

The Government Minute

On the Report of the Standing Public Accounts Committee on the
Special Report of the Auditor General on
**The Hurricane Ivan Insurance Settlement and Equity Investments in Cayman
General**

By the Honourable Minister for Finance, Tourism & Development
W. McKeever Bush, OBE, JP

INTRODUCTION

Madam Speaker, in accordance with the requirements of Section 77(7) of the Legislative Assembly Standing Orders (1997 Revision), the Government Minute for **the Hurricane Ivan Insurance Settlement and Equity Investments in Cayman General is** hereby being presented to the Legislative Assembly.

As Members are aware, the Government Minute constitutes the Government's response to the Report of the Public Accounts Committee (PAC) on the Report of the Auditor General on **the Hurricane Ivan Insurance Settlement and Equity Investments in Cayman General.**

This particular Minute is in response to the PAC Report that was laid on the Table of this House on **25th February 2010.**

Madam Speaker, the statements contained herein should be regarded as that of the Government, and are based on the views of respective Chief Officers, Heads of Departments and Managing Directors within the Cayman Islands Public Service.

THE GOVERNMENT MINUTE

Madam Speaker, the Government notes the findings and concerns noted in the Auditor General's and PAC's Reports and confirms that it has diversified its insurance risk across multiple insurance carriers and only with those that have AM Best ratings of A- or higher.

To ensure accurate and current asset values and in turn adequate insurance coverage and premiums, the Ministry of Finance along with the Lands and Survey Department will endeavor to conduct an asset valuation exercise during the 2010/11 financial year. It is the government's intention to conduct this exercise at least every three years.

In addition, Madam Speaker, the Government believes that by continuing the strategy of insurance diversification it will avoid being put in a similar situation as to what occurred in the 2004/5 financial year when the Government acquired shares in Cayman General. But, the committee ought to understand that had the Government not assisted the Company the disastrous result would have been that hundreds of Caymanians would have become bankrupt without homes and loss of investments. The then Government saved the day. Currently the Government is actively considering the possible divestment of the shares held in what is now Sagicor General Insurance (Cayman) Limited and an update will be provided at the appropriate time.

ACKNOWLEDGEMENT

Madam Speaker, the Government wishes to express its thanks to the Chief Officer for Tourism of the Ministry of Finance, Tourism & Development – Public Finance for her assistance with the compilation of this Government Minute.

Thank you.