



CAYMAN ISLANDS
GOVERNMENT

Remarks to the 2008 Cayman Captive Forum

by the Honourable Kurt Tibbetts, JP
Leader of Government Business
Cayman Islands Government

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CHECK AGAINST DELIVERY

Thank you Ron for that kind introduction.

IMAC Chairman Mr Ron Sulisz, members of the IMAC executive, [members of Cabinet, MLAs, CIMA leadership].

Ladies and gentlemen.

Good morning!

It is my pleasure to be here this morning to extend a warm welcome to the Cayman Islands to all attendees of the 2008 Cayman Captive Forum. We do hope that you enjoyed the welcome reception last night at Boatswain's Beach.

We are pleased to see that so many of you made the time to attend this year's forum. Some of you may know that the Cayman Captive Forum is the largest annual conference held in the Cayman Islands. We attribute this to the high quality programme and networking opportunities that IMAC consistently delivers, making the Cayman Captive Forum a 'must-attend' event for the domestic and international captive insurance sector.

While there may be risk elsewhere, I know there is no risk to say that this



year's conference will be particularly significant given global events. Never has risk management been as important as it is in today's business climate.

The scheduled sessions on global political risk impact on the markets, U.S. healthcare economics, tax strategies and corporate governance for captive firms, among others, will undoubtedly be useful in your strategic planning efforts.

And with those weighty items on the agenda, I'm sure you will be looking forward to those parts that promise some down time and opportunities to enjoy our Islands. I realise the weather has not been cooperating in this regard, but we understand it will improve!

As stakeholders in our captive insurance industry, I felt it would be appropriate for me to take this opportunity re-affirm the Cayman Islands Government's commitment to ensuring that our financial services offering remains strong and competitive in these turbulent times.

We see as our duty to uphold what a recent U.S. Government Accountability Office report on the Cayman Islands described as a "...*reputation for stability and compliance with international standards, business friendly regulatory environment and prominence as an international financial centre.*"



In particular, we remain committed to ensuring that Cayman's Captive insurance industry remains a success. We have been actively pursuing the captive insurance market since 1979 and have more than 770 captives domiciled writing US\$7.6 billion of premiums and with over US\$35 billion of assets under management.

Cayman's public-private sector committees, working groups and task forces help ensure that our legislation and regulatory regime remain current. We will be hosting a follow-up IMF assessment next year, in preparation for which the Insurance Law will be amended to ensure that it clearly responds to the relevant IAIS standards as well as to the marketplace. We have identified, for example, with assistance from the private sector, an opportunity to create a more conducive business environment for the reinsurance sector.

The reinsurance business plays to Cayman's natural strengths. It fits well with Cayman's institutional business specialisations, including a vibrant insurance sector; professional infrastructure; experience in reinsurance products such as sidecars and catastrophe bonds, and the presence of the hedge fund industry – which has been a key source of capital for reinsurers. There has been a good deal of work 'behind the scenes' so to speak, to support the roll-out of an attractive regime that promotes commercial certainty for prospective reinsurance firms and we are quite close now to doing so. Watch this space!

Government's partnership with IMAC and participation in key healthcare insurance events such as the Risk Insurance Management Society and the American Society for Healthcare Risk Management, contribute to Cayman's reputation in the U.S. market. We stand shoulder-to-shoulder with the private sector under the "Cayman Islands Financial Services" banner at these events, and believe this solidarity is even more important in the current environment.

Despite the stresses exerted by the state of the global economy, Government's fiscal policy for the coming financial year is designed to keep the Cayman Islands "business-friendly" and economically stable. We will continue our policy of constructive engagement on international issues so that those who matter know, understand and respect us and so that we stay faithful to the international standards and norms, existing and evolving, that are necessary for a responsible and reliable partner in the global financial system.

Allow me to conclude by expressing, on behalf of the Cayman Islands Government, our sincere thanks and appreciation for helping us to maintain our position as a leading domicile for captive insurance business.

And for that, there are many stakeholders to recognise, including the clients who have chosen to domicile their captives in Cayman; the insurance managers and related private sector professionals who deliver the high quality of service that is our trademark; the Cayman Islands Monetary Authority; and professionals within Government who directly and indirectly support the continued success of the captive insurance industry.



We truly appreciate your diligence and continued commitment in all areas.

As a Government, we know the importance of being prepared for the future. I trust the experts whom you will hear from over the coming days will give you much food for thought that will allow you to prepare likewise.

Once again, welcome and we wish you all a 'captivating' and productive conference.

Thank you.