

WEST INDIES

1. Introduction

For the purpose of this report the West Indies shall be taken to mean the islands of the former British West Indies together with two mainland territories of Belize and Guyana.

No attempt was made to investigate the position with respect to the Spanish, French or Dutch speaking islands in the region. For example the French Islands of Martinique and Guadeloupe are still considered part of Metropolitan France and would therefore get their actuarial advice from there. A similar position exists in respect to the Dutch Islands.

*Two retired actuaries now living in Barbados and involved in part-time consulting work.

There are only two firms of consulting actuaries in the region. They both have Offices in Jamaica and Trinidad and service the needs of the other islands from either of these two points.

3. Life Insurance Companies

In the past the Life Insurance Market was dominated by the large Canadian and British Companies. In the past few years a number of the Governments have introduced Insurance Legislation and are actively encouraging the localisation (or regionalisation) of the Industry. This has resulted in an increase in the number of West Indian Companies. At present there are over 30 such Companies in the region. Two of these have full time actuaries on their staff. The others obtain actuarial advice from Consulting Actuaries based either locally or abroad.

4. Insurance Legislation

At the present time there exists Insurance Legislation in the following territories –

Trinidad and Tobago	1966
Antigua	1967
St. Kitts Nevis	1968
St. Lucia	1968
St. Vincent	1970
Barbados	1970
Guyana	1970
Jamaica	1971
Grenada	1973
Belize	1973

2. Actuarial Profession

Actuarial practice in the region tends to follow U.K. practice for two reasons: –

- (i) The islands were all former British Colonies and as such their laws follow closely the British precedents; and
- (ii) All the resident actuaries in the region are British trained (i.e. F.I.A. or F.F.A.)

The number of actuaries resident in the region is still very small only 13 and are distributed as shown below:

Although there is basic similarity in all the legislation for example, only corporations can be registered to do business, they all reserve the right to require Companies to make deposits before they can operate etc., etc., on analysis of the operation of the legislation one finds that the emphasis in their application differs in varying degrees on the investment of the insurance funds in the country and have to date paid little attention to the basis used in the actuarial valuations. Although the Trinidad Act has prescribed that the Supervisor may set a minimum basis for valuations none has been proclaimed.

Jamaica, Barbados, Guyana and Trinidad have all announced a policy of localising the Insurance Industry. Both Jamaica and Barbados have introduced discriminatory Premium taxes for local as compared with foreign companies. Guyana has withdrawn all facilities to non-local companies for salary deduction provision for paying premiums by Government employees. Trinidad has so far been persuading the companies to consider localisation. However, it was announced recently that by January 1978 discriminatory Income Tax provisions will be introduced if the majority of the insurance companies have not established local subsidiaries.

Island	Employed in		Government Service	Total
	Life Insurance	Consulting Practice		
Jamaica	3	3	–	6
Trinidad	1	4	–	5
Barbados	–	2*	–	2
TOTAL	4	9	Nil	13

5. Pension Funds

Other than Trinidad and Tobago, the pension fund legislation tends to follow the pattern and practice in the U.K. which existed 10 years ago and is dictated largely by the Inland Revenue requirements. Like insurance companies the trustees of occupational pension funds are required to invest the funds in the particular island. As there are difficulties in finding suitable securities for investment coupled with the lack of proper Stock Markets there has been the tendency towards Deposit Administration Contracts with Insurance companies. In all such cases the insurance company's actuary is expected to do the actuarial valuations of the plan.

In Trinidad and Tobago, unlike all the other islands, the trustees of all pension plans are required to register their plans with the Supervisor of Insurance in accordance with Part VI of the Insurance Act. In addition the Inland Revenue is charged with the responsibility of approving plans to qualify for income tax relief. As such Pension

Funds are subject to the approval by two authorities; it is therefore not uncommon to find that one authority requests something which the other refuses to approve. Further it is the only island where Provident Fund Plans are not given approval for Income Tax purposes and where full vesting is required after 5 years membership in a plan. The valuation of pension funds forms a very important part of the consulting actuary's work in the region.

6. National Insurance

All the territories have national insurance programmes. The initial actuarial valuation in each case was undertaken by actuaries appointed by the International Labour Organization. However, recently the two larger islands, Trinidad and Jamaica appointed local consulting actuaries to do the actuarial reviews of their programme. If this trend continues this would be another source of increased work for the consulting actuary in the region.