



CAYMAN ISLANDS  
GOVERNMENT

## Portfolio of Finance & Economics Public Relations Unit

December 2007

Check against delivery

### **2007 Cayman Captive Forum**

#### **Message by Hon. D. Kurt Tibbetts, JP**

Rigorous evaluation affirms Cayman's 'strong compliance culture'

Financial Secretary, Hon. Kenneth Jefferson  
Mr. Dan MacLean, chairman of Insurance Managers Association of Cayman (IMAC)  
IMAC members  
Cayman Islands Monetary Authority officials:  
Cindy Scotland, Managing Director  
Patrick Bodden, Deputy Managing Director  
Head of Insurance, Morag Nicol  
Delegates  
Ladies and gentleman

Good morning,

On behalf of the Cayman Islands Government and the people of the Cayman Islands, I am pleased to extend a warm welcome to the 2007 Cayman Captive Forum, particularly to those of you visiting for the first time.

To all the delegates - your participation this week is a strong indicator of the solid standing of the Cayman Islands captive insurance industry and for that endorsement, we are grateful.

With today's record attendance of over 820, the organizers of this event, IMAC, and those private sector firms who sponsor the forum, should be commended for their continued diligence in building on their year-to-year successes to showcase the best that Cayman has to offer.



By my quick review of the programme, I can see that the organizers will keep you busy over the next few days. And I'm sure there will be no shortage of topics and issues to discuss, as the global insurance industry continues to face some interesting challenges – both man made and from Mother Nature.

Amongst these threats is the fall out from the subprime mortgage crisis and the ensuing US economic slowdown which have negative knock on effects for many sectors. On the weather front, the 2007 hurricane season bypassed Cayman but sadly it wreaked havoc on some of our regional neighbours.

While you will hear more about the Cayman Islands' outlook on captive insurance later this week, I wanted to make one point clear. And that is we recognize that global competition will continue to drive the captive market, and from Government's perspective, we are committed to maintaining and growing our position in this sector.

With the softening of the global insurance industry continuing in 2007, the solid performance of the Cayman Islands insurance sector – led by the captive business – clearly demonstrates Cayman's strength and credibility in the global marketplace.

At the end of September 2007, there were 756 active captives in the Cayman Islands writing annual premiums in excess of \$7.4 billion and reporting assets of over \$32 billion.

The opportunity to now expand into the larger reinsurance market, coupled with the unwavering commitment of all service providers in the jurisdiction, bodes well for the Cayman Islands remaining the gold standard for captive domiciles.

Besides the excellent educational opportunities afforded by this forum, I note as well that there is extensive opportunity for networking. At last night's opening reception at Boatswain Beach you got to experience first hand one of our tourism gems.



Attending this conference, and visiting our world class attractions, is just one small way the captive insurance industry has a positive effect on Cayman's economy year- round.

Even more meaningful is that many captives hold their board meetings in Cayman – often joined by their families to enjoy our sun, sand and sea. This is a boom to our economy to the tune of millions of dollars per year. These are some perks that I can safely say our competitors in Vermont and even Bermuda cannot offer in late November!

And while you might not be aware of this, there is another important beneficiary of your attendance at the Cayman Captive Forum. It is the young Caymanians who receive financial support from IMAC's Educational Scholarship Foundation. Formed in 1994, the scholarship assists with post secondary education and since 2003 contributions to the foundation have been mainly derived from the net proceeds of this forum, although there are generous donations throughout the year from IMAC partner corporations and captive insurance companies. Currently the foundation is assisting five Caymanian students to study abroad – to a figure of over \$400,000.

Students now at school are studying business administration, economics, international finance and even sociology and veterinary science. IMAC's Chairman, Dan McLean said that he and the foundation's directors are on the lookout for "bright lights" – those students who shine with the potential to make a difference to Cayman. IMAC and each delegate here must be thanked for being a part of this cause.

Speaking of thank yous – if you attended last year's forum you'll remember that I presented a retirement gift, consisting of a hammock, to Ms Mary Lou Gallegos, then Head of Insurance at CIMA. Ms Gallego's retirement was a significant event as she was with the civil service for over 32 years and was with CIMA from its inception in 1997. Well, much can happen in a year and recently Mary Lou's successor, Morag Nicol has decided to depart from CIMA to dedicate more time to her young family. Being a consummate worker and all around good sport, Ms Gallegos has agreed to climb out of her cozy hammock on the beach and return to CIMA's offices to head the Insurance division until a permanent replacement can be found.

I'd like to thank Ms. Nicol for her service to CIMA over the past 10 years - you've been a highly capable spokesperson for CIMA and I wish you the best of luck in your future endeavours.



Ms Gallegos – I'm sure the hammock was comfortable but I have a feeling your old chair at CIMA will be comforting in its familiarity as well and that you'll easily step back into heading the insurance section until a capable successor can be appointed.

I should mention that CIMA just celebrated a significant milestone with their 10<sup>th</sup> anniversary. Over the years CIMA has earned a positive reputation for operating a sound regulatory regime based on international standards. Our success owes much to the solid partnership that exists between CIMA, Government and the financial industry.

Government's role in this partnership is clearly defined in three key areas: we provide a secure legal framework, ensure a regulatory regime that is well developed and demonstrate leadership to help the industry collectively manage issues and opportunities. Together the public and private sector have one common goal: to maintain Cayman's reputation for quality, stability, and integrity. Let me explain...

Our industry's reputation for quality comes in part from our diverse, talented and experienced workforce of captive insurance managers, fund administrators, lawyers, trustees, accountants, and auditors. We also cultivate public/private partnerships including committees, working groups and task forces to help ensure our regulatory regime remains current.

Our reputation for stability has been earned following 40 years of growth in the global financial services arena. We've worked hard to maintain our fitness as a global player by providing specialised financial services to a global client base.

Our reputation for integrity comes from the commitment to maintaining a responsible and responsive business environment. Our approach as government and regulator is to balance effective, appropriate regulation with business needs. There is also a strong compliance culture and commitment to playing our part in the global fight against financial crime.



So you can see that the Cayman Islands Government is doing everything within our means to build a strong, stable and dependable economy and a country with which you can trust your investment.

As co-presenters of this forum with CIMA and IMAC, the Cayman Islands Government is committed to the growth of Cayman's captive industry and we are dedicated to doing everything we can – from a regulatory perspective – to ensure it continues to succeed.

I truly hope that your experiences this week will be positive. I encourage you to visit us again whenever you have an opportunity, when we invite you to kick back and relax while you enjoy our sites and attractions.

My heartiest best wishes for a productive and enjoyable conference.

Thank you.