Lloyd's of London insurer, Hiscox, has said it will not pay out on business interruption claims resulting from the virus outbreak.

Total impact

Lloyd's said its total payouts arising from the 9/11 attacks were \$4.7bn, while the 2017 hurricanes led to combined payouts of \$4.8bn.

Lloyd's said that once all factors were taken into account, the total impact of coronavirus on the insurance industry as a whole was likely to be far bigger.

"The estimated 2020 underwriting losses covered by the industry as a result of Covid-19 are approximately \$107bn," it said.

"In addition, unlike other events, the industry will also experience falls in investment portfolios of an estimated \$96bn, bringing the total projected loss to the insurance industry to \$203bn."



Equisoft Accelerate Series

9 Webinars
25 Speakers
18 Industry Partners

We're excited to announce Equisoft's Accelerate Series! An online series featuring 9 interactive webinars, 25 top life insurance & wealth management leaders, and 18 industry partners. Starting May 14, these sessions will deal with the lasting implications of the global pandemic—including the need to redefine business operations and how to accelerate growth in the new normal.

Thriving after disruption - insurance carrier strategies for operating in the new normal
MAY 14, 2020 | 11AM EDT / 3PM UTC

How insurance carriers are adapting their go-to-market strategies using digital advisor & customer tools
MAY 28, 2020 | 11AM EDT / 3PM UTC
MAY 28, 2020 | 11AM EDT / 3PM UTC

Insights from executives on major factors that determine PAS modernization success or failure
JUNE 11, 2020 | 11AM EDT / 3PM UTC

Unlocking the hidden value in your digital transformation-with data migration
JUNE 18, 2020 | 11AM EDT / 3PM UTC

The digital future of disruption - P.S. it's happening right now
JULY 23, 2020 | 11AM EDT / 3PM UTC

PAS modernization ROI & beyond - how to build the most compelling investment case
SEPTEMBER 10, 2020 | 11AM EDT / 3PM UTC

ON-DEMAND WEBCAST: Getting Your IFRS 17 Compliance Transformation In Gear:
<https://info.equisoft.com/en/ifrs-17-webinar>

ON-DEMAND WEBCAST: Conversion Risk Mitigation Strategies:
<https://info.uctcorp.com/en/connections-2020-webinar>

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<https://accelerate.equisoft.com/>



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