

PORTFOLIO OF FINANCE & ECONOMICS
PUBLIC RELATIONS UNIT



CAYMAN ISLANDS

**REMARKS FROM HON. KENNETH JEFFERSON, FINANCIAL SECRETARY,
AT A SPECIAL RECEPTION HOSTED BY THE CAYMAN ISLANDS
GOVERNMENT DURING THE 43RD RISK & INSURANCE MANAGEMENT
SOCIETY ANNUAL CONFERENCE & EXHIBITION HELD IN PHILADELPHIA**

MONDAY, 18 APRIL 2005

Good evening ladies and gentlemen. On behalf of the Cayman Islands delegation, I extend a warm welcome to you, our distinguished guests and business associates. It certainly is a pleasure to share our Caymanian hospitality with you.

Over the years, the RIMS conference has proven to be an excellent tool for showcasing the Cayman Islands as the ideal domicile for establishing captive insurance companies. Furthermore, the conference provides the opportunity for us to discuss new developments within the insurance sector.

I am pleased to report that the jurisdiction currently oversees more than 700 captives, which collectively write more than 6 billion dollars in premiums. Cayman's expert insurance managers, captive directors and their advisors are factors contributing to the Cayman Islands being the domicile of choice for an increasing number of captive insurance companies.

Other features accounting for the health and growth of Cayman's insurance sector are progressive regulation, a well-developed infrastructure and an extensive network of accounting and legal firms, fund administrators and banking professionals, who all play a key role in Cayman's growing appeal as a captive domicile for some of the world's leading multinational corporations.

Cayman's recognition as a financial centre of integrity continues to escalate. As recent as last month the International Monetary Fund, the IMF, published its findings on the supervision and regulation of financial services in the Cayman Islands. In its report, the IMF stated, "An extensive program of legislative, rule and guideline development has introduced an increasingly effective system of regulation, both formalising earlier practices and introducing enhanced procedures."

The report further stated that “the supervisory system benefits from a well-developed banking infrastructure with an internationally experienced and qualified workforce as well as experienced lawyers, accountants and auditors,” adding that, “the overall compliance culture within Cayman is very strong, including the compliance culture related to anti money-laundering obligations...”

It certainly is rewarding that the findings of the IMF Report demonstrate how well the jurisdiction’s approach to supervision and regulation is working. This approach involves seeking input from the Government, the regulator and the industry in order to ensure the right balance of interests among all parties.

In keeping with the consultative process, the Cayman Islands Monetary Authority and the insurance industry have formed an Insurance Working Group to review and recommend legislative amendments to the Insurance Law and Insurance Regulations. I can assure you that any resulting legislative reforms will aid in bringing Cayman’s regulatory framework closer in line with relevant and appropriate international standards while facilitating business development.

Another example of the spirit of cooperation within Cayman’s captive insurance community is the annual Cayman Captive Forum. For the past two years the Insurance Managers Association of Cayman, in conjunction with the Cayman Islands Chamber of Commerce, the Government and with the support of the Cayman Islands Monetary Authority, has hosted the Forum, which has attracted hundreds of attendees, who have benefited from presentations from the world’s leading attorneys, actuaries and risk management consultants.

The Cayman Captive Forum is certainly one of the most elite events on Cayman’s financial industry’s calendar. Currently preparations are underway for this year’s conference, which will be held December 6th to 8th in Grand Cayman.

We would certainly be delighted to see you there, so please feel free to approach any of our booth representatives who would welcome the opportunity to provide you with the necessary details for attending the conference.

It would be remiss of me to not mention the jurisdiction’s recovery from Hurricane Ivan, which damaged Grand Cayman last September. Despite the extensive damage, most of our financial service providers experienced little to no interruption in business activity as a result of sound business continuity planning.

Although the Islands as a whole continue to face distinct challenges, we are making great strides in restoring Cayman to its pre-Ivan status.

I would like to take this opportunity to thank the financial community, both domestic and abroad, for their commitment to the jurisdiction throughout a very difficult period and their continued support during the ongoing recovery.

As we look to the future, we view a partnership between the Government and our business partners as a significant element in the increasing success of Cayman's insurance industry. We continuously seek avenues to make Cayman the ideal location for international insurance business and we encourage you to bring to us innovative concepts and suggestions that could further enhance our services to you.

Overall, our goal is to build the ideal platform for international business. By working with our financial industry we hope to create and to facilitate the best possible investment environment, and we look forward to working with you in achieving this objective.

I wish you all the best for a successful conference and encourage you to take advantage of the Cayman Islands expertise that is available all week at Booth number 1433.

Please enjoy the rest of your evening.

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