

CHAIRMAN, MEMBERS OF THE HEAD TABLE, FELLOW PRESENTERS, LADIES AND GENTLEMEN IT GIVES ME GREAT PLEASURE TO ACCEPT YOUR KIND INVITATION TO MAKE A PRESENTATION TO THIS DISTINGUISHED AUDIENCE. THE TOPIC *THE T & T FINANCIAL SECTOR- CREATING THE FUTURE WE WANT* IS MOST THOUGHT-PROVOKING SINCE TO HARBOUR SUCH A WISH IS UNREASONABLE AS WE MUST LIVE IN THE REAL WORLD WHICH IS EVOLVING AT A PACE THAT WE COULD HARDLY KEEP PACE WITH.

WE COULD NO LONGER PURSUE AN INWARD LOOKING POLICY AND INSULATE OURSELVES FROM EXTERNAL COMPETITION. THAT WAS THE POLICY OF THE DECADE OF THE 1980'S WHERE THE CAPITAL AND MIND HAD TO BE LOCAL BUT WE HAVE COME FULL CIRCLE TO THE POINT THAT TODAY THE INDUSTRY COULD BE TOTALLY OWNED BY FOREIGNERS WITHOUT ANY LOCAL INVOLVEMENT.

THE REALITY IS THAT WE LIVE IN A COMPLETELY DIFFERENT WORLD AND THEREFORE IT IS NOT WHAT WE WISH FOR BUT RATHER HOW WE COULD NAVIGATE THROUGH THESE TURBULENT WATERS AND YET SURVIVE.

THE INSURANCE INDUSTRY IS STILL SUBSTANTIALLY REGULATED BY LEGISLATION THAT IS OUTDATED AND DOES NOT MEET INTERNATIONAL BEST PRACTICE. IT IS TRUE THAT MUCH WORK HAS GONE INTO THE SHAPING OF THE PROPOSED NEW LEGISLATION IN A COLLABORATIVE EFFORT BETWEEN THE CENTRAL BANK AND THE INDUSTRY OVER THE PAST SEVERAL YEARS AND THE TIME HAS COME WHEN WE MUST NOW TAKE IT TO THE NEXT LEVEL AND HAVE THE LEGISLATION BROUGHT TO THE PARLIAMENT. LEGISLATION WILL NEVER BE PERFECT- THERE ARE THINGS THAT WE MAY NOT LIKE BUT WE CANNOT FIND FAULT IN THE PHILOSOPHY WHERE PROTECTION AND SECURITY OF THE CONSUMER ARE AT THE HEART OF THE REFORM PROCESS. WHAT WE CERTAINLY CANNOT DO IS TO CONTINUE TO OPERATE UNDER LEGISLATION

AND REGULATIONS WHICH ARE TOTALLY OUT OF STEP WITH THE WIDER WORLD.

THAT SAID, THE AREA THAT CONCERNS THE INSURANCE INDUSTRY MOST IS THE CONCEPT OF FINES AND PENALTIES FOR INFRACTIONS OF THE PROPOSED LEGISLATION. WHILE SUCH AN APPROACH CAN ACT AS A DETERRENT IT MUST BE RECOGNIZED THAT THE INDUSTRY WOULD HAVE TO OPERATE IN A NEW REGIME OF COMPLIANCE WHEN HITHERTO IT HAS A POOR RECORD. THIS IS A QUANTUM LEAP AND WILL POSE THE BIGGEST CHALLENGE SINCE THE INDUSTRY HAS TO COPE WITH DEFICIENCIES IN BOTH I.T SYSTEMS AND HUMAN RESOURCES.

ONE CANNOT DENY THE NECCESITY FOR OUR LEGISLATION AND OVERSIGHT BE BROUGHT UP TO INTERNATIONAL STANDARD. ONE OF THE CONSIDERATIONS FOR ANY LOCAL INSURER TO ENTER A WELL REGULATED MARKET IS THAT THERE MUST BE PROPER REGULATORY OVERSIGHT IN THE HOME JURISDICTION AND AT PRESENT WE DO NOT MEET THIS REQUIREMENT.

AS FAR AS UNFAIR COMPETITION IS CONCERNED THE WEAKNESS OF THE EXISTING LEGISLATION CREATES A LOOPHOLE WHEREBY UNREGISTERED PLAYERS ARE ABLE TO DO 'CROSS BORDER' BUSINESS. WHILE THERE IS NO INTENTION OF CURTAILING ACCESS BY THE PUBLIC TO FOREIGN MARKETS THE PROPOSED LEGISLATION SEEKS TO BRING ORDER BY ENSURING INFORMATION IS MADE AVAILABLE TO CONSUMERS ABOUT THE RISKS INVOLVED WITH DEALING WITH FOREIGN UNREGISTERED INSURERS AS WELL AS FULL DISCLOSURES FOLLOWING A PROCESS THAT GIVES THE DOMESTIC MARKET AN OPPORTUNITY TO WRITE THE BUSINESS. IT IS ONLY APPROPRIATE THAT SUCH

MEASURES AND PROCEDURES ARE ADOPTED AS A MATTER OF URGENCY AS THEY BALANCE THE INTERESTS OF ALL PARTIES AND KEEP OUT UNREGISTERED

INSURERS WHO DO NOT MAKE ANY CONTRIBUTION TOWARDS THE DEVELOPMENT OF THE DOMESTIC ECONOMY.

AS NEGOTIATIONS TAKE PLACE ON TRADE AGREEMENTS THE ISSUES OF MARKET ACCESS AND CROSS BORDER TRADE WILL FEATURE PROMINENTLY. WE AT THIS STAGE OF OUR DEVELOPMENT MUST BE CAREFUL ABOUT OPENING UP OUR MARKET OVER AND BEYOND WHAT HAS BEEN OUR POSITION FOR SOME TIME. OUR MARKET HAS BEEN LIBERALIZED TO THE POINT THAT THERE IS NO BAR TO ANYONE SEEKING TO ESTABLISH A COMMERCIAL PRESENCE AS LONG AS THEY MEET PRUDENTIAL REQUIREMENTS IN TERMS OF CAPITAL AND FIT AND PROPER RULES. THERE ARE NO RESTRICTIONS WITH REGARD TO THE COMPOSITION OF THE BOARD OR MANAGEMENT AS ARE APPLICABLE IN OTHER JURISDICTIONS.

IN MANY OTHER COUNTRIES THE LIBERALIZATION PROCESS HAS BEEN INCREMENTAL WITH RELAXATION ON THE LEVEL OF FOREIGN OWNERSHIP AND EVEN QUOTA SYSTEM ON THE NEW ENTRANTS. WE NEVER ADOPTED A GRADUAL APPROACH AND THE INDUSTRY IS OPEN WITHOUT RESTRICTIONS.

WHILE WE MUST CONTINUE TO ATTRACT CAPITAL AND INVESTMENTS INTO OUR INDUSTRY, CROSS BORDER TRADE DOES NOT PRESENT ANY ATTRACTION AND THERE IS NO NEED AT THIS TIME TO MAKE A COMMITMENT TO SUCH MARKET ACCESS. THE FIRST MOVE IS FOR THE CARICOM REGION TO ADOPT THE FINANCIAL SERVICES AGREEMENT FOR A SINGLE MARKET WHEREBY MEMBER STATES CAN OPERATE IN A SEAMLESS MANNER CROSS BORDER. WHILE THERE IS A CARICOM SINGLE MARKET FOR GOODS THERE IS NO PROTOCOL IN RESPECT OF FINANCIAL SERVICES.

ANY RELAXATION IN TRADE AGREEMENTS THAT ALLOWS FOR CROSS BORDER TRADE WILL BE INAPPROPRIATE AS THE SCALES ARE NOT BALANCED BETWEEN

DEVELOPED MARKETS AND OUR OWN. IN ANY EVENT MARKET ACCESS IN DEVELOPED MARKETS WILL BE DETERMINED ACCORDING TO PRUDENTIAL RULES SO THERE IS NO CERTAINTY THAT OUR LOCAL PLAYERS CAN ENTER THESE MARKETS. IN ANY EVENT ONLY VERY FEW CAN EVEN CONSIDER MEETING THE ENTRY REQUIREMENTS.

AS WE OPERATE IN THESE TURBULENT TIMES WE HAVE TO BE CONSCIOUS OF OUR TRADING ENVIRONMENT AND THE CHALLENGES THAT WE FACE AS A SMALL OPEN ECONOMY. WE CANNOT KEEP INVESTORS OUT BUT RATHER WE MUST ENCOURAGE THE BEST TO ENTER OUR MARKET. WE MUST IMPROVE OURSELVES WHEREBY WE CAN COMPETE EFFECTIVELY AS WE KNOW THE TERRAIN BEST- THERE IS NO SUBSTITUTE FOR LOCAL KNOWLEDGE.

INSPITE OF THE CHALLENGES THERE IS ALWAYS LIGHT AT THE END OF THE TUNNEL AND AS LONG AS WE ADAPT TO THE TRADING ENVIRONMENT WE CAN COME OUT AHEAD.

THANK YOU.

E N D