PRESS RELEASE 3 September 2015

INSURANCE ASSOCIATION OF THE BVI (IABVI) PRESS RELEASE ON NATIONAL HEALTH INSURANCE

In response to comments in the Press yesterday on the launch of the NHI the IABVI believes that some of the statements in the press need to be refuted.

1. The IABVI believes that all residents of the BVI should have access to affordable healthcare, and have always stated that private and government sponsored plans should and must co-exist.

2. The IABVI is expressing their “grouses” at the eleventh hour. This is because individual insurance firms had been putting their concerns to those responsible for NHI privately. All through the “consultation” process they have offered help, support, and advice. None of the offers of help were taken up and none of the advice offered by the insurance firms was heeded. Once the announcement to proceed with NHI was made, the IABVI tried to meet with the Minister concerned. The meeting did not take place, so given the impending launch of NHI, the IABVI decided to make the Public Statement on 25 August. Until this point it was the desire of the individual members of the IABVI to continue to work with the NHI team privately.

3. The Minister of Health and Social Development is correct to say that private insurance firms are supportive of the principle of NHI, (private companies cannot insure the uninsurable) but not supportive of how this programme is to be run given our collective experience. We do not believe the plan is currently viable unless money is taken from other sources such as Government funding or the Social Security Fund or increased NHI contributions from the public in year 2 onwards in order to prop up the plan. Please see supporting slide to show that NHI is not currently viable as designed.

Insurance Association Of The British Virgin Islands
PO Box 80
Road Town, Tortola
British Virgin Islands, VG1110
http://iabvi.com/
The current industry average cost of a claim is $150 per person per month in the BVI.

Under NHI, the IABVI would expect the cost of an average claim to be far higher as it incorporates a far broader health spectrum, (such as the elderly) than private insurance currently covers.

We expect the average claim to increase to $200 or even $250 given the health requirements of the population as illustrated in the table above.

This table is based on 28,800 total insureds and 18,000 contributing members at an average salary of $40,000 per annum and that total premiums received are based on 100% of registered members paying.

This slide is taken from a presentation (http://iabvi.com/wp-content/uploads/2014/05/20150826-IABVI-NHI.pdf)

Please note that this presentation refers to the alternative solutions for paying for NHI such as taxation to help support the hospital (slides 26-28).
6. Insurance companies have never hidden the fact that some people are unprofitable to insure. That is where Government should step in. They are to provide the safety net for those who are unable to provide it for themselves, or where there is market failure.

7. Insurance premiums are increased and/or benefits decreased if the insurance plan makes a loss, there is no secret in the fact that insurance companies have to make a profit in order to survive in a very competitive market place. That said their profit cannot be too great or their prices would be uncompetitive. That is the beauty of competition for the consumer. Take away competition and the consumer has no control over price.

8. Under Section 71 of the Insurance Act, 2008 (as amended) licensee’s “shall take all reasonable steps to protect its customers and to ensure that its customers are treated fairly at all times”. All firms must have a complaints process, and if a customer is not happy they have recourse to take their complaint to the Commission. We do not duck and dodge when clients seek benefits promised to them, and if we did, unlike NHI there is a recourse process.
Insurance Association Of The British Virgin Islands

About the Insurance Association of the BVI:

The IABVI membership is made up of Insurance Brokers, Insurance Agents and Insurance Companies. The primary purpose of the Association on behalf of the British Virgin Islands domestic insurance industry is to promote an insurance market that is viable and strong to better serve the insuring public.

1. The objectives of the association are as follows:
   - To bring together those transacting Insurance Business in the British Virgin Islands in order to afford opportunities for consultation and co-operation in all matters affecting their common interest.
   - To promote a culture and awareness in the British Virgin Islands of the duty and responsibility to comply with all regulatory requirements of BVI Financial Services Commission.
   - To contribute to the development of the British Virgin Islands as a reputable and well regulated Association by promoting professional standards within the industry.
   - To promote and encourage education, training and high standards of practice within the British Virgin Islands Insurance Service Industry.
   - To promote a support network to all members of the Association; and to establish communication and relationships with other professional Insurance Associations internationally and regionally.
   - To act as a medium of consultation with government, and other similar associations on legislation, regulation and other matters that impact the industry.
   - To organise public education and other public relations activities with the best interests of the insuring public encouraging the ethical conduct of members.

2. Work that the IABVI have already been involved in is:
   - With Money Matters BVI and the DDM in promoting hurricane awareness http://moneymattersbvi.com/Blog/tabid/167/articleType/ArticleView/articleId/35/Preparing-Your-Property-for-the-Hurricane-Season.aspx
   - They have worked with the RVIPF on awareness of what to do in a Road Traffic Collision.
   - They have contributed to Government Employee Training on Insurance
   - They have contributed to the High School Careers Expo